



**पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड**  
**Petroleum and Natural Gas Regulatory Board**  
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नयी दिल्ली 110001  
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PNGRB/Auth/7-Misc(23)/2024

10<sup>th</sup> September, 2024

**ORDER**

**Subject: Constitution of a high-level Expert Committee on the issue related to promoting competition and level playing field in gas transmission and distribution businesses**

Section 21 of the PNRB Act, 2006 mandates PNRB to ensure separation of activities related to natural gas marketing and transportation including ownership of the pipeline in case of an entity engages in both marketing of natural gas and laying, building, operating or expanding a pipeline for transportation of natural gas on common carrier or contract carrier basis. Further, PNRB Affiliate Code Regulations states that if an entity is engaged in both marketing of natural gas and laying, building, operating or expanding pipelines for transportation of natural gas, it shall, on or before the 31<sup>st</sup> day of March 2017, create a separate legal entity so that the activity of transportation of natural gas is carried on by such separate legal entity and the right of first use shall be available to the affiliate of such separate legal entity. In spite of lapse of considerable period since 2017, the Board has been unable to achieve the above objective.

2. In addition to the above, the issue related to exclusivity in CGD is also of paramount importance for opening up the gas market. Section 20 of the PNRB Act, 2006, lays down that the Board may provide exclusivity to lay, build, operate or expand a city or local natural gas distribution network. In compliance with the above, Regulation 5 & 6 of PNRB CGD Exclusivity Regulations provide the following exclusivity for development of CGD network:

- i. Exclusivity for laying, building or expansion of CGD network
- ii. Exclusivity from the purview of common carrier or contract carrier

3. Despite the clear regulatory mandate, PNRB is facing significant hurdles to declare the authorized entity's respective authorized geographical area as common carrier or contract carrier upon expiration of given exclusivity. The declaration of geographical areas as common carrier or contract carrier is essential for ushering in fair competition and efficiency in the city gas distribution sector, which may benefit the end consumer as well as authorized entity. This may also benefit authorized entities because any entity other than authorized entity that transports natural gas through the authorized city gas distribution network will pay tariff to the authorized entity.

4. In light of the above, PNRB has decided to constitute an Expert Committee consisting of the following members to render advice on the issues listed below: -

Sr. No	Name	Designation and Organisation	Position
1	Shri Ajay Tyagi	Former Chairman, Securities and Exchange Board of India	Chairman
2	Shri S. C. Batra	Former Member (Legal), PNGRB	Member
3	Shri A K Purwaha	Former CMD, Engineers India Limited	Member
4	Shri K Rajeshwar Rao	Principal Adviser, CVOC, GoI	Member
5	Shri Shaleen Sharma	Former President and Managing Director, BG India	Member
6	Shri Ravindra Agrawal	Former Executive Director, Gujarat State Petroleum Corporation	Member
7	Shri Sanjay Sah	Partner, Deloitte India	Member
8	Md. Tanweer Akhter	Director (Authorization), PNGRB	Convener

5. The primary objective of the Committee is to analyse global practices concerning the separation of transportation and marketing activities including ownership of the pipeline in the natural gas sector, assess the current situation in India, and recommend suitable measures to ensure effective implementation of separation of transportation and marketing activities in the natural gas sector including ownership of the pipeline, in compliance with international standards and best practices. It is the Board's intention that the above statutory mandates are implemented in a manner that balances the interests of the entities with the larger consumer interest. The Committee will also examine the existing regulatory framework, assess the impact of exclusivity and recommend a way forward. The Terms of Reference for the above are as below:

- i. Conduct a comprehensive review of practices followed by developed countries for separation of transportation and marketing activities in the natural gas sector including ownership of the pipeline.
- ii. Assess the current status of separation of transportation and marketing activities including ownership of the pipeline in the Indian natural gas sector, including legal, regulatory, and market conditions.
- iii. Analyse the impact of separation of transportation and marketing activities in the natural gas sector including ownership of the pipeline on market competition, efficiency, and consumer welfare in these countries.
- iv. Formulate recommendations for PNGRB, including possible model for separation of transportation and marketing activities in the natural gas sector including ownership of the pipeline, implementation strategies, and measures to address identified challenges.
- v. Provide actionable recommendations for revising the exclusivity framework in the CGD sector. Suggest measures to address legal challenges and ensure a fair and competitive market.

vi. Pathways for geographical area where exclusivity for laying, building or expansion of CGD network has ended.

6. The Committee will engage with stakeholders to gather insights and perspectives on separation of transportation and marketing activities in the natural gas sector including ownership of the pipeline. It will also seek views of the Oil and Gas sector experts from related fields on the above areas of the Board's mandate. The Chairman, if desires, may call (for meeting) any eminent expert to take opinion on any specific topic/issue and honorarium will be admissible to the eminent expert.

7. Honorarium of Rs. 35,000/- for the Chairman, Rs. 25,000/- for each member and Rs. 20,000/- for each eminent expert (if not working in any organization) will be admissible for attending any meeting. For outside meetings, they will be entitled to the same entitlements as they may be currently drawing from their respective organization or those they were drawing before their superannuation from their respective organizations.

8. The Committee will submit its final report within three months from date of this order.

9. This has been issued with the approval of the competent authority.

*Vandana Sharma.*

(Vandana Sharma)

Secretary

Copy to:

1. Secretary, Ministry of Petroleum and Natural Gas
2. All Committee Members