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Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
Dated: June 19, 2010

ORDER

In respect of the issue of granting authorization to Indraprastha Gas Limited (IGL) for Ghaziabad, IGL's request and report & recommendation of Environment Pollution (Prevention & Control) Authority (EPCA) has been examined in the context of the order passed by the Hon'ble Delhi High Court dated 21.01.2010, as well as the clarificatory order dated 08.02.2010, in WP(C) No. 9022/2009 & WP(C) No. 8415/2009 and the Hon'ble Supreme Court's order dated 15.03.2010 in SLP(C) No. 5408 of 2010 & SLP(C) No. 7770 / 2010. As far as the legal position stands today, in view of the fact that the Petroleum & Natural Gas Regulatory Board (PNGRB) has no power to grant authorizations, the situation prior to the Board's assumption of such a power would resume, which means that the power would be vested in the Ministry of Petroleum and Natural Gas, as there cannot be a vacuum.

2. The issue of Ghaziabad has assumed greater significance in view of the rapid development taking place in the area as well as due to its proximity to East Delhi, which would be the centre of activities for Commonwealth Games. Hence, the Central Government is required to expeditiously decide on the issue.

3. EPCA has been given the powers of Central Government under Environment Pollution (Prevention & Control) Act, 1986 in National Capital Region (NCR). The Hon'ble Supreme Court has held that the directions of EPCA are final and binding on all persons and organizations concerned. EPCA had directed IGL to undertake CGD activities in Ghaziabad much before the commencement of PNGRB Act, 2006. Hence, EPCA's direction to IGL to undertake CGD activities in Ghaziabad would tantamount to

a direction by the Central Government, even though MoPNG's earlier authorization to IGL was limited to Delhi, NOIDA(Gautam Budhnagar), Gurgaon & Faridabad.

4. Further, IGL has already acted upon the said directions of EPCA and has laid pipelines, set up CNG stations, acquired land and already incurred / committed substantial expenditure in Ghaziabad. IGL is currently operating three CNG stations in Ghaziabad and CNG is being dispensed from these. Further, it has been informed that eight CNG stations have been made ready by IGL & are only awaiting issue of license, another seven CNG stations are fast progressing towards completion and work has been taken up on another six CNG stations; in all, 24 CNG stations are expected to be dispensing CNG by the end of the current year. It is also informed that IGL has laid 331 km of steel & MDPE pipeline and taken up work of another 985 km of steel & MDPE pipeline.

5. IGL has been authorized by Central Government for Delhi. On account of geographical contiguity between East Delhi & Ghaziabad, IGL is implementing the CGD network in these areas as an integrated project with a common City Gate Station & steel trunk pipeline. IGL has to expand CGD activities in East Delhi expeditiously on account of East Delhi being the centre of activities for Commonwealth Games. Insofar as the area of East Delhi is concerned, supply of CNG by IGL is limited by capacity constraint in GAIL's Dadri-DESU trunk pipeline. This problem is being addressed by supplying gas from the new Dadri-Bawana pipeline being constructed by GAIL. For drawing gas from the same, IGL is in the process of laying steel pipeline traversing Ghaziabad city and extending into East Delhi. Hence, in view of the geographical contiguity of East Delhi & Ghaziabad and the necessity of laying pipeline in Ghaziabad extending up to East Delhi, it would be in public interest that the CGD network in Ghaziabad & East Delhi is developed as an integrated project with common City Gate Station & steel trunk pipeline, which can meet the requirement of gas of Ghaziabad as well as East Delhi. Further, CNG facilities in Ghaziabad are aimed at development of reciprocal common transport arrangement for NCR, wherein public transport is to run exclusively on CNG. In view of

the above mentioned urgency, it is appropriate that a common entity undertakes CGD activities in East Delhi & Ghaziabad.

6. On the basis of the above, IGL is an 'authorized entity' to lay, build, operate or expand CGD network in Geographical Area (GA) of Ghaziabad. IGL would be bound by the various regulations of PNGRB, including those pertaining to inter alia work commitments, network tariff, technical standards & specifications, safety standards, quality of service standards, etc.

7. Further, IGL is directed to undertake expansion of CGD network in East Delhi on the highest priority on account of activities pertaining to Commonwealth Games in the area. Further, CNG facilities in Ghaziabad have to be developed expeditiously to arrive at a reciprocal common transport arrangement for NCR, which envisages that public transport would run exclusively on CNG.

M. Srivastava
(Manu Srivastava)
Director

To:

IGL

Copy to :

Chairperson, Environment Pollution (Prevention & Control) Authority with reference to his DO dated March 11, 2010

Secretary, PNGRB

Chief Secretary, Govt. of Uttar Pradesh

Chief Secretary, Govt. of NCT of Delhi with reference to his DO dated March 15, 2010