

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

UNSTARRED QUESTION NO:1320

ANSWERED ON:02.03.2006

NATURAL GAS PIPELINE POLICY

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

- (a) whether the Government has formulated the Natural Gas Pipeline Policy;
- (b) if so, the details thereof; and
- (c) if not, the present status thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): The Government is formulating a Pipeline Policy which envisages the progressive development of a nation-wide gas grid in a competitive environment, involving both the public sector and the private sector. The implementation of different pipeline segments will, inter-alia, depend upon achieving appropriate tie-ups for sourcing of supply and marketing of gas.

Natural gas pipelines are highly capital-intensive projects. They are considered as natural monopolies and, therefore, Government propose to regulate them. Based on the feedback received from various stakeholders, the proposed draft Pipeline Policy under consideration envisages the development of a nation-wide gas grid in a competitive environment, involving both the public sector and private sector, under the overview of a Regulator. The Pipeline Policy aims to encourage competition, efficiency and greater investment in this sector, all of which will ultimately benefit the consumers, and the economy in general.