



पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड
Petroleum and Natural Gas Regulatory Board
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नई दिल्ली 110001
1st Floor, World Trade Centre, Babar Road, New Delhi – 110001
फैक्स नं / . Fax No. 91 11 23709151; E-mail contact@pngrb.gov.in

Ref: PNRB/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 PNRB 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 KUMAR
अपर सलाहकार
Additional Adviser
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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.

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ARVIND KUMAR
अपर सलाहकार
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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;

(d) the relevant regulations for-

- (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.

Yours faithfully,

Date: 17.03.2020

अरविन्द कुमार
ARVIND KUMAR
अपर सलाहकार
Additional Adviser
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Babar Road, New Delhi-110001

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

Acceptance of Grant of Authorization

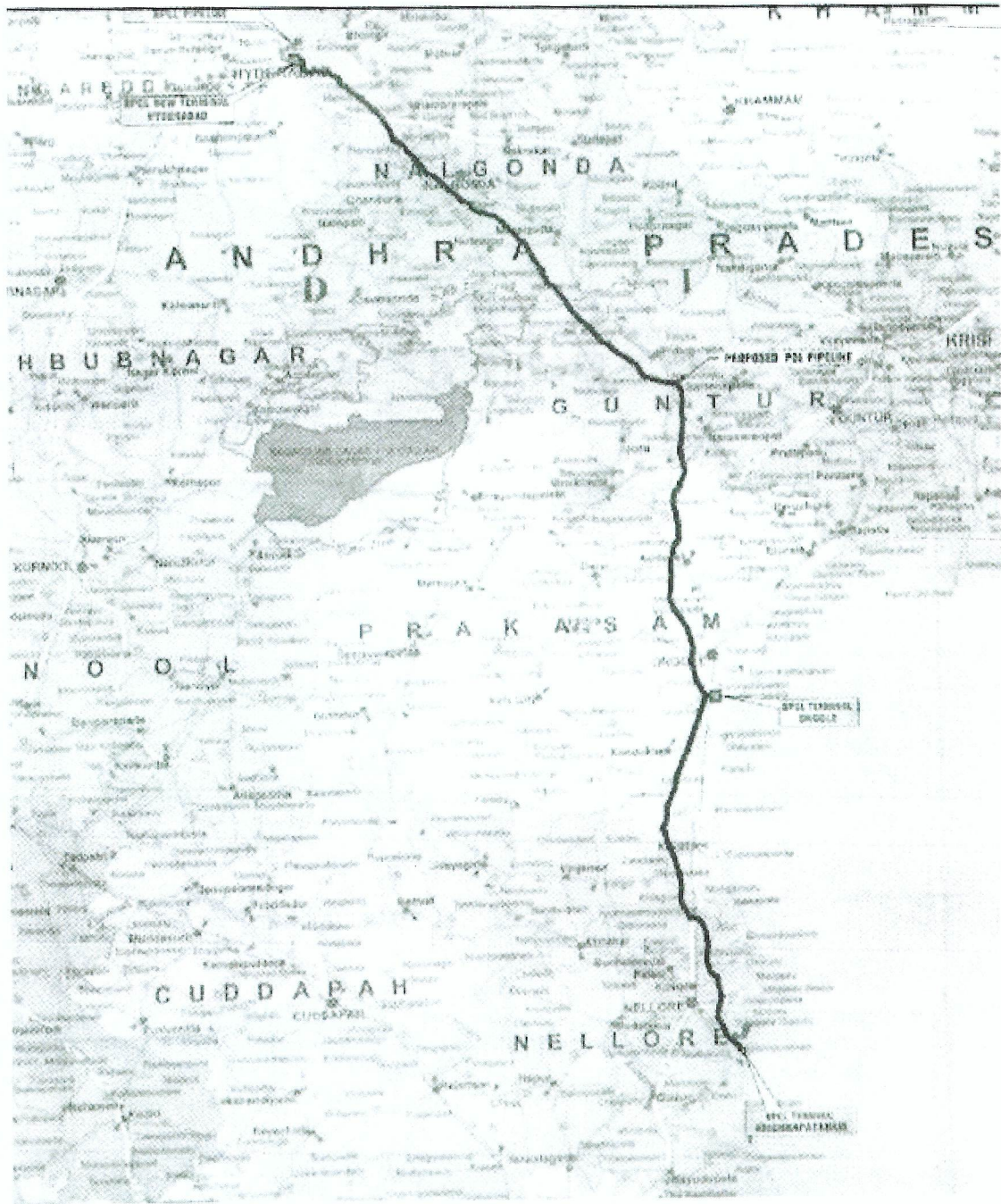
I /we hereby agree to the grant of authorization issued by the Board vide letter ref. < _____ > dated < _____ > and agree to comply with all the terms and conditions subject to which I/We have been granted authorization for laying, building, operating or expanding petroleum and petroleum products pipeline 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

FEASIBILITY REPORT KRISHNAPATNAM - HYDERABAD PIPELINE



Arvind Kumar

[Signature]




अरविन्द कुमार
ARVIND KUMAR
अपर सलाहकार
Additional Adviser
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**TIMES SCHEDULE AND TARGETS FOR KRISHNAPATNAM TO HYDERABAD
PETROLEUM AND PETROLEUM PRODUCTS PIPELINE**

S. No.	Capacity of the pipeline (MMTPA)*system required to be built up	Extra capacity in the pipeline (MMTPA)* required to be built up	Annual Target of transporting petroleum and petroleum 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
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 अतिरिक्त सलाहकार
 Additional Adviser
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**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



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