

No.16019/2/08-GP
Government of India
Ministry of Petroleum and Natural Gas

New Delhi, the 15th May, 2008

To

The Secretary,
Petroleum and Natural Gas Regulatory Board,
Scope Minar Tower-2,
8th Floor, Laxmi Nagar,
Delhi.

Subject: **Authorization for Indraprastha Gas Limited.**

Sir,

Please refer to your Letter No. S-Admn./II/1/2007-Vol.1 dated 31.3.2008 addressed to the Managing Director, Indraprastha Gas Limited (IGL), New Delhi, inter-alia, informing that the information furnished by IGL does not establish that it was authorized by the Central Government at any time before the appointed day in terms of the proviso to Section 17(2) of the P&NGRB Act, 2006.

2. It is hereby clarified that IGL is authorized by the Central Government to lay, build, operate or expand city gas distribution project in Delhi and its suburbs, viz. NOIDA (Gautambudh Nagar), Gurgaon and Faridabad much before the appointed day.

3. Clause (d) of Section 2 of the P&NGRB Act, 2006 defines the term "authorized entity" with prospective effect only, and, as such, the Act does not prescribe, definitely not retrospectively, any particular manner for the Government to grant authorization to an entity. In view of this, the Act does not define who would be recognized as an "authorized entity" before the appointed day, except that the Central Government would have issued the authorization. The Act also does not prescribe any particular manner in which the Government should have granted authorization to any entity before the appointed day.

4. In view of the situation explained in para 2 and 3 above, it is amply clear that IGL was authorized by the Central Government before the appointed day to implement City Gas Distribution Project in Delhi and its mentioned suburbs. So the proviso to Section 17(2) of the Act would be

applicable to IGL and it would not have to apply afresh for obtaining authorization.

5. The Board has advised IGL in their letter dated 31.3.2008 to apply immediately for authorization to the Board. In view of the above position, the provisions of Section 17 (2) of the Act regarding applying to the Board for obtaining authorization would not be relevant to IGL for Delhi and its mentioned suburbs. The statutory requirement for IGL is only to furnish the particulars of its activities to the Board, as provided in the proviso to Section 17 (2).

6. Further, the Board has advised IGL in their letter dated 31.3.2008 not to undertake any new or incremental activity or activities. In view of the above position, IGL is free to undertake new or incremental activities to spread the CNG/PNG network to greater number of customers in Delhi and its mentioned suburbs, without need of a fresh authorization from the Board in this regard.

Yours faithfully,

M Srivastava

(Manu Srivastava)
Director

Copy to:-

MD, IGL, IGL Bhavan, Plot No. 4, Community Centre, Sector-9, R.K. Puram, New Delhi-22 - Particulars of its activities must be furnished to the Board, as provided under proviso to Section 17(2) of the Act.