

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:3659  
ANSWERED ON:26.04.2012  
USE OF CNG  
Chowdhury Shri Adhir Ranjan

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

- (a) whether the Government is contemplating to popularise use of CNG with a view to protect the environment;
- (b) if so, the details thereof;
- (c) whether the Government proposes to reduce the existing cost of CNG; and
- (d) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N SINGH)

(a) & (b): The Petroleum & Natural Gas Regulatory Board (PNGRB) established under the Petroleum and Natural Gas Regulatory Board Act 2006, grants authorization for City and Local Area Natural Gas Distribution Networks in accordance with the provisions of the said Act and the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Network) Regulations, 2008. As per information provided by PNGRB, presently there are 42 Geographical Areas (GAs), with CNG dispensing facilities. Further, PNGRB has envisaged a roll out plan of CGD network development (CNG/PNG) in more than 300 possible geographical areas, on the basis of Expressions of Interest (EOI) submitted to the Board and on suo moto basis. The development of City Gas Distribution network in a geographical area is based on the availability of natural gas through transmission pipelines in its vicinity. CNG filling stations are part of CGD network. Setting up of CNG stations within the authorized geographical area is undertaken by the authorized entity based on techno-economic feasibility.

(c) & (d): The retail price of CNG in any city is fixed by the concerned City Gas Distribution Company. The CGD entities use a varying mix of domestic gas, Long-term RLNG and spot RLNG. The price of CNG is a function of the weighted, average of the price of the gas (domestic gas/ RLNG/ Spot LNG), operating expenses, various Central, State and local taxes and levies.