

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:36

ANSWERED ON:24.11.2005

GAS DISTRIBUTION POLICY

Malhotra Prof. Vijay Kumar;Tripathi Shri Chandramani

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether some State Governments are opening CNG filling stations without seeking approval from the Union Government;
- (b) if so, the details thereof;
- (c) whether State Governments have the powers to set up CNG filling stations;
- (d) if not, whether the Union Government is contemplating formulation of any gas distribution policy;
- (e) if so, the details thereof;
- (f) whether the Union Government has sought suggestions from the State Governments in this regard; and
- (g) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (g) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO.36 FOR ANSWER ON 24.11.2005 RAISED BY SHRI CHANDRA MANI TRIPATHI AND PROF. VIJAY KUMAR MALHOTRA, MPs REGARDING GAS DISTRIBUTION POLICY.

(a) to (b): As per the information available with Government, the State Governments of Gujarat, Haryana and Uttar Pradesh have issued or contemplating to issue NoCs/permissions to some parties for setting up City Gas Distribution Projects, including Compressed Natural Gas (CNG) distribution facilities, in different cities.

(c): In response to a Presidential Reference, the Hon'ble Supreme Court have opined on 25.3.2004 that the Union of India has exclusive jurisdiction to legislate on the subject of natural gas. This was also confirmed in the judgment pronounced by the Hon'ble Court while disposing of the linked Writ Petition on this issue. Thus, the State Governments do not have powers to issue licences for setting up city gas distribution projects.

(d) to (g): A city gas distribution policy for such projects in a transparent and objective manner envisaging, inter-alia, a selection of parties is under formulation. The State Governments of Gujarat, Haryana and Uttar Pradesh have been informed of the legal position in the matter.