LOK SABHA
STARRED QUESTION NO. *72
TO BE ANSWERED ON 23rd July, 2026

EXPANSION OF PNG NETWORK

*72 SHRI SHRIRANG APPA CHANDU BARNE:
SMT. BHARTI PARDHI:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

(a) whether the Government has successfully expanded the Piped Natural Gas (PNG) network to cover over six hundred districts as of July, 2026, if so, the details thereof;

(b) whether the shift towards a Gas-Based Economy has provided a cheaper and more reliable alternative to traditional LPG cylinders, if so, the details thereof;

(c) whether the Government is providing specialized fiscal incentives to City Gas Distribution (CGD) companies to accelerate last-mile pipeline connectivity, if so, the details thereof;

(d) whether the recent reduction in the Unified Transport Tariff has lowered the cost of gas for regional industries, if so, the details thereof;

(e) whether the Government has ensured that PNG prices remain significantly lower than the market price of commercial LPG; and

(f) whether the Government has prepared a roadmap to connect an additional twelve million households to the PNG network by March, 2027 and if so, the details thereof?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री हरदीप सिंह पुरी)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI HARDEEP SINGH PURI)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 72 FOR REPLY ON 23.07.2026 REGARDING EXPANSION OF PNG NETWORK ASKED BY SHRI SHRIRANG APPA CHANDU BARNE AND SMT. BHARTI PARDHI.

(a) to (f) Government have been promoting the development of a gas-based economy through the expansion of City Gas Distribution (CGD) networks across the country. As part of the Government's efforts towards promoting clean cooking, Piped Natural Gas (PNG) is being expanded as a convenient and reliable cooking fuel. PNG, being supplied through pipeline, eliminates the hassles associated with booking, handling, storing and replacing Liquefied Petroleum Gas (LPG) cylinders. Further, PNG is an affordable cooking fuel and being lighter than air, it is considered a safer also. However, the cost of gas depends on a number of dynamic factors such as cost of gas procured, state taxes, tariff, subsidy given, transportation and distribution cost. Accordingly, the cost competitiveness of PNG vis-à-vis LPG may vary across locations.

For the PNG (Domestic) segment, the requirement is fully met through the allocation of domestic natural gas (APM/NAPM) at administered prices, which are subjected to a ceiling of USD 7 per MMBtu for FY 2026-27, and are significantly lower than the market price of natural gas. Further, with effect from Q3 of FY 2023-24, the Government has allocated domestic natural gas to the PNG (Domestic) segment equivalent to 105% of the actual PNG (Domestic) consumption in the previous quarter to facilitate expansion of household PNG connections across the country.

Despite the middle east crisis, leading to higher LNG prices, the measures undertaken by the Government have helped keep PNG (Domestic) prices relatively stable and affordable for household consumers.

Further, the Government notified the *Natural Gas (Supply Regulation) Order, 2026* on 09.03.2026 under the Essential Commodities Act, 1955 to regulate the production, allocation and distribution of natural gas and to ensure its equitable availability. The Order accorded priority in the allocation of natural gas to critical sectors, including PNG (Domestic) (100% of the average consumption during the preceding six months), CNG (Transport), LPG production and fertilizer, thereby ensuring continuity of essential services, energy security and public welfare. The said measures were temporary in nature and, in view of the improvement in the supply situation, were withdrawn vide notification dated 04.07.2026.

Providing PNG connections is part of the development of CGD Network, which inter alia include creation of pipeline infrastructure and other facilities for the supply of PNG to domestic, commercial and industrial units. This is being carried out by entities authorized by Petroleum and Natural Gas Regulatory Board (PNGRB). After completion of 12/12A CGD bidding round, PNGRB has authorized entities for the development of CGD network in 309 Geographical Areas (GAs), covering 683 districts and the entire mainland area of the country. As on 31.05.2026, the authorized entities have provided 1,70,69,775 Domestic PNG connections and laid 6,71,387

Inch-Km pipeline across the country. No subsidy/fiscal incentive is currently provided by Government to CGD entities for development of PNG infrastructure.

PNGRB has rationalised the Unified Tariff by reducing tariff zones from three to two and notified transportation tariffs of Rs. 54.00/MMBTU for Zone-1 (up to 300 km) and Rs. 110.02/MMBTU for Zone-2 (beyond 300 km), effective from 01.04.2026. Zone-1 tariff has been extended nationwide for CNG (T) and PNG (D), resulting in nearly 50% reduction in transportation charges for consumers beyond 300 km. The reduction in transportation charges contributes to lowering the delivered cost of natural gas for industries, particularly those located in regions beyond 300 km from the gas source, subject to other applicable cost components.

PNGRB, in collaboration with CGD entities, launched the National PNG Drive 2.0 from 1st January 2026 to 30th June 2026. PNGRB has informed that the initiative aims to ensure optimal utilization of existing infrastructure, promote new connections and activate non-billed customers, with an overall objective to increase the usage of natural gas across the diverse user categories. Under the initiative, various measures have been implemented by the Government and authorized CGD entities, including:

i. Expansion of PNG connectivity to households, commercial establishments and industries;
ii. Conversion of connected households into active billed consumers;
iii. Awareness campaigns and consumer outreach programmes;
iv. Coordination with State Governments and local authorities for expeditious statutory permissions; and
v. Implementation of consumer-friendly measures, including digital registration, simplified connection processes and promotional schemes offered by CGD entities.

The Government has notified a comprehensive control order dated 24.03.2026 under the Essential Commodities Act, 1955 to facilitate time-bound expansion of pipeline infrastructure across the country, especially CGD. The Order provides a uniform framework for grant of right of way (RoW) and permissions by mandating strict timelines, enabling deemed approvals in case of delays, and prohibiting imposition of unauthorized charges by public authorities. It also addresses access issues in residential and private areas by ensuring non-discriminatory and time-bound permissions, thereby removing key bottlenecks in pipeline laying.

The progress of CGD networks is monitored regularly through reports submitted by CGD entities. In cases of delay or shortfall, entities are advised to take corrective measures. This includes convening progress review meetings or statutory hearings, as provided under applicable regulations, to discuss challenges and review the latest status of Minimum Work Programme (MWP) targets in their authorized GAs. Additionally, the Government holds regular interactions and meetings with State Governments to support the development of CGD networks in their respective states and to address related challenges.

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