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No.L-16013/3/2012-GP-II
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
Dated 14th November, 2013

To,

1. CMD,
Gail (India) Ltd.,
New Delhi.
2. Director General,
PPAC,
New Delhi.

Subject : Guidelines for allocation/supply of domestic natural gas to CGD entities for CNG (transport) and PNG (domestic) in compliance with judgement of Gujarat High Court, Ahmedabad in W.P. (PIL) No. 47/2011 & 54/2011 - reg.

Sir,

In compliance with the directions of Hon'ble High Court of Gujarat dated 25.7.2012 in W.P. (PIL) No. 47/2011 & 54/2011, I am directed to enclose herewith guidelines for allocation/supply of domestic natural gas to CGD entities for CNG (transport) and PNG (domestic) for strict compliance.

Yours faithfully,

Nikunj Kumar Srivastav

(Nikunj Kumar Srivastav)
Director

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Copy to:

1. Secretary, PNGRB for information
2. All CGD entities for information
3. Technical Director (NIC) for hosting on the website

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Subject:- Guidelines for allocation/supply of domestic natural gas to CGD entities for CNG (transport) and PNG (domestic) in compliance with judgment of Gujarat High Court, Ahmedabad in WP(PIL) No.47/11 & 54/11.

The undersigned is directed to say that the Hon'ble High Court of Gujarat at Ahmedabad in the Writ Petitions No.47/2011 and 54/2011 had directed the Government of India vide order dated 25.7.2012, as below:

- (i) to allot natural gas for domestic and vehicular usage at the same rate to the city of Ahmedabad at which the same is supplied to Delhi and Mumbai to enforce the right of equality.
- (ii) to not to discriminate between CGDs promoted by the Central PSUs and other CGDs but also among Gujarat based CGDs in the matter of allocation.

2. The matter has been examined in the Ministry and it has been decided to issue following instructions in compliance of the order:

- (i) The proportion of supply of domestic gas vis-a-vis RLNG, with respect to consumption in CNG (transport) and PNG (domestic) segments, be kept uniform for all CGD entities. To start with, actual consumption figures of CNG (transport), PNG (domestic) segments of CGD entities for the year 2012-13 (8.02 MMSCMD) would be taken as the base figure for determining the entity wise supply of domestic gas for CNG (transport) and PNG (domestic). (The base figure includes 5.75 MMSCMD of domestic gas and 2.27 MMSCMD of RLNG).
- (ii) GAIL would supply domestic gas to CGD entities for purpose of CNG (transport) and PNG (domestic) at uniform base price. However, the delivered price of domestic gas to individual CGD entities for CNG (Transport) and PNG (Domestic) may vary on account of transportation charges and local taxes and duties.
- (iii) Current allocation/supply of domestic gas for all CGD entities supplying CNG (transport) and PNG (domestic) stands cancelled/withdrawn except in case of Tripura Natural Gas Company Limited and Assam Gas Company Limited (in view of operational issues).
- (iv) For supplying domestic gas to the CGD entities, for supply to CNG (transport) and PNG (domestic) sectors, 6.4 MMSCMD of domestic gas (0.47 PMT + 5.93 APM) is allocated to GAIL. This allocation will be supplied fully and would be placed in no cut category. (This implies that the requirement of 6.4 MMSCMD would essentially be met by the present level of APM supplies of 5.21MMSCMD for CNG (transport) and PNG (domestic) and PMT supplies of 0.47 MMSCMD (to GGCL) for CNG (transport) and PNG (domestic) and an additional supply

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of about 0.72 MMSCMD by imposing proportionate cuts on all APM and PMT customers in the non-priority sector). The requirement beyond 6.4 MMSCMD may be sourced by CGD entities through RLNG or any alternative source, as may be available.

(v) GAIL would ensure to maintain uniformity in supply of domestic gas across all CGDs for CNG (transport) and PNG (domestic) segments without discrimination among CGD entities, subject to operational imperatives. The consumption figures of CNG (transport) and PNG (domestic) for the purpose of proportionate distribution of domestic gas to CGD entities shall be periodically (annual basis or periodicity decided by MoP&NG) reviewed by GAIL based on figures furnished by PPAC. In case of increase in demand (including that arising from new CGD entities) for CNG (transport) and PNG (domestic), GAIL would ensure to distribute the available quantity of domestic gas for CNG (transport) and PNG (domestic) in proportion to the demand, without discrimination among CGDs.

(vi) It would be the responsibility of the CGD entity to certify the consumption with respect to CNG (transport) and PNG (domestic) segments and furnish the information to PPAC within 48 hours of the end of the month. The entity would be responsible for accuracy and timely submission of data.

(vii) PPAC would furnish monthly report to GAIL and MoPNG on consumption of natural gas (separately for domestic and RLNG) by CGD entities by 7th day of the next month, segment wise.

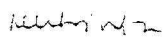
(viii) The Ministry would have right to verify the end use of supply of domestic gas of an entity through any agency of its choice.

(ix) The Government reserves the right to reduce domestic gas allocation for use in CNG (transport) and PNG (domestic) segments, without discrimination between CGD entities.

(x) In order to operationalize the above arrangements, GAIL would enter into necessary swapping arrangements with other entities wherever required.

(xi) GAIL is directed to finalise the operational modalities for these arrangements which should come into effect at the earliest, and not later than 30.11.2013. However, in respect of poll bound states/UTs of Delhi, Madhya Pradesh, Chattisgarh, Rajasthan and Mizoram, the orders will be effective after completion of election process.

3. This issues with the approval of Minister, Petroleum and Natural Gas.


(Nikunj Kumar Srivastava)
Director