PETROLEUM AND NATURAL GAS REGULATORY BOARD
*1st Floor, World trade Centre, Barakhamba Road, Babar Lane, New Delhi*
*Tel No:* 011- 23457700/23457744/23457751

No. Infra/PL/Exis/17/HVJ-GREP-DVPL/GAIL/01/10 Dated: 19.04.2010

To
The Chairman,
M/s GAIL(India) Limited,
16, Bhikaji Gama Place,
R K Puram, New Delhi - 110066

Subject: **Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Hazira-Vijaipur-Jagdishpur-GREP-Dahej-Vijaipur (HVJ-GREP-DVPL)natural gas Pipeline system 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.**

References:

(i) Your application dated 26.11.08 seeking acceptance of Central Government authorization for HVJ-GREP pipeline system vide Letter no. GAIL/ND/RC/PNGRB/17
(ii) Your application dated 26.11.08 seeking acceptance of Central Government authorization for DVPL pipeline system vide Letter no. GAIL/ND/RC/PNGRB/17

---

Sir,

This is in response to your applications dated 26th November 2008 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding the following natural gas pipelines:

a) Hazira-Vijaipur-Jagdishpur-GREP and
b) Dahej-Vijaipur (DVPL)

2. To substantiate your claim for authorization from the Central Government for the said pipeline projects, you had furnished documents like authorization letter from Central Government, copy of relevant pages of annual reports of the MoPNG, copy of Annual Plan for the sector and relevant extracts of Board meetings of GAIL. The completion dates as mentioned by GAIL in the above referred applications are May 1989 for HVJ, December 1997 for GREP & March 2007 for DVPL respectively. Considering your submissions, the Petroleum and Natural gas Regulatory Board accepts provisionally 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. This shall be confirmed whenever the Performance Bank Guarantee as detailed in this letter is furnished by GAIL. 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 pipeline systems.

रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेन्टर
1st Floor, World Trade Centre,
बाबर रोड, नई दिल्ली – 110001
Babar Road, New Delhi - 110001

3. Natural Gas Pipeline System (Total Combined Capacity of 57.3 MMSCMD)

Part-(A): **Hazira-Vijaipur-Jagdishpur-GREP (including spur lines connected to HVJ-GREP line)**

The capacity of Hazira-Vijaipur-Jagdishpur-GREP (including spur lines connected to HVJ-GREP line) natural gas pipeline sub-system, length 3452 kms, diameter ranging from 36 inches to 1 inch, is equal to 33.4 MMSCMD* as indicated by GAIL. Based on your request vide letter no. GAIL/ND/RC/PNGRB/56/237 dated 10.07.09; the Board has decided to declare the HVJ natural gas pipeline system as common carrier with common carrier capacity taken as zero with effect from the date of the notification of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas pipelines) Regulations, 2008.

Part-(B): **Dahej-Vijaipur pipeline (DVPL) (including spur lines connected to DVPL)**

The capacity of Dahej-Vijaipur (including spur lines of DVPL) natural gas pipeline system, length 770 kms, diameter ranging from 42 inches to 4 inches, is equal to 23.9 MMSCMD* as indicated by GAIL. Based on your request vide letter nos. GAIL/ND/RC/PNGRB/46/1483 dated 08.06.09 & GAIL/ND/RC./PNGRB/61/371 dated 23.07.09; the Board has decided to declare the DVPL natural gas pipeline system as common carrier with common carrier capacity taken as zero with effect from the date of the notification of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas pipelines) Regulations, 2008.

**Note: (*- This capacity is accepted as provisional and the final capacity shall be determined as per the regulation on capacity determination for natural gas pipeline as notified by the Board).**

4. As per the submission made by M/s GAIL, it is noted that the common carrier capacity in both the above sub-systems of the pipeline system is 0 (zero) MMSCMD as of today. However, as per the provisions specified in clause *(j)* of sub-regulation *(6)* of Regulation 5 of the said Regulations, in case any firm contract expires in future, the available capacity thereby created shall be converted to common carrier with a ceiling of 33%. Thus, the capacity getting spare with the firm contracts expiring in future shall be available for use on common carrier basis by any third party on open access and non-discriminatory basis.

5. Your attention is also drawn to the provisions contained in the PNGRB (Guiding Principles for Declaring or Authorizing Natural Gas Pipeline as Common Carrier or Contract Carrier) Regulations, 2009 to create common carrier capacity as and when required.

6. HVJ-GREP-DVPL being one pipeline system and the commissioning date of HVJ is August 1987, the economic life of which is ending in year 2012 is extended for another 10 years up to 2022 as per the proviso 2(1)(e) of the said Regulations.

रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड-ट्रेड सेन्टर
1st Floor, World Trade Centre,
बाबर रोड़, नई दिल्ली – 110001
Babar Road, New Delhi - 110001

7. 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.

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

9. The entity shall furnish a performance bank guarantee of 1 percent of the project capitalized cost rounded off the nearest lakh rupees or Rs. 20 crores, whichever is less, as a guarantee for meeting the quality of service obligations and requirements of PNGRB during operating phase of the project. The entity shall abide by the service obligations specified under relevant regulations.

10. In case the authorization of the entity is terminated, the Board may assign the rights and obligations 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.

11. 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 PNGRB Act and any other regulations notified by the Board from time to time , as may be applicable.

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

रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेन्टर
1st Floor, World Trade Centre,
बाबर रोड, नई दिल्ली – 110001
Babar Road, New Delhi - 110001

11. You are requested to confirm your acceptance in the space provided below and return the same in original. The formal letter of acceptance to authorisation by the Central Government shall be issued after receipt of Performance Bank Guarantee as indicated above.

Yours Faithfully,

Dated: 19.4.10

Ratan Watal

Secretary, PNGRB

Official Seal

रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेन्टर
1st Floor, World Trade Centre,
बाबर रोड़, नई दिल्ली – 110001
Babar Road, New Delhi - 110001

**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

T&C

# GAIL NATURAL GAS PIPELINES-HVJ+GREP+DVPL

REGION : HVJ & GREP

| SN | NAME OF P/L | LENGTH ( KM ) | DIA (INCHES) | CLASS OF PIPELINE | COMPRESSORS | DESIGN CAP IN MMSCMD | COMMISIONED ON |
|---|---|---|---|---|---|---|---|
| 1 | HAZIRA-KAWAS | 7.50 | 12" | 600 | Hazira,Vaghodia,Jhabua,Khera,Vijaipur and Auraiya | 33.4MMSCMD | HVJ(8/87-5/89) GREP(31.12.97) |
| 2 | VEMMAR - JHANORE | 25.00 | 18" | 600 | | | |
| 3 | JHANORE-GANDHAR | 36.00 | 12" | 600 | | | |
| 4 | HAZIRA-VAGHODIA | 149.33 | 36" | 600 | | | |
| 5 | VAGHODIA-IPCL | 32.36 | 18" | 600 | | | |
| 6 | VAGHODIA (IP2) - VAGHODIA | 6.00 | 36" | 600 | | | |
| 7 | IPCL- GIPCL | 5.00 | 8" | 600 | | | |
| 8 | VAGHODIA-JHABUA | 150.52 | 36" | 600 | | | |
| 9 | JHABUA-BIJAIPUR | 342.08 | 36" | 600 | | | |
| 10 | VIJAIPUR-VIJAIPUR TML. | 3.65 | 18" | 600 | | | |
| 11 | VIJAIPUR-BORERI | 110.00 | 18" | 600 | | | |
| 12 | BORERI-ANTA | 14.50 | 12" | 600 | | | |
| 13 | BORERI-GADEPAN | 29.40 | 18" | 600 | | | |
| 14 | GADEPAN-SAMCOR | 26.00 | 4" | 600 | | | |
| 15 | VIJAIPUR-AURAIYA | 352.14 | 30" | 600 | | | |
| 16 | AURAIYA-NTPC | 2.08 | 12" | 600 | | | |
| 17 | AURAIYA-AONLA | 233.08 | 24" | 600 | | | |
| 18 | AONLA-BABRALA | 82.08 | 24" | 600 | | | |
| 19 | AURAIYA- JAGDISHPUR | 217.82 | 18" | 600 | | | |
| 20 | BABRALA-DADRI | 105.00 | 24" | 600 | | | |
| 21 | BIJAIPUR-DADRI (GREP) | 505.00 | 36" | 600 | | | |
| 22 | DADRI-SIKAN'BAD | 18.20 | 4" | 300 | | | |
| 23 | DADRI-DESU | 47.00 | 18" | 300 | | | |
| 24 | DESU-BAHADURGARH | 59.00 | 8"/4" | 300 | | | |
| 25 | DESU-SONEPAT | 19.00 | 8"/4" | 300 | | | |
| 26 | CHAINSA-GURGAON | 60.00 | 16" | 600 | | | |
| 27 | DESU-MARUTI | 34.00 | 12" | 300 | | | |
| 28 | KURIKHERA - CNG - SAMTEL | 9.60 | 6"/4" | 300 | | | |
| 29 | NOIDA - SAHIBABAD | 19.20 | 6"/4" | 300 | | | |
| 30 | CNG - GHAZIABAD | 9.80 | 6"/4" | 300 | | | |
| 31 | SV9-MATHURA | 14.00 | 14" | 600 | | | |
| 32 | BAJERA-AGRA SPURLINE | 52.70 | 10" | 600 | | | |
| 33 | CHAINSA-NTPC,FARIDABAD | 13.50 | 14" | 600 | | | |
| 34 | KANPUR CITY GAS ( Sachendi-Fazalgunj spur line) | 18.24 | 8" | 600 | | | |
| 35 | LUCKNOW CITY GAS(Maurawan-Amausi spur line) | 37.37 | 8" | 600 | | | |
| 36 | AGRA-FIROZABAD SPURLINE(Tapping from GREP) | 34.20 | 10" | 600 | | | |
| 37 | AGRA-FIROZABAD SPURLINE(Tapping from GREP) | 34.95 | 8" | 600 | | | |
| 38 | KAILARAS-MALANPUR P/L | 72.00 | 12" | 600 | | | 27th July 2006 |
| | Malanpur to down stream consumers | 15.00 | 4"/6" | 600 | | | 27th July 2006 |
| 39 | VIJAIPUR -KOTA P/L | 140.00 | 18" | 600 | | | 13th Jan 2007 |
| 40 | GADEPAN-SAMCOR(Nava nora) | 31.40 | 16" | 600 | | | 31st Dec 2006 |
| 41 | SAMCORE(Nava nora) - SHRIRAM FERTILIZER | 8.00 | 8" | 600 | | | 31st Dec 2006 |
| 42 | AGRA CITY NETWORK | 47.50 | 1" to 8" | 600 | | | |
| 43 | FIROZABAD CITY NETWORK | 53.60 | 2" to 8" | 600 | | | |
| 44 | THULANDI-PHULPUR P/L | 139.60 | 18" | 600 | | | |
| 45 | IBRAHIMPUR-DHOLPUR | 30.00 | 10" | 600 | | | |
| | TOTAL | 3452.41 | | | | | |

रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेन्टर
1st Floor, World Trade Centre,

Annex-I

DAHEJ VIJAIPUR PIPE LINE

| SN | NAME OF P/L | LENGTH (KM.) | DIA (INCHES) | CLASS OF P/L | COMPRESSORS | DESIGN CAPACITY | COMMISIONED ON |
|---|---|---|---|---|---|---|---|
| 1 | DVPL | 611.70 | 42" | 600 | Vaghodia,Jhabua, Khera & Vijaipur | 23.9 MMSCMD | 31.03.04 |
| 2 | JIPPL (JAGOTI-DEWAS-INDORE-PITHAMPUR) | | | | | | 24.03.07 |
| | MAIN LINE | 90.75 | 16" | 600 | | | |
| | DEWAS SPUR LINE | 19.60 | 12" | 600 | | | |
| | INDORE SPUR LINE | 5.70 | 10" | 600 | | | |
| | PITHAMPUR SPUR LINE | 11.11 | 12" | 600 | | | |
| | | 31.20 | 4" | | | | |
| | | | | | | | |
| | TOTAL | 770 | | | | | |

रतन पी. वाटल/RATAN P. WATAL
सचिव/Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेन्टर
1st Floor, World Trade Centre,
बाबर रोड़, नई दिल्ली – 110001
Babar Road, New Delhi