

**Conditions for selling gas from an authorized CGD network (GA-1) to other entity operating in another CGD network (GA-2).**

**General Conditions:-**

1. The sale of gas could only be through compressed natural gas cascades. However, supply through pipeline may be allowed if the GA-1 network has additional capacity beyond its maximum capacity within economic life.
2. The entity which is buying natural gas for CNG shall have authorization from PNGRB either as CGD entity or specific approval for this particular activity.
3. The CGD entity selling gas must ensure that the requirement of his own GA is fully met and in future during the currency of such arrangements no stakeholder in such GA shall suffer for want of gas.
4. In case the authorization of GA-2 (Gas Buyer) is sourcing gas which passes through the network of GA-1 (Gas Seller) such arrangement should be made in a structured agreement to enable the GA-2 entity to meet its obligations towards its customers.

**Specific Obligations on the part of the Gas seller entity (GA-1).**

1. The entity shall ensure that the CNG cascade fully meets the requirements of T4S and Gas Cylinder Rules-1964.
2. To see that the entity buying this gas (GA-2) must sell the gas within the GA operated by that entity, for this suitable undertaking shall have to be furnished by GA-2 entity to the GA-1 entity.
3. The Natural Gas sale and payment terms should be mutually agreed before transporting is resorted to. In case of sale of gas the entity will charge normal transportation, compression charges and marketing

margin as applicable to other consumers within the GA-1. In case the gas belongs to the entity of GA-2 then compression charges and transportation charges should only be levied.

4. Gas purchase quantity and other activities should also be reported in the quarterly report.

**Obligations on part of Buyer entity (GA-2)**

1. The safety of cascades and other installations shall be ensured.
2. The use of gas received through GA-1 shall be disclosed to GA-1 and PNGRB and there shall be no diversion of natural gas.
3. The arrangement between GA-1 & GA-2 entities shall be mutually agreed and PNGRB in no way shall be responsible for any of such provisions.
4. Gas purchase quantity and other activities should also be reported in the quarterly report.