

8. AUTHORIZING ENTITIES TO LAY, BUILD, OPERATE OR EXPAND NATURAL GAS PIPELINES, REGULATION, 2008

qæ33004/99 REGD NO. D. L-33004/99 Che Gazette of •tidia 2461 No. 2461 1664 PART 11---SectÅon 3—Sub-section (i) PUBLISÉED BY AOYHORITY 5, 2008 16 ; '930 NEW DELHI, TUESDAY, MAY 6, 200WASAKHA 16, 1930 6 2008 2006 (2006 19) 61 ten, 2008 2. "äftfi•«" 2006 ; 2007 t GAZE'TTE OF INDIA : EXTRAORDINARY (g) 3•Tfi" 25 Ot; PART [I—SEC. (iii 25 at air, Ot - 2008 (i) 300 50 aztr 300 4 3

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6. RaT Mr 3iTQTa•Tftd Qa•r 3G7'* .tafrl 72 THE GAZETTE OF : EXTRAORDINARY *atri *at, aztr 3.Tqfi•ræ [PART II—SEC. 11 (i) (ii) (iii) (iv) (i) (ii) (iii) (iv) (v) Run, Rq•oM t a•uT *71T•, afi 3•iazf7 (s) graT7 *a-afa Off, nrå 2. Rafor, n-a•r satr 2(iF) RaT, agr (T) 1664 GI/08—10 74 (q) 3. [PARMI—SEC. 301 nun* qft&, .3•rqqr q•rq, q«, (ii) (iii) 3TTif.T 75 4. 5. (iii) q-aT sq*ßT, t, (i) (ii) (iii) (iv) 81 qq-qvrr./11/8/2007•ug-1] THE GAZETTE OF INDIA : EXTRAORDINARY ART11—SEC.3 i PETROLEUM AND NATURAL GAS REGULATORY BOARD NOTIFICATION New Delhi, the 6th May, 2008 G.S.R. exercise of the powers conferred by Section 61 of the Pefroleum and Natural Gas Regulatory Act, 2006 (19 of 2006), the Petroleum and Natural Gas RegulatoryBoard hereby makes the following regulations, namely :— 1

2. Short iNe and commencement (1) These regulations may be called the Petroleum and Naturat Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.(2) They shall come into force on the date of their publication in the Officiat Gazette. Definidons. (1) In these regulations, unless the context otherwise requires,- (a) "Act" means the Petroleum and Natural Gas Regulatory Board Act, 2006; (b) "appointed day" means the date of October 1, 2007 when the Central Government notified the establishment of the Petroleum and Natural Gas Regulatory Board; (c) "Board" means the Petroleum and Natural Gas Regulatory Board established under sub-section (1) of section 3 of.the Act; (d) "development of naturat gas pipeline" means laying, building, operating or expanding a natural gas pipeline; GAZETTE OF : EXTRAORDINARY PETROLEUM AND NATURAL GAS REGULATORY BOARD NOTIFICATION New Delhi, the May, 2008. G.S.R.- 340(E).—In exercise of the powers conferred by Section 61 of fre Petroleum and Natural Gas Regulatojy Act, 2006 (19 of 2006), the Petroleum and Natural Gas Regulatory Board hereby makes the following regulations, narnely :— 1

2. Short tiåe and commencement.(1) These regulations may be called the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or E).and Natural Gas Pipelines) Regulations, 2008. (2) They shall come into force on the date of their publication in the Official Gazette. Definitions. (1) In these regulations, unless the context otherwise requires,- (a) "Act" means the Petroleum and Natural eas Regulatory Board Act, 2006; (b) "appointed day" means the date of October 1, 2007 when the Central Government notified the establishment of the Petroleum and Natural Gas Regulatory Board; (c) "Board" means the Petroleum and Natural Gas Regulatory Board established under sub-section (1) of 3

of the Act; (d) "development of natural gas pipeline" means laying, building, operating or expanding a natural gas pipeline; (e) "economic life" of natural gas pipeline shall be a period of twenty five years commencing from- (i) the date of grant of authorization to the entity by the Board in case an entity proposes to lay, build or expand a natural gas pipeline on or after the appointed day; (ii) the start-up date of the commencement of physical activities of laying, building or expanding the natural gas pipeline in case an entity started up laying, building or expanding a natural gas pipeline before the appointed day and the entity has either an authorization from the Central Government before the appointed day or an authorization from the Board under these regulations: Provided that at the end of the aforesaid period of twenty five years extension of the economic life may be considered by the Board for a block of years at a time depending on satisfactory compliance of the service obligations under these regulations and on standards and may deem fit at that point in time. (f) "natural gas pipeline" any pipeline intended for transport of natural gas and includes all ancillary facilities, such as, compressors, storage facilities, metering units, etc. but excludes- (i) pipelines laid to transport natural gas to a specific customer to meet requirement and not for resale; (ii) pipelines in a city or local natural gas distribution network which are regulated by the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or City or Local Natural Gas Distribution Networks) Regulation, 2008; (g) "unit rate of tariff for a natural gas pipeline (excluding statutory taxes and duties) in rupees per million British Thermal (Rs.) MMBTU) for transport of natural gas; (h) "tariff zone" (i) of a length of three hundred kilometers along the route of the natural gas pipeline; and (ii) a corridor along the natural gas pipeline with a width of up to ten percent of the total length of the natural gas pipeline without including the length of the spur lines or fifty kilometers measured from the nearest point on the surface of the natural gas pipeline on both sides of the natural gas pipeline, whichever is lower: Provided that the natural gas pipeline for transport of natural gas shall be uniform for all customers located within the zone: Provided further that the entry shall supply natural gas to any customer located in the zone subject to the techno-commercial feasibility of laying, building, or expanding a new spur line from the gas pipeline. Explanation.- the length of the first zone shall start from the first point of injection of natural gas in the natural gas pipeline and extend to a distance of three hundred kilometers along the natural gas pipeline; (b) the length of each of the zones subsequent to the first zone shall be equal to three hundred kilometers; and 3

4. The balance length in the pipeline Provided that the distance of ten percent of the pipeline length spur lines or whichever is lower, before the point of origin and after the end point along the natural gas pipeline shall lie within the first tariff zone and the last tariff zone respectively. (2) Words and expressions used and not defined in these regulations, but defined in the or in the rules or regulations made thereunder, shall have the meanings respectively assigned to them in the Act or in the rules or regulations, as the case may be. Application. These regulations shall apply to an entity- (a) which is laying, building, operating or expanding or which proposes to lay, build, operate or expand a (b) which proposes or is directed by a dedicated pipeline for supply of natural gas to a specific consumer into a natural gas pipeline. Initiation of proposal through expression of interest route or suo-motu by Board. (1) An entity desirous of laying, building, operating or expanding a natural gas pipeline shall submit an expression of interest to the Board in the form of an application at Schedule A along with an application fee: as under the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Regulations, 2007. 5. REGULATION 19: (1) The Board may invite persons to participate in the process of an entity operating or expanding natural gas pipeline along any route. Criteria (1) In case the expression of interest fulfills the criteria and the requirements stated at Schedule A, the Board shall issue an open advertisement in at least one national and one vernacular daily newspaper (including web posting) publishing receipt of an expression of interest. and commencement of public consultation period of thirty days. (2) During the period of public consultation process any other entity which may be interested in laying, building, operating or expanding a natural gas pipeline referred to in sub-regulation (1) may submit in writing to the Board its views, if any, on the expression of interest. (3) The Board shall web-host all comments received to facilitate possible contracts capacity by different entities with the entities that may be interested in the natural gas pipeline so as to facilitate coming up of an optimum sized natural gas pipeline through the bidding process as stated in regulation 7. (4) The Board shall, based on the views received, within a period of forty five days after the last day of the public consultation period decide- (a) to reject the expression of interest on grounds of non-availability of natural gas; (b) not to allow the proposed

natural gas pipeline if it is convinced that, of laying, building or expanding the proposed natural gas pipeline, the could be better met in cost-effective manner by expansion of an pipeline; or 81 (c) to go ahead with the proposal with or without modification: Provided that, if required, the Board may also hold an open house discussion with the entities who have offered their views to arrive at a decision: Provided further that the Board in deciding so shall be guided by one or more of the following objectives, namely:- (i) promoting competition among entities, (j) avoiding infructuous investment; (iii) maintaining or increasing supplies or for securing distribution or ensure adequate availability of natural gas throughout the country; (iv) protection of customers' interest in terms of availability of natural gas at reasonable natural gas pipeline tariff; (v) incentivizing rapid development of natural gas pipeline infrastructure. (5) The Board may, within the period specified in sub-regulation (4), publish through an open advertisement in at least one national and one vernacular daily newspaper (including webhosting) the proposal for the development of natural gas pipeline and invite bids for the same. (6) The Board shall scrutinize the bids received in response to the advertisement in respect of only those entities which fulfill the following minimum eligibility criteria, namely:- (a) entity has paid the application fee along with the application-cum-bid as specified for, tank lines as specified under regulation 3 of the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Regulations, 2007: 1664 G THE OAGREOFNB1A : EXTRAORDINARY ARTU—SC Provided that the bid, which has already paid the application fee at the time of submission of the expression of interest, shall not pay the application fee at this stage; (b) entity is technically capable of laying and building natural gas pipeline as per the following qualifying criteria, namely:- (i) entity has on its own in the past laid and built either a hydrocarbon pipeline of a length not less than three hundred kilometers on a cumulative basis or a city or natural gas distribution network; (ii) entity has a joint venture with another entity (with at least eleven percent equity holding by the entity) which in the past has either laid and built a hydrocarbon pipeline of a length not less than three hundred kilometers on a cumulative basis or a city or local natural gas distribution network; (iii) entity intends to lay and build the proposed natural gas pipeline on lump sum turnkey or project management consultancy basis through one or more technically fit firms which in the past have laid and built a hydrocarbon pipeline of a length not less than three hundred kilometers or a city or local natural gas distribution network and the entity shall also enclose a "list of such firms along with aforesaid proof of their technical competence: Provided that the entity shall have the freedom to choose from amongst such firms at the time of execution of the project and the Board the right to verify the credentials of the firms included in the list and grant certifications; or (iv) entity has an adequate number of technically qualified personnel with experience in and commissioning of hydrocarbon pipelines and also has a credible plan to independently undertake and execute the natural gas pipeline project on a standalone basis. Explanation.- TIC entity shall have at least three technically qualified personnel on its permanent rolls having experience of not less than one year in the following areas, namely:- (a) right of way acquisition or clearance securing; (b) design and execution of a hydrocarbon pipeline project; (c) pre-commissioning including hydro-testing and restoration; and (d) safety of hydrocarbon pipeline and installations; (c) entity is technically capable of operating and maintaining natural gas pipeline as per the following qualifying criteria, namely:- (i) entity on its own has an experience of at least one year in operations and maintenance of a natural gas pipeline of a length not less than three hundred kilometers on a cumulative basis or a city or local natural gas distribution network; (ii) entity has a joint venture with another entity (with at least eleven percent holding of that entity) which has an experience of at least one year in operations and maintenance of a natural gas pipeline or a city or local natural gas distribution network; (iii) entity intends to operate and maintain the proposed natural gas pipeline through an appropriate firm technical assistance agreement for a period of at least one year with another having experience of at least one year in operations and maintenance of a natural gas pipeline or a city or local natural gas distribution network; or IPSEC. 301 (iv) entity has an adequate number of technically qualified personnel with experience in commissioning and operation and maintenance (O&M) of natural gas pipeline and also has a credible plan to independently undertake the O&M activities of a natural gas pipeline on a standalone basis. Explanation.- 1

2. In relation to sub-clause (iii),—(a) the entity shall submit in its application-cum-bid an exhaustive list of proposed firms with whom it desires to have a technical assistance agreement along with the proof of relevant and credible experience of such firms and the entity may choose a firm or more from amongst the firms in this list for operation and maintenance of the proposed natural gas pipeline and the Board

reserves the right to cross verify/the credential of the firm or firms included in this list and seek any clarifications; (b) the entity shall also submit a credible plan along with the bid to develop an in-house O&M team for the proposed natural gas pipeline. In relation to sub-clause (iv), the entity shall have at least three technically qualified personnel on its permanent rolls having experience of not less than one year in the following areas; namely:- (a) commissioning of a hydrocarbon pipeline; (b) operation and maintenance of natural gas pipelines and natural gas installations including gas compressors; (c) pricing; measurement, budget and (d) safety of natural gas (d) the entity has agreed to abide by the relevant standards and specifications including Safety standards; (e) the entity has adequate financial strength to execute the proposed natural gas pipeline project and operate and maintain the same and shall meet the following financial criterion to qualify for bidding, for a single natural gas pipeline, namely:- Range of Minimum worth (*) of the length including spur lines (in million of rupees) along with its promoters available in the natural gas kilometers) (#) duty supported by letter of comfort from promoters (in million of rupees) per estimated line length 1,751 and above 1,001 -1,750 251-1,000 7.50 7.00 6.00 5.00 (*) combined net worth (equity share capital plus free reserves, but excluding revaluation reserves) to be adequately represented by cash funds, shall be available as bridge finance and as promoters equity contribution in the project as certified by a statement on the latest financial position of the entity and its promoters. The promoters undertaking, in the form of letter of comfort, stating that promoters financial contribution in the project shall be in equity share capital within three months of the date of grant of authorization must be a condition. (#) a fraction of the length in two decimal places and equal to 0.50 kilometer or more shall be rounded off to next 1 kilometer; (f) the entity, on being declared as a successful bidder and not being a company registered under the Companies Act, 1956, shall convert itself into a company registered under the Companies Act, 1956; (g) the entity shall have a credible plan for utilization of the capacity in the proposed natural gas pipeline; EXTRAORDINARY (h) the entity shall furnish a bid bond along with the submission of the application-cum-bid under sub-regulation (7) of an amount determined as per the length of the proposed natural gas pipeline as per the applicable category indicated Pipeline Length included in (in kilometers). (#) equal to 2501 or more between 1751 and 2,500 1750 between 251 and 1000 less than or equal to 250 Amount of bond (in million of rupees) 250 200 150 80 20 (#) a fraction of the length in two decimal places to 0.50 kilometer or more shall be rounded off to next 1 kilometer. (i) entity submitting the bid should not have imposed any penalty under 28 punished under Chapter IX of the Act; the entity agrees to build extra capacity in the natural gas pipeline as per the following basis, namely:- (i) the capacity of natural gas pipeline shall be an aggregate of the following, namely:- (A) capacity requirements entity; (B) unfirmed-up contracted capacity with other entities; and (C) at least thirty three per cent of the sum of (A) and (B) as an extra capacity. Explanation.- The capacity shall be approved by Board as per the basis specified in the relevant regulations for determining the capacity of natural gas pipeline. 87 (i) the capacity mentioned (C) of sub-clause (i) shall be available for use as common carrier by any third party on Open access and non-discriminatory basis; (k) in case the entity submitting the bid does not fulfill the requirements of any criteria under (a) to (j), the bid submitted by it summarily rejected and a communication in this regard shall be sent to it and the financial bid shall not be opened for that entity; (D) the bid bond shall be — (i) encashed if an entity submitting the bid walks out; (ii) released in respect of the unsuccessful entity's bid; (iii) retained if the specified bond is furnished at the time of authorization by the successful bidder. (7) The application-cum-bid shall be submitted in two parts in form as specified in Schedule B in separate portions marked and sealed envelopes, namely:- (a) Part (Technical bid) covering general particulars of the applicant and technical details of the project (including minimum eligibility criteria) under sub-regulation (6); (b) Part II (Financial bid) covering the underregulation 10. (8) A time period of sixty days shall be allowed for submission of the application-cum-bid for grant of authorization for laying, building, operating or expanding the natural gas pipeline and any application-cum-bid received after the notified date shall not be considered. 86. 7. : EXTRAORDINARY [PART (9) The may-extend date of submission of bids upto a period of one month or more in the same manner as specified under sub-regulation (5), including in a situation where only a single application-cum-bid is received in response to the original advertisement. It may be noted by Board for laying, building, operating or expansion of natural gas pipeline. The Board may suo-motu form a view regarding the development of a natural gas pipeline in a specific area, region or route, and in such a case, the procedure as specified in regulation 5 (except aspects relating to the expression of interest shall be replaced by as prepared by the Board) shall apply. Bidding criteria. (1) The

Board shall tabulate and compare all financial bids, meeting the minimum eligibility criteria, as per the bidding criteria given below, namely:- (a) Loss of the present value of the unit natural gas pipeline tariff bid under this clause for the first tariff zone in the natural gas pipeline for each year of the economic life of the project. [natural gas pipeline tariff bid shall be for each year of the economic life of the project]. This shall have a weightage of forty percent. Provided that this criterion shall have a weightage of seventy percent in case the length of natural gas pipeline, is not more than three hundred kilometers. (b) Loss of the percentage increase below under this clause which when multiplied with the unit gas pipeline tariff bid for each of the year of the economic life of the project under clause (a) shall be the unit natural gas pipeline tariff for the second tariff zone over the first tariff zone for each of the year. [a single number is to be bid]. This shall have a weightage of twenty percent. Provided that this criterion shall have: (i) no weightage in case the length of the natural gas pipeline is not more than three hundred kilometers; (ii) a weightage of thirty percent if the length of the natural gas pipeline is more than three hundred kilometers but not more than six hundred kilometers; (c) Loss of the percentage increase bid under clause which when multiplied with the unit natural gas pipeline tariff bid under clause (a) for each of the year of the life of the project and percentage bid under clause (b) shall determine the incremental unit natural gas pipeline tariff for the third tariff zone over the second tariff zone for each of the year: Provided that for each successive tariff zone, the incremental increase in the unit natural gas pipeline tariff for each of the year of the economic life of the project shall be determined by multiplying the percentage increase bid under clause (c) with the incremental increase in unit natural gas pipeline tariff for the immediate preceding tariff zone for each of the year; [a single number lower than one hundred percent is to be bid]. This criterion shall have a weightage of ten percent: Provided further that this criterion shall have no weightage in case the length of the natural gas pipeline is not more than six hundred kilometers; Explanation.- An illustration for computation of unit natural gas pipeline tariff for different tariff zones on the basis of the bids quoted under clause (a), (b) and (c) by an entity is indicated in Schedule C. 1664 G1108—12 8. [PART IPSEC. (d) Loss of the present value of the natural gas volumes' (in million standard cubic meters per day) proposed to be transported in the natural gas pipeline over the economic life of the project. [natural gas volumes bid for transporting in the natural gas pipeline shall be for each year of the economic life of the project]. This shall have a weightage of thirty percent. (2) The present value in the criteria at clauses (a) and (d) of sub-regulation (1) shall be calculated by the entity using a discount rate equal to twelve percent. (3) The bid for the natural gas pipeline tariff under clauses (a) to (c) of sub-regulation and the volume under clause (d) of sub-regulation (1) by the entity shall be consistent with the assumptions considered by the entity in its approved DFR of the project. (4) Entity with the highest composite score considering the criteria under clauses (a) and (d) of sub-regulation (1) and as illustrated in Schedule C shall be declared as successful in the bid. Performance bond. (1) Grant of authorization shall be issued to the selected entity after it furnishes a performance bond of an amount equal to 2% of the estimated project cost in the approved bid. Explanation.- The amount of the performance bond shall be revised by applying the above basis in case the estimated project cost undergoes a change on completion of the financial closure as per regulation 10. (2) The performance bond has been prescribed for guaranteeing the timely commissioning of the proposed natural gas pipeline as per the targets laid down in sub-regulation (3) and also for meeting the service obligations by the selected entity during the operating phase of the project. (3) The entity shall be allowed a maximum period of thirty six months from the date of grant of authorization for, commissioning of the natural gas pipeline project. Grant of authorization. (1) Then authorization shall be granted to the selected entity in the format at Schedule D within a period of thirty days of the last date of submitting the bid. (2) The grant of authorization is subject to the entity achieving a firm natural gas tie-up and a financial closure as per regulation 10. (3) The grant of authorization to the entity shall not be renounced by way of sale, assignment, transfer or surrender to any person or entity during the period of three years from the date of its issue. (4) The entity intending to renounce the authorization in favour of another entity after the end of the three years period shall submit a proposal to the Board at least thirty days in advance and shall provide all information as may be called for by the Board. (5) The Board after satisfying itself that the proposal will not adversely affect the existing or proposed activities of laying, building, operating or expansion of the natural gas pipeline shall either accept the proposal in full or with such modifications as it may deem fit and in a case where the entity is permitted by the Board to take over the activities of laying, building, operating or expanding the natural gas pipeline such entity shall abide by

the existing or modified terms and conditions of the authorization including compliance with the service obligations: 92 gA.æITE OF INDIA : EXTRAORDINARY [PART Provided that the Board reserves the right to reject proposal in public interest and in such a case the Board shall provide in writing the reasons for such rejection

10. Capacity booking, natural gas do-up and incremental volume.(1) The authorized entity shall achieve agreement for transport of natural gas with any entity equal to at least fifty percent of the natural gas pipeline volume bid as specified in clause (d) to sub-regulation (1) of regulation 7 for each of the first five years following the commissioning of the natural gas pipeline. (2) The agreement specified under sub-regulation (1) shall be entered into a transparent manner and be based on the principle of at an arm's length: Provided that up to ten percent of the throughput in the natural gas pipeline specified under sub-regulation (1) may be booked on firm and mutually agreed terms without insisting on physical delivery of natural gas. (3) The entity shall submit copy of the agreement specified under sub-regulation (1) to the Board within a period of ninety days of the date of the issue of the authorization. (4) The authorized entity shall obtain the financial closure of the project from a bank or financial institution within a period of one hundred and twenty days from the date of the authorization. (5) In case of an internally financed project, the entity shall submit the approval of its Board of Directors' for the detailed feasibility report (hereinafter referred as DFR) of the project alongwith its financial plan within one hundred and twenty days of the authorization: Provided that the Board may ask the entity to submit any further details or clarifications on the financial closure. 93 (6) In case the entity fails to meet the requirements at sub-regulations (1) to (5), the authorization of the entity for laying, building, operating or expanding natural gas pipeline shall be cancelled and the performance bond shall be encashed and the Board reserves the right to re-award the authorization in a transparent manner and the entity shall have no right whatsoever against the Board for seeking any compensation or remedy on this account

11. Fixation and recovery of natural gas pipeline tariff.(1) The natural gas pipeline tariff shall be fixed on a zonal postalized basis, as per the bid by the entity namely under criteria (a) to (c) of sub-regulation (1) of regulation 7. (2) The natural gas pipeline tariff determined for different tariff zones on the basis specified in sub-regulation (1) shall be accordingly recovered by the entity from the customers located in different tariff zones. (3) The applicable natural gas pipeline tariff shall be recovered through an invoice on a non-discriminatory basis, that is, without any premium or discount, from all customers. (4) The authorized entity is expected to maintain the operating pressure in the natural gas pipeline at all times as per its detailed feasibility report (hereinafter referred as DFR) without impairing the deliverable pressure requirements as in the contracts with the existing customers and also in line with the relevant regulations for technical standards, specifications including safety standards: Provided that the authorized entity may separately charge additional compression charge towards compression of natural gas to the extent not included in the natural gas pipeline tariff as specified under sub-regulation (1) from such customer, to whom the supply of natural gas is required at a specific deliverable pressure as defined in the contract and beyond the THE : EXTRAORDINARY [PART operating pressure, profiled the natural gas pipeline as envisaged in the DFR

12. Expansion of capacity in natural gas pipeline.(1) The entity may expand the authorized capacity' in the natural gas pipeline upto ten percent and immediately inform the Board of its decision: Provided that there shall be no change in the natural gas pipeline tariff post- expansion. (2) In case it is proposed to expand the capacity of the natural gas pipeline by more than ten percent of that authorized by the Board, the entity shall submit a proposal for consideration, of the Board and the Board may allow for expansion of the capacity in the natural gas pipeline provided that the entity agrees to a reduction in the unit natural gas pipeline tariff by sharing fifty percent of the proposed incremental tariff revenue calculated based on the applicable unit natural gas pipeline tariff before expansion and the incremental volumes sought to be transported: 13. Post-authorization monitoring of activities (pre-commissioning). (1) An authorized entity is required to provide, on a quarterly basis, a progress report detailing the clearances obtained, targets achieved, expenditure incurred, works-in-progress and any other relevant information in the form at Schedule E. (2) The Board shall seek compliance by the entity to the relevant regulations for technical standards and specifications: including safety standards through conduct of technical and safety audits during the pre-commissioning phase, as well as on an on-going basis thereafter, for ensuring safe commissioning and operation of the natural gas pipeline, (3) The Board may allow re-routing of the natural

gas pipeline provided that such re-routing does not result in increase in natural gas pipeline length by more than ten per cent of the authorized length of the natural gas pipeline. Provided further that the natural gas pipeline tariff remains the same as per the authorization. (4) The Board shall monitor the progress of the entity in achieving various targets with respect to the natural gas pipeline project, and, in case of any deviations or shortfall, advise remedial action to the entity.

14. SeN obligations of authorized entity (post commissioning). (1) The entity shall meet the annual target of transporting natural gas equal to the volume of natural gas quoted in the bid and the Board shall monitor the actual progress in this regard on a quarterly basis: Provided that non-fulfillment of the annual target by the entity shall result in default and encashment of the bond on the following basis, namely:- (a) twenty five percent of the amount of the performance bond for the first default; (b) fifty percent of the amount of the performance bond for the second default; and (c) one hundred percent of the amount of the performance bond for the third default: Provided further that the entity shall make good the encashed performance bond in each of the cases at clause (a) to (c) within a week of encashment and in case of not meeting this requirement, the authorization shall be liable for termination. THE EXTRAORDINARY (2) The authorized entity shall not cause the diversion of natural gas in the natural gas pipeline and its delivery to any customer be made conditional to sourcing of the natural gas from the entity or any other entity. (3) The authorized entity shall give wide publicity of the capacity available in the natural gas pipeline for use on common carrier or contract carrier basis to encourage maximum utilization of the pipeline capacity and shall maintain information in this regard, on its official website, as specified in the relevant regulations on the access code. (4) The capacity available in natural gas pipeline for use as common carrier shall be allocated on the basis specified in the relevant regulations on the access code and declaring natural gas pipelines as contract carrier or common carrier. (5) The authorized entity shall strictly adhere to the provisions under the relevant regulations for affiliate code of conduct right from the stage of submission of the application-cum-bid and onwards including the operative phase of the natural gas pipeline. (6) The authorized entity shall adhere to the requirements of unbundling of the activity of transportation in the natural gas pipeline from the distribution or marketing of natural gas transported in the natural gas pipeline as and when so decided by the Board. (7) The authorized entity shall be responsible for getting the technical and safety audits carried out by independent technical experts at intervals specified or directed by the Board during the pre-commissioning phase as well as on an on-going basis thereafter to ensure compliance with the relevant regulations for the technical standards and specifications including safety standards and the audit report along with the findings shall be submitted to the Board for its review and advise of remedial action, if any, to the entity. 97 (8) The third party audits shall, carried out by independent technical experts or accredited agencies out of the panel approved by the Board. 15, Quality of service standards. (1) The entity laying, building, expanding a natural gas pipeline must comply with the quality of service standards as specified in Schedule F. (2) The performance of the entity in complying with the quality of service standards shall be periodically assessed by the Board and compared against the minimum prescribed benchmarks and a performance consistently below the minimum prescribed benchmark may lead to the consequences specified under regulation 16

16. Consequences of default and termination procedure. (1) An authorized entity shall abide by all the terms and conditions specified in these regulations and any failure, in doing so, except for the default of the service obligation under sub-regulation (1) of regulation 14 and force majeure, shall be dealt with as per the following procedure, namely:- (a) the Board shall issue a notice to the defaulting entity allowing it a reasonable time to fulfill its obligations under the regulations; (b) no further action shall be taken in case remedial action is taken by the entity within the specified period to the satisfaction of the Board; (c) in case of failure to take remedial action, the Board may encash the performance bond of the entity on the following basis, namely:- (i) twenty five percent of the amount of the performance bond for the first default; 1664 GI/08—13 (ii) twenty percent of the amount of the performance bond for the second default: Provided that the entity shall make good the encashed performance bond in each of the cases at sub-clause (9) within a week of encashment failing which the remaining amount of the performance bond shall also be encashed and authorization of the entity terminated; (iii) one hundred percent of the amount of performance bond for the third default and termination of authorization of the entity; (d) the procedure for termination of the authorization shall be as provided in Schedule O. (e) without prejudice

to as provided in clause (ä) to (d), the Board may also levy a penalty' at paragraph 28 of the Act In Addition W taking as prescribed for offences and punishment under Chapter IX of the Act

17. Entity authorized by the Central Government for laying, building, operating or expanding natural gas pipeline before the appointed day. (1) The entity shall submit relevant information along with supporting documents in the form as per Schedule (2) The entity shall abide by the technical standards, specifications including safety standards -as specified under the relevant regulations. (3) The Board shall monitor the actual progress made by the entity in the activities of laying, building and expanding the natural gas pipeline on a with to the of commissioning, the targets specified in the DFR Of the project, and the terms and conditions of the authorization with a view to avoiding any time or cost over-runs which may adversely affect the natural gas pipeline tariff: Provided that in case of any delay in the commissioning the natural gas pipeline or meeting any target beyond that specified in the authorization, the Board reserves the right to- (a) not consider the additional costs attributable to the time over-run while fixing the natural gas pipeline tariff as specified under clause (5); or (b) advise the Central Government for cancellation of the authorization and encashment of the performance bond or bank guarantee, if any. (4) The Board shall approve the natural gas pipeline tariff to be charged by the entity based on the methodology" as specified under the Petroleum and Natural Gas Regulatory Board (Determination of Natural- Gas Pipeline Tariffs) Regulations, 2008. (5) In case any natural gas pipeline has been authorized by the Central Government without prescribing the usage of the same as common carrier or contract carrier basis, the Board may intervene and declare the same as common carrier or contract carrier under the relevant regulations. (6) The activities of the entity may be to such other, regulations as may be applicable as per the provisions of the Act

18. Entity not authorized by the Central Government for laying, building, operating or expanding natural gas pipeline before the appointed day. (1) (2) An entity laying, building, operating or expanding natural gas pipeline at any time before the appointed day but not duly authorized to do so by the Central Government shall apply immediately for obtaining an authorization in the form as per Schedule. The Board may consider the following, (criteria while considering the application for grant of authorization):- 100 THE OF EXTRAORDINARY [PART (a) the entity meets the minimum eligibility' criteria as specified in clauses (a) to (e) and (i) of sub-regulation (6) of regulation 5 before the appointed date and is possessing all necessary statutory clearances, permissions, no objection certificates from the Central and State Governments and statutory authorities; (b) an entity which is not registered under the Companies Act, 1956-at the time of submitting the application for grant of authorization shall undertake to become a company registered under the Companies Act, 1956: Provided that the Board may exempt an entity to register under the Companies Act, 1956 on such conditions as it may deem appropriate; (c) a satisfactory assessment of the actual physical progress made and the financial commitment thereof till immediately before the appointed day in comparison with the entity's DFR appraised by the financial institution funding the project. In case the project has not been funded by any financial institution, the Board may appraise the DFR. The DFR of the entity should clearly the specified length, route and capacity of the proposed natural gas pipeline; (d) in respect of the actual physical progress made and the financial commitment to in clause (c), a physical progress of at least twenty five percent and a commitment of at least twenty five percent of the capital expenditure identified for the natural gas pipeline project as per the before the appointed day may be considered as adequate; (e) the Board reserves the right to get the actual physical-progress and the financial commitment certified and depending upon the progress achieved, the Board may consider authorizing the entity for laying, building, operating or the natural gas pipeline- 101 i) ii) iii) as per the route & the DFR; as per the route or length under implementation till the appointed day; or the route or length the Board; (3) (f) in relation to laying, building, operating or expanding the natural gas pipeline, it is for the entity to satisfy the Board on the adequacy of its ability to meet the applicable technical standards, specifications and safety standards as specified in the relevant regulations for technical standards and specifications including safety standards; (g) assessment of the financial position of the entity in timely and adequately meeting the financial commitments in developing the natural gas pipeline project as appraised by a financial institution and an examination of the audited books of accounts of the entity; (h) the booking of the capacity in the natural gas pipeline should be equal to at least fifty percent of the sum of the own capacity requirements of the entity and firm-up contracted capacity and the agreements in this regard should have been entered in a

transparent manner and based on the principle of at an am's length; (i) the entity shall submit copies of the agreements for transposition or supplying of natural gas by the natural gas pipeline for the, firm-up contracted capacity specified under clause (h) to the Board; and (j) any other criteria considered as relevant by the Board based on the examination of the application. The evaluation of the application in terms of the clauses (a) to (j) of sub-regulation (2) shall be done in totality considering the composite nature and the inter-linkages of the criteria. 102 (4) (5) THE : EXTRAORDINARY The Board, examine in terms of the criteria under sub-regulation (3) and also taking into account the requirements in other may form a prima-facie view as to whether the case should be considered for authorization. In case of prima-facie consideration, the Board shall issue a public notice in one national and one vernacular daily newspaper (including webhosting) details of the project and seek comments and objections, if any, within thirty days from any person on the proposal. (6) The Board; after examining the comments and objections, if any, under sub-regulation (5), may either consider or reject the case for grant of authorization for the natural gas pipeline, (7) if it is decided to grant authorization, the same shall be in the form at Schedule D; (8) In case of rejection of the application, the Board shall pass a speaking order after giving a reasonable opportunity to the concerned party to explain its case and proceed to select an appropriate entity for the project in terms of regulation 6. (9) In case the entity is selected for grant of authorization for laying, building, operating or expanding natural gas pipeline,- (a) the natural gas pipeline tariff shall be determined under the Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff for Natural Gas Pipelines) Regulations, 2008; (b) the entity shall abide by the technical standards, specifications including safety standards as specified under relevant regulations for technical standards and specifications including safety standards; 103 (c) the Board shall monitor the progress by the entity in the activity of laying, or the gas pipeline on a quarterly basis with reference to the terms of commissioning, the targets specified in the DFR of the project and the terms and conditions of the authorization with a view to avoiding any time or cost over-runs which may adversely affect the natural gas pipeline tariff: Provided that in case of any delay in the commissioning of the natural gas pipeline of meeting any target beyond that specified in the authorization, the Board reserves the right to not consider the additional costs attributable to the time over-run while fixing the natural gas pipeline tariff as specified under sub-regulation (e); (d) the entity shall abide by the provisions under the relevant regulations on access code and declaring natural gas pipelines as common carrier or contract carrier, (e) the provisions under regulations 8, 9, 13, 14, 15 and 16 shall apply to the entity

19. Provisions relating to dedicated pipeline for transport of natural gas. In respect of dedicated pipelines existing before the appointed day, the following provisions shall apply, namely:- (a) entity having dedicated pipeline to transport natural gas to a specific customer before the appointed day shall submit details of the pipeline length, route, capacity customers served along with the DFR of the project to the Board within thirty days of notification of these regulations; (b) Board may web-host details of dedicated pipeline seeking comments of general public to ascertain whether such pipeline needs to be converted into natural gas in public interest; 104 (c) The Board based on the examination of the comments received, direct to convert such pipeline into natural-gas pipeline in overall public interest, Provided that the entity shall be given an opportunity to present its case; (d) The entity may also submit its proposal to convert its dedicated pipeline into natural gas pipeline to the Board along with complete details and justifications and the Board may web-host details of pipeline seeking comments generally public with a view to ascertain whether such pipeline be converted into natural gas pipeline in public interest and the Board may, based on the examination of comments received and in overall public interest, issue grant of authorization to the entity for conversion into natural gas pipeline. (2) In respect of dedicated pipelines proposed to be laid, built, operated or expanded after the appointed day, following provisions shall apply, namely:- (a) the entity proposing to lay, build, operate or expand a pipeline to transport natural gas to a specific customer after the appointed day shall submit details of its pipeline length, route, and details of the customers served along with the DFR of the project to the Board at least thirty days before the proposed commencement of laying and building of the dedicated pipeline; (b) Board may web-host details of the proposed dedicated pipeline seeking comments generally public with a view to ascertain whether, instead of a dedicated pipeline, the public interest would be better served if a natural gas pipeline built, operated or expanded; (c) in case based on the examination of the comments the Board is of the view that instead of a dedicated natural gas pipeline would better serve public interest, it may advise the entity [within 30 days] appropriately within thirty days of the receipt of the

information from the entity; (d) in case, despite receiving the advice from the under clause (c), the entity still wishes to lay, build, operate or expand a dedicated pipeline, it may do so: Provided that simultaneous to the entity building a dedicated pipeline, the Board may, on suo-motu basis, decide to issue an expression of interest for laying, building, operating or expanding a natural gas pipeline: Provided further that the entity shall not be allowed to apply to the Board for conversion of its dedicated pipeline into a natural gas pipeline for a period of five years from the date of the commissioning of its dedicated pipeline; (e) any entity laying, building, operating or expanding a dedicated pipeline for which no advice has been issued by Board under clause (c) may apply to the Board at any time for converting it into natural gas pipeline and the Board may decide to authorize the entity for such conversion in line with the procedure under clause (d) of sub-regulation (1) and the moratorium period restriction of five years specified under clause (d) shall not be applicable in such case; (f) the Board may, in respect of a dedicated pipeline laid, built, operated or expanded after the appointed day, direct the entity to convert dedicated pipeline into natural gas pipeline as per the following procedure, namely:- (i) the Board may web-host details of dedicated pipeline seeking comments of general public with a view to ascertain whether such pipeline needs to be converted into natural gas pipeline in public interest; 1664 GI/08—14 105 (ii) the Board may, based on the examination of the comments received, direct the entity to convert such pipeline into natural gas pipeline in overall public interest. Provided that the entity shall be given an opportunity to present case. (3) In case a dedicated pipeline is converted into a natural gas pipeline under sub-regulations (1) or (2), the provisions under the 96b-regulation (9) of regulation 18 shall apply to such pipeline

20. Access and inter-connectivity to natural gas pipeline. The entity shall follow the access code and allow inter-connectivity to another natural gas pipeline as per the provisions of the relevant regulations for access code

21. Miscellaneous. If any dispute arises with regards to the interpretation of any of the provisions of these regulations, the decision of the Board shall be final. 107 Schedule A [see regulations 4 (1) and 5 (6)] Application form for submitting expression of interest by an entity desirous of laying, building, operating or expanding a natural gas pipeline. A. Only an entity which complies with the minimum eligibility criteria as per regulation 5 (6) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 is eligible to submit its application for submission of expression of interest to the Board. B. Entities must enclose documentary proof in support of its meeting the minimum eligibility criteria. C. The entity submitting the expression of interest must submit the following information: 1 A B c D 2 A B C D E F 3 General Details Name of the Entity Type of firm — Public Limited Company / Private Limited Company / Partnership firm / Proprietorship firm / Others lease s ec • Date of incorporation and date of commencement of business Address of the Registered office Basic Data Point Of origin and the end point of the proposed natural gas line Indicative route of the proposed natural gas pipeline indicating the likely natural gas injection points and likely delivery points depicted on a schematic map Natural gas availability position Potential demand of natural gas enroute the natural gas line Assessment of total gas volume for transportation in the proposed natural gas line An other issue considered as relevant by the entity Application fee of Rs. paid vide Demand draw pay order > and dated < > drawn on <name of bank and number < branch>. Date: Place: Name and signature of entity or authorized signatory Office Seal 108 THE GAZETTE OF INDIA : EXTRAORDINARY Schedule B [see regulation 5 (7)] [PART IPSEC. 3(i)] Application-cum-bid for grant of for natural gas pipeline. To, The Secretary, Petroleum and Natural Gas Regulatory Board, 1st Floor, World Trade Centre Babar Lane, Connaught Place, New Delhi - 110001. Sub: for grant of authorization for laying, building, operating or natural gas pipeline <name indicating the proposed route from the starting point till the end-point> under the Petroleum and Natural Gas Regulatory Board "(Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008. se arate sheets for providing information wherever necessary Part-I — General details of the entity and technical details of the 1 C 2 project (to be submitted in a properly earmarked, sealed and separate envelope Details of the entity Name of the entity Type of firm — Public Limited Company I Private Limited Company / Partnership firm I Proprietorship firm / others (please specify and attach copy of Articles of Association or Partnership deed, etc., as applicable. Date of incorporation and date of commencement of business. Address of registered office, Name, addresses, telephone numbers, e-mail ID of all directors / partners / proprietor (please provide full details with STD Code and Pin Code. Financial details Share capital or proprietor's own funds as applicable. Loans amount, tenure, moratorium period, rate of

Wnerest, taken from and asset mortgaged or hypothecated for securin the same, if an . C D G 3 B C Reserves, if an Fixed Assets Current Assets Current Liabilities Sales Turnover Profit After Tax (Attach copies of Profit and Loss Account and Balance Sheet for last three financial years) - In case entity is a subsidiary company, copies of audited Profit and Loss Account and Balance Sheet for last three financial years of the parent com an to be attached. Business activities of the enti Details of all existing natural gas pipelines, if any, and including design specifications, installed capacity, capital cost, year-wise details of operating cost, date of commissioning, gas volumes transported alongwith details of customer profile, map and drawings showing details pf existing facilities and future plan, natural gas sources, unit natural gas pipeline tariff charged, etc. Details of existing tie-up or collaboration with any entity for transport of natural gas for existin natural as i lines. Details of other business, if any, being carried out by the romoters for the last five ears. Ownershi and affiliate details Detail of romoters Details of all affiliates of the entity the business mentioning relationship beueen the entity and 'the affiliates ("affiliate" means as defined in the relevant regulations for affiliate code of conduct . The entity undertakes to produce all relevant records or documents of itself and its related entities on Yes / No 110 D E 5 C OF INDIA demand b the Board. Is the entity a registered under Com anies Act, 1956? Is the entity prombted by a under registered company Com anies Act, 1956? The entity undertakes to a company, in case it is not a company at the time of submission of this application-cum-bid, under the Companies Act, 1956 on being selected for rant of authorization. Promoters unde.±king in the form of letter of comfort stating that their financial contribution in the project shall be converted in to equity share capital within three months of the date of grant of authorization. Enclose the letter of comfort from the romoters. Technical details of the proposed natural as i line ro•ect Name of the proposed natural gas eline ro•ect. Detailed map indicating the route of the proposed natural gas pipeline with following details: 11--SEC. Yes / No Yes / No Yes / No Yes / No (a) (b) (c) (d) (f) tariff zones marked along the proposed route depiction of district, town, taluka or any other area falling in • each tariff zone either fully or partially entry and exit.oints spur line inter-connection point depiction of the proposed major facilities, such as compressors, tap-off points, etc. Technical specifications of the project attaching thæcopy of the DFR and covering full details of pipeline design, pressure, length of network, pipeline diameter, pipeline thickness, route, corrosion arrangements, protection natural gas in•ection oints, ta -off oints, 111 D E G main block valves, isolation valves, emergency shutdown valves, metering arrangements, HSE measures, etc. Development plan envisaged for the proposed natural gas pipeline project - design and installed capacity along with details of phased-out capital e)Qenditure plans including the projected dates of commencement of operations phase-wise, and the details of•the activities or targets associated wi#h the completion of the roaect to be enclosed. Proposed plan for. (i) sourcing of natural gas for injection in the natural gas pipeline; (ii) phase-wise capacity tie-up in the proposed natural gas Are all applicable technical specifications standards, including safety standards, as specified under the relevant regulations for technical standards and specifications, including safety standards have been considered and complied with in designing the proposed natural gas pipeline? Provide full details. Attach copy of the Disaster Mana ement Plan. Is the project entitled to any subsidy, exemption, deferment or waiver of any statutory levy (including income tax) from the Central the State or Governments? If yes, give complete details indicating the year-wise utilization plan of the enti Non-refundable Application fee under ther ulation 5 6 . Demand draft or a order Demand draft or pay order number and date Name of issuin bank and branch Yes / No Yes / No Rs. < 112 Part-I: A B c THE GAZITE OF INDIA : EXTRAORDINARY [PART Bid bond Demand draft or a order Demand draft or pay order number and date Name of issuin bank and bfranch RS. < Financial bid (to be Submitted in a separate earmarked sealed envelope) to be opened for those entities qualifying the minimum eli ibili criteria underre ulation 5 Present Value (PV) of the unit natural gas pipeline tariff bid under this criterion for the first tariff zone in the natural gas Dipeline over the economic life of the project (which is twenty five years from the date of authorization). [natural gas pipeline tariff bid shall bé for each year of the econpmic life of the project]. Percentage increase bid under this criterion which when multiplied with the unit natural gas pipeline tariff bid for each of the year of the economic life of the project under clause A shall determine *the incremental unit natural gas pipeline tariff for the second tariff zone over the first tariff zone for each of the year. [a single number is to be bid]. Percentage increase bid under this criterion which when multiplied with the unit natural gas pipeline tariff bid under clause A for each of th'e year of the economic life of the ro•ect PV of the unit natural gas pipeline tariff bid for the first tariff zone for each year of the economic life of the

project using the discount rate of 120/0 is Rs.< per MMBTU Year-wise natural gas pipeline tariff bid for first tariff zone- Year 1: Rs.< per MMBTU Year 2: Rs.< per MMBTU Year 25: Rs.< per MMBTU bid bid increase increase 113 D and the percentage bid under clause B shall determine the incremental unit natural gas pipeline tariff for the third tariff zone over the second tariff zone for each of the year: Provide that for each - tariff zone, the incremental increase in the unit natural gas pipeline tariff for each of the year of the economic life of the project shall be determined by multiplying the percentage increase bid under this criterion with the incremental increase in unit natural gas pipeline tariff for the tariff zone each of the year. A single number lower than one hundred percent is to be bid]. Present value of the natural gas volumes (in million standard cubic meters per day) proposed to be transported in the natural gas pipeline over the economic life of the project. [natural gas Volumes to be transported in the natural gas pipeline shall be for each year economic life of the project]. PV of the natural gas volumes bid for transport in the natural gas pipeline for each of the year of economic life of project the discounted at Twelve percent is < million cubic meters per day (MMSCMD). Natural gas volumes to be transported in the natural gas pipeline for each of the year of economic life of project the discounted at Twelve percent is < million cubic meters per day (MMSCMD). Year 1: MMSCMD Year 2: MMSCMD Year 25: MMSCMD Please enclose a copy of the approved DFR of the proposed natural gas pipeline for the economic life of the project. 1664 GIJ08—15 114 DECLARATION THE GAZETTE OF INDIA: 1. Certified that the above information is true to the best of my knowledge and belief and the information and data given in the annexure, attachments; enclosures and calculation sheets accompanying this application-cum-bid are correct, complete and stated) and if any statement made herein is found to be incorrect, the application-cum-bid shall be rejected, the application fee and the Bid Bond shall be forfeited and I / We shall be liable to be proceeded against and for punishment under the provision of the Act. 2. I / We certify that the above application-cum-bid is the only application-cum-bid submitted, and no other application-cum-bid has been or is being submitted separately for this natural gas Pipeline by me / us. Date: Name and Signature of Authorized Signatory Official Seal Instructions for filing the 1. 2. 3. 4. 5

6. All entries in the form and annexed documents should be legible with no cuttings. Details requiring separate statement may be enclosed giving clear reference of the point against which the same is being attached. All pages of the application-cum-bid and the attachments and statements need to be serially numbered and initialed by the person or official authorized by the entity through a notarized power of attorney. Any information filled in the application-cum-bid needs to be substantiated by attaching relevant proof of the same. The entity is required to submit three true copies (two hard copies and one soft copy) of the application-cum-bid with all the enclosures in addition to the original. Incomplete application-cum-bid is liable to be summarily rejected. 115 Schedule C [see regulation 7 (4) and explanation under clause (a) to (c) of sub-regulation (1) of regulation 7] Illustration showing the basis of determining the highest composite score for ascertaining the successful bid for grant of authorization for natural gas pipeline. Let there be three entities whose bids need to be compared for determining the successful bid over the bidding criteria stated under clauses (a) to (d) of sub-regulation (1) of regulation 7. (A) Natural gas pipeline tariff bid for first tariff zone in the natural gas pipeline, under clause (a) of sub-regulation (1) of regulation 7. Let, $T_1 = T_2 = T_3$ = Present value of the unit-natural gas pipeline tariff bid for the first tariff zone for twenty five years by the 1st entity. Present value of the unit natural gas pipeline bid for the first tariff zone for twenty five years by the 2nd entity. Present value of the unit natural gas pipeline tariff bid for the first tariff zone for twenty five years of the 3rd entity. Assume that T_1 is lower than T_2 and T_2 is lower than T_3 . The least present value of the unit natural gas pipeline tariff bid for the first tariff zone (LT_1) shall be given a score of 100% and the present value of the other unit natural gas pipeline tariff bids for the first tariff zone shall be given a score in relation to LT_1 on a pro-rata basis as under- $LT_2/LT_1 \times 100$ or $LT_3/LT_1 \times 100$ (B) Percentage increase bid under clause (b) of sub-regulation (1) of regulation 7 which when multiplied with the unit natural gas pipeline tariff bid for each of the year of the economic life of the project under clause (a) of sub-regulation (1) of regulation 7 shall determine the incremental unit natural gas pipeline tariff for the second tariff zone over the first tariff zone for each of the year. Let, $PFI = PF_2 = PF_3$ = Percentage increase bid under clause (b) of sub-regulation (1) of regulation 7 by the 1st entity. Percentage increase bid under clause (b) of sub-regulation (1) of regulation 7 by the 2nd entity. Percentage increase bid under clause (b) of sub-regulation (1) of regulation 7 by the 3rd entity. Assume that PFI is more than PF_2 and PF_2 is more than PF_3 . The lowest percentage increase bid (PF_3) shall be given a score of 100% and the other percentage increase bids shall be given a score in relation to PF_3 on a pro-rata basis as under- $PFI/PF_3 \times 100$ or $PF_2/PF_3 \times 100$

PF2) $LPF2 = LPF3 = 100 \text{ 0/0} \times (PF3 + 100 \times (PF3 * 100' \text{ 0/0} 117 \text{ (C) Percentage increase bid under clause (c) of sub-regulation (1) of regulation 7 which when multiplied with the unit natural gas pipeline tariff bid under clause (a) of sub-regulation (1) of regulation 7 for each of the year of the economic life of the project and the percentage bid under clause (b) of sub-regulation (1) of regulation 7 shall determine the incremental unit natural gas pipeline tariff for the third zone over the second tariff zone for each of the year: Provided that for each successive tariff zone, the incremental increase in the unit natural gas pipeline tariff for each of the year of the-economic life of the project shall be determined by multiplying the percentage increase bid under clause (c) of sub-regulation (1) of regulation 7 with the incremental increase in the unit natural gas pipeline tariff for the immediate preceding tariff zone for each of the year. Let, }PSI = PS2 = PS3 = \text{Percentage increase bid under clause (c) sub-regulation (1) of regulation 7 by the 1st entity. Percentage increase bid under clause (c) of sub-regulation (1) of regulation 7 by the 2nd entity. Percentage increase bid and under clause (c) of sub-regulation (1) of regulation 7 by the 3rd entity. Assume that PSI is more than PS2 and PS2 is more than PS3. The lowest percentage increase bid (PS3) shall be given a score of 100\% and the other percentage increase bids shall be given a score in relation to LPS3 on a pro-rata basis as under- }LPS2 - LPS3 = 100 \text{ 0/0}, \times (LP3 + LPI) 100 \text{ 0/0} \times (LP3 + LP2) 100 \text{ 0/0} 118 \text{ THE GAZETTE OF INDIA : EXTRAORDINARY (D) Bid for Natural gas volumes (in MMSCMD) proposed to be transported in natural gas pipeline over the economic life, under clause f') of sub-regulation (1) of regulation 7. Let, }VI = V2 = V3 = \text{Present value of the bid for volumes bid for proposed to be transported in the natural gas pipeline by the 1st entity over the economic life of the project. Present value of the bid for volumes proposed to be transported in the natural gas pipeline by the 2nd entity over the project. Present value of the bid for volumes proposed to be transported in the natural gas pipeline by the 3rd entity over the economic life of the project. Assume that VI is more than V2 and V2 is lower than V3. The highest present value of the volumes proposed to be transported (HPV3) shall be given a score of 100\% and the present value of the other volume bids shall be given a score to HPV3 on a pro-rata basis as under- }100 \times (HPVI + HPV3) 100 \text{ 0/0} \times (HPV2 + HPV3) 100\% \text{ Now, the composite score of three entities shall be computed by assigning the respective weight assigned to each of the bidding criterion as indicated below- Entity 1 Entity 2 Entity 3 }0.40 \times LTI + 0.20 \times LPFI + 0.10 \times LPSI + 0.30 \times HPV1 0.40 \times LT2 + 0.20 \times LPF2 + 0.10 \times LPS2 + 0.30 \times HPV2 0.40 \times LT3 + 0.20 \times LPF3 + 0.10 \times LPS3 + 0.30 \times HPV3 119 \text{ Note: This illustration assumes the natural gas pipeline length of more than six hundred kilometers. The entity with the highest composite score shall be declared as successful in the bid. Illustration for computation of the natural gas pipeline tariff for different tariff zones. Assuming that the composite score of the entity 2 is the highest and this entity is selected for authorization, the natural gas pipeline tariff for the first and the subsequent tariff zones during the first year shall be determined as under: First tariff zone = Second tariff zone = Third tariff zone = Fourth tariff zone = ...and so on... Tariff bid for first tariff zone for first year Tariff bid for first tariff zone for first year }X [1 + PF2 / 100] \text{ Tariff for first tariff zone for first year }X [1 + (PF2/ 100) + (PF2/100) \times (PS2 / 100)] \text{ Tariff for first tariff zone for first year }X [1 + (PF2/ 100) + (PF2/ 100) \times (PS2/ 100) + (PF2/ 100) \times (PS2/ 100) \times (PS2/ 100) \times A^2] 120 \text{ GAZETTE OF INDIA : EXTRAORDINARY Schedule D [see regulations 9 (1) and 18 [PART 11--SEC. Grant of authorization for laying, building, operating or expanding natural gas pipeline. To, <Name of the successful entity> <address> Subject: Grant of authorization for laying, building, operating or expanding natural gas pipeline along the route of < name of starting point, name of states or union territories passing through and the name of the end point> under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008. Sir / Madam, With reference to your application for grant of authorization for laying, building, operating or expansion of natural gas pipeline along the route of < name of starting point, name of states or union territories passing through and the name of the end point>, it has been decided to grant authorization to you, subject to the provisions under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 on the following terms and conditions, namely:- 1$

2. The route for laying, building, operating or expanding the natural gas pipeline shall be as depicted in the enclosed drawing [<name of the originating point>, <intermediate tap-off and interconnection points>, <name of spur line> and <name of the last delivery point> of the natural gas pipeline to be depicted]. The entity shall complete the activities of laying, building or expansion activities of natural gas pipeline and commission the natural gas pipeline project as per the enclosed time

schedule and targets. The entity is allowed a maximum period of thirty six months from the date of issue of the authorization letter for commissioning of the natural gas 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, Natural Gas Pipelines) Regulations, 2008. The capacity in the natural gas pipeline shall be equal to < > Million standard cubic meter per day (MMSCMD). The extra capacity in the natural gas pipeline shall be equal to < MMSCMD as per the provisions specified in clause C) of sub-regulation (6) of regulation 5 and shall be available for use on common carrier basis by any third party on open access and non-discriminatory basis. 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 natural gas pipeline 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. The entity shall publish the approved tariffs for each of the tariff zone of the natural gas pipeline. 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 Natural Gas Pipelines) Regulations, 2008. The furnishing of performance bond of Rs. < > 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. 1664 GI/OE.O 122 9. THE GAZETTE OF INDIA : EXTRAORDINARY [PART II SEC. 3. The entity shall abide by the service obligations specified under regulation 14 and quality of service standards under regulation 15 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008.

10. In case the authorization of the entity is terminated, 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.

11. 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 Tariffs) Regulations, 2008; (c) the service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Operate or Expand Natural Gas Pipelines) Regulations, 2008; (d) the relevant regulations for (i) the technical standard standards; (ii) the access code; and specifications, including Build, safety (iii) determination of capacity for natural gas pipeline; (iv) affiliate code of conduct; (v) declaring natural gas pipelines as common carrier or contract carrier; (e) any other regulations as may be applicable and the provisions of the Act.

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. Faithfully, Dated: Yours Name & Designation of Officer On behalf of the PNGRB Official Seal Acceptance of Grant of Authorization I / We hereby agree to the grant of authorization issued by the Board vide letter > and agree to comply with all the terms and conditions > dated < subject to which I / We have been granted authorization for laying, building, operating or expanding natural gas pipeline along the route < > in the State or the Union Territory of < Date: Place: Signature of the Entity or Authorized Signatory Name and Official Seal 124 A. B. A B C D E F GAZETTE OF : EXTRAORDINARY Schedule E [see regulation 13 Quarterly submission of data by authorized entity. The data and information required to be submitted by the entity in the following form shall be analyzed by the Board by comparing — (1) actual progress made by the entity including commissioning of the project versus the physical and financial targets; in its DFR; and (2) actual volume of natural gas transported in the natural gas pipeline versus the volume committed in the bid. Monitoring of the progress shall be taken up by the Board on a quarterly basis and the notice of deviations and shortfalls, if any, shall be sent to the entity on an annual basis for a prompt resolution. In case of any delay in meeting the yearly commitments within the notice period or in case of repeated violations, the entity may face the

consequences 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 Pipelines) Regulations, 2008. Name of Authorized Entity Project Name Date of grant of authorization Date of commencement of operations Details of composition of the of the entity (give details of variations, if any, since the date of authorization Entity shall comply with' the relevant regulations for affiliate code of conduct. Note: Board reserves the right. to seek any information or data from the entity, as it may deem to be fit, to satisfy itself to the compliance b the enti Information and data For the Quarter Cumulative for the year 125 G 1 2 3 4 5 6 Financial Details (in Rs: Million) Capital Investment (a) Fixed Assets Opening balance Direct additions • Transfer from Capital CWIP Deletions, if any Closing balance (b) CWIP Opening balance Additions Transfer to fixed asseB Deletions, if any Closing balance Operating expenses Work-in-progress (a) Consumables and Chemicals (b) Utilities — Power and Fuel (c) Salaries (d) Repair and maintenance (e) Gen administrative expenses (f) Insurance (g) Any other expenses (to be detailed) Fihancial Expenses (a) Interest on Working dāpital borrowings CB (b) Interest on term loans Depreciation Revenue Earned (a) Natural gas transportation (b) Marketing of natural gas (c) Other income - Interest, etc Loans Status (a) Term Loans [PART 7 H 1 2 TFEGAZETTEOF INDIA: EXTRAORDINARY Opening Added Repaid Closing (Provide details of each loan - interest rate, moratorium period, term of the loan, terms and conditions, etc.) (b) Working Capital Loans Opening Added Repaid Closing (Provide details of each loan - interest rate, moratorium period, term, terms and conditions, Natural Gas Pipeline Tariff charged (a) Natural gas pipeline tariff charged zOne- wise in Rs./ MMBTU (c) Amount of natural gas pipeline tariff char ed zone-wise in Rs. Million Physical Details (a) Volume of natural transported in the natural gas pipeline (b) Volume committed in the bid and stated •in the DFR (c) Variation in (a) versus (b) Alongwith reasons (d) Volume delivered customer-Wise at each of the delivery points. (volume to be given in MMSCMD and MMBTU and the basis followed. for energy equivalence to be indicated Heat value of natural gas (in MMBTU per SCM) to be rovided: (a) at each of the points of injection or re- injection or interconnection in the natura! as eline; (b) at each delivery point in the natural gas i eline; 127 3 4 5 6 Natural gas pipeline length (in kilometers): (a) till last quarter (b) laid and built in the current quarter (c) length as at the end of the Quarter (details to be provided outer diameter and pressure rating-wise) Number of compressors, terminals and delive Terminals (a) TilHast quartet (b) Added now (c) Total as on date Project completion status intermediate actual achievements versus that as per the approved schedÜle in % terms (Provide details for each of the target as per the approved time schedule to the Grant of authorization and reasons for deviation from the same, if an Any other information / data as may be prescribed by the Board or may be considered relevant by the entity. Date: Place: Signature of the entity or authorized signatory - Name and Seal Note : The Information and data in the above format should be certified by a Chartered Accountant. 128 General. THE GAZETTE OF EXTRAORDINARY Schedule F [see regulation 15 (1)] Quality of Service Standards [PART IPSEC. 301 The purpose of specifying the quality of service standards is to specify the minimum level of performance expected of the entity in laying, building, Operating or expanding the natural gas pipeline in terms of service to be provided io the customers and other entities. In order to enable the entity to satisfactorily comply with the quality of service standards, other stakeholders, •like, customers and other entities are also expected to diligently . fulfill certain minimum responsibilities. While the authorized entity shall have to mandafbrily comply with the quality of service may widely advenise. the minimum responsibilities expected of the customers and other entities and also incorporate the same suitably in the contracts. The quality of service standards are indicated below:- 1. System upkeep and customer classflcatlon. (1) Entity's responsibility: (a) to ensure upkeep of the system as per the technical standards, specifications including safety standards specified under the relevant regulations for technical standards and specifications, including safety standards at all points of time; (b) to ensure that the in case of disruption of supplies in the natural gas pipeline, city or local natural gas distribution networks shall be accorded the first priority for use of the line pack volumes in the natural gas pipeline, The contracts with the customers should accordingly contain e specific clause on dealing with interruptibility in natural gas supplies; 129 2. 3. (c) to maintain the qualiW' of natural' gas ih the natural gas pipeline as per the technical standards, specifications and safety standards in the relevant regulations for technical standards and specifications, including safety standards. (2) Customer's responsibility: (a) to ensure Safety of equipment and facilities, if any provided by the entity within the premises; (b) to clearly state the purpose of gas usage and ensure use against the same connection. Request for connection. Entity's

responsibility: (a) after obtaining the authorization, entity to publish in newspaper and its official website its plan to lay, build, operate or expand natural gas pipeline as per the authorized route for the information of the general public; (b) to provide connectivity promptly provided the customer has necessary safety and statutory clearances; Metering and billing. Entity's responsibility: (a) responsible for ensuring delivery of natural gas, which is metered; (b) to make the customer aware of the specifications of the entity's metering 1664 GI/08—17 130 4. 5. : EXTRAORDINARY PART IPSEC. 3 i (c) to ensure accurate meter reading, and in case the demands- (f) institute a suitable mechanism to ensure periodic reconciliation of the readings as per the entity's metering unit with that as per the customer's metering unit, if any; (ii) provide for joint meter reading as per the entity's metering unit; (d) to ensure correct billing for transport of natural gas as per the terms and conditions of the contract, indicating the applicable natural gas pipeline tariff. The bill should also contain customer name and address, serial number, volume (in both MMBTU and SCM), taxes/ levies, if any, amount, due date, etc; Disconnection of supply. Entity's responsibility: (a) give proper notice explaining in detail the reason before disconnection; (b) ensure immediate disconnection, if proving hazardous to public safety; Interruptions in natural gas pipeline. Entity's responsibility: (a) give due notice to customers for planned maintenance; (b) ensure the earliest possible resumption of supplies after interruption; and (c) ensure prompt recovery from unplanned interruptions; 131 6. Emergency response handling. (1) Entity's responsibility: (a) (b) to ensure in-position of the emergency response plan to - (i) handle emergencies in co-ordination with the police, fire department, local administration and hospitals; (ii) ensure 24X7 manning of emergency cell for handling emergencies; (iii) put-in place a clear responsibility chart depicting roles for individuals in the times of an emergency. ensure availability of disaster management plan, a copy of which should be made available to the Board as well as the local administration of the city or area through which the natural gas pipeline is passing. (2) Customer's responsibility: (a) inform the entity of any potentially hazardous situation at the earliest; (b) help the entity's personnel to contain the emergency situation, if required

7. Information disclosure and customer awareness. Entity's responsibility: (a) to provide on request information about the route of pipeline, pipeline capacities and specifications, like, pressure, calorific value of natural gas, etc. ; 132 8. THE GAZETTE OF INDIA : EXTRAORDINARY [PART IPSEC. 3(i)] (b) to educate the customers through customer awareness campaign (i) appropriateness of burner configuration of the appliance in getting best results from usage of natural gas; and (ii) to maintain a credible database management system to handle the data requirements of the Board and also the record of customer complaints received and action taken on the same. 133 Schedule G [see regulation 16 (1) (d)] Procedure for the termination of grant of authorization of natural gas pipeline. The procedure for implementing the termination of the authorization of the entity to lay, build, operate or expand natural gas pipeline following default by the entity as per the provisions of regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008, shall be as under: 1. 2. 3. 4

5. On approval of termination of the authorization by the Board, the entity shall be required to submit a detailed statement of the ongoing activities in the natural gas pipeline, investments, liabilities and such other information as may be directed by the Board within a period of thirty days from the date of receipt of notice of termination by the entity. The authorized entity shall be required to continue the operations of the natural gas pipeline at the same level till such time another agency or entity, as per the decision of the Board, takes over the full control of the natural gas pipeline. The Board reserves the right to appoint any other entity or agency to manage and operate the natural gas pipeline till such period of time and on such terms and conditions as it may deem fit. The Board may, in any manner as it deems fit including through an issue of an advertisement, invite expression of interest or bids from entities interested in taking over the management and operation of the natural gas pipeline. On receipt of expression of interest or bids, as the case may be, the Board may take an appropriate view on the procedure for evaluation and subsequent grant of authorization and an entity shall be selected to take over the operations of the natural gas pipeline from the defaulting entity. The defaulting entity shall have to provide an undertaking to indemnify the newly authorized entity for any liability which may arise later as a result of its past actions. 134 THE GAZETTE OF INDIA : EXTRAORDINARY Schedule H [see regulation 17 (1)] [PART 11—SEC. 3(i)] Information to be provided for natural gas pipeline authorized* by Central Government before the appointed day. To, Secretary, Petroleum and Natural Gas Regulatory

Board, 1st Floor, World Trade Centres Babar Lane, Connaught Place, New Delhi -110 001. Sub: Information in respect of Natural Gas Pipeline < Name> from <originating point> to <last delivery point> (Attach separate sheets for providing information wherever necessary) Part-I — General, technical and financial details of the entity and the natural gas pipeline project Details of the entity Name of the entity Type of firm — Public limited company / Private limited company / Partnership firm / Proprietorship firm / Others (please specify) (attach copy of articles of association / Memorandum of Association, etc. Date of incorporation and date of commencement of business Address of registered office Name, addresses, telephone numbers, E-mail ID of all directors / partners / proprietor (please provide full details with STD code and pin code Particulars of the authorization granted by the Central Government for laying, building, operating or expanding the natural gas pipeline before the appointed day. Details of NOCs, clearances, etc. considered relevant by the entity to be provided. (Copies of the authorization and other documents to be enclosed . Financial details Share capital or proprietor's own Funds Loans — amount, tenure, maturity period, rate of interest, taken from, and asset mortgaged / hypothecated for securing the same if any Reserves if any Fixed Assets Current Assets Current Liabilities ['WT11—at'Z3 i] 135 G H 3 A B c 4 A B C D E F G 5 A B Sales Turnover Profit After Tax (Attach copies of audited Profit and Loss Account and Balance Sheet for the last 3 financial years) - In case the entity is a subsidiary company, copies of the audited Profit & Loss Account and Balance Sheet for the last three financial years of the parent company to be attached. Business Activities of the entity Original cost and WDV of assets along with year of commissioning, detailed break-up of the operating costs, natural gas pipeline tariff, during the last three years, etc. Details of technical or operational tie-up or collaboration with any other entity for laying, building, operating or expanding the natural gas pipeline Details of other business, if any, carried out by the promoters for the last three years Ownership and affiliate details Details of promoters Details of affiliates of the entity mentioning the business relationship ("Affiliate" means as defined in the relevant regulations for affiliate code of conduct The entity undertakes to produce all relevant records and documents of itself and its related entities on demand by the Board. The entity undertakes to abide by the relevant regulations for affiliate code of conduct. Is the entity a body corporate registered under Companies Act, 1956? Is the entity promoted by company registered under Companies Act, 1956? The entity undertakes to become a body corporate (in case it is not a body corporate at the time of providing the information herein) registered under the Companies Act, 1956 on the grant of authorization. Technical details of the natural gas pipeline Name of the natural gas pipeline Physical map indicating the route of the natural gas pipeline including all spur-lines, entry and exit points for natural gas and the details of the existing and proposed points of inter-connection in the natural gas pipeline. Yes/ No Yes / No Yes / No Yes / No Yes / No 136 C D E F THE GAZETTE OF INDIA : EXTRAORDINARY Technical specifications of the infrastructure in the natural gas pipeline. Note: (a) Attach copy of the DFR alongwith the management approval of the investments and (b) Provide full details of the natural gas pipeline design, pressure rating, diameter, thickness, class, etc., route details, pipeline corrosion protection arrangements, main block valves, isolation valves, emergency shutdown valves, metering arrangements, compressors, intermediate and delivery stations, technical standards and specifications including safety Standards being complied with, etc. Development plan envisaged for the natural gas pipeline project - design and installed capacity of the natural gas pipeline along with the details of phased-out plans for augmentation of the capacity and capital expenditure to be provided. Has the entity obtained the Right-of-Way required for laying, building, operating or expanding the natural gas pipeline as on the appointed day? Note: (a) In case the answer is no, please give specific reasons. (b) If best documentary proof to be provided. Year-wise progress actually achieved by the entity in: (i) creation of the physical infrastructure in the natural gas pipeline is to be provided; (ii) the value of the fixed assets created head-wise and the capital work-in-progress corresponding to the physical infrastructure created till the appointed day is to be provided; and (iii) comparison of sub-clause (i) and (ii) with the levels as specified in the targets specified in the DFR. of the project and the terms and conditions of authorization. The purpose being to avoid any time over-run or cost over-run, which may adversely affect the natural gas pipeline tariff. Note: (a) Documentary proof that the head-wise assets created and reflected as fixed assets in the books of accounts are ready for use is to be enclosed. [PART I—SEC. 3(i)] Yes/ No Percentage completion to be indicated activity-wise with reference to the time schedule and the targets specified in the DFR. 137 (b) The stage of completion in respect of the capital work-in-progress is to be indicated and compared with that indicated in the DFR. (c) Details of the financial commitments

actually made by the entity till the appointed day to be separately indicated and documentary proofs to be submitted. (d) Please state the specific reasons for shortfalls, if any, in meeting the time schedule and specific targets for completion of the activities of laying, building, operating or expanding natural gas pipeline as specified in the DFR. Complete details of the arrangements made by the entity for sourcing of natural gas for the natural gas pipeline to be provided. In case the entity has secured any firm capacity tie-ups, G H J 1664 GI/08—18 co i) ii) iii) details of the arrangements to be enclosed. Volume of natural gas actually transported in the natural gas pipeline during the last three years till the appointed day; Reasons for variations in the actual volumes transported versus the projections in the DFR; Volume of natural gas proposed to be transported and sold on an annual basis during the rest of the economic life of the project. Note: (a) Volumes to be indicated in MMS(2MD and MMBTU and the basis for energy equivalence to be provided. (b) Volume actually transported. to be provided customer-wise for each of the tariff zone. (c) Details of arrangements to be made by the entity for securing capacity tie-ups for the natural gas pipeline to be clearly specified. (d) In case of the achievement of firm capacity tie-ups, copies of the agreements to be enclosed. Have all applicable technical standards, specifications including safety standards, as notified by the Board been considered and complied with while designing, laying, building, expanding or operating the CGD network? Provide details. Copies of all the necessary statutory clearances, permissions and no objection certificates obtained by the entity from the Central and State Yes/ No 138 K L THE GAZETTE OF INDIA : EXTRAORDINARY Government and other statutory authorities as applicable to the natural gas pipeline project to be attached. Attach copy of the Disaster Management Plan in place. Is the project entitled to any subsidy or entitled for any exemption or deferment or waiver of any statutory levy including income tax from the State / Central Government? If yes, give complete details indicating the year-wise utilization plan of the entity [PART 11—SEC. 3(i)] Yes / No Pan-11: An other submission considered as relevant by the entity Note: The Board shall monitor the actual progress made by entity against the targets fixed for the entity on a quarterly basis and take further action in case of any deviation or shortfall, which is to be determined on an annual basis in the manner as indicated in Schedule D. DECLARATION 1. Certified that the above information is true to the best of my / our knowledge and belief and the information and data given in the Annexure and statements are correct, complete and truly stated, and if any statement made herein is found to be incorrect I / We shall be liable for proceeding and for punishment under the provisions of the Act. 2. I/ we also undertake to provide any further information or data as may be required by the Board within the stipulated time. Date: Place: Name and Signature of Authorized Signatory Official Seal Instructions for providing information: 1

2. All entries in the form and annexed documents should be legible With no cuttings: Details requiring separate statement shall be provided giving clear reference of the point against which the same is being attached. 139 3. 4. 5

6. All pages of the information format and all annexure, statements, etc need to be serially numbered and initialed by the person or official authorized by the applying entity through a notarized Power of Attorney. Any information or data filled in the information format needs to be substantiated by attaching relevant proof of the same. The information format is required to be submitted three copies (two, hardcopies and one soft copy) with all the in addition to the original. Incomplete information format is liable to be summarily rejected. 140 THE GAZETTE OF : EXTRAORDINARY Schedule I [see regulation 18 (1)] [PART II—SEC. 3(i)] Application- for grant of authorization for Natural Gas Pipeline to entities not authorized by Central Government. To, The Secretary, Petroleum & Natural Gas Regulatory Board, 1st Floor, World Trade Centre Babar Lane, Connaught Place, New Delhi - 110 001. Sub: Application for Grant of Authorization for Natural Gas Pipeline <Name> from < originating point> to <last off-take/ delivery point> (Attach separate sheets for providing information wherever necessary) Part I General, technical and financial details of the entity and the natural gas pipeline project Details of the entity Name of the entity Type of firm — Public limited company / Private limited company / Partnership firm / Proprietorship firm . T Others (please specify) (Attach copy of articles of association / Partnership deed, etc. Date of incorporation and date of commencement of business Address of registered office Name, addresses, telephone numbers, E-mail ID of all directors / partners / proprietor (please provide full, details with STD Code and pin code Information and data to be provided by the entity in support of the eligibility criteria as specified under sub-regulation (2) of regulation 18. Non-refundable application fee under regulation Demand draft or a order Demand draft or a order no. and date Name of

issuance bank and branch Entity is technically capable of laying and building natural gas pipeline • Documentary evidence in support of the technical capability of the entity In terms of the Rs. 141 C D E F G H qualifying criteria under regulation 5 (6) (b), (j) to iv to be attached. Entity is technically capable of operating and maintaining a natural gas pipeline. Documentary evidence in support of the technical capability of the entity 'in terms of the qualifying criteria under regulation 5 (6) (c), (i) to iv to be attached.. Entity agrees to abide by the relevant regulations for technical standards and specifications, including safety standards. Entity has adequate financial strength to execute the proposed natural gas pipeline, operate and maintain the same and meets the financial criterion of having a minimum combined net worth as specified under regulation 5 (6) (e). Note: All documents in support of the calculations of the minimum combined net worth duly certified by a Chartered Accountant to be attached. Has any penalty been imposed on the entity under section 28 or punished under Chapter of the Act? In case the answer is yes, please submit full details. Copies of all the necessary statutory clearances, permissions and no objection certificates obtained by the entity from the Central and State Governments and other statutory authorities as applicable for the proposed natural gas pipeline project to be attached. In case entity is registered as a company under the Act, 1956, the entity undertakes to become a company registered under the Companies Act, 1956 on grant of authorization. Full details of the promoters of the entity to be provided. Note: In case the entity seeks an exemption from registering under the Companies Act, 1956, detailed justifications shall be submitted to the Board. Technical specifications of the natural gas pipeline Details of route of the natural gas pipeline depicting the following in a physical map to be provided: Yes/ No Yes/ No Yes/ No . 142 J GURU INDIA : EXTRAORDINARY (i) the entry and exit points for natural gas; (ii) intermediate tap-off points; (iii) spur lines; (iv) compressors, (v) point of interconnection in the natural gas. Note: (a) Full technical details regarding the natural gas pipeline design, pressure rating, diameter, thickness, class, etc., route details, pipeline protection arrangements, main block valves, isolation valves, emergency, shutdown valves, metering arrangements, compressors, intermediate and delivery stations, technical standards and specifications including safety standards complied with, etc. to be provided. Details of the physical and financial progress in laying, building, operating or expanding of natural gas pipeline as on the appointed date : i) ii) iii) iv) v) Copy of the DFR of the project to be attached. Note: The entity shall also enclose the documentary proof of the formal approval of the investments as per the DFR of the project. Has the DFR of proposed natural gas pipeline project for which authorization is being sought been appraised by any financial institution? Details of the development plan envisaged for the project to be provided with respect to the design installed capacity of the natural gas pipeline along with details of phased-out plan for capital expenditure on augmentation of the installed capacity, Has the entity secured the right of way for laying, building, operating or expanding the proposed natural gas pipeline? [PART 11—SEC. Yes/ No Yes/ No (a) If the answer is no, reasons. (b) If yes, documentary submitted. Complete details of the. please state proof to be arrangements vi) vii) viii) made by the entity for sourcing of natural gas for natural gas pipeline, provided. In case any firm tie-up has been achieved, copy of the agreement to be enclosed. Extent of physical progress in laying, building, operating or of the natural gas pipeline project achieved by the entity till the day the appointed day as against the time schedules and targets specified in the DFR. Note: (a) The onus of proving the physical progress actually made by the entity lies with the entity and the entity shall submit all necessary documentary proofs in support. (b) The comparison of actual with the levels as specified schedules and in the DFR of the project is with the purpose to avoid any time over-run or cost over-run, which may adversely affect natural gas pipeline tariff. (c) Please provide specific reasons for shortfalls, if any. Extent of financial commitment actually made by the entity in the natural gas pipeline project till the day before the day as estimated capital expenditure in the feasibility report. (a) Year-wise gross and net blocks of the physical infrastructure to be separately provided asset-head wise. (b) Details of capital work-in-progress and the stage of completion to be indicated. (c) The onus of proving the financial commitment actually made by the entity lies with the entity and the entity shall submit all necessary documents in Volume of natural gas in the natural gas pipeline during the three appointed dates till the 143 percentage terms > percentage terms > percentage terms > 144 ix) THE GAZETTE OF INDIA : EXTRAORDINARY reasons for variations in actual volumes transported versus the projections made in this regard in the DFR. Note: (a) Data on volume indicated in sub-clause viC,) should also be separately provided zone-wise and customer-wise. (b) Volume of natural gas proposed to be transported and delivered zone-wise and customer-wise on an annual basis during the rest of the economic life of the

project to be separately indicated. (c) Entity to disclose the arrangements for securing capacity tie-ups and enclose the copy of the agreement for firm capacity tie-up achieved, if any. (d) Volume to be indicated in MMSCMD and in MMBTU with the basis of energy equivalence. Entity to enclose the copies of the internal procedures and guidelines as approved by its management prescribing the basis of compliance by the entity to any technical standards, specifications, including safety standards and the quality of service to customers, if any. [PART IPSEC. 3 A B C D E F G H 4 Financial details of the entity Share capital or proprietor's own funds Loans — amount, tenure, moratorium period, Rate of interest, taken from and asset mortgaged or hypothecated for securing the same, if any. Reserves, if any Fixed Assets head-wise asset details Current Assets Current Liabilities Sales Turnover Profit after Tax (Attach copies of audited Profit and Loss Account and Balance Sheet for last three financial years) - If case applicant is a subsidiary company, copies of audited Profit & Loss Account & Balance Sheet for last three financial years of the parent company to be attached. Business activities of the entity 145 A B C 5 A B D 6 A B Part-II: Original cost and WDV of assets along with year of commissioning, detailed break-up of the operating costs, unit natural gas pipeline tariff charged during the last three years etc. Details of technical or operational tie-up or collaboration With any other entity -in respect of the natural gas pipeline project (enclose copies Of such agreements MOUs/ HOA Details of other business, if any, being carried out by the promoters for the last three years Owners and affiliate details Details of promoters Details of all- affiliates of the entity mentioning the business relationship the entity and the affiliates ("Affiliate" means, as defined in the relevant regulations for affiliate code of conduct •The applicant undertakes to produce all relevant records and documents of itself and its related entities on demand by the Board. The applicant undertakes to abide by the relevant regulations for affiliate code of conduct. Other details Copy of Disaster Management Plan to be attached Is the project entitled to any subsidy, tax waiver or exemption or deferment of any lev) including income tax from the State central Government? If yes, give details. Yes / No Yes / No Any other submission considered as relevant by the entity with regards to its application for grant of authorization for natural gas pipeline the Board. DECLARATION 1. Certified that the above information is true to the best of my / our knowledge and belief and the information and data given in the Annexure and statements are correct, complete and truly stated, and if any statement made herein is found to be incorrect, I / We shall be liable for proceeding and for punishment under the provisions of the Act. 2. I/ we also undertake to provide any further information or data as may be required by the Board within the stipulated time. 1664 GM08—19 146 Date: Place: THE GAZETTE OF INDIA : EXTRAORDINARY [PART Name and Signature of Authorized Signatory Official Seal Instructions for providing information: 1. 2. 3. 4. 5

6. All entries in the form and annexed documents should be legible with no cuttings. Details requiring separate statement shall be provided giving clear reference of the point against which the same is being attached. All pages of the information format and all annexure, statements, etc need to be serially numbered and initialed by the person or official authorized by the applying entity through a notarized Power of Attorney. Any information or data filled in the information format needs to be substantiated by attaching relevant proof of the same. The information format is required to be submitted in three copies (two hardcopies and one soft copy) with all the enclosures in addition to the original. Incomplete information format is liable to be summarily rejected. 147 Schedule J [see clause 11 (c) of the form of grant of authorization in Schedule DI Service Obligations of entity 1. General. (a) The entity shall obtain all statutory permits, clearances and approvals from the concerned approving authorities and shall at all times ensure the validity of said permits, clearances and approvals. (b) During the continuance of the authorization, the entity shall transport natural gas along the authorized pipeline route in accordance with the terms of this authorization, charge the approved natural gas pipeline tariff and abide by the extant rules and regulations, including such revisions as the case may be. (c) The entity shall provide extra capacity in the natural gas pipeline as specified under clause (j) of sub-regulation (5) of regulation 6, which shall be available for use on common carrier basis by third party on open access and non-discriminatory basis. (d) The entity shall put in place an appropriate system and procedures for : (i) (ii) (iii) (iv) protection of its property; prevention of loss and waste in the operation of the natural gas pipeline; safe operation of natural gas pipeline following the technical standards and specifications including safety standards as notified by the Board; redressal of consumer grievances; 148 THE GAZETTE OF : EXTRAORDINARY [PART A documented copy of said systems & procedures shall be provided by the authorized entity to the Board. Modifications, if any, suggested by the Board shall be carried out by the entity. (e) The authorized entity shall

specify its own obligations as well those of the other entities in the contracts for sourcing and transport of natural gas as may be specified in relevant regulations for access code, (f) In case the authorized entity laying, building, operating or expanding natural gas is also engaged in the activity of marketing of natural gas, it shall: (i) (ii) (iii) (iv) state the approved tariff to be paid under the contract for the transport of natural gas expressed in Rs.] MMBTU and other relevant terms proposed in the contract; not exert undue pressure on the customer; not make any offer or provide any promotional material to the customer that is inconsistent with the contract being offered to or entered into with the customer; not make any representation or or give any answer or take any measure that is false or is likely to mislead a customer; and shall adhere to the provisions under the relevant regulations for affiliate code of conduct. (g) The entity shall be under an obligation to provide connectivity to the consumer within a tariff zone in a natural gas pipeline on receipt of a specific request, the consumer undertaking to pay the applicable natural gas pipeline tariff subject to availability of capacity and the technical and economic viability of the proposed connectivity. 149 2. (h) The entity shall insure all the assets used in the activity of transport of natural gas including on the line-fill volumes and the insurance policy in this regard shall also cover third party liabilities. Construction, Operation & Maintenance. (a) The entity shall not undertake any excavation or related work, which shall disturb or interfere with the surface of the traveled portion of any road / highway, water body, canal, river, railway crossing, forest, etc. unless a permit for the same has been first obtained from the appropriate authorities and the Government and all works subsequently undertaken by the entity shall be carried out in line with the terms of approval and to the satisfaction of the approving authority and the Government. (b) The entity shall not deviate from the permission granted in clause 2 (a) above without the prior approval of the approving authority and the Government. (c) The entity shall during the construction, maintenance and operation of the natural gas pipeline system use all reasonable precaution to avoid damage or injury to any person or property. The entity shall further be liable for any loss, injury or damage attributed to the negligence of the entity or its agents and shall indemnify the affected parties. (d) The entity shall establish a centralized control room for monitoring and control of the natural gas pipeline system, including the disaster management system. (e) The entity shall furnish on regular basis to the Board, the map including detailed "as built" drawings, accurately depicting the size; depth & location of pipelines, related equipment, location of marker posts indicating the route, pipeline gradient, etc. of the natural gas pipeline and regularly update the same for any change, addition or deletion. 150 THE GAZETTE OF INDIA : EXTRAORDINARY [PART 11—SEC. 30] (f) The entity shall ensure compliance of all necessary quality checks and inspection certification before providing connectivity to any customer. (g) The entity shall properly purge, isolate, blind or dismantle any gas pipeline segment, equipment etc, which is not in use for long time or has been abandoned-, to ensure complete safety and necessary modifications shall be carried out in the maps & drawings. (h) The entity shall have proper systems and procedures including designated facilities for undertaking inspection, testing, calibration and repair of meters and equipments, safety equipments, etc. (i) Put in position the disaster management plan including mutual aid system and offsite or on-site emergency plan. (j). Any other service obligation, which the Board may specify from time to time

3. Services and information to be maintained by the entity. (a) The entity shall have a current mailing address and telephone number of all locations where the natural gas pipeline is being set-up and operated. (b) The entity shall maintain a database and provide to the Board on request: (i) details of the customers and shippers of natural gas; (ii) the copies of contracts with the customer and shippers of natural gas; and (iii) details of renewal or extension of contracts at clause (a) and (b)

4. Confidentiality of Consumer Information. [WT11--@'C3 i J (a) The entity shall not disclose customer information to any person other than the Board, without the consent of the customer in writing, except when the information has been sufficiently aggregated such that an individual consumer's information cannot be separately identified, or where the consumer information is required to be disclosed: (i) for billing or market operation purposes; (ii) for law enforcement purposes; (iii) when past due accounts of the consumer have been passed to a debt collection agency. (b) The entity shall inform customers regarding the conditions described in paragraph 4 (a) under which customer information may be released to a third party without the consumer's consent. (c) The entity shall not use consumer information obtained for a purpose other than for which it was obtained

5. ComplainB: 151 (a) (b) (c) The entity shall provide the address and telephone number of its customer service centre for lodging of any complaint and widely advertise the same from time to time.The entity shall make all reasonable efforts in resoMng the complaints received in a time bound manner. The entity shall maintain and periodically provide to the Board, the details of: (i) complaint received by the entity or referred to by the Board; 152 OF INDIA : EXTRAORDINRY (ii) method and time of disposal of complaint; (iii) complaint pending for redressal; and [PART IPSEC. 3(i)] (iv) comment on the quality of service provided* by the entity and suggestions, if any. [F. No. S-Admn./WU007-V01.1] AJAY TYAGI, secy. Printed by the Manager, Govt. of India Press, Ring Road, Mayapuri, New Delhi-110064 and Published by the Controller of Publications, Delhi-110054.

