पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड
Petroleum and Natural Gas Regulatory Board
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली - 110001
1st Floor, World Trade Centre, Babar Road, New Delhi – 110001

No. Infra/PL/Exis/17/Cauvery-Basin/GAIL/01/14 09.01.2014

To
Chairman & Managing Director,
M/s GAIL (India) Limited,
16, Bhikaji Cama Place,
R. K. Puram, New Delhi - 110066

Subject: Final Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Cauvery Basin Natural Gas Pipeline Network as common carrier pipeline network under Regulation 17(1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

Sir,

With reference to the provisional terms and conditions for acceptance of Central Government authorization for laying, building, operating or expanding Cauvery Basin natural gas pipeline network as common carrier pipeline network issued vide letter No. Infra/PL/Exis/17/Cauvery-REG/GAIL/01/09 dated 04.11.2009 and the subsequent communications in this regard, the Petroleum and Natural Gas Regulatory Board finally accepts the information submitted by you under Regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008. Further on the basis of the submissions made, the following terms and conditions have been finalised by the Petroleum and Natural Gas Regulatory Board which shall be applicable during the operative phase of the said common carrier pipeline system:

1. Technical Details of Cauvery Basin Natural Gas Pipeline Network:

(A) Narimanam-Kuthalam Sub-network:

The provisional system capacity of Narimanam-Kuthalam sub-network of length approx. 230.67 KM and diameter ranging from 2 inches to 18 inches

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is equal to 2.0 MMSCMD* as indicated by GAIL (section-wise details are enclosed as Annex-A). The provisional common carrier capacity would thus be at least 0.5 MMSCMD*.

(B) Ramnad Sub-network:

The provisional system capacity of Ramnad sub-network of length approx. 9.62 KM and diameter ranging from 6 inches to 12 inches is equal to 2.33 MMSCMD* as indicated by GAIL (section-wise details are enclosed as Annex-B). The provisional common carrier capacity would thus be at least 0.58 MMSCMD*.

*- This capacity is accepted as provisional and the final capacity shall be determined as per the PNGRB(Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010.

2. As indicated by GAIL, Narimanam-Kuthalam sub-network was commissioned in year 1990-91, the economic life of which shall be ending in year 2015. Considering the submissions made by GAIL, the economic life of Narimanam-Kuthalam sub-network has been extended by a block of ten years up to 31.03.2025.

3. As GAIL has not included the 12"/0.585 KM ONGCL-Nallur pipeline in the list of common carrier pipelines in their submissions dated 23.05.2011 and 29.05.2013, the same has been deleted from the list of common carrier pipelines accepted by PNGRB in the provisional T&C letter dated 04.11.2009.

4. The authorized entity shall be required to take prior approval from the Board for creation of any lien or charge or hypothecation on the assets of the pipeline to secure finances for the project and furnish details of utilization of funds. However, 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.

5. The entity shall publish on its website the approved tariffs and other details as required under various regulations for the natural gas pipeline.

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6. In case the authorization of the entity is suspended or terminated, the Board may assign the rights and obligations to operate the pipeline to any agency or another entity on such terms and conditions, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the natural gas pipeline at the same level till another agency or entity appointed by the Board takes over the full control of the natural gas pipeline.

7. The entity shall comply with the provisions under-
   a. the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008;
   b. the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008;
   c. the Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009
   d. the Petroleum and Natural Gas Regulatory Board(Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines), Regulations, 2009;
   e. the Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008;
   f. the Petroleum and Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities Engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008;
   g. the Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010
   h. the PNGRB Act, 2006 and any other Regulations notified or guidelines issued by the Board from time to time, as may be applicable.

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

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9. You are requested to confirm your acceptance in the space provided below and return the same in original.

Yours faithfully,

Date: 09.01.2014

(K. Rajeswara Rao)
OSD (R)

Official Seal
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Copy to:

Joint Secretary (M)
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi-110001

Acceptance of Terms and Conditions

I / We hereby agree to the terms and conditions issued by the Board vide letter Ref. <_____> dated <_____> and agree to comply with the same subject to which I / We have been issued acceptance letter for laying, building, operating or expanding natural gas pipeline along the route from the originating station <_____> in the State or the Union Territory of <_____> to the terminating station <_____> in the State or the Union Territory of <_____>.

Date:
Place:

Signature of the Entity or Authorized Signatory
Name and Official Seal

ANNEX-A

CAUVERY BASIN NATURAL GAS PIPELINE NETWORK

S/N	NAME OF THE P/L	LENGTH (KM)	DIAMETER (INCHES)	System Capacity* (MMSCMD)
	NARIMANAM - KUTHALAM SUB-NETWORK:			
1	NRM GCS-ISRM CONSUMERS	4	4	
2	NRM GCS – TNEB	2.5	4	
3	NRM GCS – HENKEL SPIC	11.2	6	
4	KSCL TO – PONDI CHEM	0.5	4	
5	SV1, MARIKANCHAVADI – KSCL	4	4	
6	HENKEL SPIC – H&R JOHNSON	2.8	4	
7	AKM GCS – CPCL	19.2	8	
8	AKM ONGCL GGS –GAIL GCS (O2 NOS.)	0.32	4	
9	CPCL – NRM GCS	4.5	6	
10	NRM GCS – CPCL	4.5	6	
11	ISRM TO – CHOLA PIPES	0.6	4	
12	KSCL TO – MEENAKSHI SILICATE	0.6	4	
13	TVR EPS – NARIMANAM	6	6	
14	NLM-KMP GCS	9.4	6	
15	KMP GCS – AKM GCS	9	6	
16	CPCL – PPCL	4.78	6	
17	KMP GCS – NRM SILICATE	0.09	4	
18	NRM SILICATE TO – RAGHAVENDRA	0.18	4	
19	KMP GCS -TNCSC	4.7	3	
20	HENKEL SPIC – BOSS PROFILES	1.2	4	
21	HENKEL SPIC – REGMA CERAMICS	1.09	4	
22	HENKEL SPIC – SRCM	6.21	4	
23	KMP GCS – DIAMOND SILICATE	0.49	4	
24	SV1, MARIKANCHAVADI – HENKEL SPIC	8.36	6	
25	AKM – CPCL P/L TO – SOUTH INDIA	0.02	4	
26	NRM GCS – MMS STEEL & POWER	1.7	4	
27	SRCM P/L TO – MURUDESHWAR	0.06	6	2.00
28	H&R JOHNSON – GODREJ SARA LEE (T)	0.97	4	
29	BOSS PROFILES P/L TO – ADITYA FERRO	0.38	4	
30	KMP GCS – SOUTHERN REFRACTORIES	0.1	2	
31	KSCL P/L TO – KAMAKSHI CHEMICALS	1.44	3	
32	PPCL – VANJORE SILICATES	1.08	2	
33	HENKEL SPIC – VAIGAI INDUSTRIES	6.2	6	
34	VAIGAI IND – KARAIKKAL CHLORATES	2.3	4	
35	SRCM – GODREJ SARA LEE (N) MDPE	3.6	4	
36	CPCL – CHEMPLAST SANMAR	5	6	
37	NRM GCS – SV1, MARIKANCHAVADI	2.78	12	
38	SPIC – VAIGAI P/L TO – MURUDESWAR	1.24	4	
39	AKM ONGCL GGS – GAIL GCS	0.18	12	
40	TVR EPS – NRM – KUT I/C PIPELINE TO	0.25	8	
41	NRM – KUT I/C PIPELINE TO – NRM GCS	0.46	8	
42	AKM – THIRUMARUGAL-SV	23.5	12	
43	SIEO TO NARIMANAM UNIT - II	0.1	4	
44	AKM ONGCL to SIEO LP	1.05	6	
45	ONGC GCS – KUTHALAM GCS	1.8	18	
46	KUT GCS – PPN POWER PLANT	29.4	18	
47	KUT GCS – TNEB	5.2	12	
48	KUT TNEB – OPG ENERGY	1.2	6	
49	KUT ONGCL – ABAN POWER	8.05	12	
50	KUT TNEB – SAHELI EXPORTS	3.5	4	
51	KUT TNEB – KAVERI GAS POWER	0.13	6	
52	THIRUMARUGAL SV – MEMATHUR	22.76	12	
	TOTAL	**230.67**		

*- This capacity is accepted as provisional and the final capacity shall be determined as per the PNGRB(Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010.

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ANNEX-B

CAUVERY BASIN NATURAL GAS PIPELINE NETWORK

S/N	NAME OF THE P/L	LENGTH (KM)	DIAMETER (INCHES)	System Capacity* (MMSCMD)
	RAMNAD SUB-NETWORK:			
1	ONGCL GCS – RAMNAD GCS	0.1	12	2.33
2	RAMNAD GCS -TNEB RAMNAD	2.5	12	
3	RMD TNEB – COROMANDEL ELEC. POWER	0.38	6	
4	RMD GCS – ARKAY ENERGY PH-I	0.27	8	
5	ARKAY ENERGY PH I – PH –II	0.22	8	
6	RMD GAIL DESPATCH -SRPCL	6.15	8	
	TOTAL	9.62		

*- This capacity is accepted as provisional and the final capacity shall be determined as per the PNGRB(Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010.

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