

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड Petroleum and Natural Gas Regulatory Board

प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नई दिल्ली110001 1st Floor, World Trade Centre, Babar Road, New Delhi – 110001 फैक्स नं / . Fax No. 91 11 23709151; E-mail contact@pngrb.gov.in

Ref: PNGRB/Auth/3-PPPL(10)/2019

Date: 17.03.2020

To

Bharat Petroleum Corporation Limited

[Kind Attn.: Shri D Raj Kumar, C&MD]

Bharat Bhawan 4 & 6, Currimbhoy Road,

Ballard Estate,

Mumbai - 400 001

Email: cmd@bharatpetroleum.in

Subject: Grant of Authorization of Krishnapatnam - Hyderabad Petroleum & Petroleum Products Pipeline to Bharat Petroleum Corporation Limited (BID/PPL/05/2019/01/KHPL)

Sir,

With reference to the Bid No. BID/PPL/05/2019/01/KHPL and the Performance Bond submitted by you vide letter dated 28.02.2020, please find enclosed the Grant of Authorization in Schedule-D of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay. Build. Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations. 2010 for Krishnapatnam - Hyderabad Petroleum & Petroleum Products Pipeline.

- 2. It may be noted that the authorization shall be governed by Schedule D of authorization letter, the provisions of the relevant Regulations, various terms & conditions contained in the Application cum Bid document and the clarifications issued by PNGRB w.r.t. Bid No. BID/PPL/05/2019/01/KHPL.
- 3. Kindly acknowledge the receipt of this letter and send us the acceptance in original within 15 days from the date of this letter.

Encl: As above

Yours faithfully,

(Arvind Kumar) Additional Adviser

अरविन्द कुमार ARVIND KUIMAR अपर सलाधकार Additional Adviser ित्यम और प्राकृतिक गैरा विनियामक बोर्च roleum & Natural Gas Regulatory Board प्रथम तल, बर्ल्ड ट्रेड रोन्ट्रर 1st Floor, World Trade Centre सावर रोड़, गई दिल्ली—110001 Babar Road, New Delhi-110001

Schedule D

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

Grant of authorization for laying, building, operating or expanding Krishnapatnam - Hyderabad Petroleum & Petroleum Products Pipeline.

To

Bharat Petroleum Corporation Limited

[Kind Attn.: Shri D Raj Kumar, C&MD]

Bharat Bhawan 4 & 6, Currimbhoy Road,

Ballard Estate,

Mumbai - 400 001

Email: cmd@bharatpetroleum.in

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

Sir,

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

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

अरिवन्द कुमार ARVIND KUMAR अपूर सलाइकार Additional Adviser ोलियम और प्राकृतिक मेश विनियामक बोर्स voleum & Natural Gas Regulatory Boare प्रथम रास, बल्डे ट्रेड रोन्टर 1st Floor, World Trade Centro बाबर रोड, गई विल्ली—110001 sabar Road, New Pethi-110001

- 2. The entity shall complete the activities of laying, building or expanding activities of petroleum and petroleum products pipeline and commission the petroleum and petroleum products pipeline project as per the enclosed time schedule and targets (Annex-2). The entity is allowed a maximum period of thirty-six months from the date of issue of the authorization letter for commissioning of the petroleum and petroleum products pipeline project. Any failure on the part of the entity in complying with the targets prescribed in the time schedule shall lead to consequences as specified under regulation 16 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.
- 3. The capacity in the petroleum and petroleum products pipeline shall be equal to **2.60 Million tons per annum** (For 1st year to 5th year) and **4.40 Million tons per annum** (For 6th year to 25th year) (Annex-3).
- 4. The extra capacity in the petroleum and petroleum products pipeline shall be equal to **0.52 MMTPA** (For 1st year to 5th year) and **0.88 MMTPA** (For 6th year to 25th year) (Annex-3) as per the provisions specified in clause (j) of sub-regulation (6) of regulation 5 and shall be available for use on common carrier basis by any party on open access and non-discriminatory basis.
- 5. The authorized entity shall be required to take prior approval from the Board for creation of any lien or charge or hypothecation on the assets of the petroleum and petroleum products pipeline to secure finance for the project and furnish details of utilization of funds. However, in case of raising funds from any financial institution or bank, the entity will be required to only inform the Board of the sanction of the funds, within a period of seven days.
- 6. The entity shall publish on its website the approved tariffs for the petroleum and petroleum products pipeline.
- 7. The entity shall submit a detailed and clear financial closure report to the Board within a period of one hundred and twenty days from the date of authorization issued by the Board under regulation 9 of the Petroleum and



Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.

- 8. The furnishing of performance bond of Rs. 137.7 million is a guarantee for timely commissioning of the project as per the prescribed targets submitted in the bid and for meeting the performance undertaking during operating phase of the project.
- 9. The entity shall abide by the service obligations specified under regulations 14 and quality or service standards under Regulation 15 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010. Year-wise volume of Petroleum and Petroleum Products to be referred by PNGRB for the purpose of compliance of Service Obligations as specified in Regulation 14(1) of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 shall be as per Annex-3.
- 10. In case the authorization of the entity is terminated, the Board may assign the rights and obligations, as it may deem fit. Further, the entity may be required, as per the directions of the Board, to continue the operations of the Petroleum and petroleum products pipeline at the same level till another agency or entity appointed by the Board takes over the full control of the petroleum and petroleum products pipeline.
- 11. The entity shall comply with the provisions under-
 - (a) the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010;
 - (b) the Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipeline Tariff) Regulations;
 - (c) the service obligations specified in Schedule J to the Petroleum and Natural Gas Regulatory Board (Authorizing to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010;

the relevant regulations for-

अपर सलाहकार Additional Adviser विस्था और प्राकृतिक येश विनियामक बोर्ड roleum & Natural Gas Regulatory Board प्रथम तल्यल्डे ट्रेड सेन्ट्र 1st Fioor, World Trade Centre साबर रोड़, नहीं विस्ती -110001 (abar Road The Centre 110001

- (i) the technical standards and specifications, including safety standards;
- (ii) the access code;
- (iii) determination of capacity for petroleum and petroleum products pipeline;
- (iv) affiliate code of conduct;
- (v) declaring petroleum and petroleum products pipeline as common carrier or contract carrier;
- (e) any other regulation as may be applicable and the provisions of the PNGRB Act, 2006.
- 12. The entity shall comply with any other term or condition which may be notified by the Board in public interest, from time to time.

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

Date: 17.03.2020

अर्विन्द कुमार ARVIND KUIMAR अपर सलाहकार Additional Adviser ेलियम और प्राकृतिक गैरा पिनियामक घोर्ड troleum & Natural Gas Regulatory Board प्रथम तल, बल्खं ट्रेड सेन्टर 1st Floor, World Trade Centro बाबर रोड़, नई दिल्ली—110001 Yours faithfully,

Name & Designation of Officer On behalf of the PNGRB Official Seal

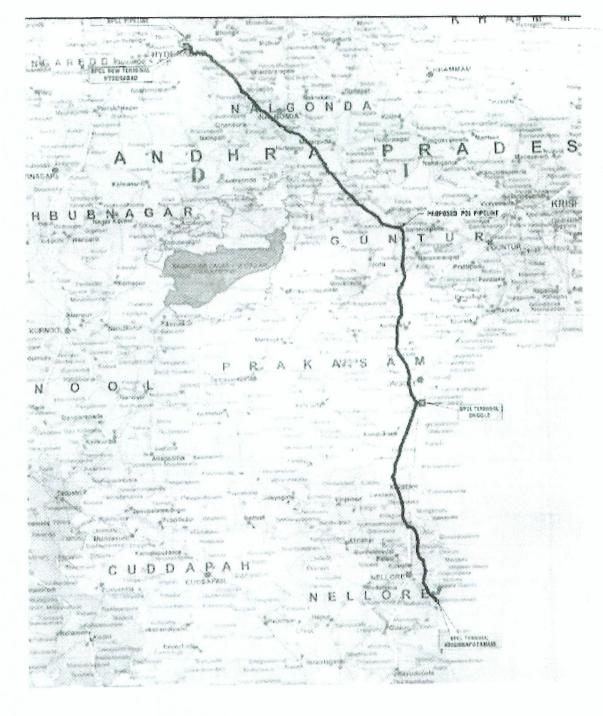
Acceptance of Grant of Authorization

I /we hereby agree to the grant of authorization issued by the Board vide l	etter ref.
< > dated <	
and agree to comply with all the terms and conditions subject to which I/	We have
been granted authorization for laying, building, operating or expanding pe	etroleum
and petroleum products pipeline along the route from the originating	station
< > in the State or th	
Territory of <> to the terminating	station
<> in the State or the Union Ter	ritory of
<>.	
Date:	
Place:	

Signature of the Entity or Authorized Signatory
Name and Official Seal

Annex-1

FEASIBILITY REPORT KRISHNAPATNAM – HYDERABAD PIPELINE



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अरविन्द कुमार ARVIND KUMAR अपर सलाहकार Additional Adviser ोलियम और प्राकृतिक गैश विनियामक बोर्ड Froleum & Natural Gas Regulatory Board प्रथम तल्चाल है हे हैं रोन्दर 1st Floor, World Trade Centre बाबर रोड़, गई दिल्ली - 110001 Babar Road, Mars Schi-110001

Pipeline Projects

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FEASIBILITY REPORT KRISHNAPATNAM -- HYDERABAD PIPELINE

Overall Project Schedule

ANNEXURE-A

Overall project implementation schedule will be of 36 months from PNGRB authorization

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Preparation of MR

Tendering Period

Delivery | Contract Duration

2005

अरविन्द कुमार
ARVIND KUMAR
अपर सलाइकार
Additional Adviser
जियम और प्राकृतिक गैस विनियामक बोर्ड
roleum & Natural Gas Regulatory Board
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बायर रोड़, गई दिल्ली—110001
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TIMES SCHEDULE AND TARGETS FOR KRISHNAPATNAM TO HYDERABAD PETROLEUM AND PETROLEUM PRODUCTS PIPELINE

S. No.	Capacity of the pipeline	Extra capacity in the	Annual Target of transporting
	(MMTPA)*system	pipeline (MMTPA)*	petroleum and petroleum
	required to be built up	required to be built up	products (MMTPA)^
Year-1	2.60	0.52	1.60
Year-2	2.60	0.52	1.66
Year-3	2.60	0.52	1.71
Year-4	2.60	0.52	1.78
Year-5	2.60	0.52	1.86
Year-6	4.40	0.88	1.94
Year-7	4.40	0.88	2.02
Year-8	4.40	0.88	2.10
Year-9	4.40	0.88	2.18
Year-10	4.40	0.88	2.26
Year-11	4.40	0.88	2.34
Year-12	4.40	0.88	2.43
Year-13	4.40	0.88	2.52
Year-14	4.40	0.88	2.61
Year-15	4.40	0.88	2.70
Year-16	4.40	0.88	2.79
Year-17	4.40	0.88	2.89
Year-18	4.40	0.88	2.99
Year-19	4.40	0.88	3.09
Year-20	4.40	0.88	3.19
Year-21	4.40	0.88	3.29
Year-22	4.40	0.88	3.40
Year-23	4.40	0.88	3.40
Year-24	4.40	0.88	3.40
Year-25	4.40	0.88	3.40

Notes:

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

अरविन्द कुमार
ARVIND KUMAR
अपर सलाहकार
Additional Adviser
वित्यम और प्राकृतिक गैस विनियामक बोर्ड
जीव्यम और प्राकृतिक गैस विनियामक बोर्ड
जीव्यम और प्राकृतिक गैस विनियामक बोर्ड
जीव्यम के Natural Gas Regulatory Board
प्रथम तल, वल्ले ट्रेड सेन्टर
st Floor, World Trade Centre
विस् रोइ, गई विल्ली—110001
bar Roan, New Delhi-110001

OTHER DETAILS ABOUT KRISHNAPATNAM TO HYDERABAD PETROLEUM AND PETROLEUM PRODUCTS PIPELINE

A. Total Length of the pipeline

: 455 km

B. Diameter

: 16 Inch.

C. Route of the pipeline

: Krishnapatnam - Ongole -

Madharam, near Hyderabad,

Telangana

D. Origination Points

: BPCL's upcoming coastal installation at Krishnapatnam port (Nellore District, Andhra

Pradesh)

E. Termination Point

: BPCL's proposed installation at

Madharam (near Hyderabad,

Telangana)

F. Tap off point

: BPCL's existing depot at Ongole

Down

अरविन्द कुमार ARVIND KUMAR अगर सलाइकार Additional Adviser वित्यम और प्राकृतिक गैस विनियामक को roleum & Natural Gas Regulatory Boa प्रथम तल, वर्ल्ड ट्रेड से-८५ Ist Floor, World Trade Centre सावर रोड़, नई दिल्ली—110001 abar Road, New Dalbi-110001