

Schedule D

[see regulations 10 (1) and 18 (7)]

Grant of authorization for laying, building, operating or expanding CGD network

To

Bharat Petroleum Corporation Limited

[Kind Attn: Shri Vijay Duggal, GM (Gas)],

28-A, ECE House, K.G. Marg,**Connaught Place,****New Delhi-110001**

Subject: Grant of Authorization to Bharat Petroleum Corporation Limited for development of City Gas Distribution Network in the Geographical Area of Rupnagar District.

Sir,

With reference to your application-cum-bid for grant of authorization for laying, building, operating or expanding the CGD network in **Rupnagar District**, it has been decided to grant you the authorization subject to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 and the following terms and conditions:


1. The Authorized Area for laying, building, operating or expanding the proposed CGD Network shall cover an area of **1370 square kilometer** and as depicted in the enclosed drawing.
2. The activities of laying, building, operating or expansion of the CGD Network to commence within a period of **365 days** from the date of this authorization.
3. The activities permitted above shall have to be completed as per the approved time schedule enclosed at **Annexure 1**. Any failure on the part of the entity in complying with the **milestones 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 City or Local Natural Gas Distribution Networks) Regulations, 2008.
4. The entity shall design and install an optimal size of the infrastructure in terms of pipelines of various types including steel belting of the authorized area, online

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Additional Secretary
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5. The entity shall maintain an uninterrupted supply of natural gas to all categories of customers in the CGD network. In the event of any disruption in the supply of natural gas in the CGD Network, first priority shall be accorded to restoration of supplies to domestic PNG customers. In case of disruption of supply to domestic PNG customers for more than twelve hours, the entity shall compensate to the domestic customer on the following basis:-

- (a) the normative volume of natural gas consumption for the first domestic PNG connection for cooking requirements based on last three months weighted average consumption per day to be applied for each day's disruption and multiplied by ten;
 - (b) normative value of natural gas consumption shall be based on last three months' weighted average billing price of natural gas for supplies to the first domestic PNG connection for cooking requirements; and
 - (c) the value of compensation shall be equal to normative volume of natural gas consumption as per clause (a) multiplied by normative value as per clause (b) and shall be adjusted by allowing a credit to the domestic PNG Customer in the next billing cycle or in the next pre-paid smart card in case of smart card metering.
 - (d) In case the disruption of supplies is attributed to any fault of the domestic PNG customer, no compensation shall be payable by the entity.
6. The entity is allowed an exclusivity period under the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, in respect of the following:
 - (a) 300 months from the date of issue of this communication for laying, building and expansion of the CGD network; and
 - (b) 60 months from the date of issue of this communication in terms of an exemption from the purview of common carrier or contract carrier for the CGD network;

Provided that the entity meets the obligations in line with the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008: *See Recd.* 



Provided further that the period of exclusivity allowed under sub-clause (a) or sub-clause (b) may be terminated before the expiry of the period mentioned above in line with the provisions under Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008.

7. The authorized entity shall be required to take prior approval from the Board for creation of any lien, charge or hypothecation of the CGD network 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.
8. The entity shall submit a detailed and clear financial closure report to the Board within a period of one hundred and eighty days from the date of authorization issued by the Board under regulation 10 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.
9. The entity shall publish on its website the network tariff for transportation of natural gas as well as the compression charge for CNG in the CGD network in the authorized area which is also annexed to this schedule.
10. The entity shall publish the applicable retail selling price of PNG for all categories of customers and also for the purpose of invoicing in Rs./MMBTU.
11. The entity shall publish and display the retail selling price of CNG for the purpose of invoicing to CNG customers in Rs./ Kg at all CNG dispensing stations.
12. The furnishing of performance bond of Rs 209 Crore (Rupees Two Hundred and Nine Crore only) is a guarantee for timely commissioning of the project as per the prescribed targets in the bid and for meeting the service obligations during the operating phase of the project.
13. The entity shall comply with the applicable provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008, the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Networks) Regulations, 2008, relevant regulations for technical standards and specifications, including safety standards, any other regulations as may be applicable and the provisions of the Act.

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 Additional Secretary
 Petroleum & Natural Gas
 1st Floor, World Trade Centre
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14. In case the authorization of the entity is terminated, the Board may assign the rights and obligations of the entity 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 CGD network at the same level till another agency or entity appointed by the Board takes over the full control of the CGD network.

You are requested to confirm your acceptance by filling-in the acceptance of the grant of authorization provided below and return the same in original. (Please note that all pages along with the Annexure are to be initialed & stamped).

Yours faithfully,

Dated: 10th June 2016

(Arvind Kumar)
10/6/2016
(Arvind Kumar)
Additional Adviser
Petroleum & Natural Gas
1st Floor, 28-A, K.G. Marg, Connaught Place,
New Delhi-110001
Babar Road, New Delhi-110001

Acceptance of the Grant of Authorization

I / We hereby accept the grant of authorization issued by the PNGRB vide letter ref. PNRB/CGD/BD/6/2016/6A-RUPNAGAR dated 10th JUNE 2016 and agree to comply with all the terms and conditions subject to which I/ We have been granted the authorization for laying, building, operating or expanding city or local natural gas distribution network in the authorized area of Rupnagar District.

Date: 16/6/2016

Place: New Delhi

(Signature)
Signature of the Entity or Authorized
Signatory

VIJAY DUGGAL
GM (Gas)
BHARAT PETROLEUM CORPORATION LIMITED
E.C.E. House, 28-A, K.G. Marg, Connaught Place,
New Delhi-110001



ANNEX 1 - GA of Rupnagar District

Minimum Work Programme as per BID

Minimum Work Program as per Regulations (to be completed during first five years of exclusivity)	
Inch- Kms of Pipeline to be Laid.	No. of Domestic PNG Connections
650	6782

Year wise Break Up of targets					
Total Inch- Kms of Pipeline to be Laid.	Year1 (20%)	Year 2 (50%)	Year 3 (80%)	Year 4 (90%)	Year 5 (100%)
650	130	325	520	585	650

Year wise Break Up of targets					
Infrastructure for PNG Domestic Connections.	Year1	Year 2 (15%)	Year 3 (50%)	Year 4 (70%)	Year 5 (100%)
6782	-	1017	3391	4747	6782

	Rate
Network Tariff (from 1-25 Years) Rs. per MMBTU	0.01
Compression Charge (from 1-25 Years) Rs. per Kg.	0.01

Arvind Kumar

अरविन्द कुमार
ARVIND KUMAR
अतिरिक्त सलाहकार
Additional Adviser
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