

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM & NATURAL GAS

**RAJYA SABHA**  
**STARRED QUESTION NO. \*16**  
ANSWERED ON 05/02/2024

**Price and supply of CNG**

**16 Shri R. Girirajan:**

Will the Minister of Petroleum and Natural Gas be pleased to state:

- (a) whether the price of CNG has doubled in the last 18 months from ₹ 43 per Kg to ₹ 86 per kg and if so, the details thereof and the reasons therefor;
- (b) the steps taken to reduce the price of CNG and to increase the supply of CNG in retail outlets;
- (c) whether Government expects the price to rise further due to the status of OPEC under the prevailing Russia-Ukraine war crisis and if so, the details thereof; and
- (d) Government's stand on this issue which affects directly or indirectly every individual in the country?

**ANSWER**

MINISTER OF PETROLEUM AND NATURAL GAS  
(SHRI HARDEEP SINGH PURI)

(a) to (d):A statement is laid on the Table of the House.

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**STATEMENT REFERRED IN REPLY TO PARTS (a) TO (d) OF THE RAJYA SABHA STARRED QUESTION NO. \*16 ASKED BY SHRI R. GIRIRAJAN TO BE ANSWERED ON 5<sup>th</sup> FEBRUARY, 2024 REGARDING PRICE AND SUPPLY OF CNG.**

(a) & (b) No. over the last 18 months, the price of Compressed Natural Gas (CNG) in the representative market of Delhi is as under:

Month	Price of CNG (Rs./kg)
June 2022	75.61
January 2024	76.59
Percentage (increase/decrease)	Increased by 1.30%

Price trend of international LNG and domestic gas during the last 18 months is as under:

Gas Index	Japan Korea Marker (JKM)	West marker WIM)	India (DES-	Domestic Gas	Domestic Gas Price Lower by JKM
<b>Highest Price during the last 18 months (\$/MMBTU)</b>	53.51	49.53		9.16	83%
<b>Average Price (\$/MMBTU) during the last 18 months</b>	22.79	21.24		7.05	69%

In order to protect the consumers from high volatility of international gas prices, major reforms were undertaken by the Ministry of Petroleum & Natural Gas in domestic gas pricing vide revised guidelines issued on 7 April 2023.

The reforms aimed at rationalising the earlier applicable international gas hub based pricing. Prior to this, the pricing was based on weighted average of 4 international indices (namely US-Henry Hub, Canadian Alberta Hub, UK NBP and Russian Gas Market).

The revised guidelines are applicable to domestic gas produced from nomination fields of ONGC/OIL, New Exploration Licensing Policy (NELP) blocks and pre-NELP blocks, where the Production Sharing Contract (PSC) provides for Government's approval of prices. The revised guidelines provide the price of such natural gas to be 10% of the monthly average of Indian Crude Basket, to be notified on monthly basis. For the gas produced by ONGC & OIL from their nomination blocks, the price has been made subject to a floor and a ceiling of \$ 4.0/MMBTU & \$ 6.5/MMBTU respectively.

Due to this decision, the domestic APM gas price for CNG(T)/PNG(D) segment has remained constant at \$6.5/MMBTU since April 2023, which has led to significant decrease in prices of Piped Natural Gas (PNG) for households and Compressed Natural Gas (CNG) for transport. The prices of CNG in Delhi decreased from Rs. 79.56/kg in March 2023 to Rs. 73.59/kg in April 2023.

Government has taken various steps, including, increasing domestic gas allocation for CNG (T)/PNG (D) by about 250% from 8.32 MMSCMD in first half of 2013-14 to 21.143 MMSCMD for July-September 2023-24, diverting domestic gas from power and other non-priority sectors to meet the requirement for CNG (T) and PNG (D) segments, declaring these as the first priority for allocation of domestic natural gas, etc. Allocation of domestic gas to CNG (T)/PNG (D) has been kept in no-cut category. Government has also notified that gas produced from discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas, in any situation which may require proportionate distribution of the gas offered under the bidding process, the contractor shall offer gas to bidders belonging to CNG(T)/PNG(D) sector on priority.

Growth in Natural Gas infrastructure in the country since 2014 is as under:

S No	Natural Gas Infrastructure	Status in 2014	Current Status 2023	Growth %
1	DPNG Connections	25.4 lakh	1.20 Crore	372
2	CNG Stations	738	6,159	735
3	Area covered by CGD (%)	5.47	88	1,508
4	Population Covered by CGD (%)	12.81	98	665
5	Authorized Geographical Areas	37	300	710
6	Districts covered by CGD	66	630	855
7	Natural Gas Pipeline Authorized (Kms)	22,403	33,622	50
8	Operational Natural Gas pipeline (Kms)	15,340	24,623	61
9	LNG re-gasification terminals capacity (MMTPA)	22	47.7	117

Government has also launched “Sustainable Alternative Towards Affordable Transportation (SATAT)” initiative on 1<sup>st</sup>October 2018, with the aim of establishing an ecosystem for production of Compressed Bio Gas (CBG), which can replace natural gas, from variouswaste/biomass sources and for promoting its use along with Natural Gas. So far, 55 CBG plants have been commissioned.

(c) & (d) The price of natural gas in international market is based on the demand supply scenario, geo-political issues and various other market conditions. It is difficult to make predictions about these prices especially amid ongoing volatility. Government of India is closely monitoring global energy markets as well as potential energy supply disruptions as a fall-out of the evolving geopolitical situation.

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