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/DVPL-GREP-UPGR/GAIL/01/10 Dated: 14.02.2011

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

Subject: **Provisional Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Dahej-Vijaipur(DVPL)-Vijaipur-Dadri (GREP) capacity augmentation 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 01.06.2010 seeking acceptance of Central Government authorization for DVPL-GREP capacity augmentation vide Letter no. GAIL/ND/RC./PNGRB/158.
(ii) Provisional acceptance of Central Government authorization issued by PNGRB for HVJ-GREP-DVPL vide letter no. Infra/PL/Exis/17/HVJ-GREP-DVPL/GAIL/01/10 dated 19.04.2010.
(iii) Your letter no. GAIL/ND/RC./PNGRB/165 dated 28.06.2010 submitting Performance Bond.
(iv) 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.
(v) 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 01.06.2010 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding Dahej-Vijaipur(DVPL)-Vijaipur-Dadri(GREP)capacity augmentation.

2. To substantiate your claim for authorization from the Central Government for the existing HVJ-GREP-DVPL 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. As indicated by you, the up-gradation project has been taken as an integral part of HVJ-GREP-DVPL. Copy of 6(1) notification issued by MOP&NG on 11.12.2009 as per PMP Act, 1962 along with approvals from PESO has been furnished by you. 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 along with the issuance of final

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acceptance of Central Government authorization for existing HVJ-GREP-DVPL. 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.

3. **Natural Gas Pipeline System (Total System Capacity of 54.0* MMSCMD)**

Dahej-Vijaipur(DVPL)-Vijaipur-Dadri(GREP)capacity augmentation

The capacity of DVPL-GREP up-gradation system (details at Annex-1), with the length of 1280 kms, 48"-12" diameter, is equal to 54.0 MMSCMD* as indicated by GAIL.

➔ As the total system capacity for DVPL-GREP capacity augmentation is 54.0 MMSCMD*, the Board has decided to declare the DVPL-GREP up-gradation system as common carrier with common carrier capacity of 13.5 MMSCMD* in line with the provisions 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. 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.

5. The entity shall complete the activities of laying, building, or expansion activities of natural gas pipeline and commission the natural gas pipeline project by March-2012. Any failure on the part of entity to comply with the targets prescribed in the time schedule shall lead to consequence as per relevant provisions of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations 2008

6. 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.

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

8. Performance bond submitted by GAIL shall be applicable 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.

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9. 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.

10. 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.

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

12. 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: 14/02/11

Ratan P Watal

Secretary, PNGRB

रतन पी. वाटल RATAN P. WATAL
सचिव Secretary
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

ANNEXURE-1

DETAILS OF DVPL-GREP CAPACITY AUGMENTATION

ITEMS	DETAILS
PROJECT DETAILS	**Loop-lines in the existing DVPL with:** (i) **Laying 48" loop-line in the same RoW of DVPL for 610 Kms** in Phase-2(2011-12) with additional compressor at Jhabua. (ii) Spur-line from Kota to Chittorgarh (16"/125 Kms & 12"/40 Kms) (iii) Installation of 20 MW compressors at Jhabua in existing DVPL (2+1 mode) in Phase-1(2009-10) **Parallel pipeline to existing GREP with:** (i) **Laying 48" parallel pipeline in the same RoW of GREP for 505 Kms** in Phase-1 with installation of compressors at Vijaipur for both new GREP line (2+1 mode) and old GREP line (1 no.). (ii) Installation of 20 MW compressors at Kailaras (2+1 mode) and Chhainsa (1+1 mode).
DESIGN CAPACITY	Over all system capacity of HVJ-GREP-DVPL after capacity augmentation is likely to be 111.3 MMSCMD. The system capacity for DVPL-GREP up-gradation is 54 MMSCMD.
COMPRESSOR STATIONS	JHABUA, VIJAIPUR, KAILARAS &CHHAINSA
DIAMETER OF PIPELINE	48"
CLASS OF PIPELINE	600

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