

Frequently Asked Questions

A) City or Local Natural Gas Distribution Project

1. The use of word 'or' or “and”, as the case maybe, in between last but one and the last sub-regulations under any regulation.

Clarification

The insertion of the word 'or' or “and” at a single place in between the last but one and the last sub-regulation to a regulation results into the same effect as putting 'or' or “and” in between all pairs of sub-regulations. The same implies to the clauses or sub-clauses in all regulations.

2. Submission of application alongwith payment of application fee.

Clarification

All applications should accompany with the application fee as specified under the Petroleum and Natural Gas Regulatory Board (Levy of Fees & other Charges) Regulations, 2007. Applications without payment of the specified fee shall not be accepted.

3. Authorisation with respect to entities laying, building, operating or expanding CGD networks before the appointed day and are not authorized by the Central Government.

Clarification

The Petroleum & Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 require such entities to apply for authorization to the Board under regulation 18 (1) of the said regulations.

4. Basis for ascertaining the population of the proposed authorized area for laying, building, operating or expanding a city or local natural gas distribution project for ascertaining the adequacy of financial strength of an entity in executing and operating such a project.

Clarification

With reference to the classification of the proposed authorized area in terms of its population under respective tiers as specified in the regulation 5(6)(e) to the Petroleum & Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local

Natural Gas Distribution Networks) Regulations, 2008, it is clarified that the intention is to have the latest data of population as the basis for such classification, considering the higher of that as per the census of India 2001 or that based on the published records of Central or the State Government, if any. This may ensure that the proposed CGD projects shall be conceived by the entities based on the latest available information thereby facilitating the preparation of an optimal feasibility report for the project.

5. Requirements of financial closure and achieving a firm natural gas tie-up by the entity authorized to lay, build, operate or expand a CGD network.

Clarification

The requirement of achieving a detailed and clear financial closure of the proposed CGD project as specified in the form of grant of authorization in clause 8 of Schedule D of the Petroleum & Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 within the specified period of 120 days from the date of authorization implies that the entity would have already achieved the firm natural gas tie-up within 90 days of the grant of authorization as specified in regulation 11(1) of these regulations. Therefore, the entity must achieve both firm gas tie-up and financial closure within the prescribed period from the date of issue of the grant of authorization.