

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

UNSTARRED QUESTION NO:2668
ANSWERED ON:25.11.2010
CITY GAS NETWORK
Pakirappa Shri S.;Shantha J.

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

- (a) the number of entities which are there in the city gas network laying business in the country;
- (b) the stakes held by GAIL India Ltd. and other oil Public Sector Undertakings;
- (c) whether the Petroleum and Natural Gas Regulatory Board (PNGRB) Act restricts oil and natural gas producing, refining and marketing entities from entering into pipelines business and the details of such provisions;
- (d) whether PNGRB has taken a view over setting up of such subsidiaries in similar business, as it may hamper competition in the sector; and
- (e) if so, the details thereof?

Answer

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

- (a): There are 22 entities engaged in City Gas Distribution (CGD) in the country at present.
- (b): The details of stake held by GAIL India Ltd. and other oil Public Sector Undertakings (PSU's) in these entities is annexed.
- (c) to (e): Petroleum & Natural Gas Regulatory Board (PNGRB) Act, 2006 provides that, in case of an entity engaged in both marketing of natural gas and laying/building/ operating/expanding a pipeline for transportation of natural gas, the Board shall require such entities to comply with the affiliate code of conduct. The Board has notified Affiliate Code of Conduct according to which no entity can treat a competitor less favorably than itself or its subsidiary. PNGRB has also notified Access Code for pipelines which ensures third party non-discriminate access for the transportation of gas through pipelines on payment of transportation tariff determined by the Board. Further, the Act provides that the Board may require such entity to separate the activities of marketing of natural gas and transportation, including ownership of the pipeline, within such period as may be allowed by the Board.