

PRESS NOTE

Government of India, Ministry of Petroleum & Natural Gas, in exercise of the powers conferred under Section 1(3) of the Petroleum & Natural Gas Regulatory Board Act, 2006 have appointed on 01.10.07 as the date on which the provisions of the said Act, except Section 16, shall come in to force vide notification dated 01.10.07. Ministry of Petroleum & Natural Gas have also rescinded the notification no. G.S.R. 459(E) dated 25.06.07 and notified the establishment of the Petroleum & Natural Gas Regulatory Board with immediate effect vide notification dated 01.10.07. As such, all the provisions of the said Act, except Section 16, have come into force w.e.f. 01.10.07.

2. The attention of the general public is drawn to the provisions of Section 17(1) of the said Act as per which an entity which is laying, building, operating or expanding, or which proposes to lay, build, operate or expand, a pipeline as a common carrier or contract carrier shall apply in writing to the Board for obtaining an authorization under the Act provided that any entity which had been authorized by the Central Government at any time before the appointed day for these activities shall furnish the particulars of such activities to the Board within six months from the appointed day.

3. Similarly, as per the provision of Section 17(2), an entity which is laying, building, operating or expanding, or which proposes to lay, build, operate or expand, a city or local natural gas distribution network is also required to apply in writing for obtaining an authorization under the Act provided that any entity authorized by the Central Government at any time before the appointed day to undertake these activities shall furnish the particulars of such activities to the Board within six months from the appointed day.

4. The procedure for grant of authorization has been laid down under Section 19 of the Act. The Board is engaged in finalizing draft regulations prescribing the form, the manner, and the fees for making an application for authorization in terms of Section 17(3).

5. Section 48 of the Act lays down the penal consequences of undertaking the said activities without authorization as per which a person shall be liable for punishment with imprisonment for a term which may extend to three years or penalty of Rs. 25 crore or with

both. In case of continuing contravention the entity responsible shall be liable for additional fine which may extend to Rs. 10 Lakh for every day during which the contravention continues.

6. In view of the above provisions, all entities which propose to undertake any or all of the said activities are hereby informed not to initiate any action till the applications for undertaking such activities are decided and authorization granted in terms of the regulations being finalized. As far as entities which have initiated any of these activity or activities prior to 01.10.07 without any authorization by the Central Government are concerned, they may apply for authorization under the provisions of the PNGRB Act, 2006, and in the meantime are required not to undertake any such new or incremental activity or activities without obtaining authorization.

7. Those entities which have undertaken these activities with authorization by the Central Government issued prior to 01.10.07 are required to furnish the particulars of such activities to the Board within six months from the appointed day. However, in view of the steep penalties for violation provided in the Act, it is necessary that the concerned entities establish at the earliest with the Board that their activities are covered under the authorization granted by the Central Government. In view of this, **all entities engaged in the said activities with or without authorization by the Central Government are hereby notified to submit all relevant details to the Board as per the prescribed Proforma available on the web site at www.engineersindia.com within a period of 30 days from the date of this Press Note with all relevant details.** The prescribed Proforma can also be obtained from the office of The Petroleum & Natural Gas Regulatory Board, World Trade Centre, 1st Floor, Babar Road, New Delhi-110 001 and/ or Engineers India Limited, EIL Bhavan, Bhikaji Cama Place, R.K.Puram, New Delhi-110 066.

Dated: October 30, 2007

New Delhi.

Proforma

Proforma for submission of details of activity/ activities of Laying, Building, Operation or Expansion of a Pipeline for Transmission of Natural Gas and/ or City or Local Natural Gas Distribution Network

1	General Details
A	Name of the Entity
B	Type of ownership – Public Limited Company / Private Limited Company / Partnership firm / Proprietorship firm / Others (please specify)
C	Date of incorporation of the entity
D	Address of Registered office and other offices of the entity along with contact telephone numbers
E	Name, Address & Contact telephone numbers of directors, owners & principal officers of the entity
F	Shareholding pattern of the entity as on October 1, 2007 along with ownership details of its affiliate (s) (in which the entity controls at least 26% shares with voting rights). Details as required at 1 A to 1 E to be provided separately in respect of the affiliate (s).
G	Type of business activity / activities of the entity and its affiliate(s) as per the Memorandum or Articles of Association or any approved business plan document. (Complete details of such activity/ activities to be indicated separately).
H	Date of incorporation of the entity and its affiliate (s)
I	Date of commencement of such activity or activities both in physical & financial terms along with the latest completion status, separately for each project.
J	<p>a) Copies of the authorization granted by the Central Government prior to 01.10.07 along with the details of the work carried out as per the sanction up to said date and the schedule of completion of the remaining works. and the schedule of completion of the remaining works.</p> <p>b) In case no central authorization has been granted for these activities, copies of any other approval including approval / NOC of the State Government concerned.</p> <p>c) In case the work has been carried out under any direction from a competent Court of Law, copy of the relevant judicial orders along with other details such as commencement of the work, its completion and present state of operations.</p>
K	Whether such activity or activities of the entity and its affiliate (s) are segregated over the activities of transmission and distribution of natural gas? In case not, basis of accounting separation, if any, between natural gas transmission and distribution activities be provided.
L	Whether any period of exclusivity had been granted as per the authorization of the Central Government and, if so, the details such as the nature and the period of exclusivity. Similar details may be provided if the entity claims to undertake these activities as per the approval / NOC of a State Government and / or direction by a competent Court of Law.
2	Audited Financial position of the entity and its affiliate (s)
A	Financing of Project - Share Capital/ Own Funds (including reserves) and Loans –

	consumer in a city or local natural gas distribution network.
H	Whether the State Government, in whose jurisdiction the city or local natural gas distribution network is located, has enacted any legislation/ taken administrative action to promote the use of natural gas in the said city? If the reply to the question is Yes, then provide copy of the said enactment/ administrative order.
I	Is the development of city or local natural gas distribution network in line with the approved development plans of the City Administration / Local Government Attach copy of notified development plans for the city.
4	Actual Physical Performance
A	Actual physical performance of such activity or activities during last three years indicating – a) Throughput in the pipeline for transmission of natural gas (in selling unit) versus design and installed capacity and tariff revenue earned (in Rs. Lakh) b) Sales Volume (in selling units) & Value (in Rs. Lakh) consumer segment-wise
5	Tariff & Selling Price
A	Tariff charged (in Rs./ SU) since inception for service provided in the pipeline for transmission of natural gas. Details of the basis of tariff charged - postalized, zonal, entry-load exit load or any other basis along with details of any adjustments in tariff (calorific value, premium/ discount, etc) to be clearly indicated. The methodology of tariff fixation and periodicity of its updation should also be provided.
B	Category-wise end-consumer selling price (Rs./ SU) of natural gas in City or Local natural gas distribution network during last three financial years.
C	Average weighted purchase price of natural gas in city or local natural gas distribution network during last three financial years.
6	Any other detail/ information considered relevant by the entity
It is certified that the above information/ data is factually correct. I/ we undertake to provide any further information/ explanation requested for by the Board within such time as may be prescribed.	
Dated: Place:	
Signed by (Name of Signatory) Official Seal	
For and behalf of the entity or its affiliate (s)	

Information/ data in the above format to be submitted in duplicate, within a period of 30 days of publishing of the Press Note to:

Dr. Ved Prakash
Asstt. General Manager (ITS)
Engineers India Limited,
EIL Bhavan, Bhikaji Cama Place,
R.K.Puram, New Delhi-110 066.
Email ID : ved.prakash@eil.co.in