

## 8.7 AUTHORIZING ENTITIES TO LAY, BUILD, OPERATE OR EXPAND NATURAL GAS PIPELINES, AMENDMENT REGULATION, 2014

Rao-33004/99 REGD. NO. D. L.-33004/99 Che Gazette of ZIndia 2351 No. 2351 EXTRAORDINARY PART III—section 4 PUBLISHED BY AUTHORITY 8, 2014/9.n-aÜT 17, 1936 NEW DELHI, FRIDAY, AUGUST 8, 2014/SHRAVANA 17, 1936 , 8 2014 2006 (2006 19) 61 a-a-ra-r t, RI-q-rr.. (1) fü•eü, fia-TfrT, NTfhT() 2014 2008 3fr 3134 GL2014 (I) 2 THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SFC. 4] ca-rü'; 28 a-a: AT -ah-€ft IX -ä-g--éft-q # ' (ii) (8) : (q) tßtrl" fifi]" fit, (g.) 12 (2) ft-q-r 4, 18 19 arr 17 fi- æi-âEtr \*r III—aug 4] 3 F) 21 22 22 GTTN71T, "21. zrT (1) q-rgz qfi8T3it, \$•-q-ra a-a-or a-a-q a-q-IX fi.--q-T( t-g uT 200 -4Q1-ä ta-rtz -an-fi a-R ZTfh-a-a-T tßTT. q-rfÄ-i7 ft-( 3qä-fÄ7 q-t-€q-qT\$it 2008 (i i) sqä-fü--« (iii) 5 (5) (iv) (1) 4 THE GAZETTE OF [NDIA EXTRAORDINARY [PART ill—SEC. 4] (iii) (iv) qiT q-r 50 a, gf--ä ATüT3it q-q-qqt vrrr zrr 50 tr, qTIFITl fig, RaiOT) 2010 2 (UT) \*r \*vrr: Fq•r -a-lt fi;-q-r I 111/4/ 88/14] : 06 2008 340g) 19 2008 802 (q), 20 2009 769 (30, 18 q-«tr, 2010 (30, 7 2010 480 9 qq-rt, 2010 qrx-r.a. 594 (30 17 2014 (tr)/48 5 THE PETROLEUM AND NATURAL GAS REGULATORY BOARD NOTIFICATION New Delhi, the 8th August 2014 F. No. PNGRB/NGPL/REGULATIONS/AMEND-2014.—rn exercise of the powers Conferred by section 61 of the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006), the Petroleum and Natural Gas Regulatory Board hereby makes the following regulations, namely: - 1. Short title and commencement. (1) These regulations may be called the Petroleum md Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Amendment Regulations, 2014. (2) They shall come into force on the date of their publication in the Official Gazette

**2. In the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008,- in regulation 2, in sub-regulation (I), after clause (h), the following shall be inserted, namely:- (i) "tie-in connectivity" means the natural gas pipeline connectivity for transport of natural gas between a common carrier or contract carrier natural gas pipeline and any one of the following, namely:- a natural gas source; or (a) a new injection point from another common carrier or contract carrier natural gas pipeline.' ; (b) (B) in regulation 5,- (i) in sub-regulation (6), for clause (i), the following shall be substituted, namely:- (i) entity submitting the bid shall not have been imposed any penalty under section 28 or no prima-facie case punishable under Chapter IX of the Act has been made out during the period of preceding one year from the last date for submission of the bid." , (ii) in sub-regulation (8), the following proviso shall be added, narnely:— "Provided that the Board may extend the date for submission of bid as deemed fit for the reasons to be recorded in writing and the decision in this regard shall be webhosted."; (C) in regulation 7, in sub-regulation (I),- in clause (b), for the brackets and words "[a single number is to be bid]" , the following (a) shall be substituted, namely:- "[a single number lower than one hundred per cent. is to be bid]"; (b) in clause (c), for the brackets and words "[a single number lower than one hundred percent is to be bid]", the following shall be substituted, namely:- "[a single number lower than fifty per cent. is to be bid]"; (D) in regulation 9, in sub-regulation (3), the following provisos shall be added, namely: "Provided that the entity may induct eligible new partner as long as it remains a lead partner without impacting the eligibility criteria as provided in the regulations: Provided further that, for the purpose of remaining to be a lead partner, the entity shall have equity of more than fifty per cent. after inducting the new partner."; (E) in regulation 12, after sub-regulation (2), the following shall be inserted, namely:- • '(3) The provisions regarding expansion of capacity in natural gas pipeline under sub-regulations (I) and (2) shall be applicable to all natural gas pipelines either authorized by the Board under regulation 4, 18 or 19 or accepted under regulation 1 7 as authorized by the Central Government: -31311 6 THE GAZETTE OF INDIA : EXTRAORDINARY [PART III—SEC. 4] Provided that the entity shall keep separate accounts for the above mentioned expansion with detailed break-up of capital expenditure, operational expenditure and volume transported and shall submit the reports at the end of the relevant financial year duly certified by a Chartered Accountant."; regulation 21 shall be re-numbered as regulation 22 and before regulation 22 as so re-numbered, the following (F) shall be inserted, namely:- "21. Provisions regarding tie-in connectivity or extension of natural gas pipeline or laying of spur-lines. Tie-in Connectivity: (1) In case of the upstream connectivity requirement near a common carrier or contract carrier natural gas (a) pipeline, a detailed**

proposal for the connectivity shall be submitted by the concerned entity to the Board indicating the details of the gas sources or injection points facilities, existing natural gas pipeline infrastructure in vicinity and demand-supply projections along with the length and capacity of the proposed tie-in connectivity. The Board shall webhost the proposal for a period of thirty days for initiating the public consultation (b) process seeking views and comments from the stakeholders. Based upon the views and comments received during the public consultation process, the Board may (c) conduct an open house discussion with the stakeholders who have provided their views. The Board may authorize such tie-in connectivity as per the following methodology, namely:- (d) tie-in connectivity shall be preferably constructed by the entity owning the common carrier or contract carrier natural gas pipeline existing near the gas source or injection point provided that the length of such tie-in connectivity is twenty per cent. of the authorized length of the common carrier or contract carrier natural gas pipeline subject to a maximum of 200 kilometer: Provided that in case of more than one natural gas pipeline existing near the gas source or injection point, the entity owning and operating the common carrier or contract carrier natural gas pipeline nearest to the natural gas source shall have first right of refusal for laying tie-in connectivity subsequently in the order of physical proximity: Provided further that in case the entities owning and operating the common carrier or contract carrier natural gas pipeline refuse to lay the said tie-in connectivity, the Board may authorize the interested entity who initiated the proposal with the terms and conditions to lay the said tie-in connectivity and in such a case, the interested entity shall be considered as "shipper" in terms of the Petroleum and Natural Gas Regulatory Board (Access Code of Conduct for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008. (ii) in case the tie-in connectivity is resulting in to expansion of natural gas pipeline, the applicable tariff methodology shall be as provided in regulation 12. (iii) the Board may also consider inviting bids for the subject tie-in connectivity as per the provisions of sub-regulation (5) of regulation 5. (iv) any proposal to construct tie-in pipeline connectivity exceeding the length as provided in sub-clause (i) shall be dealt in line with the relevant provisions of the regulations for competitive bidding route; Extension of a natural gas pipeline: (2) (i) The entity may extend the authorized length of the natural gas pipeline up to ten per cent. or 50 kilometer whichever is lower from the point of origin or the end point in the demand centres outside the existing tariff zone and shall submit to the Board the full particulars, map of all facilities including justification for the proposal and seek prior authorization from the Board: Provided that in case of any technical constraints, the allowed variation in the originating point of such extension of the natural gas pipeline from the point of origin or the end point shall not exceed beyond the nearest sectionalizing valve (SV) station. However, the entity shall be required to provide the detailed justifications for the technical constraints. (3) 7 (ii) The Board after public consultation shall give a decision to the entity within sixty days of the receipt of the request. In case, no communication is sent by the Board in the aforesaid sixty days, the above request shall be deemed to have been approved. (iii) There shall be no change in the natural gas pipeline tariff post-extension. (iv) Any proposal to extend the authorized length of natural gas pipeline beyond ten per cent. or 50 kilometer whichever is lower shall be submitted to the Board for authorization in line with the provisions of the Act as well as regulations. Laying of spur-lines: No separate authorization is required for laying spur-lines originating from the authorized natural gas pipelines within its tariff zone as per clause (h) of sub-regulation (1) of regulation (2) and during its economic life, so long as the usage or purpose of the pipeline already authorized is not changed subject to the spur-lines meeting all requirements provided in clause (o) of regulation 2 of the Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010, defining spur-line: Provided that if a spur-line is proposed beyond the limits of tariff zone, the admissible tariff shall be the applicable tariff of the tariff zone from which the tap-off for the spur-line is taken: Provided further that in such instances beyond tariff corridor, the entity initiating the request shall inform the Board of its intentions along with the full details on the spur-line length, route, capacity and details of the customers to be served and the Board after public consultation shall give its decision to the entity within sixty days of the receipt of the request. In case, no communication is sent by the Board in the aforesaid sixty days, the above request shall be deemed to be approved for authorization." K. RAJESWARA RAO, OSD(R) [ADVT. 111/4/Exty./188/14] Foot Note: Principal regulations were notified vide No. G.S.R.340 (E) dated 6th May 2008 and subsequently amended vide G.S.R. 802(E) dated 19th November 2008, G.S.R. 769(E) 20th October 2009, G.S.R. 38 (E) dated 18th January 2010, G.S.R. 480(E) dated 7th June 2010, G.S.R. 594(E) dated 9th July 2010 and F. No.

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