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Secretary, PNGRB
Petroleum & Natural Gas Regulatory Board
1st Floor, World Trade Centre,
Babar Road, New Delhi – 110001

Sub: Public Notice dated 10th July 2020 on “Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020”

Madam,

With reference to the above public notice, our comments are as follows-

1. The draft PNGRB regulation on Gas Exchange draws reference to section 42 (2) and section 11 (j) of the PNGRB Act, 2006. However, PNGRB has not made public the details of the policy directive issued by Govt. in this regard. In our view, both these sections are enabling in nature for carrying out various provisions of the Act. Since the concept of Gas exchange itself is wholly alien to the PNGRB Act, 2006 *it is debatable whether drawing power from these sections for framing the PNGRB (Gas exchange) Regulations, 2020 stand on firm legal footing.*
2. Many of the provisions of the draft regulations, like Member service charge ceiling, Authorization of Gas exchange, Ownership of gas exchange, Composition of Board of Directors, Statutory Committees, etc. convey an impression that PNGRB proposes to take over the operation and management of the exchange, whereas *its role should be confined to that of a facilitator and maintaining a regulatory oversight.* Further, many activities of the exchange would fall within the purview of the Companies Act, 2013 with its strict attendant discipline mechanisms, another set of compliance by multiple regulators may not be required and should be avoided to optimize on time & cost.
3. The gas exchange framework is in evolutionary stage right now with small range of product offerings and it would best serve the interests of the consumers as well as the players if PNGRBs approach is light-handed. Having many onerous provisions *would restrict the freedom and flexibility that is required at the initial stage to generate interest and participation from all stakeholders.*

Yours faithfully,



Vijay Duggal

Senior Consultants Oil & Gas



Rajiv Bakhshi