

**REVISED CLAUSE No.4 &9**

**4. QUANTITY OF GAS AND OBLIGATIONS**

**4.1 Daily Contract Quantity**

- 4.1.1 The Sales Gas Volume to the Buyer for the duration of the contract shall be XXXXX scm/day.
- 4.1.2 Daily Contract Quantity (“**DCQ**”) shall be the Sales Gas Volume for the period starting from 0700 hours of start date till End Date.
- 4.1.3 During the Term of this Agreement, the Sellers shall supply and deliver the Sales Gas to the Buyer at the Delivery Point on reasonable endeavour basis as per the provisions of this Agreement.
- 4.1.4 If Additional Gas Quantity are available with the Sellers, then subject to acceptance by the Buyer, such quantities can be delivered and off taken as per Clause 4.2 of this Agreement.
- 4.1.5 During the Term of this Agreement, the Buyer shall be obligated to take and pay, or pay for if not taken Sales Gas as per the provisions of this Agreement.
- 4.1.6 During the Term of this Agreement, the Sellers shall supply and deliver the Sales Gas to the Buyer at the Delivery Point failing which Sellers shall be liable for Shortfall Penalty as per the provisions of this Agreement.
- 4.1.7 Sellers and Buyer shall deliver and offtake Gas quantities available in excess of DCQ on reasonable endeavour basis.

**4.2 Take or Pay Obligations**

**4.2.1 Quarterly Take or Pay Obligation**

(a) The “**Quarterly Contract Quantity**” or “**QCQ**” for each Quarter shall be equal to the aggregate of the DCQ in effect for each Day of the Quarter.

(b) The “**Adjusted Quarterly Contract Quantity**” or “**AQCQ**” for any Quarter shall be equal to the QCQ for such Quarter minus the sum of the following quantities for each Day during such Quarter:

- i. Any quantity of Gas up to the DCQ for the relevant Days on which the Sellers or the Buyer was/were prevented from supplying or taking Gas due to Force Majeure Event(s);
- ii. Any quantity of Gas up to the DCQ for the relevant Days that was rejected by the Buyer in accordance with Clause 7 of the Agreement;
- iii. Any quantity of Gas up to the DCQ for the relevant Days on which the Sellers or the Buyer was/were prevented from supplying or taking Gas due to Planned Maintenance pursuant to Clause 12 of the Agreement;
- iv. Any quantity of Gas up to the DCQ for the relevant Days that the Sellers failed to make available for delivery unless such failure was: (i) caused by Buyer’s failure to comply with the

terms of this Agreement; or (ii) due to exercise of Sellers' right to suspend Gas deliveries pursuant to Clause 14

(c) The "**Quarterly Take or Pay Quantity**" or "**QTOPQ**" shall be Eighty (80%) of the Adjusted Quarterly Contract Quantity.

#### **4.3 Makeup Gas**

(a) If the Buyer has paid QGNT Amount during a Quarter, the Buyer shall be entitled to a credit for the quantity of Sales Gas, up to a quantity equal in value to that of QGNT Amount in subsequent Quarters, until the expiry of the End Date ("Makeup Gas"); provided, that the Buyer must first have taken delivery of the QTOPQ for that Quarter in which the Buyer wishes to draw Makeup Gas, Sellers shall not be under obligation to supply Sales Gas beyond DCQ for the purpose of supplying such Make-up Gas.

(b) The value ascribed to Makeup Gas quantity for the purpose of setting off against QGNT Amount shall be the Arithmetic Average of the Sales Gas Price applicable during the Quarter in which Makeup Gas is offtaken by the Buyer. Sellers shall provide a credit towards the Makeup Gas quantities taken by Buyer up to QGNT Amount.

(c) The order in which Makeup Gas shall be offtaken shall be the same order in which the Makeup Gas accrued. It is hereby agreed between the Parties that the Buyer shall offtake all quantities of Makeup Gas as per this Clause 4.3 before the expiry of the End Date.

#### **4.4 Additional Gas Quantity and Supplies**

(a) In case the Sellers have any "Additional Gas Quantity" or "AGQ" available at the Delivery Point over and above the DCQ, Sellers may make it available to the Buyer for supplies at the Delivery Point for any Day, subject to acceptance of the Buyer. Sellers shall use reasonable endeavors to supply and Buyer shall use reasonable endeavors to offtake this Additional Gas Quantity at the Delivery Point. Such quantities of Gas supplied by Sellers and off taken by Buyer towards AGQ at the Delivery Point shall be termed as "Additional Gas Supplies" or "AGS")

(b) For avoidance of doubt, unless expressly agreed otherwise between Sellers and Buyer, any quantities of Gas delivered by Sellers and offtaken by Buyer on any Day shall first fulfill the obligation towards DCQ and any additional quantities of Gas supplied by Sellers and offtaken by Buyer over and above DCQ shall be towards AGQ.

(c) Notwithstanding anything to the contrary in the Agreement, the provisions of Clause 4.2 "Take or Pay Obligation", Clause 4.5 Shortfall Gas of this Agreement shall not be applicable on AGQ at any time. For the avoidance of any doubt in this regard it is hereby expressly clarified that unless agreed otherwise; all the other terms and conditions including Sales Gas Price under this Agreement shall be applicable to AGQ.

#### **4.5 Shortfall Gas and Shortfall Penalty**

(a) In any Quarter, if the Sellers fail to supply Eighty (80%) percent of the DCQ on any Gas Day for reasons other than:

- (i) Force Majeure of Parties; or
- (ii) Planned Maintenance of Parties, subject to Clause 12 of the Agreement; or
- (iii) Any quantity of Gas up to the DCQ for the Days on which the Sellers fails to supply or the Buyer fails to offtake for reasons not attributable to the Sellers during that Quarter

(b) then, the positive difference, if any, between Eighty percent (80%) of DCQ (after adjusting quantities of Gas under clause 4.5 (d) (i), (ii) and (iii)) and the quantity of Sales Gas supplied by the Sellers on the Gas Day aggregated for the respective Quarter shall be classified as the "Quarterly Sellers Supply Deficiency" and such days shall be called "Shortfall Days".

(c) Notwithstanding anything to the contrary, the number of Shortfall Days considered for calculating Quarterly Sellers Supply Deficiency in any Quarter shall not be more than ten (10) days. In any Quarter, if Shortfall occurs on more than 10 days, days with highest shortfall incurred will be considered as Shortfall Days.

(d) The Sellers shall pay the Buyer a penalty on the Quarterly Sellers Supply Deficiency in that Quarter ("Quarterly Shortfall Penalty"). The Quarterly Shortfall Penalty for any Quarter shall be an amount equal to Quarterly Sellers Supply Deficiency in that Quarter multiplied by eight percent (8%) of the average Gas Sales Price for that quarter on Gross Heating Value basis.

(e) The Shortfall Penalty shall be set off against the value of invoice for the quantities off-taken by the Buyer in the Quarter or subsequent Quarters.

## **9 SALES GAS PRICE**

9.1 Buyer shall pay to the Sellers the Sales Gas Price for the quantity of Sales Gas supplied at the Delivery Point under this Agreement as per below.

**9.1.1 Contract Gas price (in USD/MMBTU rounded off to 2 decimals)**

**APM Domestic Gas Price (in USD/MMBTU) + \$3.0 (mark-up) + 'P'**

Bidders are required to quote 'P', which would be the **minimum 0.5 (>0.5)** premium over the Gas Price in the first attempt. The "P" can be made in the increment minimum of USD 0.10/MMBTU from 2<sup>nd</sup> attempt onwards. Only upward increments of the price shall be allowed and it cannot be decreased.

"APM" shall mean gas price issued by the Petroleum Planning & Analysis Cell from time to time under the New Domestic Natural Gas Pricing Guidelines, 2014, issued by the Ministry of Petroleum & Natural Gas ("MoPNG"), Government of India, (Ref No.22013/27/2012-ONG D.V.) on 18th October 2014. Any directive, instruction, order, clarifications etc. of the MoPNG /Government of India issued from time to time in respect of gas price shall be

applicable and such gas price shall be payable by the Buyer for gas supplies under this Agreement. Any revision in gas price resulting from such directive, instruction, order, clarifications etc. shall be applicable from the date as specified therein, whether retrospective or prospective”.

**Floor Price for Sale of Natural Gas from BHANDUT BLOCK, SURAT GUJARAT: USD 10.0 (in USD/MMBTU).**