

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

UNSTARRED QUESTION NO:1963  
ANSWERED ON:05.08.2010  
CITY GAS DISTRIBUTION NETWORK  
Tewari Shri Manish

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

- (a) the number of cities where City Gas Distribution Networks (CGDs) are being set up;
- (b) the factors that are taken into account by the Petroleum and Natural Gas Regulatory Board (PNGRB) while deciding as the cities that should qualify for selection for setting up of these networks;
- (c) whether the High Court of Delhi has not opined that in the absence of notification of Section 16 of the PNGRB Act the Board is not competent to license City Gas Distribution Network (CGDs);
- (d) if so, the legal standing of six or more CGDs licensed by the PNGRB; and
- (e) the manner in which the Government proposes to rectify this situation?

**Answer**

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

(a) & (b): Petroleum & Natural Gas Regulatory Board (PNGRB), constituted under the PNGRB Act, 2006, grants authorization to City Gas Distribution (CGD) entities in accordance with the provisions of the Act and the Regulations framed therein. The authorizations are granted for identified Geographical Areas (GAs) through a transparent bidding process. The bids are invited on the basis of Expression of Interest (EOI) submitted by any interested entity on the Board may suo moto identify GAs for coverage under CGD networks. On the basis of likely availability of natural gas, PNGRB has identified over 300 GAs, including 71 GAs for which EOIs have been submitted.

(c) & (d): The High Court of Delhi has opined that, in the absence of notification of Section 16 of PNGRB Act, PNGRB is not competent to grant authorizations to inter alia CGD Networks. In view of the same, the grant of authorization by PNGRB for GAs of Kota, Meerut, Dewas, Sonapat, Kakinada and Mathura would not be valid.

(e): As per the mandate given by the High Court of Delhi, MoPNG has granted authorization to these six CGD entities, which were earlier authorized by PNGRB in its first round of bidding. Subsequently, Government has notified Section-16 of PNGRB Act with effect from 15.07.2010.