

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:290
ANSWERED ON:23.07.2009
PETROLEUM AND NATURAL GAS REGULATORY BOARD ACT
Tewari Shri Manish

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the experience gained so far in terms of the implementation of the Petroleum and Natural Gas Regulatory Board (PNGRB) Act, 2006 after the appointment of the Regulator ;
- (b) whether the Regulator has adequately been empowered to carry out its mandate in terms of the Act ;
- (c) if not, the reasons therefor ;
- (d) the steps taken by the Government in this regard ;
- (e) whether there is any lacunae in the PNGRB Act which has been brought to the notice of the Government by various industrial bodies and consumer groups ; and
- (f) the action taken by the Government to remove that lacunae ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 290 BY SHRI MANISH TEWARI TO BE ANSWERED ON 23-07-2009 REGARDING PETROLEUM AND NATURAL GAS REGULATORY BOARD ACT.

(a) to (f): Under the Petroleum and Natural Gas Regulatory Board (PNGRB) Act 2006, Government has set up PNGRB on 01.10.2007 to regulate refining, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products & natural gas, excluding production of crude oil & natural gas, so as to protect the interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products & natural gas and to ensure uninterrupted and adequate supply of petroleum, petroleum products & natural gas in all parts of the country and to promote competitive markets and for matters connected therewith or incidental thereto.

The Central Government has brought into force the provisions of the PNGRB Act, 2006, except Section 16, with effect from 1st October 2007. Section 16 of the Act has not been notified, as the existing text of the same does not reflect the intent of the statute. However, no industrial body or consumer group has represented to the Government on this issue, as per available records.

The PNGRB is empowered to work as per the provisions of the PNGRB Act, 2006, except Section 16. Section 61 (1) of the PNGRB Act, 2006, empowers the PNGRB to make regulations consistent with the Act and the rules made thereunder to carry out the provisions of the Act.

PNGRB has notified 18 regulations, primarily pertaining to the natural gas sector. PNGRB has completed first round of bidding for six geographical areas, namely, Kota, Sonipat, Mathura, Kakinada, Meerut and Dewas in respect of city or local natural gas distribution networks and has finalized selection of entities. The second round of bidding for seven geographical areas, namely, Allahabad, Chandigarh, Ghaziabad, Jhansi, Rajahmundry, Shadol and Yanam, is underway. Further, PNGRB has commenced the task of tariff fixation for natural gas pipelines and city or local natural gas distribution networks under the provisions of the relevant Regulations. The process of authorization and declaration of existing natural gas pipelines as common and contract carrier pipelines has also been started. PNGRB is laying down standards, including safety norms, for the sector starting with City Gas Distribution.