



PETROLEUM AND NATURAL GAS REGULATORY BOARD

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

No. Infra/PL/PP/Exis/17/HPCL/UCSPL/01/12

Dated: 01.11.2012

To
Chairman & Managing Director,
M/s Hindustan Petroleum Corporation Limited
17, Jamshedji Tata Road,
Mumbai-400020

Subject: Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Uran-Chakan-Shikrapur LPG pipeline under regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.

Reference:

- (i) Your application dated 28.02.2011 seeking acceptance of Central Government authorization for Uran-Chakan-Shikrapur LPG pipeline (UCSPL).

Sir,

This is in response to your application dated 28th February, 2011 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding Uran-Chakan-Shikrapur LPG pipeline (UCSPL).

2. To substantiate your claim for authorization from the Central Government for the said pipeline project, you had furnished copy of approval by Government of India vide MOP&NG's letter no. R-31015/1/2007-OR.II dated 18.04.2012, copy of Gazette notification dated 19.11.2010 regarding appointment of CA under PMP Act, 1962, copy of letter dated 09.08.2010 from MOE&F directing HPCL to submit final EIA/EMP report with the finalized TOR and copies of other statutory clearances. Considering your submissions, the Petroleum and Natural Gas Regulatory Board provisionally accepts the information submitted by you under Regulation 17(1) of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010. Further on the basis of the submissions made, the following terms and conditions have been finalised by the Petroleum and Natural Gas Regulatory Board which shall be applicable during the construction and operative phase of the said pipeline system.

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3. Petroleum and Petroleum Products Pipeline System:

a) Technical Details of Uran-Chakan-Shikrapur LPG pipeline:

(i) **Petroleum Products Transported:** LPG from HPCL Refinery at Mumbai, BPCL refinery at Mumbai & ONGC Uran

(ii) **Length: Total - 164.65 Kms**

(iii) **Diameter: 12"**

(iv) **Design Pressure: 106.65 Kg/cm²**

(v) **System Capacity: 1.0 MMTPA**

(vi) **Tap Off Points:** HPCL LPG plants at Usar, Alibag, Chakan and IOCL LPG plant at Chakan

(vii) **Terminal Point cum Receipt Station:** At BPCL LPG plant Shikrapur

b) The provisional system capacity of Uran-Chakan-Shikrapur LPG pipeline shall be **1 MMTPA***. The Board has decided to declare the Uran-Chakan-Shikrapur LPG pipeline as common carrier with common carrier capacity of **0.2 MMTPA*** which is required to be made available to a third party on an open access and non-discriminatory basis.

Note: (*- These capacities are accepted as provisional and the final capacities shall be determined as per the provisions of the PNGRB (Determining capacity of Petroleum, Petroleum products or Natural Gas Pipeline) Regulations, 2010).

4. The entity shall complete the activities of laying, building, or expansion activities of the pipeline and commission the Uran-Chakan-Shikrapur LPG pipeline project by October-2015. Any failure on the part of entity to comply with the targets prescribed in the time schedule shall lead to consequence as per relevant provisions of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010.

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 pipeline to secure finances for the project and furnish details of utilization of funds.

6. The entity shall publish on its website the approved tariffs and other details as required under various regulations for the petroleum and petroleum products pipeline.

7. The entity shall furnish a performance bank guarantee of the amount as specified in Regulation 8(1) as a guarantee for meeting the quality of service obligations and requirements of PNGRB during operating phase of the project. The entity shall abide by the service obligations specified under relevant regulations.

8. In case the authorization of the entity is terminated, the Board may assign 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 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.

9. The entity shall comply with the provisions under-

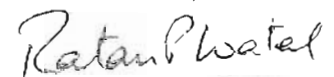
- a. the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010;
- b. the Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipelines Transportation Tariff) Regulations, 2010;
- c. the Petroleum and Natural Gas Regulatory Board (Determining Capacity of Petroleum, Petroleum Products and Natural Gas Pipeline) Regulations, 2010;
- d. the Petroleum and Natural Gas Regulatory Board (Codes of Practices for Emergency Response and Disaster Management Plan) Regulations, 2010;
- e. the Petroleum and Natural Gas Regulatory Board (Guiding Principles for Declaring or Authorizing Petroleum and Petroleum Products Pipelines as Common Carrier or Contract Carrier) Regulations, 2012;
- f. the PNGRB Act and any other regulations notified by the Board from time to time, as may be applicable.

10. The entity shall comply with any other term or condition which may be notified by the Board in public interest, from time to time.

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

Dated: 01/11/12

Yours Faithfully,



(Ratan P. Watal)
Secretary, PNGRB
Official Seal

Copy to: Joint Secretary (M)
Ministry of Petroleum & Natural Gas
Shastri Bhavan, New Delhi-110001

पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेन्टर
1st Floor, World Trade Centre
बाबर रोड, नई दिल्ली-110001
Babar Road, New Delhi-110001

Acceptance of Terms and Conditions

I / We hereby agree to the terms and conditions issued by the Board vide letter ref. <_____> dated <_____> and agree to comply with the same subject to which I / We have been issued acceptance letter for laying, building, operating or expanding Petroleum and Petroleum Products Pipelines along the route from the originating

station <_____> in the State or the Union Territory of <_____> to the
terminating station <_____> in the State or the Union Territory of
<_____>.

Date:

Place:

Signature of the Entity or Authorized Signatory
Name and Official Seal

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