

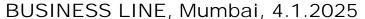


# GOVT AUGMENTS GAS ALLOCATION TO CNG, PIPED GAS COS

New Delhi, Jan. 3: The government has slashed allocation of natural gas used for LPG production, and diverted the low-priced fuel to city gas retailers to meet a part of their requirement for CNG/piped cooking gas supplies, according an official order.

The government had in last year cut supplies of low-priced natural gas coming from old fields such as Mumbai High and Bassein fields, to city gas retailers by as much as 40 per cent in view of limited output.

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### Govt cuts gas allocation for LPG, diverts it to CGD

Press Trust of India

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The price hike made CNG less attractive when compared to alternative fuels like diesel. To resolve this, the Ministry of Petroleum and Natural Gas in a December 31 order rejigged allocation of gas.

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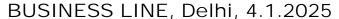
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The government subsidises domestic cooking gas LPG and so higher cost of production is likely to be borne by it.

The ministry also ordered pro-rata allocation of gas from new wells and earmarked ONGC's Rammad field for the city gas sector, which will make available about 1.7-2 mmscd of gas to city gas retailers, according to the order.

Two officials aware of the

matter said the allocation may take a couple of weeks and city gas retailers are likely to get increased supplies from mid-January. In two allocation cuts, the government had reduced supplies of domestically produced gas to city gas retailers by 5-5.25 mmscd. Half of this is being immediately restored and more will come once the gas from Ramana field and new wells flows.



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## Gas for LPG set to be diverted to city retailers

### SUBHAYAN CHAKRABORTY

New Delhi, 3 January

The Petroleum and Natural Gas Ministry has asked GAIL and ONGC to divert 1.27 million metric standard cubic meters per day (MMSCMD) of natural gas to city gas distribution (CGD) firms. Natural gas from new wells will be allocated proportionally on the basis of volume, according to an official order issued on December 31.

The latest order directs the firms to divert 0.637 MMSCMD of gas, currently utilized for LPG production,

CGD. towards Currently, 2.55 MMSCMD of gas is used for LPG production.

remedial measure after the report to the government, the Centre had cut the administered price mechanism (APM) allocation to CGD players by 20 per cent in two successive months till November last year. This had led to city gas retailers hiking CNG prices by ₹2-3 per kg as they had to replace the supply with more expensive non-APM gas or imported liquefied natural gas (LNG).

CGDs receive gas from older fields. On the other hand, gas from new wells follow a formula linked to Indian crude oil prices. Currently, there is a ceiling

price of \$6.5 per metric million british thermal unit (MMBtu) for APM gas, which may be increased yearly by about \$0.5 per MMBtu till 2027. Meanwhile, the gas produced from new wells costs an additional \$2.

About 83.3 per cent of India's natural gas is produced by ONGC and OIL, while the remaining 16.7 percent was by private companies and venture entities.

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Suffering natural decline, the share of APM gas has been declining consistently, and the Centre has been reducing allocation of APM gas to CGD companies due to a decline in

The move comes as a overall gas volumes. In a Kirit Parikh committee last year said India should have a completely free and marketdetermined pricing for natural gas extracted from legacy fields and remove all caps by January 1, 2027.

However, the demise of APM gas could be even earlier. Global brokerage firm Jefferies had earlier predicted that domestic gas allocations could be completely phased out by mid-2025.

Shares of ONGC climbed 5.11 per cent to ₹258.65, while shares of ONGC advanced 3.6 per cent to ₹480.4.



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### THE COMPASS

## Petronet LNG: Clarity awaited over possible policy changes

### **DEVANGSHU DATTA**

A new consultation paper from the Petroleum and Natural Gas Regulatory Board (PNGRB), 'Optimising LNG supplies from terminals in India', indicates that Petronet LNG faces regulatory risk, due to the regulator wishing to control regasification tariff.

At the moment, these are levied by agreements between the operator and customer.

The change would require amendment to the PNGRB Act but may or may not occur. If it does, it reduces Petronet's pricing power. If tariff regulation does occur, it may also inhibit investment into liquefied natural gas (LNG) terminals.

There is 95-100 per cent utilisation at Petronet's Dahej terminal. But other terminals are under-utilised. Some third parties have complained they cannot access the Dahej terminal and there is poor pipeline connectivity for other terminals.

PNGRB argues that larger

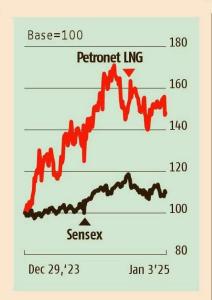
capacity (and high utilisation) should lead to a reduction in regasification tariffs but terminals with lower utilisations are charging similar tariffs to Dahej.

On its part, Petronet LNG claims the Dahej regasification tariff is the lowest in India, and LNG regasification charges are just 5-6 per cent of delivered gas prices to customers.

Petronet LNG promoters are also major off-takers for Qatar and Gorgon contracts. Hence, limited volume is left for other terminals.

Most LNG volumes are sold to state-owned entities like fertiliser plants (gas cost is pass-through). The report also argues for separation of ownership of terminals and marketing entities.

There are seven operating LNG terminals, with a cumulative capacity of 48 million metric tonnes per annum (mmtpa) and a cumulative investment of ₹37,000 crore. Given LNG imports of 21.4 mmtpa, overall utilisation was just 50 per cent in FY24.



Dahej and Hazira terminals have 98 per cent and 67 per cent capacity utilisation over FY16-FY23. All other terminals have utilisation of 26 per cent.

The high utilisation at Dahej is driven by good pipeline connectivity and proximity to Gujarat where gas demand is strong. Even if regasification charges at Dahej terminal are

controlled, there may not be utilisation benefits for other terminals until pipeline infrastructure improves and capacity at other terminals scales up. There is LNG regasification capacity of 47.7 mmtpa. Underconstruction and planned projects could take it to 87 mmtpa but expected LNG import demand is 56 mmtpa.

The new capacity includes 5 mmtpa each at Dahej and Charra, which will be available within a few months.

PNGRB says Petronet hikes regasification by around 5 per cent every year. PNGRB proposes it should have regulatory oversight over regasification (and other charges of LNG terminals), to ensure availability to customers at reasonable rates, and increase utilisation of all terminals.

Given policy emphasis on gas usage at affordable prices, the recommendation may be seen favourably. Apart from regasification tariffs, some terminals also charge high gas handling costs and LNG truck loading charges equal to the regasification tariff, and also negotiate destination-specific contracts.

Gastraffic from West Coast to East Coast leads to higher compression costs for GAIL, which recovers the tariffs from customers.

PNGRB claims customers complain about unreasonable regasification tariff for third parties (which are not Petronet stakeholders), difficulty in getting access to third-party cargoes and lack of real-time information, among others.

If acted upon, the report would weaken the pricing powe of Petronet.

The revised 7.5 mmtpa Qatar contract starting 2028 has destination flexibility and the entire volume may not be delivered at Dahei.

Investors may be cautious until policy responses to the report are known.



### एलपीजी घटाकर सिटी गैस बढ़ाने के आदेश

पेट्रोलियम और प्राकृतिक गैस मंत्रालय ने गेल और ओएनजीसी से 1.27 मिलियन मीट्रिक स्टैंडर्ड क्यूबिक मीटर प्रतिदिन (एमएमएससीएमडी) प्राकृतिक गैस को सिटी गैस डिस्ट्रीब्यूशन (सीजीडी) फर्मों को देने को कहा है। अब 31 दिसंबर को जारी आधिकारिक आदेश के मुताबिक नए कुओं से मिलने वाली प्राकृतिक गैस का आवंटन इसी अनुपात में मात्रा के आधार पर कंपनियों को किया जाएगा। यह कदम केंद्र द्वारा पिछले साल नवंबर तक लगातार दो महीनों में सीजीडी कंपनियों को प्रशासित मूल्य व्यवस्था (एपीएम) आवंटन में 20 प्रतिशत की कटौती के बाद एक सुधारात्मक उपाय के रूप में उठाया गया है।

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शुभायन चक्रवर्ती नई दिल्ली, 3 जनवरी

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यह कदम केंद्र द्वारा पिछले साल नवंबर तक लगातार दो महीनों में सीजीडी कंपनियों को प्रशासित मूल्य व्यवस्था (एपीएम) आवंटन में 20 प्रतिशत की कटौती के बाद एक सुधारात्मक उपाय के रूप में उठाया गया है। इसके कारण शहरी गैस खुदरा विक्रेताओं ने सीएनजी की कीमतों में 2-3 रुपये प्रति किलो की बढ़ोतरी की थी, क्योंकि उन्हें आपूर्ति को अधिक महंगी गैर-एपीएम गैस या आयातित तरलीकृत प्राकृतिक गैस (एलएनजी) से बदलना पड़ा था।

सीजीडी को पुराने क्षेत्रों से गैस मिलती है, जिसे विनियमित या एपीएम गैस कहा जाता है। इसकी कीमत सरकार तय करती है। वहीं दूसरी तरफ नए कुओं से गैस की कीमत तय करने में भारत के कच्चे तेल की कीमतों से जुड़े फॉर्मूले का इस्तेमाल होता है। इस समय एपीएम गैस के लिए सीलिंग मूल्य 6.5 डॉलर प्रति एमएमबीटीयू है, जो 2027 तक सालाना 0.5 डॉलर प्रति एमएमबीटीयू बढ़ सकती है। बहरहाल नए कुओं से उत्पादन गैस की लागत 2 डॉलर अतिरिक्त पड़ती है। प्राकृतिक रूप से गिरावट के कारण एपीएम गैस की हिस्सेदारी लगातार गिर रही है और केंद्र सरकार कुल मिलाकर गैस की मात्रा में कमी के कारण सिटी गैस डिस्टीब्यशन में प्रशासित मल्य व्यवस्था वाली गैस की आपूर्ति घटा रही है। सरकार को सौंपी बहप्रतीक्षित रिपोर्ट में किरीट पारेख समिति ने पिछले साल कहा था कि भारत को पुराने क्षेत्रों से निकाली गई प्राकृतिक गैस के लिए पूरी तरह से मुक्त और बाजार द्वारा निर्धारित मुल्य निर्धारण करना चाहिए तथा 1 जनवरी, 2027 तक सभी सीमाएं हटा देनी चाहिए। बहरहाल एपीएम गैस की कमी समय से पहले हो गई। ग्लोबल ब्रोकरेज फर्म जेफरीज ने पहले अनुमान लगाया था कि घरेलु गैस आवंटन 2025 के मध्य तक पूरी तरह से समाप्त हो सकता है।



### AROUND 1.27 MMSCMD OF GAS HAS BEEN REALLOCATED

# Govt boosts gas supplies to CGD firms, stocks rise

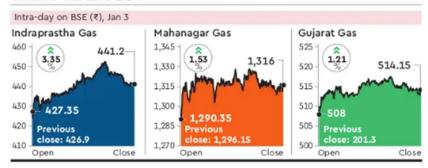
FE BUREAU New Delhi, January 3

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Share prices of Indraprastha Gas rose by as much as 6.19% to a high of ₹453.35 on the BSE before closing at ₹441.20, up 3.35% from the previous close. The Mahanagar Gas stock gained 2.5% intraday and ended the day at ₹1,316, up 1.53%.Gujarat Gasshare prices closed at ₹514.15, reflecting a 1.2% increase.

According to PTI, the oil ministry has ordered stateowned Gail and Oil and Nat-

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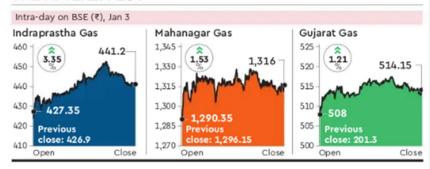
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PTI NEW DELHI

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#### Press Trust of India

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The LPG they make is supplied to fuel retailers like Indian Oil Corporation (IOC) for sale to households as domestic cooking gas LPG in cylinders.



# Govt diverts natural gas from LPG to city retailers

Press Trust of India

feedback@livemint.com

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The government had in October and November last year cut supplies of low-priced natural gas coming from old fields such as Mumbai High and Bassein fields in the Bay of Bengal, to city gas retailers by as much as 40% in view of limited output.

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The government subsidises domestic cooking gas LPG and so higher cost of production is likely to be borne by it.

The ministry also ordered pro-rata allocation of gas from new wells and earmarked ONGC's Ramnad field for the city gas sector, which will make about 1.7-2 mmscmd of gas to city gas retailers, according to the order.

Two officials aware of the matter said the allocation regij may take a couple of weeks and city gas retailers are likely to get increased supplies from midJanuary.

In two allocation cuts, the government had reduced supplies of domestically produced gas to city gas retailers by 5-5.25 mmscmd.

City gas retailers IGL, which retails CNG to automobiles and pipes natural gas to households for cooking purposes in the national capital and adjoining cities, Mahanagar Gas Ltd that does the same in Mumbai, and Adani Total Gas Ltd which operates in Gujarat and elsewhere, had in regulatory filings flagged profitability concerns due to the October/November supply cut and hinted at price hikes.

A part of the price hike was implemented in November/December and more was said to be in the offing.





# GOVT DIVERTS NATURAL GAS FROM LPG TO CITY RETAILERS

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# GOVT CUTS GAS ALLOCATION FOR LPG, DIVERTS TO CITY GAS RETAILERS

**NEW DELHI:** The government has redirected a portion of low-cost natural gas, traditionally used for LPG production, to city gas retailers to support compressed natural gas (CNG) and piped cooking gas supplies. The move, outlined in a December 31 order by the Ministry of Petroleum and Natural Gas, aims to mitigate rising CNG prices and enhance affordability.

City gas retailers like Indraprastha Gas Ltd (IGL) and Adani Total Gas Ltd had faced up to a 40 per cent reduction in low-priced gas supplies from legacy fields, including Mumbai High and Bassein, since October 2024. This shortage forced them to rely on expensive imported liquefied natural gas (LNG), resulting in a price hike of Rs 2-3 per kg for CNG and warnings of further increases.

### Gas allocation

The higher prices rendered CNG less competitive against diesel, prompting government intervention. Under the revised allocation, 1.27 million standard cubic meters per day (mmscmd) of gas previously used by GAIL and ONGC for LPG production will be diverted to the city gas sector during the January-March 2025 quarter. The decision restores approximately half of the supplies cut in previous months, with additional gas expected from ONGC's Ramnad field and new wells by mid-January.

The reallocation ensures city

gas retailers will have access to an estimated 1.7-2 mmscmd of additional gas, easing the pressure on CNG and piped cooking gas supply chains. However, GAIL and ONGC will need to compensate for the diverted volumes by using higher-cost gas from new fields or LNG imports.

This adjustment is expected to stabilise CNG prices but could increase the production cost of LPG, which the government subsidises for household use.

Officials noted that production from legacy fields—critical for supplying low-cost APM (Administered Pricing Mechanism) gas—has been declining by approximately 5 per cent annually due to natural depletion, exacerbating supply challenges.

While city gas retailers welcomed the reallocation, concerns over profitability remain as the sector grapples with fluctuating input costs and the aftermath of earlier supply cuts.

AGENCIES



## Govt cuts gas allocation for LPG, diverts to city retailers

feedback@livemint.com

he government has slashed allocation of natural gas used for liquefied petroleum gas (LPG) production, and diverted the low-priced fuel to city gas retailers like Indraprastha Gas Ltd and Adani-Total Gas Ltd to meet part of their requirement for compressed natural gas (CNG)/piped cooking gas supplies, said an official order.

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The price hike made CNG less attractive when compared to alternative fuels like diesel. To resolve this, the petroleum ministry in a 31 December order rejigged some allocations of gas produced from below ground and undersea.

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## Gas allocation for LPG cut, diverted to urban retailers

NEW DELHI, JANUARY 3

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## एलपीजी के लिए गैस आवंटन में कटौती, शहरी गैस वितरकों को आपूर्ति बढ़ाई गई

नई दिल्ली, (भाषा)। सरकार ने एलपीजी उत्पादन में इस्तेमाल होने वाली प्राकृतिक गैस के आवंटन में कटौती करने के साथ कम कीमत वाले ईंधन को इंद्रप्रस्थ गैस लिमिटेड (आईजीएल) एवं अदाणी-टोटल गैस लिमिटेड जैसी शहरी गैस खुदरा विक्रेताओं को दे दिया है।

सरकार ने सीमित उत्पादन के चलते पिछले साल अक्टूबर और नवंबर में भी मुंबई हाई और बंगाल की खाड़ी में बेसिन क्षेत्रों जैसे पुराने क्षेत्रों से आने वाली कम कीमत वाली प्राकृतिक गैस की आपूर्ति में 40 प्रतिशत तक की कटौती की थी।

इस कटौती के कारण शहरी गैस खुदरा विक्रेताओं ने सीएनजी की कीमतों में दो-तीन रुपये प्रति किलोग्राम की बढ़ोतरी करने के साथ आगे और मूल्य-वृद्धि की बात कही थी। मूल्य वृद्धि ने डीजल जैसे वैकल्पिक ईंधन की तुलना में सीएनजी का आकर्षण कम कर दिया है। इस स्थिति में पेटोलियम और प्राकृतिक गैस मंत्रालय ने 31 दिसंबर के आदेश में जमीन के नीचे और समुद्र के नीचे से उत्पादित गैस के कुछ आवंटन में फेरबदल कर दिया। मंत्रालय ने एलपीजी के उत्पादन के लिए सार्वजनिक क्षेत्र की गेल और ओएनजीसी को आपूर्ति की जाने वाली गैस में कटौती करने और उस मात्रा को शहरी गैस आपूर्तिकर्ताओं को देने का आदेश दिया। इस आदेश के अध्ययन में यह पाया कि एलपीजी उत्पादन में इस्तेमाल होने वाली प्रतिदिन कुल 25.5 लाख मानक घन मीटर गैस में से 12.7 लाख मानक घन मीटर (गेल और ओएनजीसी दोनों को 6.37-6.37 लाख मानक घन मीटर) गैस को जनवरी-मार्च तिमाही में सीएनजी। पाइप-युक्त रसोई गैस खंड में खपत के लिए देने को कहा गया है।

गेल और ओएनजीसी को आपूर्ति में इस कटौती की भरपाई के लिए या तो नए क्षेत्रों से उत्पादित अधिक कीमत वाली गैस का उपयोग करना होगा या फिर उन्हें आयातित तरलीकृत प्राकृतिक गैस (एलएनजी) पर निर्भर रहना होगा। उनके द्वारा उत्पादित एलपीजी की आपूर्ति इंडियन ऑयल कॉरपोरेशन (आईओसी) जैसी खुदरा ईंधन विक्रेताओं को की जाती है।

सरकार घरेलू रसोई गैस एलपीजी पर सब्सिडी देती है, इसलिए उत्पादन की उच्च लागत का बोझ सरकार को उठाना पड सकता है। मंत्रालय ने नए कुओं से गैस के आनुपातिक आवंटन का भी आदेश दिया है और ओएनजीसी के रामनद क्षेत्र को शहरी गैस क्षेत्र के लिए निर्धारित किया है, जो आदेश के अनुरूप शहरी गैस खुदरा विक्रेताओं को लगभग 17-20 लाख मानक घन मीटर गैस उपलब्ध कराएगा। मामले से अवगत दो अधिकारियों ने कहा कि आवंटन प्रक्रिया में कुछ सप्ताह लग सकते हैं और शहरी गैस खुदरा विक्रेताओं को जनवरी के मध्य से आपूर्ति बढने की संभावना है।



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# एलपीजी के लिए गैस आवंटन में कटौती, शहरी गैस वितरकों को आपूर्ति बढ़ाई गई

एजेंसी ■नर्ड दिल्ली

सरकार ने एलपीजी उत्पादन में इस्तेमाल होने वाली प्राकृतिक गैस के आवंटन में कटौती करने के साथ कम कीमत वाले ईंधन को इंद्रप्रस्थ गैस लिमिटेड ( आईजीएल ) एवं अदाणी-टोटल गैस लिमिटेड जैसी शहरी गैस खुदरा विक्रेताओं को दे दिया है। सरकार ने सीमित उत्पादन के चलते पिछले साल अक्टूबर और नवंबर में भी मुंबई हाई और बंगाल की खाड़ी में बेसिन क्षेत्रों जैसे पुराने क्षेत्रों से आने वाली कम कीमत वाली प्राकृतिक गैस की आपूर्ति में 40 प्रतिशत तक की कटौती की थी। इस कटौती के कारण शहरी गैस खदरा विक्रेताओं ने सीएनजी की कीमतों में दो-तीन रुपए प्रति किलोग्राम की बढोतरी करने के साथ आगे और मुल्य-वृद्धि की बात कही थी। मुल्य वृद्धि ने डीजल जैसे वैकल्पिक ईंधन



की तुलना में सीएनजी का आकर्षण कम कर दिया है। इस स्थिति में पेट्रोलियम और प्राकृतिक गैस मंत्रालय ने 31 दिसंबर के आदेश में जमीन के नीचे और समुद्र के नीचे से उत्पादित गैस के कुछ आवंटन में फेखदल कर दिया। मंत्रालय ने एलपीजी के उत्पादन के लिए सार्वजनिक क्षेत्र की गेल और ओएनजीसी को आपर्ति की जाने वाली गैस में कटौती करने और उस मात्रा को शहरी गैस आपूर्तिकर्ताओं को देने का आदेश दिया। इस आदेश के अध्ययन में यह पाया कि एलपीजी उत्पादन में इस्तेमाल होने वाली प्रतिदिन कुल 25.5 लाख मानक घन मीटर गैस में से 12.7 लाख मानक घन मीटर (गेल और ओएनजीसी दोनों को

6.37-6.37 लाख मानक घन मीटर) गैस को जनवरी-मार्च तिमाही में सीएनजी। पाइप-युक्त रसोई गैस खंड में खपत के लिए देने को कहा गया है। गेल और ओएनजीसी को आपूर्ति में इस कटौती की भरपाई के लिए या तो नए क्षेत्रों से उत्पादित अधिक कीमत वाली गैस का उपयोग करना होगा या फिर उन्हें आयातित

तरलीकृत प्राकृतिक गैस (एलएनजी) पर निर्भर रहना होगा। उनके द्वारा उत्पादित एलपीजी की आपूर्ति इंडियन ऑयल कॉरपोरेशन (आईओसी) जैसी खुदरा ईंधन विक्रेताओं को की जाती है। सरकार घरेल रसोई गैस एलपीजी पर सब्सिडी देती है, इसलिए उत्पादन की उच्च लागत का बोझ सरकार को उठाना पड सकता है। मंत्रालय ने नए कुओं से गैस के आनुपातिक आवंटन का भी आदेश दिया है और ओएनजीसी के रामनद क्षेत्र को शहरी गैस क्षेत्र के लिए निर्धारित किया है, जो आदेश के अनुरूप शहरी गैस खुदरा विक्रेताओं को लगभग 17-20 लाख मानक घन मीटर गैस उपलब्ध कराएगा। मामले से अवगत दो अधिकारियों ने कहा कि आवंटन प्रक्रिया में कुछ सप्ताह लग सकते हैं और शहरी गैस खुदरा विक्रेताओं को जनवरी के मध्य से आपूर्ति बढ़ने की संभावना है।



### एलपीजी के लिए गैस आबंटन में कटौती, शहरी गैस वितरकों को आपूर्ति बढ़ाई गई

नई दिल्ली, 3 जनवरी (भाषा)।

सरकार ने एलपीजी उत्पादन में इस्तेमाल होने वाली प्राकृतिक गैस के आवंटन में कटौती करने के साथ कम कीमत वाले ईंधन को इंद्रप्रस्थ गैस लिमिटेड (आइजीएल) एवं अदाणी-टोटल गैस लिमिटेड जैसी शहरी गैस खुदरा विक्रेताओं को दे दिया है।

सरकार ने सीमित उत्पादन के चलते पिछले साल अक्तूबर और नवंबर में भी मुंबई हाई और बंगाल की खाड़ी में बेसिन क्षेत्रों जैसे पुराने क्षेत्रों से आने वाली कम कीमत वाली प्राकृतिक गैस की आपूर्ति में 40 फीसद तक की कटौती की थी।

मूल्य वृद्धि ने डीजल जैसे वैकल्पिक ईंधन की तुलना में सीएनजी का आकर्षण कम कर दिया है। इस कटौती के कारण शहरी गैस खुदरा विक्रेताओं ने सीएनजी की कीमतों में दो-तीन रुपए प्रति किलोग्राम की बढ़ोतरी करने के साथ आगे और मूल्य-चृद्धि की बात कही थी।

मूल्य वृद्धि ने डीजल जैसे वैकल्पिक ईंधन की

तुलना में सीएनजी का आकर्षण कम कर दिया है। इस स्थिति में पेट्रोलियम और प्राकृतिक गैस मंत्रालय ने 31 दिसंबर के आदेश में जमीन के नीचे और समुद्र के नीचे से उत्पादित गैस के कुछ आवंटन में फेरबदल कर दिया। मंत्रालय ने एलपीजी के उत्पादन के लिए सार्वजनिक क्षेत्र की गेल और ओएनजीसी को आपूर्ति की जाने वाली गैस में कटौती करने और उस मात्रा को शहरी गैस आपूर्तिकर्ताओं को देने का आदेश दिया। इस आदेश के अध्ययन में यह पाया कि एलपीजी उत्पादन में इस्तेमाल होने वाली प्रतिदिन कुल 25.5 लाख मानक घन मीटर गैस को जनवरी-मार्च तिमाही में सीएनजी/ पाइप-युक्त रसोई गैस खंड में खपत के लिए देने को कहा गया है।