भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड
भारत सरकार का उपक्रम

BHARAT PETROLEUM CORPORATION LTD.
A Govt. of India Enterprise

PNGRB. PBG

25th April 2024

Secretary ,
Petroleum & Natural Gas Regulatory Board,
1st Floor, World Trade Centre, Babar Road,
New Delhi, 10001

Subject: Acceptance of Grant of Authorization

Madam,

We write with reference to the PNGRB letter dated 19th April 2024 for Grant of Authorization to Consortium of Bharat Petroleum Corporation Limited (as Lead Partner) and OIL India Limited for development of City Gas Distribution in the geographical area of Arunachal Pradesh State.

The acceptance of Grant of Authorization in original is enclosed.

Thanking you,

Yours faithfully,

For **Consortium of Bharat Petroleum Corporation Limited (as Lead Partner) and OIL India Limited**

Milind M. Labhane

GM Projects (Gas)

MILIND M. LABHANE
General Manager, Project (Gas)
Bharat Petroleum Corporation Limited
12th Floor, 'F' wing, Maker Towers,
Cuffe Parade, Mumbai - 400 005.

Schedule D

Grant of authorisation for laying, building, operating or expanding CGD network

To
Shri Milind M. Labhane
General Manager Project (GAS),
Consortium of Bharat Petroleum Corporation Limited (as Lead Partner)
And OIL India Limited
E&F Maker Tower, Cuff Parade,
Mumbai- 400005

Subject: Grant of Authorization for laying, building, operating or expanding CGD network in the authorized area of Arunachal Pradesh State under the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008

Sir,

With reference to your application-cum-bid for grant of authorisation for laying, building, operating or expanding the City Gas Distribution (CGD) network in **GA-12.01 Arunachal Pradesh State**, it has been decided to grant you the authorisation subject to the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and the following terms and conditions, namely:-

1. The Authorised Area for laying, building, operating or expanding the proposed CGD Network shall cover the following Charge Areas, as depicted in indicative and not to scale drawing or map,

Sr. No.	State Name	Charge Area Name
1	Arunachal Pradesh	Anjaw and Lohit dsitricts
2		Changlang and Namsai
3		Dibang Valley and Lower Dibang Valley
4		East Kameng and PakkeKessang
5		East Siang and Upper Siang
6		Kamle, Lower Siang and Lepa Rada
7		KraDaadi and KurungKumey districts
8		Tirap and Longding dsitricts
9		Papum Pare and Lower Subansiri
10		SHI YOMI and Siang
11		Tawang and West Kameng
12		Upper Subansiri and West Siang

MILIND M. LABHANE
General Manager, Project (Gas)
Bharat Petroleum Corporation Limited
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Vandana Sharma

वन्दना शर्मा / VANDANA SHARMA
सचिव / Secretary
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Petroleum & Natural Gas Regulatory Board
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2. The activities of laying, building, operating or expansion of the CGD Network shall commence immediately after the issuance of this authorisation.

3. The activities permitted above shall have to be completed as per the work programme mentioned below, namely: -

Serial Number	Description of work	Numbers
1	Number of CNG Stations (Online and Daughter Booster stations) to be installed within 8 contract years from the date of authorisation	26
2	Number of domestic Piped Natural Gas connections to be achieved within 8 contract years from the date of authorisation	19000
3	Inch-km of steel pipeline to be laid within 8 contract years from the date of authorisation	150

The entity shall be required to achieve the year-wise work programme within 8 contract years as per details given below:

PNG Connections (cumulative)		CNG Stations (cumulative)		Inch-km of steel pipeline (cumulative)	
By the end of contract year	% of work program	By the end of contract year	% of work program	By the end of contract year	% of work program
1st	Nil	1st	Nil	1st	5
2nd	10	2nd	15	2nd	20
3rd	20	3rd	30	3rd	40
4th	30	4th	45	4th	60
5th	40	5th	60	5th	70
6th	60	6th	75	6th	80
7th	80	7th	90	7th	90
8th	100	8th	100	8th	100
Note - In case derived numbers are in fraction, the same shall be rounded off to the nearest whole number and 0.5 shall be rounded off to next higher whole number.					

4. Any failure on the part of the entity in complying with the milestones prescribed in the work programme shall lead to consequences as specified under regulation 16.

5. The entity shall design and install an optimal size of the infrastructure in terms of pipelines of various types including steel belting of the authorised area, online compressors of adequate capacity for compressing of natural gas into CNG, allied equipment and facilities in the CGD network depending upon the potential demand for natural gas. The infrastructure in the CGD network should be adequate to maintain uninterrupted flow of natural gas in the pipelines and be also able to maintain supplies at adequate pressure to online CNG stations.

Vandana Sharma.

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6. The entity shall maintain an uninterrupted supply of natural gas to all categories of customers in the CGD network. In the event of any disruption in the supply of natural gas in the CGD Network, first priority shall be accorded to restoration of supplies to domestic PNG customers. In case of disruption of supply to domestic PNG customers for more than twelve hours, the entity shall compensate the domestic customer on the following manner, namely: -

(a) the normative volume of natural gas consumption for the first domestic PNG connection for cooking requirements based on last three months weighted average consumption per day to be applied for each day's disruption and multiplied by ten;

(b) normative value of natural gas consumption shall be based on last three months' weighted average billing price of natural gas for supplies to the first domestic PNG connection for cooking requirements; and

(c) the value of compensation shall be equal to normative volume of natural gas consumption as per clause (a) above multiplied by normative value as per clause (b) and shall be adjusted by allowing a credit to the domestic PNG Customer in the next billing cycle or in the next pre-paid smart card in case of smart card metering.

In case the disruption of supplies is attributed to any fault of the domestic PNG customer, no compensation shall be payable by the entity.

7. The entity is allowed an exclusivity period under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, in respect of the following, namely:

(a) **300** months from the date of issue of this communication for laying, building and expansion of the CGD network; and

(b) **96** months from the date of issue of this communication in terms of an exemption from the purview of common carrier or contract carrier for the CGD network:

Provided that the entity meets the obligations in line with the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008:

Provided further that the period of exclusivity allowed under sub-clause (a) or sub-clause (b) may be terminated before the expiry of the period mentioned above in line with the provisions under Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008.

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8. The authorised entity shall be required to take prior approval from the Board for creation of any lien, charge or hypothecation of the CGD network to secure finances for the project and furnish details of utilisation of funds. And, in case of raising funds from any financial institution or bank, the entity will be required to only inform the Board of the sanction of the funds within a period of seven days.

9. The entity shall submit a detailed and clear financial closure report to the Board within a period of two hundred and seventy days from the date of authorisation issued by the Board under regulation 10.

10. The entity shall publish on its website the transportation rate for CGD and transportation rate for CNG in the authorised area as per the following table namely: -

Serial Number	Description	Rate
1	Transportation rate for CGD - in rupees per million British Thermal Unit (Rs./MMBTU) for the first contract year	**30**
2	Transportation rate for CNG - in rupees per kilogram (Rs. /kg) for the first contract year	**2**
Note - Annual escalation shall be considered from the second contract year and onwards based on the "Wholesale Price Index (WPI) Data (2011-12 = 100)" for "All Group / Commodity", as normally available on the website of the Office of the Economic Adviser, Government of India, Ministry of Commerce and Industry, Department of Industrial Policy and Promotion (DIPP) on the link "http://eaindustry.nic.in/home.asp."		

11. The entity shall publish the applicable retail selling price of PNG for all categories of customers and also for the purpose of invoicing in Rs. / MMBTU.

12. The entity shall publish and display the retail selling price of natural gas for the purpose of invoicing to CNG customers in Rs. / Kg at all natural gas dispensing stations.

13. The furnishing of performance bond of Rs. **250** Million is a guarantee for timely commissioning of the project as per the prescribed work programme in the bid and for meeting the service obligations during the operating phase of the project.

14. The entity shall comply with the applicable provisions under the Petroleum and Natural Gas Regulatory Board (Authorising Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008, the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, relevant regulations for technical standards and specifications, including safety standards, any other regulations as may be applicable and the provisions of the Act.

15. In case the authorisation of the entity is terminated, the Board may assign the rights and obligations of the entity to any agency or another entity on such terms and conditions,

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as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the CGD network at the same level till another agency or entity appointed by the Board takes over the full control of the CGD network.

16. The entity shall comply with any other term or condition which may be notified by the Board in public interest from time to time.

You are requested to confirm your acceptance by filling-in the acceptance of the grant of authorisation provided below and return the same in original.

Yours faithfully

Dated: 19-04-2024

Vandana Sharma.

Name and Designation of Officer
On behalf of the PNGRB

Official Seal

वन्दना शर्मा / VANDANA SHARMA
सचिव / Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
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Acceptance of the Grant of Authorisation

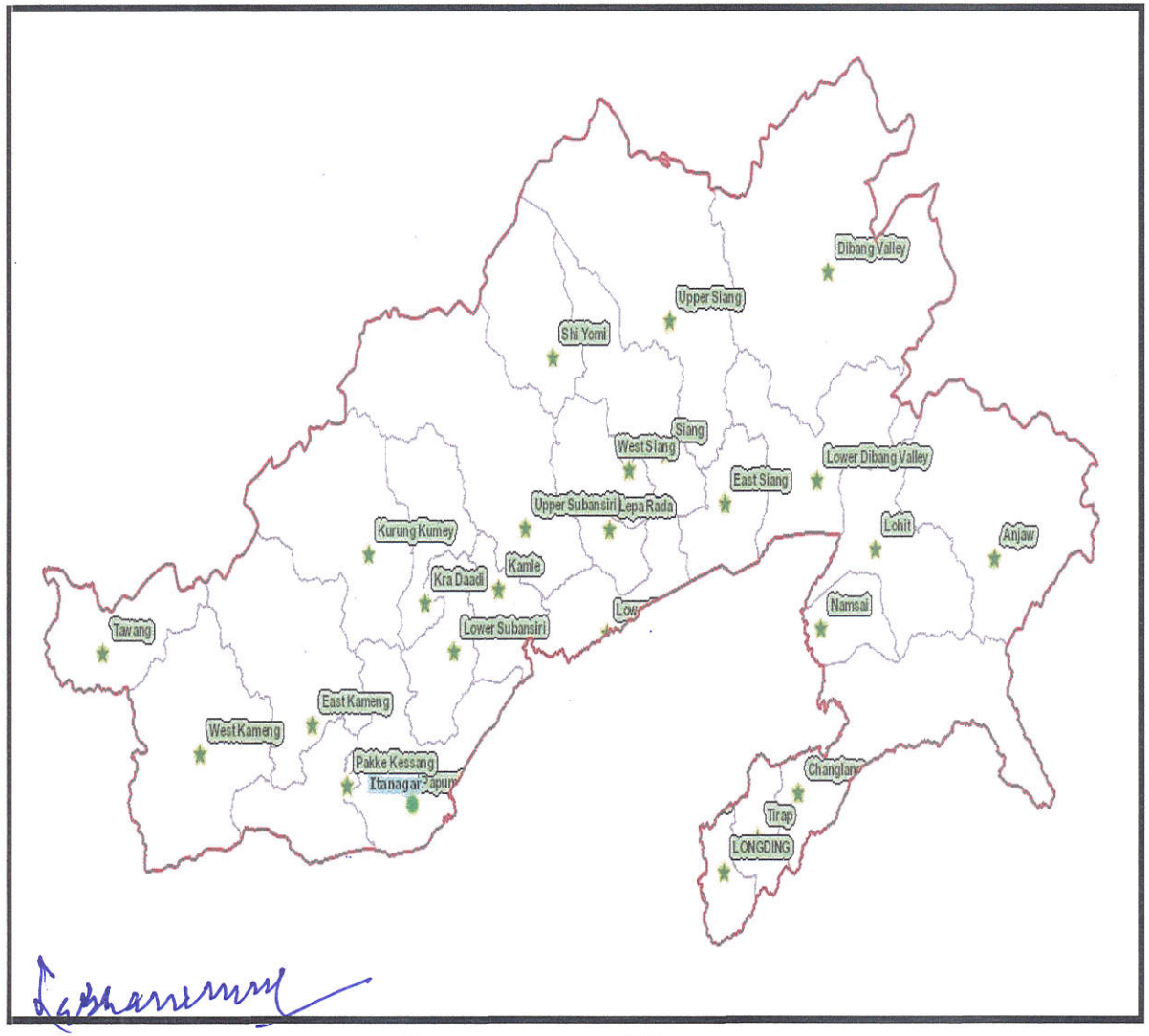
I / We hereby accept the grant of authorisation issued by the PNGRB vide letter ref. PNGRB/Auth/CGD(06)/2023/12.01 dated 19.04.2024 and agree to comply with all the terms and conditions subject to which I/ We have been granted the authorisation for laying, building, operating or expanding city or local natural gas distribution network in the authorised area of **GA-12.01 (Arunachal Pradesh State)**.

Date: 25.04.2024

Place: MUMBAI

Signature of the Entity or Authorised Signatory
Name and Official Seal

MILIND M. LABHANE
General Manager, Project (Gas)
Bharat Petroleum Corporation Limited
12th Floor, 'F' wing, Maker Towers,
Cuffe Parade, Mumbai - 400 005.



BID No. PNGRB/Auth/CGD(06)/2023/12.01

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड
Petroleum and Natural Gas Regulatory Board

GEOGRAPHICAL AREA: 12.01
ARUNACHAL PRADESH STATE
No. of Charge Areas: 12

Charge Area No.	Charge Area
1	Anjaw and Lohit dsitricts
2	Changlang and Namsai
3	Dibang Valley and Lower Dibang Valley
4	East Kameng and PakkeKessang
5	East Siang and Upper Siang
6	Kamle, Lower Siang and Lepa Rada
7	KraDaadi and KurungKumey districts
8	Tirap and Longding dsitricts
9	Papum Pare and Lower Subansiri
10	SHI YOMI and Siang
11	Tawang and West Kameng
12	Upper Subansiri and West Siang

Remarks:

1. **Map is indicative, non GIS and not to scale**
2. **https://stategisportal.nic.in/stategisportal/Home/Map/12**

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