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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

☎:23073165

Fax No: 2338-9985

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.

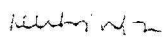
(viii) The Ministry would have right to verify the end use of supply of domestic gas of an entity through any agency of its choice.

(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

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

Shastri Bhawan, New Delhi

Dated 03.02.2014

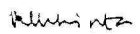
Subject: - Revised Guidelines for allocation/supply of domestic natural gas to CGD entities for CNG (transport) and PNG (domestic) segment

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 these 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

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

Shastri Bhawan, New Delhi
Dated 18.02.2014

To,

All CGD entities.

Subject: - Pricing of CNG (transport) and PNG (domestic) by CGD entities.

The Ministry, vide guidelines dated 3.2.2014, has taken a decision that the requirement of natural gas for CNG (transport) and PNG (domestic) shall be met by allocation of domestic gas to the maximum extent possible. In clause 1(x) of the guidelines, it has been directed that the CGD entities would pass the entire benefit, arising out of the increased supply of domestic gas to the end consumer. Further, it has been provided in the guidelines that the Central Government would have the right to ask for the break-up of CNG (Transport)/PNG (Domestic) price or any other information necessary for this purpose.

2. The issue of pricing of CNG (transport) and PNG (domestic) has been examined in the Ministry. The Ministry is of the view that in order to ensure that the benefit of allocation of domestic gas to CGD entities is passed on to the end consumers and for ensuring transparency in pricing of CNG (transport) and PNG (domestic), the break-up of CNG (transport) and PNG (domestic) price needs to be disclosed by the CGD entities to the consumers.

3. The following directions are accordingly issued in continuation of the guidelines dated 3.02.2014:

- (i) All CGD entities shall
- display break-up of CNG price at CNG stations ;
 - furnish the break-up of PNG (domestic) price in invoice to the customer;

The entities would give following details in the break-up of CNG (transport) and PNG (domestic) price:

Cost of gas to the CGD entity, Supply and Distribution cost of CGD entity, Entity's margin, Excise, VAT, Any other Tax.

- (ii) All CGD entities shall furnish the break-up of CNG (transport) stations and PNG (domestic) price to the Ministry, on annual basis by April 30th each year, giving the following details :

Complete break-up of cost of gas at the entry of their network, Supply and Distribution cost of CGD entity (indicating further break-up of these costs with auditable back-up details), Entity's margin, Excise, VAT, Any other Tax.

Data for the year 2013-14 may be furnished by April 30th, 2014.

- (iii) Non-compliance of above guidelines by CGD entities would lead to cancellation of their domestic gas allocation for CNG (transport) and PNG (domestic).

This issues with the approval of Minister (P&NG).


(Nikunj Kumar Srivastava)
Director (GP)

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