

PETROLEUM AND NATURAL GAS REGULATORY BOARD

1st Floor, World trade Centre, Barakhamba Road, Babar Lane, New Delhi-1 Tel No: 011-23457700/23457744/23457751

File No: S-Infra/II/1/2008-Vol.II/Firozabad

Dated: September 26, 2011

To Mr. M Ravindran, Chief Executive Officer GAIL Gas Limited 2nd Floor HHEC Building A-2 Sector-2 Noida-201301

Subject: - Acceptance of Central Government authorization and Grant of Exclusivity to M/s GAIL Gas Limited for Firozabad Geographical Area (Taj Trapezium Zone) in the State of Uttar Pradesh.

Sir,

This has reference to our letter No: GAIL/ND/L&RA/PNGRB/2008 Dated 17th October,2008 and all other correspondence on this subject including your GAILGAS/NOIDA/TTZ/PNGRB/03 Dated 29th August, 2011 wherein you have submitted Performance Bank Guarantee for Firozabad GA(Taj Trapezium Zone) CGD Network vide BG No:007BG00125312 Dated 26.08.2011 for an amount Rs 3,00,00,000 (Rupees Three Crores) valid till 25.08.2016

The Petroleum & Natural Gas Regulatory Board accepts the authorization given by the Central Government, and grants exclusivity for Three years from the date of issue of Performance Bank Guarantee to M/s GAIL Gas Limited for Firozabad (Taj Trapezium Zone) Geographical Area as requested by GAIL Gas, subject to the terms and conditions mentioned below.

- 1) M/s GAIL Gas Limited shall abide by the provisions of the PNGRB Act, 2006 and relevant regulations including amendments thereof and regulations, if any, framed from time to time.
- 2) M/s GAIL Gas Limited shall abide by the Technical Standards and specifications including Safety Standards (T4S) for, city and/or Local Natural Gas Distribution Networks Regulations 2008 including the Emergency Response & Disaster Management Plan (ERDMP).

The GAIL Gas Limited shall abide to Quality of Service standards as per regulations framed under PNGRB Act, 2006. रतन पी. वाटल/RATAN P. WATAL

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सचिव/Secretary पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड Petroleum & Natural Gas Regulatory Board प्रथम तल, वर्ल्ड ट्रेड सेन्टर 1st Floor, World Trade Centre,

Babar Road, New Delhi - 110001

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- 4) M/s GAIL Gas Limited shall abide by the regulations covering exclusivity for marketing of gas from the purview of Contract Carrier & Common Carrier as specified in the Petroleum and Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulation ,2008.
- The Geographical Area & Charge Area accepted for CGD Network Authorization for Firozabad GA (Taj trapezium) GA is as per submitted map duly signed by M/s GAIL GAS LIMITED & PNGRB(Copy enclosed). As per attached map, containing 5 charge areas viz, Firozabad, Fatehpur Sikri, Bharatpur, Govardhan and Vrindavan and excludes the GA of Mathura CGD Network & Agra CGD Network which is authorized to M/s DSM Saumya & M/s Green Gas respectively). The project milestones for the above CGD Network development shall be as per Annnex-1.

Violation of any condition/conditions mentioned in clauses 1 to 5 shall be treated as default and shall be dealt with as per the provisions of the PNGRB Act, 2006.

M/s GAIL Gas Limited shall submit the Network Tariff and Compression Charge for CNG as per the Petroleum & Natural Gas Regulatory Board (Determination of Network Tariff for City or Local Natural Gas Distribution Networks and Compression Charge for CNG) Regulations, 2008 for the approval of the Board separately within 30 days of the issue of this letter.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Ratan P Watal)

Rotan P Water

Secretary, PNGRB

रतन पी. वाटल/RATAN P. WATAL सचिव/Secretary

पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड Petroleum & Natural Gas Regulatory Board प्रथम तल, वर्ल्ड ट्रेड सेन्टर

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Encl: a/a

Mile Stones for Geographical Area

- 1. Geographical Area: Taj Trapezium Zone (TTZ)
- 2. Charge Areas: As defined in the enclosed Map with details of year wise coverage in the next three years.

C.A 1 (Firozabad)	
Name of CAs to be covered in the year	
C.A 4 (Bharatpur)	
C.A2 (Vrindaban, Hathras)	
C.A3, 5 (Govardhan, Fatehpur Sikri)	

3. Year wise Domestic PNG Connections Commitment during the Exclusivity Period of three years:

	Existing just prior to the issuance of PBG.	date of issue of	2 nd year from the date of issue of BG	1
Cumulative Domestic Connections (Nos.)	Nil	3000	12000	24000

4. Year wise Steel Pipeline length commitment during the Exclusivity Period of three years:

			date of issue of	2 nd year from the date of issue of BG	
Cumulative Pipeline (Inch-KM)	Steel Length	488	528	848	1010

एतान पी. वाटल/RATAN P. WATAL सथिव/Secretary पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड Petroleum & Natural Gas Regulatory Board प्रथम तल, वर्ल्ड ट्रेड संन्टर 1st Floor, World Trade Centre, बाबर रोड, नई दिल्ली—110001

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5. Year wise Compression Capacity commitment during the Exclusivity Period of three years:

		date of issue of	2 nd year from the date of issue of BG	
Cumulative CNG Compression Capacity (Kgs/Day)	Nil	18460	55360	92260

 Non Achievement of any of the above project milestones shall lead to revocation of the Specific Performance Bond Bank Guarantee.

• The period of exclusivity shall start form the date of issue of Specific Performance Bank Gurantee .The Project Milestones as mentioned above shall be on year to year basis from the date of issue of PBG.

एतान पी. वाटल/RATAN P. WATAL
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