

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

UNSTARRED QUESTION NO:3483  
ANSWERED ON:14.12.2012  
SCARCITY OF DOMESTIC GAS  
Siricilla Shri Rajaiah

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

(a) whether the scarcity of cheap domestic gas viz. Liquefied Natural Gas (LNG) and Piped Natural Gas (PNG) has stalled the plans of the Government to expand gas network to 200 cities; and

(b) if so, the details thereof along with the steps being taken by the Government to overcome the crisis and ensure expansion of gas network throughout the country without delay?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT PANABAAKA LAKSHMI)

(a) & (b): Government allocates domestic gas as per the gas utilization policy in which priority of City Gas Distribution (CGD) entities is after Fertilizer, power and LPG. Correspondingly in a declining gas production scenario the availability of domestic gas for CGD sector is impacted. CGD sector is also using Liquefied Natural Gas (LNG) to meet its requirement. However, Government has established the Petroleum and Natural Gas Regulatory Board (PNGRB) under the PNGRB Act, 2006. The Board grants authorization for City and Local Area Natural Gas Distribution Networks in accordance with the provisions of the said Act and the eligibility criteria specified in the PNGRB (Authorizing Entities to Lay, Build, Operate, or Expand City or Local Natural Gas Distribution Network) Regulations, 2008. At present various Geographical Areas (GAs) in 10 states are covered by CGD {Compressed Natural Gas(CNG)/Piped Natural Gas(PNG)} network. The Board has envisaged a roll out plan of CGD network development (CNG/PNG) in more than 300 possible GAs in 20 States and 3 UTs on the basis of Expression of Interest (EOI) submitted to the Board and on suo moto basis. PNGRB would include the above GAs in bidding rounds in a phased manner taking in to account the natural gas pipeline connectivity/natural gas availability.