

LOK SABHA
UNSTARRED QUESTION NO. 6379
TO BE ANSWERED ON 2nd April, 2026

Policy on Piped Natural Gas

6379. Dr. Mallu Ravi:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

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

- (a) whether the Government has issued any directions for restricting or requiring surrender of LPG connections for households having Piped Natural Gas (PNG) connections, if so, the details thereof;
- (b) whether it is a fact that the country has about 33.37 crore domestic LPG consumers and around 1.5-1.6 crore households connected to PNG and that the Government is encouraging sixty lakh households located near PNG pipelines to shift from LPG to PNG and if so, the details thereof;
- (c) whether the Union Government is aware that Telangana has about 1.3 crore domestic LPG consumers and the supply of commercial LPG cylinders has reportedly declined from about 23,000 cylinders per day to around 6,200 cylinders per day affecting hotels and small businesses and if so, the details thereof;
- (d) whether the Union Government has received any request from the State Government of Telangana for additional LPG allocation and if so, the details thereof; and
- (e) the steps being taken to ensure adequate and uninterrupted supply of LPG and natural gas across the country, State/UT-wise including Telangana?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय में राज्यमंत्री
(श्री सुरेश गोपी)

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) to (e):

LPG:

As on 01.03.2026, there are a total of 33.37 crore active Domestic LPG consumers of PSU OMCs in the country. India imports about 60 percent of its LPG consumption, out of which about 90 percent transits through the Strait of Hormuz. In view of the ongoing geopolitical developments in West Asia, the availability of imported LPG in the country has been impacted. The Government has undertaken a series of proactive measures to ensure stability in LPG supplies.

In exercise of the powers conferred under Section 3 of the Essential Commodities Act, 1955, the Central Government has issued the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Amendment Order, 2026 to amend the Liquefied Petroleum Gas (Regulation of

Supply and Distribution) Order, 2000. The Amendment Order introduces provisions under Clause 3 prohibiting persons having a Piped Natural Gas (PNG) connection from retaining or availing domestic LPG connections or refills from Government Oil Companies or their distributors and mandates such consumers to surrender their existing LPG connections. It further restricts any person having a PNG connection from obtaining a new domestic LPG connection.

Further, as per the revised Schedule-I of the said Order, Government Oil Companies are prohibited from providing domestic LPG connections or supplying LPG cylinder refills to consumers who already have a PNG connection.

While domestic LPG supplies have been prioritised, commercial LPG supplies were initially impacted. Subsequently, Government restored partial supplies of 20% to commercial consumers, which was further enhanced to an overall allocation of 50%, including 10% linked to PNG expansion reforms. This allocation has been prioritised for key sectors such as restaurants, dhabas, hotels, industrial canteens, food processing and dairy units, subsidised canteens run by State Governments or local bodies, community kitchens, and 5 kg FTL cylinders for migrant labourers. From 14.03.2026 to 21.03.2026, approximately 15,440 MT of commercial LPG has been uplifted across States and UTs. Additionally, educational institutions and hospitals continue to receive priority, accounting for around 50% of the total commercial LPG allocation. Due to supply prioritization to domestic LPG, all states including Telangana have witnessed supply cuts.

In continuation of these measures, Government has further enhanced allocation of commercial LPG by an additional 20%, taking the total allocation to 70% of the pre-crisis level (including the 10% reform-linked component). This additional allocation is being prioritised for labour-intensive and core industrial sectors, including steel, automobile, textile, dye, chemicals and plastics, with preference to process industries and those requiring LPG for specialised heating purposes where substitution with natural gas is not feasible.

Entities seeking allocation under this additional 20% are required to comply with existing conditions relating to registration with OMCs and application for PNG connections to CGD entities, as stipulated earlier. However, in cases where LPG is required for specialised process use that cannot be substituted by natural gas, such requirements are being waived.

Natural Gas:

As on 31.01.2026, there are 1.62 crore PNG (Domestic) connections in the country. Providing Piped Natural Gas (PNG) connections is part of the development of City Gas Distribution (CGD) Network, which is carried out by the entities authorized by the Petroleum and Natural Gas Regulatory Board as per their Minimum Work Programme (MWP) and techno-commercial feasibility. After completion of 12/12A CGD bidding round, PNGRB has authorized entities for the development of CGD network in 307 Geographical Areas (GAs), covering almost the entire mainland area of the country. The expansion and rollout of PNG (D) connections is a continuous process depending upon development of pipeline infrastructure and demand in the respective Gas.

Government has also notified the Natural Gas (Supply Regulation) Order, 2026 dated 09.03.2026 under the Essential Commodities Act, 1955 to regulate the production, allocation and distribution of natural gas including LNG, to ensure its equitable availability across sectors. Under this framework, natural gas supplies are being prioritised for critical sectors such as domestic PNG, CNG for transport and LPG production, which are being maintained up to 100% of their average past sixmonth average gas consumption, subject to availability, thereby safeguarding household and essential requirements.

Government of India vide Gazette dated 24.03.2026 has notified the Natural Gas and Petroleum Products Distribution (Through Laying, Building, Operation and Expansion of Pipelines and Other Facilities) Order, 2026 under the Essential Commodities Act, 1955. The Order provides a streamlined and time-bound framework for laying and expanding pipelines across the country, addressing delays in approvals and access to land, and enabling faster development of natural gas infrastructure, including in residential areas. It is expected to accelerate PNG network growth, enhance last-mile connectivity, and support the transition to cleaner fuels, thereby strengthening energy security and advancing India's gas-based economy.
