

LOK SABHA
UNSTARRED QUESTION No. 72
TO BE ANSWERED ON 29th January, 2026

AVAILABILITY OF CNG AND PNG IN BIHAR

†72. SHRI RAJESH RANJAN:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the supply of Compressed Natural Gas (CNG)/natural gas is still limited in various States of the country due to which consumers and the transport sector are facing severe issues of high prices and availability, if so, the details thereof;
- (b) whether the Government has prepared any special plan for setting up CNG stations and expanding the Piped Natural Gas (PNG) network in rural and semi-urban areas, particularly in Eastern India and the Seemanchal regions of Bihar, if so, the details thereof;
- (c) the regulatory measures taken by the Government for controlling CNG prices, regulating the distribution system and preventing companies from charging arbitrary prices; and
- (d) whether any policy, budgetary provision or timeline has been fixed for establishing new inter-connected CNG/PNG stations within a radius of 150 Kilometres at present if so, the details thereof and the timeframe for inclusion of Purnia and the Seemanchal region of Bihar therein?

ANSWER

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

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

(a) to (d) Petroleum and Natural Gas Regulatory Board (PNGRB) grants authorization to various entities to Lay, build, operate and expand Natural Gas Pipelines (NGPL). As on September 2025, PNGRB has authorized approximately 34,238 km of NGPL network (including common carrier, spur line, tie-in connectivity and dedicated pipelines) with a view to create a National Gas Grid and increase the availability of natural gas across the country. Out of this, about 25,923 km has been made operational. All the States and Union Territories, except Ladakh, Andaman & Nicobar Island and Lakshwadeep are covered by Natural Gas Pipeline Network authorized by PNGRB.

Providing Piped Natural Gas (PNG) connections, establishment of Compressed Natural Gas (CNG) stations and laying of pipeline infrastructure is part of the development of City Gas Distribution (CGD) Network, which is carried out by the entities authorized by PNGRB 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 the entire mainland area (including rural and semi-urban areas of Eastern India and the Seemanchal regions of Bihar) for the development of CGD network across the country.

Several districts adjoining Purnia and the wider Seemanchal region are part of Araria, Purnia, Katihar and Kishanganj Districts GA, which has been authorized by PNGRB to Indian Oil Corporation Limited (IOCL) for the development of CGD network in March, 2019. As per the MWP, CGD entity has committed to provide 30520 PNG(D) connections and establish 79 CNG stations in the GA by 2030. As on 30.11.2025, the authorised entity has provided 14978 PNG(D) connections and established 11 CNG stations in the GA. No budget/fund is released by the Government for CGD projects. The project cost for CGD projects is borne by the concerned CGD entities as per their MWP and techno-commercial feasibility.

The supply and availability of Natural Gas may vary across states depending upon NGPL connectivity and CGD infrastructure. The Government continually reviews and coordinates with the concerned State Governments and executing agencies to expedite the completion of National Gas Grid and CGD infrastructure.

Government have taken various steps to ensure the availability and affordability of Natural Gas to CNG (Transport)/ PNG (Domestic) sector in the country which, *inter-alia*, includes allocating domestic gas on priority basis to CNG (T)/ PNG(D); diverting domestic gas from non-priority sectors to meet the requirement for CNG (T)/PNG(D) sector, expansion of CGD network, grant of Public Utility Status to CGD projects, notification for supply of domestic gas through available mode (including cascade mode) for CNG(T)/ PNG(D) purpose, allocating domestic natural gas for CNG (T) and PNG (D) segments on a two-quarter advance basis, expansion of National Gas Grid Pipeline, setting up of Liquefied Natural Gas (LNG) Terminals, Sustainable Alternative Towards Affordable Transportation (SATAT) initiatives to promote Bio-CNG, etc. 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.

The Government does not fix the prices of CNG. The retail selling price (RSP) of CNG in any city is determined by the concerned CGD entity authorized by PNGRB after considering cost of gas procured, state taxes, tariff and other components. The Government, in 2014, directed all CGD entities to display break-up of CNG price at CNG stations and to furnish the break-up of PNG (D) price in invoices, indicating Cost of gas to the CGD entity, Supply and Distribution Cost, Entity's margin, Excise duty, VAT, any other Tax.

In order to minimise the impact of rising Natural Gas prices, the Government have approved the revised domestic natural gas pricing guidelines in 2023 for 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 approval of prices. Under the revised guidelines, the price of such natural gas is determined as 10% of the monthly average of the Indian Crude Basket and is notified on a monthly basis. For gas produced by ONGC and OIL from their nomination blocks, the APM price is subject to a floor of \$4.0/ Metric Million British Thermal Unit (MMBTU) and a ceiling of \$6.5/MMBTU. The ceiling would be maintained for the next two financial years (2023-24 and 2024-25) and then increased by \$0.25/MMBTU each year. Further,

Government also permitted a premium of 20% over the Administered Price Mechanism prices on gas produced from new well and well interventions of Oil and Natural Gas Corporation Limited & Oil India Limited from their nomination fields. This has led to price stability for consumers.

Further, PNGRB, has rationalised the Unified Tariff by reducing tariff zones from three to two and notified transportation tariffs of Rs. 54/MMBTU for Zone-1 (up to 300 km) and Rs. 102.86/MMBTU for Zone-2 (beyond 300 km), effective from 01.01.2026. Zone-1 tariff has been extended nationwide for CNG (T) and PNG (D), resulting in nearly 50% reduction in transportation charges for consumers beyond 300 km. This reform further improves affordability and equity in access to natural gas.
