



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

Ref: PNGRB/Auth/3-PPPL(03)/2019

June 24, 2019

To  
Shri M K Surana, C&MD  
Hindustan Petroleum Corporation Limited  
Petroleum House,  
17 Jamshedji Tata Road,  
Mumbai-400020  
Email: cmd@hpcl.in

**Subject: Grant of Authorization of Hassan-Cherlapalli Petroleum & Petroleum Product (LPG) Pipeline to Hindustan Petroleum Corporation Limited (BID/PPL/04/2018/1/HCPL)**

Sir,

With reference to the Bid No. BID/PPL/04/2018/1/HCPL and the Performance Bond submitted by you vide letter dated 14.06.2019, please find enclosed the Grant of Authorization in Schedule-D of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay. Build. Operate or Expand Petroleum and Petroleum Products Pipeline) Regulations, 2010 for Hassan-Cherlapalli Petroleum & Petroleum Product (LPG) Pipeline.

2. It may be noted that the authorization shall be governed by the provisions of the relevant regulations, various terms & conditions contained in the Application-cum-Bid document and the clarification issued by PNGRB w.r.t. Bid No. BID/PPL/04/2018/1/HCPL.
3. Kindly acknowledge the receipt of this letter and send us the acceptance in original within 15 days from the date of this letter.

Encl: As above

Yours faithfully.

*Arvind Kumar*  
24/6/2019

(Arvind Kumar)  
Additional Adviser

अरविन्द कुमार  
ARVIND KUMAR  
अपर सलहिकार  
Additional Adviser  
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Babar Road, New Delhi-110001

**Schedule D**

[See regulations 9 (2) and 18 (7)]

**Grant of authorization for laying, building, operating or expanding Hassan to Cherlapalli Petroleum & Petroleum Products (LPG) Pipeline.**

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To

Shri M K Surana, C&MD

Hindustan Petroleum Corporation Limited

Petroleum House,

17 Jamshedji Tata Road,

Mumbai-400020

Email: cmd@hpcl.in

**Subject: Grant of authorization for laying, building, operating or expanding petroleum and petroleum products (LPG) pipeline from Hassan to Cherlapalli under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.**

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Sir,

With reference to your application for grant of authorization for laying, building, operating or expansion of petroleum and petroleum products (LPG) pipeline along the route of Hassan to Cherlapalli, it has been decided to grant authorization to **Hindustan Petroleum Corporation Limited**, subject to the provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 on the following terms and conditions, namely: -

1. The route for laying, building, operating or expanding the petroleum and petroleum products (LPG) pipeline shall be as depicted in the enclosed drawing (Annex-1) with originating point at Hassan to last delivery point at Cherlapalli.

अरविन्द कुमार  
ARVIND KUMAR  
अपर सलाहकार  
Additional Adviser

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2. The entity shall complete the activities of laying, building or expanding activities of petroleum and petroleum products (LPG) pipeline and commission the petroleum and petroleum products (LPG) pipeline project as per the enclosed time schedule and targets (Annex-2). The entity is allowed a maximum period of thirty-six months from the date of issue of the authorization letter for commissioning of the petroleum and petroleum products pipeline project. Any failure on the part of the entity in complying with the targets prescribed in the time schedule shall lead to consequences as specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.
3. The capacity in the petroleum and petroleum products (LPG) pipeline shall be equal to **2.20 Million tons per annum (MMTPA)** (Annex-2).
4. The extra capacity in the petroleum and petroleum products (LPG) pipeline shall be equal to **0.44 MMTPA** (Annex-2) as per the provisions specified in clause (j) of sub-regulation (6) of regulation 5 and shall be available for use on common carrier basis by any party on open access and non-discriminatory basis.
5. 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 petroleum and petroleum products (LPG) pipeline to secure finance 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.
6. The entity shall publish on its website the approved tariffs for the petroleum and petroleum products (LPG) pipeline.
7. The entity shall submit a detailed and clear financial closure report to the Board within a period of one hundred and twenty days from the date of authorization issued by the Board under regulation 9 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.

  
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8. The furnishing of performance bond of Rs. **200 million** is a guarantee for timely commissioning of the project as per the prescribed targets submitted in the bid and for meeting the performance undertaking during operating phase of the project.
9. The entity shall abide by the service obligations specified under regulations 14 and quality or service standards under Regulation 15 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010. Year-wise volume of Petroleum and Petroleum Products to be referred by PNGRB for the purpose of compliance of Service Obligations as specified in Regulation 14(1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 shall be as per Annex-2.
10. In case the authorization of the entity is terminated, the Board may assign the rights and obligations, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the Petroleum and petroleum products pipeline at the same level till another agency or entity appointed by the Board takes over the full control of the petroleum and petroleum products pipeline.
11. The entity shall comply with the provisions under-
- the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010;
  - the Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipeline Tariff) Regulations;
  - the service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010;
  - the relevant regulations for-
    - the technical standards and specifications, including safety standards;
    - the access code;

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- (iii) determination of capacity for petroleum and petroleum products pipeline;
  - (iv) affiliate code of conduct;
  - (v) declaring petroleum and petroleum products pipeline as common carrier or contract carrier;
- (e) any other regulation as may be applicable and the provisions of the PNGRB Act, 2006.

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.

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

Yours faithfully,

Date: 24/06/2019

अरविन्द कुमार  
ARVIND KUMAR  
अतिरिक्त सलाहकार  
Additional Adviser  
पेट्रोलियम और प्राकृतिक गैस नियंत्रण बोर्ड  
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Name & Designation of Officer  
On behalf of the PNGRB  
Official Seal

*Arvind Kumar*  
24/6/2019

**Acceptance of Grant of Authorization**

I /we hereby agree to the grant of authorization issued by the Board vide letter ref. < PNGRB/A0th/3-PPPL(03)/2019 > dated < 24.06.19 > and agree to comply with all the terms and conditions subject to which I/We have been granted authorization for laying, building, operating or expanding petroleum and petroleum products pipeline along the route from the originating station < HASSAN > in the State or the Union Territory of < KARNATAKA > to the terminating station < CHERLAPALLI > in the State or the Union Territory of < TELANGANA >.

Date: 05.07.19

Place: MUMBAI

Signature of the Entity or Authorized Signatory  
Name and Official Seal

*J. S. Prasad*  
J. S. PRASAD  
Executive Director - Pipelines  
HINDUSTAN PETROLEUM CORPORATION LIMITED  
8, Shreeji Vallabhdas Marg, Bandra Estate,  
Mumbai - 400031

**TIMES SCHEDULE AND TARGETS FOR HASSAN TO CHERLAPALLI  
PETROLEUM AND PETROLEUM PRODUCTS (LPG) PIPELINE**

S. No.	Capacity of the pipeline (MMTPA)*system required to be built up	Extra capacity in the pipeline (MMTPA)* required to be built up	Annual Target of transporting petroleum and petroleum products (MMTPA)^
Year-1	2.20	0.44	0.83
Year-2	2.20	0.44	0.86
Year-3	2.20	0.44	0.89
Year-4	2.20	0.44	0.93
Year-5	2.20	0.44	0.98
Year-6	2.20	0.44	1.03
Year-7	2.20	0.44	1.08
Year-8	2.20	0.44	1.14
Year-9	2.20	0.44	1.18
Year-10	2.20	0.44	1.21
Year-11	2.20	0.44	1.23
Year-12	2.20	0.44	1.26
Year-13	2.20	0.44	1.28
Year-14	2.20	0.44	1.30
Year-15	2.20	0.44	1.32
Year-16	2.20	0.44	1.33
Year-17	2.20	0.44	1.35
Year-18	2.20	0.44	1.37
Year-19	2.20	0.44	1.38
Year-20	2.20	0.44	1.40
Year-21	2.20	0.44	1.42
Year-22	2.20	0.44	1.44
Year-23	2.20	0.44	1.46
Year-24	2.20	0.44	1.47
Year-25	2.20	0.44	1.49

**Notes:**

- (1) \* - As per the provisions of the PNGRB (Determining Capacity of Petroleum & Petroleum Products and Natural Gas Pipelines) Regulations 2010.
- (2) ^ - As per the provisions of Regulation 14(1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipeline) Regulations 2010 and clause no 18.1.1 of the Application-cum-bid document.



**अरविन्द कुमार**  
**ARVIND KUMAR**  
 अग्र सलाहकार  
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**OTHER DETAILS ABOUT HASSAN-CHERLAPALLI PETROLEUM AND  
PETROLEUM PRODUCT (LPG) PIPELINE**

- A. Total Length of the pipeline : 680 km
- B. Length of Trunk Pipeline : 680 km
- C. Diameter : 14 Inches
- D. System Capacity of the Pipeline : 2.20 MMTPA  
(Including common carrier)
- E. Common Carrier Capacity : 0.44 MMTPA
- F. Route of the Trunk Pipeline : Hassan - Anantpur - Kurnool -  
Thimapur - Cherlapalli
- G. Origination Points : Existing Terminal of HPCL's  
Mangalore - Hassan - Yediyur  
-Mysore LPG pipeline at  
Hassan
- H. Termination Point : Cherlapalli LPG bottling plant
- I. Tap off points : Anantpur and Timmarpur
- J. Nos. of Pumping Station : 01 (2W+1S), 330 m<sup>3</sup>/hr(Min)

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(Refer Clause 18.1.1 (i))

Bid No.: BID/PPL/04/2018/01/HCPL

Petroleum and Petroleum Products (LPG) Pipeline Project Monitoring Schedule

The entity shall require submitting the schedule of completion (maximum 36 months) of various project approvals/activities in the table given under:

S. No.	Activity	Implementation/ Completion schedule from date of grant of authorization.
1.	Statutory approvals for Pipeline Project (please enclose the list of approvals required and their target date for achievement)	6-18 Months*
2.	Detailed Engineering & Final drawing	12 - 20 Months
3.	Procurement of Coated Main Line Pipes	18 Months
4.	Main Line construction and associated works.	33 Months
5.	Procurement of Main Line bare pumping units.	30 Months
6.	Completion of HDD works	30 Months
7.	Completion of Combined Station Works.	33 Months
8.	Tele supervisory/Telecom works	33 Months
9.	Commissioning	36 Months

\*Encl: List of approvals (Attached)

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J. S. PRASAD  
Executive Director Pipelines  
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# DETAILED FEASIBILITY REPORT ON HASSAN CHERLAPALLI LPG PIPELINE

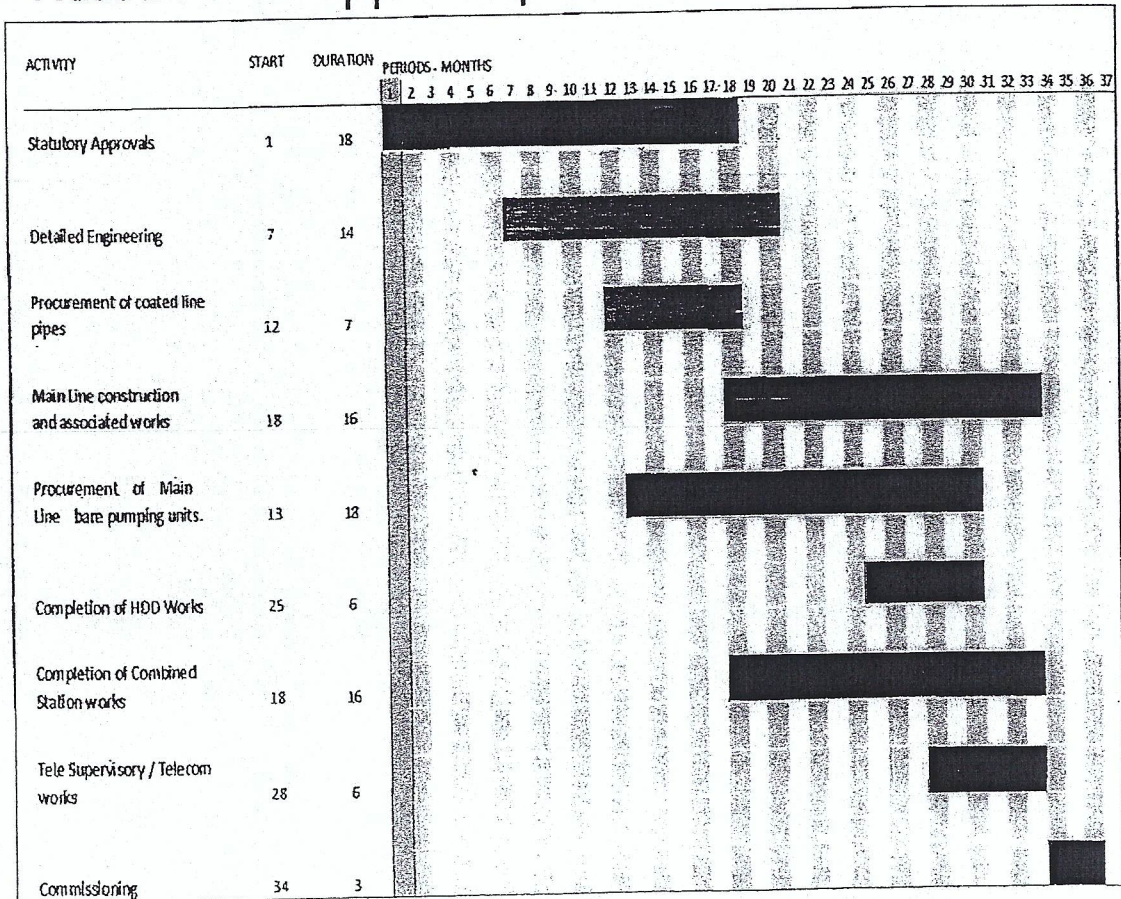


## 8.0 Implementation Schedule with Bar Chart

A Project schedule of 36 months duration for Mechanical completion & commissioning has been proposed for implementation of the project from the zero date. The zero date for the project is considered as the date of receiving authorization from Petroleum & Natural Gas Regulatory Board.

Bar Chart: Implementation

### Hassan Cherlappalli Pipeline



MEC.05.28.23SE.HCPL.PNGRB.DFR.R-0

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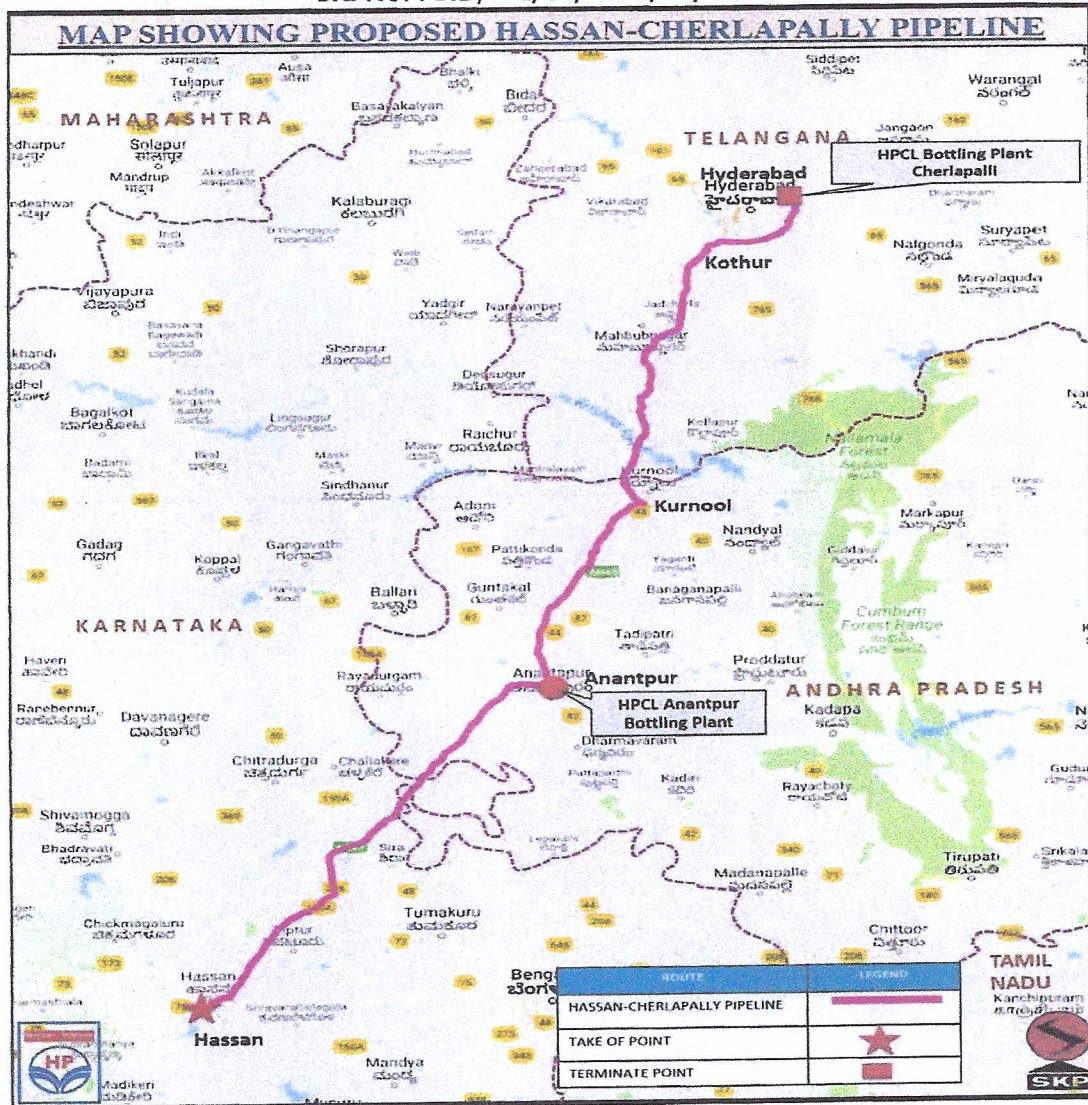
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**J. S. PRASAD**  
Executive Director - Pipelines  
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Schematic & Map depicting the route (Indicative) of proposed petroleum and petroleum products (LPG) pipeline

Bid No. : BID/PPL/04/2018/01/HCPL



The Pipeline passes through 3 states and following districts (Tentative):

- Karnataka:** Hassan, Tumkur, Chitradurga
- Andhra Pradesh:** Anantapur, Kurnool
- Telangana:** Jogulamba Gadwal, Wanaparthy, Nagarkurnool, Mahabubnagar, Rangareddy & Medchal-Malkajgiri

Pipeline Schematic is attached below.

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**ARVIND KUMAR**  
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