

# Natural Gas

## Andhra Pradesh: Hub of Natural Gas in India

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( Organized by CII Andhra Pradesh and Government of Andhra Pradesh)

### Technical Session-II

## Regulatory Issues & Andhra Pradesh State Government Role

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# Government Policies

Regulatory Scenario

Policy for marketing of transport fuels

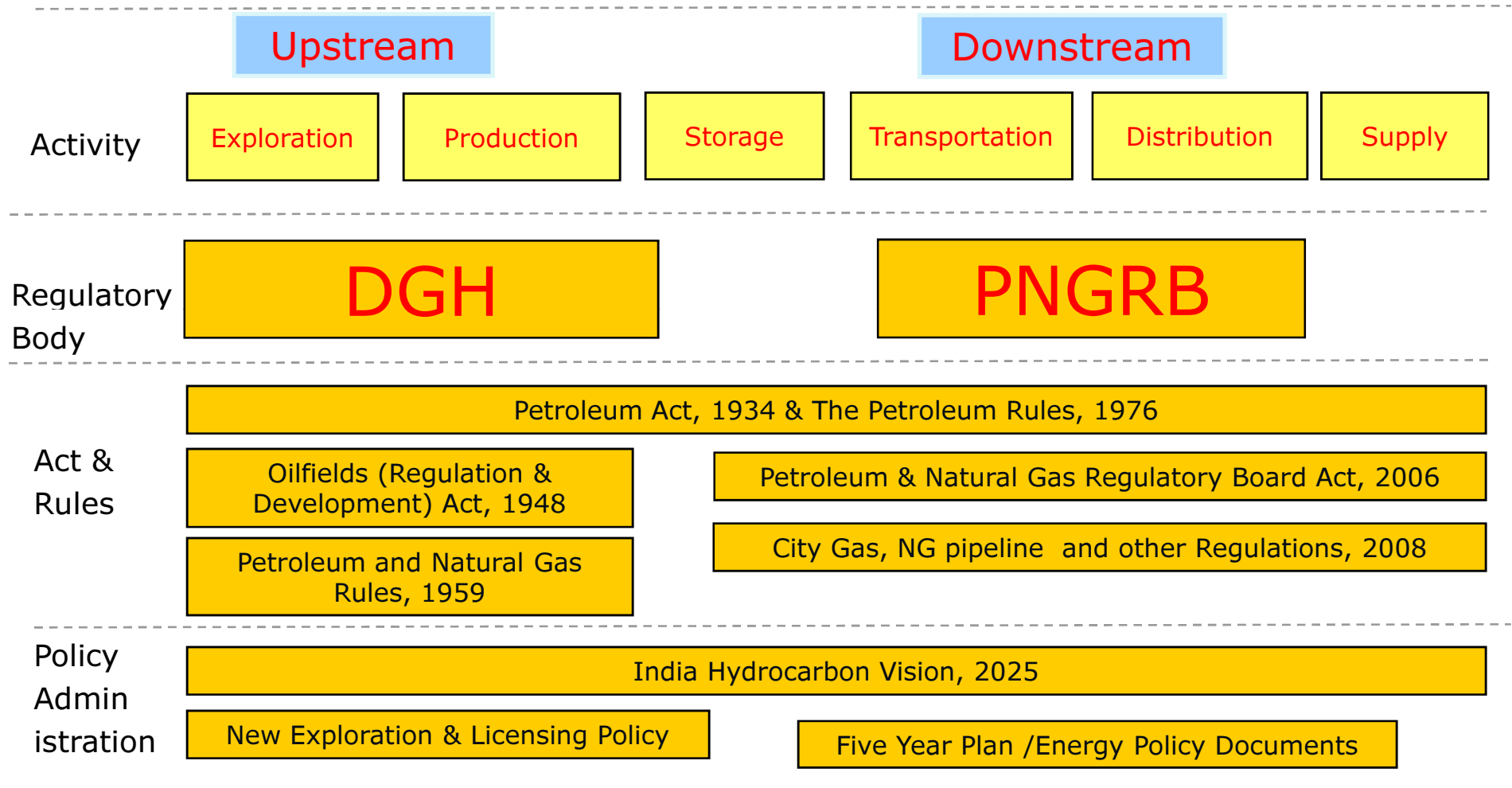
Policy on Refining

Product Pipeline Policy

Policy on NG Pipelines and CGD networks

Petroleum & Natural Gas Regulatory Board Act

# Current Regulatory Structure



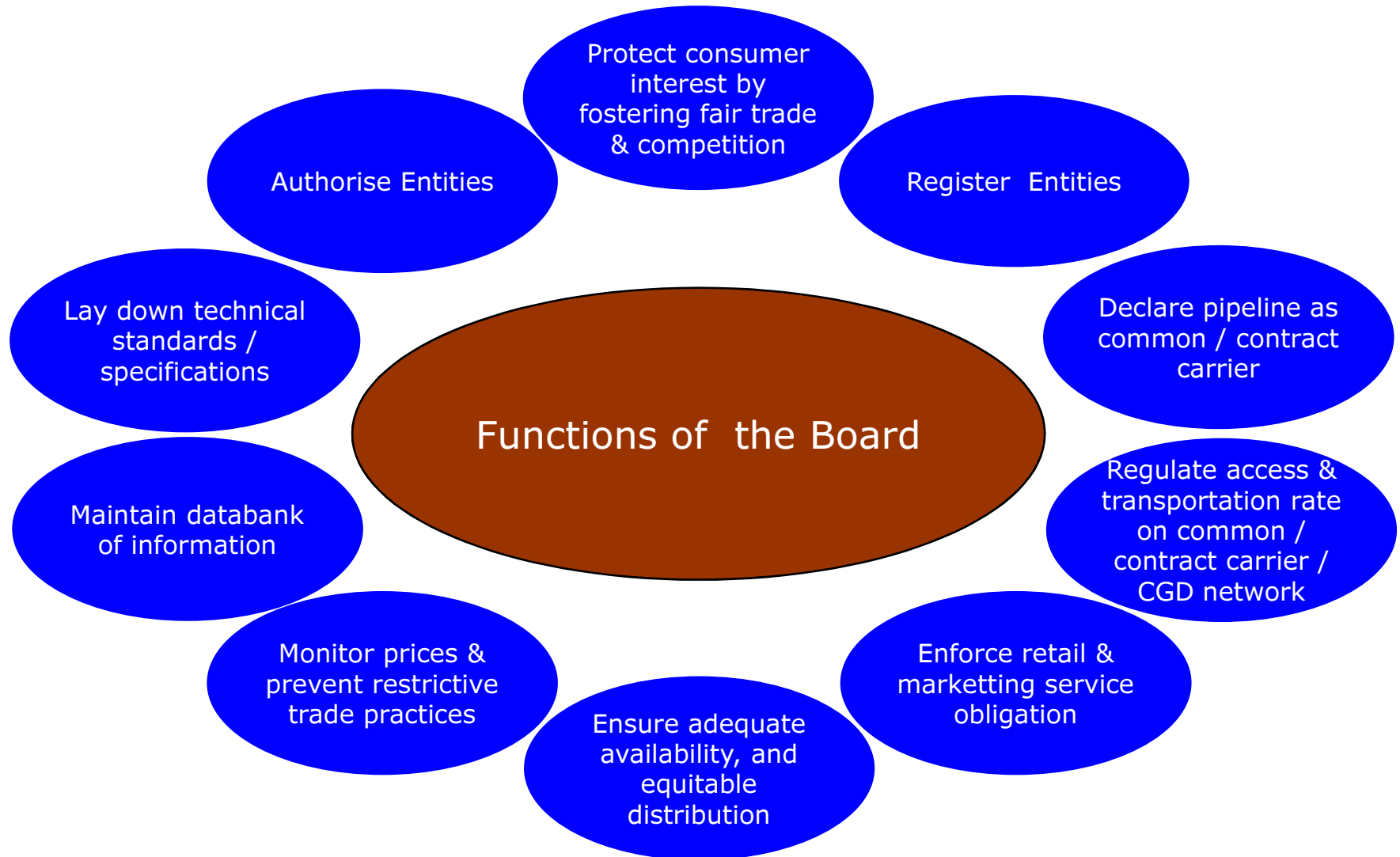


# PNGRB Act, 2006

In respect of Petroleum, petroleum products & natural gas

- To regulate refining, processing, storage, transportation, distribution, marketing and sale
- To protect the interests of consumers and entities
- To ensure uninterrupted and adequate supply in all parts of the country
- To promote competitive markets

# Activities under purview of PNGRB



# Status of various Regulations

S No.	Regulation	Notified on
1	Levy of Fee and Other Charges	26-11-2007
1A.	Levy of Fee <b>Amendment Regulation</b>	07.06.2010
2	Meetings of the Board	26-11-2007
3	Appointment of Consultants	30-11-2007
4	Conduct of Business, receiving and investigation of complaints	30-11-2007
5	Authorizing entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution networks	19-03-2008
5A	Authorizing entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution networks, <b>Amendment Regulations, 2009</b>	30-04-2009
5B	Authorizing entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution networks, <b>Amendment Regulations, 2010</b>	19.07.2010

# Status of various Regulations

S No.	Regulation	Notified on
6.	Determination of Network Tariff for City or Local Natural Gas Distribution Network and Compression Charges for CNG	19-03-2008
6A	Determination of Network Tariff for CGD <b>Amendment Regulation</b>	07.06.2010
7	Exclusivity for City or Local Natural Gas Distribution Networks	19-03-2008
8	Authorizing entities to Lay, Build, Operate or Expand Natural Gas Pipelines	06-05-2008
9	Affiliate Code of Conduct for Entities Engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline	17-07-2008

# Status of various Regulations

S No.	Regulation	Notified on
10	Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines	17-07-2008
10A	Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines <b>Amendment Regulations,2009</b>	21-04-2009
11	Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Network	27-08-2008
12	Determination of Natural Gas Pipeline Tariff	20-11-2008
13	Guiding Principles for Declaring or Authorizing Natural Gas Pipelines as Common Carrier or Contract carrier	21-04-2009

# Status of various Regulations

S No.	Regulation	Notified on
14	Procedure for Development of Technical standards, Specifications including Safety Standards	14-05-2009
15	Procedure for Standard Development	June 2009
16	Technical Standards and Specifications including Safety Standards for Natural Gas Pipelines	11.11.2009
17	Emergency Response and Disaster Management	18.01.2010
18	Authorizing entities to Lay, Build, Operate or Expand Petroleum Product Pipelines	01.09.2010
19	Pipelines capacity Determination	07.06.2010

# Status of various Regulations

S No.	Regulation	Notified on
20	Petroleum and Natural Gas Register Regulations	07.06.2010
21	Quality of Service Regulations for CGD Networks	01.09.2010
	Methodology for determination of capacity for CGD Networks	Under preparation
23	Access Code for Petroleum Product Pipelines	Under Preparation
24	Determination of Tariff for Petroleum Product pipelines	Under Preparation

# CGD Bidding -Relevant Regulations

- Levy of Fee – “Petroleum & Natural Gas Regulatory Board (Levy of Fees & Other Charges) Regulations, 2007”

**CGD REGULATION** - “Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build , Operate or Expand City or Local Natural Gas Distribution Network) Regulations, 2008”

**CGD EXCLUSIVITY** - “Petroleum & Natural Gas Regulatory Board (Exclusivity for City or Local Natural Gas Distribution Network) Regulations, 2008”

**CGD TARIFF DETERMINATION** – “Petroleum and Natural Gas Regulatory Board (Determination of Network Tariff for City or Local Natural Gas Distribution Networks and Compression Charge for CNG) Regulations, 2008”

## CGD Bidding -Relevant Regulations – Contd...

**AFFILIATE CODE - Petroleum & Natural Gas Regulatory Board (Affiliate Code of Conduct for Entities Engaged in Marketing of Natural Gas and Laying, Building, Operating or Expanding Natural Gas Pipeline) Regulations, 2008**

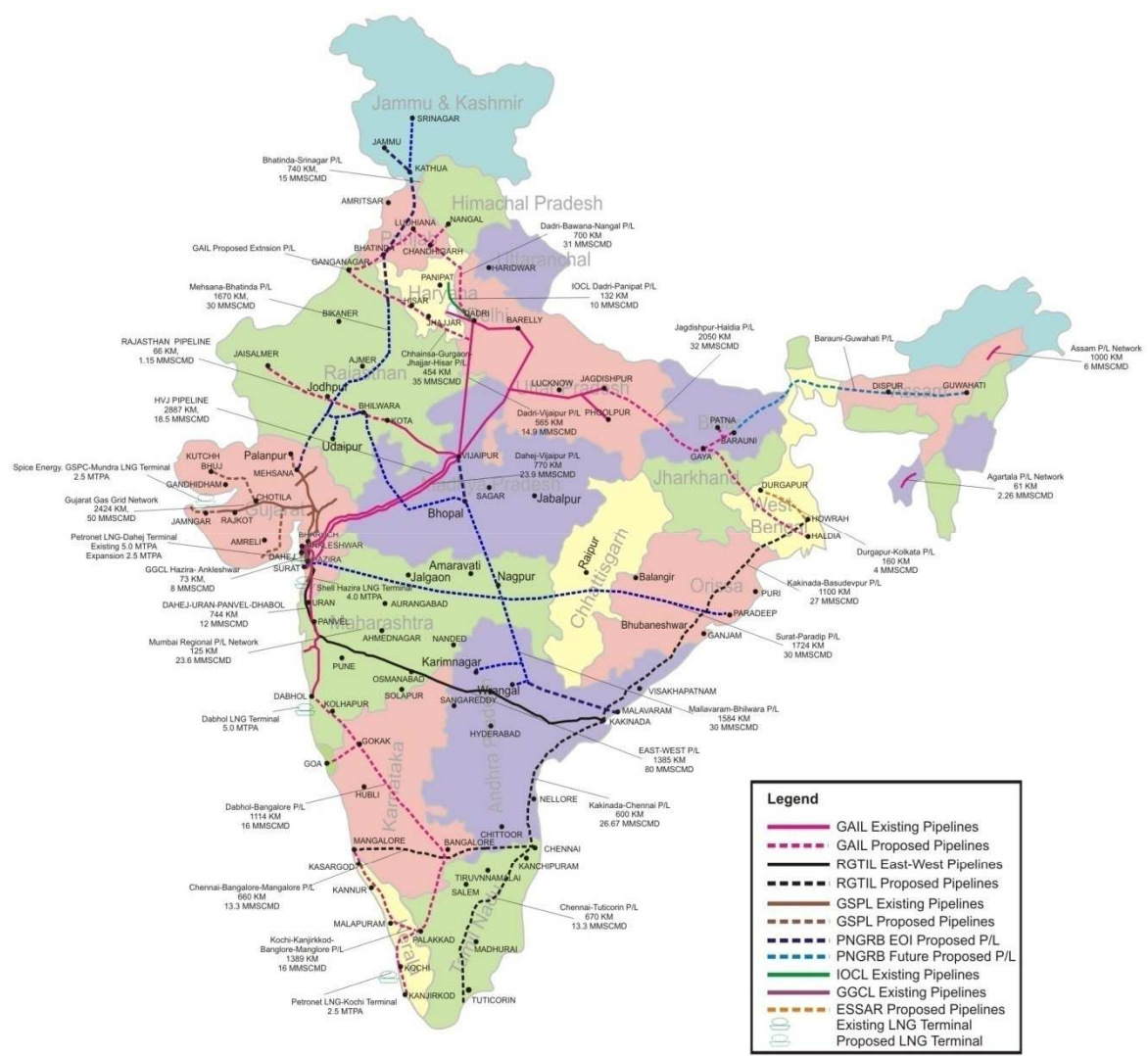
**TECHNICAL STANDARDS , SPECIFICATIONS INCLUDING SAFETY STANDARDS -143**

**Access Code**

**Code of Practice for Quality of Service - Entities, Consumers and Public**

**Capacity Determination**

# GAS PIPELINES IN INDIA



# Gas Infrastructure in Andhra Pradesh

## Integrated Map



## CGDs in AP

S.No	Name Of the GA	Under Regulation	Remarks
1	Kakinada	4(1)	Authorised to M/s BGL
2	Yanam	4(1)	Pending Authorisation
3	Vijaywada	17	Authorised to M/s BGL
4	Hyderabad	17	Authorised to M/s BGL
5	Nalgonda	4(1)	4 <sup>th</sup> Round Bidding
6	Rangareddy & Medak	4(1)	4 <sup>th</sup> Round Bidding
7	Khammam	4(1)	4 <sup>th</sup> Round Bidding

# Technical Standard , Specifications including Safety Standard -T4S

- **HIGHLIGHTS**

- Coverage- Design, Construction, O&M and Safety
- Steel Belting  $\leq$  49 bar
- P.E Network  $\leq$  7 bar
- Odorization
- CI pipe – No use
- Uniform standards, codes across the country
- Regulatory Compliance certification through accredited 3<sup>rd</sup> party
- Accident reporting and ERDMP in position



# Access Code

- **HIGHLIGHTS**

- Open Access to Marketers to existing P/L Network.
- Gas Specifications to meet the P/L System Requirements.
- Positive and Negative Imbalances
- Over draws
- Connecting one CGD with other CGD – Independent or Meshed
- Gas Accounting (in energy terms) - by entity having Infrastructural
- **No allowance for Gas Loss in network**

# CGD Bidding Status

- 1<sup>st</sup> Bidding Round (6 GAs put to bidding)
  - Kakinada, Dewas, Kota, Mathura, Meerut, Sonapat
  - Bids opened on 3<sup>rd</sup> March 2009
  - Successful Bidders
    - ❖ Kakinada- BGL
    - ❖ Dewas- Gail Gas
    - ❖ Kota- Gail Gas
    - ❖ Mathura- DSM Infra & Soumya Mining
    - ❖ Meerut- Gail gas
    - ❖ Sonapat- Gail Gas

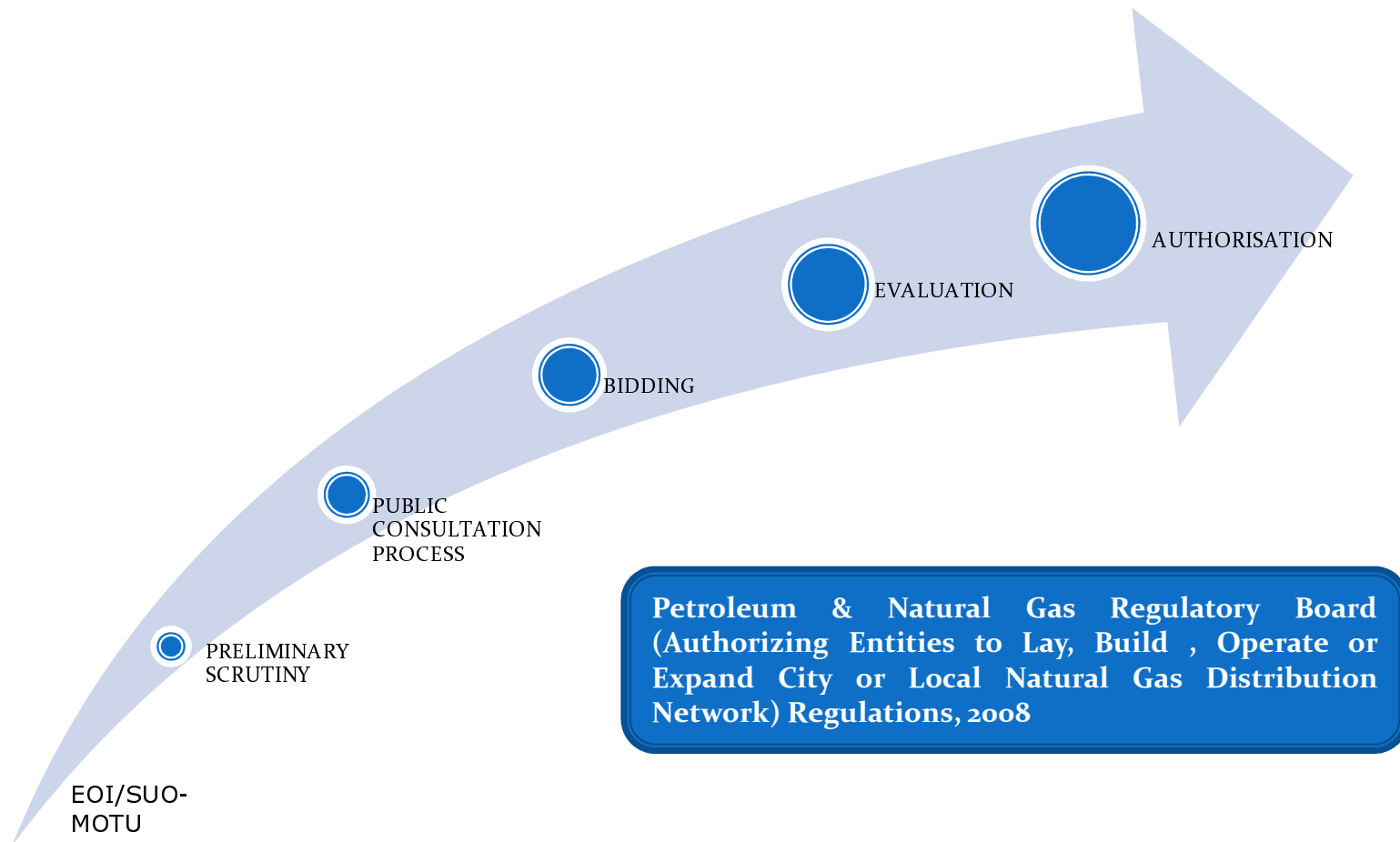
# CGD Bidding Status

- **2<sup>nd</sup> Bidding Round (7 GAs put to bidding)**
  - Rajamundry, Yanam, Sehdol, Jhansi, Allahabad, Ghaziabad and Chandigarh
  - Bids due on 25<sup>th</sup> June 2009
  - Bids Received- 20
- **3<sup>rd</sup> Round of Bidding ( 8 GAs put to bidding)**
  - Panipat, Ludhiana, Jalandhar, Durgapur, Kutch (E), Kutch(W), Bhavnagar, Jamnagar
  - Bid due on 04-01-2011
- **4<sup>th</sup> Round of Bidding ( 8 GAs put to bidding)**
  - Shahjahanpur, Guna, Alibagh, Lonawala, Rangareddy, Khammam, Nalgunda, Earnakulam
  - Bid due on 28-01-2011

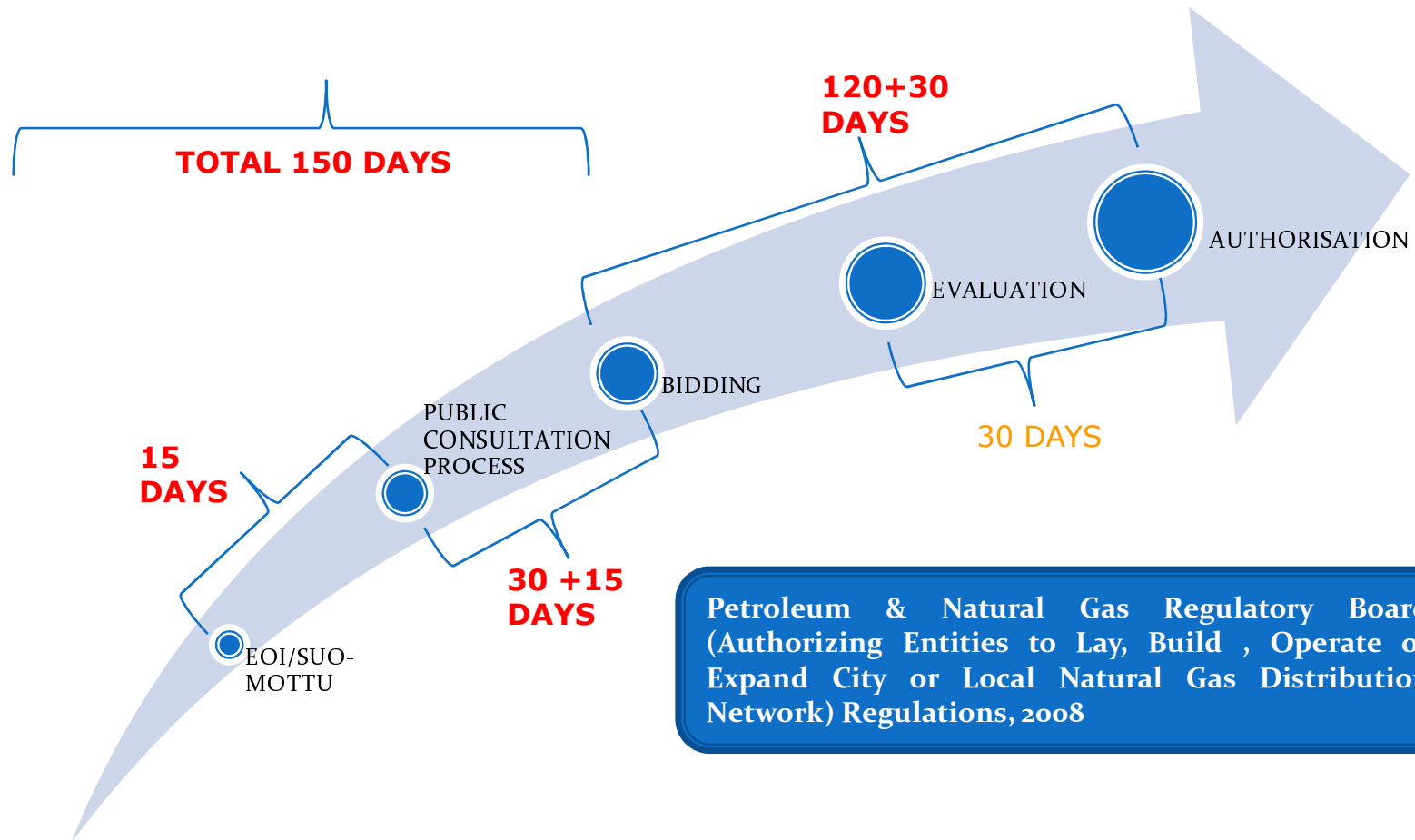
# CGD Rollout Plan

- Within next 3 years, 80+ GAs to have CGD
- Within next 5 years, 125 GAs expected to have CGD
- Within next 10 years, 250 GAs expected to have CGD
- New GAs being identified > 330
- Experience gained from bidding rounds is deliberated and necessary changes applied in successive bidding rounds
- Larger GAs are being considered for overall Growth
- State Governments are being consulted
- Single window clearance
- Taxation issues

# Authorization Process



# Authorization Process - Timeline



# LET US BEGIN



Petroleum & Natural Gas  
Regulatory Board, India