

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

UNSTARRED QUESTION NO:1751
ANSWERED ON:16.07.2009
ARCHAIC GAS REGULATION SYSTEM
Sampath Shri Anirudhan

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

- (a) whether India's archaic gas regulation system is a major bottleneck for the economy's growth;
- (b) if so, the details thereof;
- (c) whether the Government has any plan to rationalize the system; and
- (d) if so, the details thereof and the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) to (d): The production of natural gas and related matters, both under New Exploration Licensing Policy (NELP) and by pre-NELP Joint Ventures, are regulated in accordance with the provisions of Production Sharing Contract (PSC) signed between the Government & the respective Contractor. Further, the Government of India has enacted 'The Petroleum and Natural Gas Regulatory Board (PNGRB) Act, 2006', so as to inter alia promote competitive markets and to protect the interests of entities engaged in activities relating to natural gas, as also interests of customers. PNGRB has notified Regulations with the same objective.

The above have served to encourage exploration and production activities, as also activities in midstream and downstream sectors, thus spurring economic development.