



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/PMHBL/MBPL/01/11

Dated: 24.11.2011

To
Managing Director,
M/s Petronet MHB Limited
No.-332, 1st Floor, Darus Salam Building,
Queens Road, Bangalore-560052

Subject: Final Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Petronet Mangalore Hassan Bangalore multi-product 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 16.11.2010 seeking acceptance of Central Government authorization for Petronet Mangalore Hassan Bangalore multi-product pipeline.
- (ii) Provisional Terms and Conditions for Acceptance of Central Government Authorization for laying, building, operating or expanding Petronet Mangalore Hassan Bangalore multi-product pipeline issued by PNGRB vide letter no. Infra/PL/PP/Exis/17/PMHBL/MBPL/01/11 dated 19.04.2011.
- (iii) Your letter no. PMHBL/MD/2011-12 dated 02.07.2011 submitting Performance Bond.

Sir,

This is in response to your application dated 16th November, 2010 referred to above for consideration of the Board for acceptance of Central Government Authorization for laying, building, operating or expanding Petronet Mangalore Hassan Bangalore multi-product pipeline (PMHBL).

2. To substantiate your claim for authorization from the Central Government for the said pipeline project, you had furnished documents like Copy of approval by MoP&NG vide letter no. R-31011/6/96-OR.II dated 03.07.1997, copies of 3(1) notification by the Central Government for acquiring ROU and copies of statutory clearances from CCOE, MoE&F and Karnataka Pollution Control Board. The completion date of the pipeline project as mentioned by PMHBL in the above referred application is 01.08.2003. Considering your submissions, the Petroleum and Natural gas Regulatory Board finally 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 operative phase of the said pipeline system.

3. Petroleum and Petroleum Product Pipeline System:

a) Technical Details of Petronet Mangalore Hassan Bangalore multi-product pipeline:

रतनी पी. वाटल / RATAN P. WATAL
सचिव / Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेंटर
1st Floor, World Trade Centre
बाबर रोड, नई दिल्ली - 110028
Bldg. Babar Road, New Delhi

- (i) **Petroleum Products Transported:** Petrol/Diesel/Kerosene/Aviation Fuel/Naptha
 - (ii) **Design Pressure:** 68 Kg/cm² for Mangalore-Neriya section, 99.8 Kg/cm² for Neriya-Hassan section & 70.6 Kg/cm² for Hassan to Bangalore section
 - (iii) **Design Flow Rates:** 873 cubic meter/hour for Mangalore-Hassan section & 700 cubic meter/hour for Hassan-Bangalore section.
 - (iv) **System Capacity:** 2.143 MMTPA*
 - (v) **Length:** 362.373 Kms
 - (vi) **Diameter:** 20"/24"
 - (vii) **Despatch Station:** At Mangalore Refinery & Petrochemicals Limited, Mangalore.
 - (viii) **Receipt Stations:** At Hassan (Ch: 165.5 Kms) & Bangalore (Ch:362.37 Kms)
 - (ix) **Intermediate Pumping Stations:** At Neriya (Ch: 79.50 Kms)& Hassan
 - (x) **Design Life:** 35 years
- b) The capacity of Petronet Mangalore Hassan Bangalore multi-product pipeline, length 362.373 Kms and 24"/20" inch diameter is equal to **2.143 MMTPA*** as indicated by PMHBL. The Board has decided to declare the Petronet Mangalore Hassan Bangalore multi-product pipeline network as common carrier with common carrier capacity of **0.43 MMTPA*** to be made available to a third party on an open access and non-discriminatory basis.

Note: (*- This capacity is accepted as provisional and the final capacity shall be determined as per the provisions of the Petroleum and Natural Gas Regulatory Board (Determining capacity of Petroleum, Petroleum products or Natural Gas Pipeline) Regulations, 2010).

4. 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.

5. 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.

6. 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.

7. 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 Practice and Emergency Response and Disaster Management Plan) Regulations, 2010

सचिव, प्राकृतिक गैस/पेट्रोलियम
Secretary
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड
Petroleum & Natural Gas Regulatory Board
प्रथम तल, वर्ल्ड ट्रेड सेंटर
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Babar Road, New Delhi - 110001

- e. the PNGRB Act and any other regulations notified by the Board from time to time , as may be applicable.
8. The entity shall comply with any other term or condition which may be notified by the Board in public interest, from time to time.
9. You are requested to confirm your acceptance in the space provided below and return the same in original.

Yours Faithfully,

Ratan P. Watal

(Ratan P. Watal)

Secretary, PNGRB

Official Seal

रतन पी. वाटल
सचिव, PNGRB
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Babar Road, New Delhi - 110001

Dated: 24/11/2011

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