

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

Shastri Bhawan, New Delhi  
Dated 03.02.2014

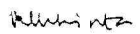
**Subject: - Revised Guidelines for allocation/supply of domestic natural gas to CGD entities for CNG (transport) and PNG (domestic) segment**

The undersigned is directed to say that the Ministry has reviewed Guidelines dated 14.11.2013 for allocation/ supply of domestic natural gas to CGD entities for CNG(transport) and PNG(domestic) sector and has decided to issue revised guidelines:

- (i) The average consumption of natural gas in CNG (transport) and PNG (domestic) segment in the first half of 2013-14 was 8.32 MMSCMD. Accordingly, the allocation of domestic gas to GAIL, for supplying to CGD entities for CNG (transport) and PNG (domestic) segment, is increased to 8.32 MMSCMD with immediate effect. This allocation would be supplied fully and is placed in no cut category. This would meet the full requirement of all CGD entities for CNG (transport) and PNG (domestic) segment at a level of their average consumption in first half of 2013-14.
- (ii) The allocation of domestic gas to GAIL for the purpose of supply to CNG (transport) and PNG (domestic) segment shall be reviewed periodically. The allocation shall be revised based on the the actual consumption in the previous period. The additional demand of natural gas arising between two reviews shall be met by the CGD entity through market price gas.
- (iii) The additional allocation/ supply of domestic gas to GAIL for CNG (transport) and PNG (domestic) segment from present level shall be achieved by applying pro-rata cut on all customers of domestic gas ( other than NELP) in the sectors other than priority sectors (as decided by Central Government). However, in order to protect the interest of small customers (those presently having allocation of domestic gas up to 50000 SCMD), the present level of supply, up to a maximum of 5000 SCMD, shall be kept out of the purview of the pro-rata cut, subject to operational imperatives. The present level of supply for this purpose would be the actual average consumption of domestic gas during first half of 2013-14.
- (iv) 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.
- (v) GAIL would maintain uniformity in supply of domestic gas across all CGD entities for CNG (transport) and PNG (domestic) segments without discrimination amongst CGD entities, subject to operational imperatives.

- (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 by CGD entities by 7th day of the same 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 CGD entities are directed to pass the entire benefit, arising out of increased supply of domestic gas, to the end consumers. The central government would have right to ask for the breakup of CNG (transport)/ PNG (domestic) price or any other information necessary for this purpose.
- (x) In order to operationalize the above arrangements, all concerned entities are directed to facilitate swapping arrangements as per the guidelines dated 14.3.2012 for swapping issued by the Ministry.
- (xi) GAIL is directed to finalise the operational modalities for those arrangements.
- (xii) While every effort will be made to meet 100% of CNG (transport) and PNG (domestic) requirement from domestic gas, the requirement may need to be supplemented in future through imported R-LNG, depending on availability of domestic gas.

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

  
(Nikunj Kumar Srivastava)  
Director