

PNGRB Issues draft regulations for authorizing entities for developing City or Local Natural Gas Distribution Networks

The Petroleum & Natural Gas Regulatory Board (PNGRB) has issued draft regulations for authorizing entities for developing City or Local Natural Gas Distribution (CGD) Networks; exclusivity for CGD Networks and determination of network tariff of such networks. These regulations have been posted at the web site of EIL, viz., <http://engineersindia.com> on 15.11.07 with a view to seeking comments of all stakeholders, experts, etc., on the provisions contained therein upto 6.12.07 so that the regulations could be finalized after consultations.

2. The draft regulations for authorizing entities for the development of CGD Networks contain the proposed methodology for selecting an entity to lay, build, operate or expand a CGD Network. The provisions include – criteria for selection, amount of performance bond, post-authorization monitoring of activities, etc. The draft also contains the procedure to deal with the cases of entities which have been laying, building, operating or expanding CGD Networks before the appointed day, viz., 1.10.07.

3. The draft regulations for the exclusivity of CGD Networks deal with the procedure for prescribing exclusivity for laying, building and expanding the CGD Networks and also for exclusivity period during which the network would be excluded from the purview of a common carrier or contract carrier. The draft covers the entities which propose to lay, build, operate or expand the CGD Networks or which have been laying, building, operating or expanding the network before 1.10.07. The draft prescribes the service obligations and the procedure for termination of exclusivity.

4. The draft regulations for determination of network tariff for CGD Networks contain the methodology for determination of network tariff including for the entities which have been laying, building, operating or expanding the network before 1.10.07.

5. Comments and views of the stakeholders, experts, etc. would be useful in finalizing the above draft regulations by the Board. Once finalized, these regulations will pave the way for the development of CGD networks in different parts of the country in a systematic manner. Such networks would need to follow the technical standards and specifications including safety standards as may be prescribed by the Board and service obligations as per the regulations. These regulations would facilitate in attracting the investment in the development of CGD Networks while protecting the interests of the consumers.

6. The comments and views may be sent to EIL who have been authorized to receive and compile the information on behalf of the Board. The email id is pngrb@eil.co.in and the postal address is as given below:

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