



**पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड**  
**Petroleum and Natural Gas Regulatory Board**  
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली 110001  
1<sup>st</sup> Floor, World Trade Centre, Babar Road, New Delhi – 110001  
फैक्स नं / Fax No. 91 11 23709151; E-mail contact@pngrb.gov.in

No:- Infra/PL/Monitoring/MBBVPL/05

21<sup>st</sup> June 2019

To

**Shri N. Bose Babu, Chief Executive Officer**  
**GSPL India Transco Limited**  
**GSPL Bhawan, South Wing,**  
**Plot No. E-18, GIDC Electronic Estate,**  
**Nr. K-7 Circle, Sector-26**  
**Gandhinagar-382028**

**Subject: Implementation of Mallavaram-Bhopal-Bhilwara-Vijaipur Natural Gas Pipeline (MBBVPL)**

References:

1. GITL's Letter No. GITL/COMM/2017/11, dated 29.05.2017
2. GITL's Letter No. GITL/COMM/2017/16, dated 17.06.2017
3. GITL's Letter No. GITL/COMM/2017/23, dated 10.08.2017
4. GITL's Letter No. GITL/COMM/2018/04, dated 05.02.2018
5. GITL's Letter No. GITL/COMM, dated 25.04.2019

Sir,

This has reference to the above-mentioned letters and subsequent discussions held during various project review meetings on the above subject including the meetings at NITI Aayog and MoP&NG.

In this regard, I am directed to inform that the Board has deliberated all the above issues and decided the following:

1. GITL has been granted an initial time extension for completion of MBBVPL project till March 2020, subject to quarterly reviews of the project at promoters' level. GITL shall provide agenda papers and minutes of such review to PNRB. PNRB shall also review GITL's progress on quarterly basis with GITL's Director and submit a report to the Board.

2. Further extension from March 2020 to September 2020, as requested by GITL shall be considered upon detailed project progress review by PNGRB with GITL in March 2020, subject to:
  - a. Physical laying of minimum 20% of pipeline length of the balance pipeline (other than the 18" x 363 km pipeline from RGTL/MBBVPL crossing point to RFCL's fertilizer plant), and
  - b. Receipt of 50% line pipe and award of EPC contract of entire MBBVPL for the configuration, as defined in the terms & conditions of authorization.
3. However, if the progress is not achieved as per the implementation schedule till March 2020, then GITL would not be given further time extension and the process would be initiated to levy penalty and/ or terminate the authorization of either:
  - a) Entire MBBVPL, or
  - b) Balance pipeline, other than the Ramagundam section by following the procedure under PNGRB Act and applicable regulations.
4. As regards, GITL's application for laying of 29 km long dedicated pipeline from Tap-off Point located at Intermediate Pigging Station-03 (IPS-03) of MBBVPL to Ramagundam Fertilizer and Chemical Ltd. (RFCL), the Board disposed off the said application on the basis of the fact that if the same is accepted as dedicated pipeline, the consumer will lose flexibility to source gas from a common carrier, other customers (like CGD entity) will not get gas from this pipeline. Further, as per the provision given in regulation 21 (3) and 2(1)(h) of Authorization Regulations, the Natural Gas Pipeline Tariff for transport of natural gas (a common carrier) from the same source shall be uniform for all the customers located within the tariff zone. Therefore, in terms of the provisions of Regulation 21 (3), pipeline of 29 km length will be treated as part of common carrier.
5. Since, GITL has not laid the pipeline in accordance with the authorization granted to them, therefore the Board has decided following methodology on the issue of levy of compression charges from RFCL:

“Both shipper and transporter should simulate the flow considering 42” diameter pipeline as per the original conditions of authorization with actual entry point pressure at Kunchanapalli (without considering compressors) and find out the delivery pressure at Ramagundam. If the specific deliverable pressure as defined in the contract is achieved at Ramagundam in the above simulation then compression charge will not be applicable. However, if the shipper doesn’t get the specific delivery pressure with respect to actual available entry pressure at Kunchanapalli, then transporter may levy the compression charges.”

6. Further, the Board has decided that GITL is allowed to transport the gas and charge tariff of this section up to Ramagundam, as per pipeline authorization letter, provisionally “on an account basis” subject to the condition that entity gives an undertaking that they will lay loop line to achieve the authorized capacity based on the gas demand along the route of the authorized pipeline in future. However, acceptance for the deviation in laying lesser diameter pipeline and its effective tariff will be decided after final decision on the configuration of MBBVPL.
7. The laying of 18” x 363 km pipeline without PNGRB’s permission violates the terms and conditions subject to which authorization was granted. Therefore, the Board reserves the right to initiate action under relevant provisions of the PNGRB Act and Regulations framed thereunder for contravention of directions given by the Board.
8. The Board also decided to waive off the condition for submission of the written undertaking by GSPL imposed by the Board vide letter No. Infra/PL/MISCEL/MBBVPL//01/2014, dated 15.09.2014 while transfer of authorization in the name of GITL.
9. The receipt of this letter may please be acknowledged.

**Yours faithfully,**

*Vandana Sharma*  
**Vandana Sharma**  
**Secretary**