

Press Release / November 30, 2007

PNGRB issues draft regulations for –

- a) Authorizing Entities for the Development of Natural Gas Pipelines**
- b) Determination of Pipeline Tariff for natural Gas Pipelines**
- c) Affiliate Code of Conduct for Entities Engaged in Marketing of Natural gas and Laying, Building, Operating or Expanding Natural Gas Pipeline as Common Carrier or Contract Carrier**

The Petroleum & Natural Gas Regulatory Board (PNGRB) has issued draft regulations for authorizing entities for development of natural gas pipelines, determination of pipeline tariff for such pipelines and also the Affiliate Code of Conduct.

These regulations have been posted at the web site of EIL, viz., www.engineersindia.com on 30.11.07 with a view to seeking comments of all stakeholders, experts, etc., on the provisions contained therein up to 31.12.07 so that the regulations could be finalized after consultations.

2. The draft regulations for authorizing entities for the development of natural gas pipelines contain the proposed methodology for selecting an entity to lay, build, operate or expand a natural gas pipeline. 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 natural gas pipelines before the appointed day, viz., 1.10.07.

3. The draft regulations for determination of pipeline tariff for natural gas pipelines contain the methodology for determination of pipeline tariff including for the entities which have been laying, building, operating or expanding the pipelines before 1.10.07.

4. The draft regulations for Affiliate code of conduct sets out the terms and conditions for the interactions between the entity and its affiliate for engaging in the activities of transportation and marketing of natural gas; and also the conditions to be met in case an entity engages in both these activities on its own.

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 natural gas pipelines in different parts of the country in a systematic manner. Such pipelines 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 natural gas pipelines 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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