



Petroleum & Natural Gas
Regulatory Board, India

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड

Petroleum and Natural Gas Regulatory Board

प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली: 110001

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Ref.: PNGRB/M(C)/98

Dated: 19.05.2015

To
Managing Director
M/s Petronet MHB Limited
No. 332, Darus Salam Building-ss
First Floor, Queen's Road
Bangalore- 560 052

Sub: Petroleum and petroleum products pipeline transportation tariff of Mangalore – Bangalore Pipeline (MBPL) of M/s Petronet MHB Limited under the provisions of the Petroleum and Natural Gas Regulatory Board (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 as amended by the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2012 and PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2014.

Petroleum and Natural Gas Regulatory Board Tariff Order TO/07/2015 dated 19.05.2015 on the above subject is enclosed for information and implementation. A copy of the order is also available on the Board's website (<http://www.pngrb.gov.in>).

(Upamanyu Chatterjee)
Secretary

For and on behalf of the Board.

Encl: As above.



Order

Name of Entity : Petronet MHB Limited

Name of Pipeline: Mangalore - Bangalore Pipeline (MBPL)

Subject : Petroleum and petroleum products pipeline transportation tariff under the provisions of the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 as amended by the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2012 and PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2014 on account of revision in goods tariff table of railways on 01.04.2015.

Ref. No. TO/07/2015

Date: 19.05.2015

1. Background

1.1. Under the provisions of the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand Petroleum and Petroleum Products Pipelines) Regulations, 2010 and PNGRB (Determination of

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Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010 as amended vide Amendment Regulations of 2012 and 2014 read with the statutory provisions, the Board is empowered to approve/determine the petroleum and petroleum products pipeline transportation tariff to be charged by the entity laying, building, operating or expanding petroleum and petroleum products pipeline.

- 1.2. The methodology and period for determination of the pipeline tariff has been specified in the relevant provisions (regulation 4 and 5) of the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Regulations, 2010. Under the provisions of these regulations, the Board is to determine the petroleum and petroleum products pipeline transportation tariff by benchmarking against alternate mode of transport i.e. rail at a level of 75% except LPG where it will be 100% on a train load basis for equivalent rail distance along the petroleum and petroleum product pipeline route. This tariff was initially applicable for a transition period of two years or less (regulation 4), as the Board may decide. Further vide the PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2012 (which came into force w.e.f. 20.12.2012) and PNGRB (Determination of Petroleum and Petroleum Products Pipeline Tariff) Amendments Regulations, 2014 (which came into force w.e.f. 20.12.2014) further extending the transition period for applicability of transportation tariff for another two years or lesser period as the Board may decide and if the 'goods tariff table' of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision.

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1.3. The transportation tariff for the Mangalore - Bangalore Pipeline (MBPL) was accordingly determined for a period of two years w.e.f. 27.12.2010 to 19.12.2012 and subsequently for another two years for the period from 20.12.2012 to 19.12.2014 and again revised w.e.f. 20.12.2014 by benchmarking it against the 'goods tariff table' of the railways as applicable on 27.12.2010, 06.03.2012 and 20.05.2014 respectively. The transportation tariff determined for the extended transition period (of two years i.e. upto 19.12.2014) was determined vide PNGRB's tariff order no. TO/04/2013 dated 03.03.2015.

1.4. The PNGRB (Determination of Petroleum and Petroleum Products Pipeline Transportation Tariff) Amendment Regulations, 2014 have since been notified and have come into force w.e.f. 20.12.2014. As per the provisions of the amendment regulations (third proviso to regulation 4), the transitional period may, after the completion of the extended transition period of two years, be further extended for another two year or lesser period as the Board may decide. Also, as per the provisions of the amendment regulations (second proviso to regulation 5) the petroleum and petroleum products pipeline tariff during this further extended transition period would be benchmarked against the 'goods tariff table' of the railways as applicable on the date of coming into force of these regulations (i.e. 20.12.2014). Further, if the 'goods tariff table' of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision. The 'goods tariff table' of the railways has been revised w.e.f. 01.04.2015. As per the revised 'goods tariff table' freight rates of Kerosene Oil and Petroleum Products have been revised as well as reclassified from class-180 to

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class-165 and from class-200 to class-180 respectively. Therefore, it has been decided to revise transportation tariff for Petronet MHB Limited product pipeline- MBPL in accordance with revised rail freight rate, w.e.f. 01.04.2015.

2. Further extension of transition period and fixation of transportation tariff for the further extended period

- 2.1. In accordance with the amended Regulations, it has been decided to extend the transition period for another two years w.e.f. 20.12.2014. It has also been decided that if the goods tariff table of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision.
- 2.2. In accordance with the amended Regulations, it has been decided to revise the current tariff i.e. as per the 'goods tariff table' dated 01.04.2015.
- 2.3. Accordingly the tariff order dated 03.03.2015 of MBPL is revised w.e.f. 01.04.2015 in light of the amendment in goods tariff table dated 01.04.2015. The transportation tariff for the pipeline, as determined vide PNGRB's tariff order dated 03.03.2015, is benchmarked against the revised 'goods tariff table' of the railways as applicable from 01.04.2015.

3. Tariff

- 3.1. The table provided below shows the currently prevailing petroleum and petroleum products pipeline transportation tariff rates and revision in the tariff rates based on the 'goods tariff table' as applicable w.e.f. 01.04.2015 onwards:

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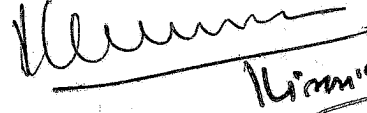
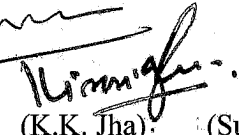


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S. No.	Name of the Pipeline / Tap-Off Points (TOPs)	Equivalent Rail Distance of the Pipeline (Km)	Product	Pipeline Tariff (Rs./MT) effective from 20.12.14 to 31.03.2015	Pipeline Tariff (Rs./MT) applicable from 01.04.2015
1	Hassan	206	SKO	291.98	294.38
			HSD & Others	324.45	321.15
2	Devangonthi	466	SKO	566.18	570.83
			HSD & Others	629.10	622.73

4. Decision

The pipeline tariff for the Mangalore - Bangalore Pipeline (MBPL) tariff as given at para 3.1 w.e.f. 01.04.2015 to be applicable for MBPL during the further extended transition period of two years from 20.12.2014. Further, if the goods tariff table of the railways is revised during this further extended period of transition, the Board may consider and decide the benchmarking of the petroleum and petroleum products pipeline transportation tariff against such revision.

(S Krishnan) (P.K. Bishnoi) (K.K. Jha) (Subhash Chandra) (Dr. B. Mohanty)
Chairperson Member (PKB) Member (KKJ) Member (Legal) Member (BM)