

9556  
30/6

No.12014/12/2009-GP  
Government of India  
Ministry of Petroleum & Natural Gas  
\*\*\*\*

Shastri Bhawan, New Delhi  
Dated: June 29 2010

ORDER


Petroleum & Natural Gas Regulatory Board(PNGRB) had undertaken the first round of bidding for City Gas Development (CGD) networks in six Geographical Areas (GAs), wherein GAIL Gas Ltd. had been selected for Kota, Meerut, Dewas & Sonapat and Bhagyanagar Gas Ltd. & Saumya DSM had been selected for Kakinada & Mathura respectively. However, the Hon'ble Delhi High Court has declared in its order dated 21.01.2010 in WP(C) No.9022/2009 & WP(C) No. 8415/2009 that, in view of the non-notification of Section 16 of the PNGRB Act, 2006, PNGRB has no powers to grant authorizations for inter alia CGD networks. Subsequently, these entities have requested that Ministry of Petroleum & Natural Gas should grant them authorization to carry out CGD projects in the public interest, so that the implementation can proceed as per the envisaged targets. It has been mentioned that these entities have invested substantial amounts in their GAs. It has been requested that the authorization is necessary to abridge the vacuum created due to non-notification of Section 16 of the Act.

2. Their requests have been examined in the context of the order passed by the Hon'ble Delhi High Court dated 21.01.2010, as well as the clarificatory order dated 08.02.2010, in WP(C) No.9022/2009 & WP(C) No. 8415/2009 and the Hon'ble Supreme Court's order dated 15.03.2010 in SLP(C) No. 5408 of 2010 & SLP(C) No. 7770 / 2010. As far as the legal position stands today, in view of the fact that the Petroleum & Natural Gas Regulatory Board (PNGRB) has no power to grant authorizations, the situation prior to the Board's assumption of such a power would resume, which means that the power would be vested in the Ministry of Petroleum and Natural Gas, as there cannot be a

vacuum. At the same time, it needs to be considered that these entities have acted upon the basis of the selection process carried out by PNGRB and have invested substantial amounts in the GAs.

3. In view of the above, Central Government grants authorizations to GAIL Gas Ltd. for Kota, Meerut, Dewas & Sonapat, Bhagyanagar Gas Ltd. for Kakinada and Saumya DSM for Mathura.

4. The mentioned entities would be bound by the various regulations of PNGRB, including those pertaining to inter alia work commitments, network tariff, technical standards & specifications, safety standards, quality of service standards, etc.

  
(Manu Srivastava)  
Director

To:

GAIL Gas Limited/BGL/Saumya DSM

Copy to:

Secretary, PNGRB/Chief Secretary, Govt. of Uttar Pradesh/Chief Secretary,  
Govt. of Andhra Pradesh/Chief Secretary, Govt. of Rajasthan/Chief Secretary,  
Govt. of Madhya Pradesh/Chief Secretary, Govt. of Haryana