

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM & NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO. 1416
ANSWERED ON 19TH DECEMBER, 2022

RISING PNG AND CNG PRICES

1416 SHRI BINOY VISWAM:

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

- (a) the steps Government is taking to check the soaring prices of PNG and CNG; and
- (b) whether Government intends to accept the recommendations of the Kirit Parikh Committee for a price band for domestic gas and complete pricing freedom for domestic gas producers by 1st January, 2027?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI RAMESWAR TELI)

(a): The price of Piped Natural Gas (PNG) and Compressed Natural Gas (CNG) in any location is fixed by the City Gas Distribution (CGD) entity authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) after considering cost of gas procured, state taxes, tariff and other components. Price of domestically produced natural gas, determined as per the New Domestic Gas Pricing Guidelines, 2014, is linked to the pricing of natural gas at identified international hubs. The international market has seen a significant increase in the prices of natural gas over the short and medium term, thus impacting the domestic gas prices in India.

To meet the needs of CNG(Transport)/PNG(Domestic) segment of CGD sector, the total Administered Prime Mechanism/Non Administered Price Mechanism gas allocation has been increased by 148% from 8.34 MMSCMD in 2014 to 20.7 MMSCMD in the third quarter of 2022-23.

(b) The Expert Committee, under the Chairmanship of Dr.Kirit Parikh, has submitted its report recently on 30.11.2022. Decision on the recommendations made by the Committee is predicated upon the views of different stakeholders through inter-ministerial consultations.
