Presentation
on
City Gas Distribution (CGD) Pipeline Network Projects in Smart Cities

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Ministry of Petroleum & Natural Gas

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CGD network supplies natural gas to

Domestic PNG

CNG (Transport)

Industrial PNG

Hotels /Commercial PNG

Potential Benefits of Natural Gas (NG) Usages through CGD networks

- **Natural gas is used as a low carbon cooking and transportation fuel compared to alternative fuels like LPG, Petrol, Diesel, and other traditional fuels.**
- **CGD networks ensure uninterrupted supply of ecofriendly cooking fuel in form of PNG and transportation fuel to vehicle in the form of CNG and thus benefiting public health at large.**
- **Underground CGD networks will help in freeing up congested urban city roads from LPG cylinder distribution tempos/Motor vehicles.**
- **PNG expansion will free up subsidized LPG cylinders from urban areas so that the same can be further distributed to rural/remote areas and it will ensure the continuous cooking fuel supplies to households.**
- **PNG expansion have a potential to generate new employment opportunity.**

Evolution of CGD Projects in India

- **Way back in 1857, Piped Coal Gas distribution started in Kolkata by Oriental Gas Company Ltd. (OGCL) to industries and domestic consumers.**
- **In 1950's , Vadodara Mahanagar Seva Sadan (VMSS) developed PNG network for domestic households in the city of Vadodara (Gujarat)**
- **In 1980, British Gas (BG) group established Gujarat Gas Company Ltd for developing CGD networks in the city of Surat and Bharuch (Gujarat).**
- **In 1990, Tripura Natural Gas Corporation Ltd (TNGCL) started PNG network in Agartala (Tripura).**
- **In mid-1990's, GAIL formed 2 JVs with other companies, namely, IGL & MGL for developing CGD networks in Delhi and Mumbai respectively.**
- **Later on, CGD networks in other cities namely Kanpur, Pune, Lucknow, Agra, Bareilly Hyderabad, Indore and Gwalior were also approved.**
- **In 2005, GSPC Gas Co. Ltd, established by Gujarat State Govt., started development of CGD network in Hazira (Surat) and other part of Gujarat.**

CGD network and its expansion

- **At present, 25 CGD Entities are either operating or developing CGD networks in 67 Cities/Geographical Areas (GAs) in 18 States/UTs of the country -**

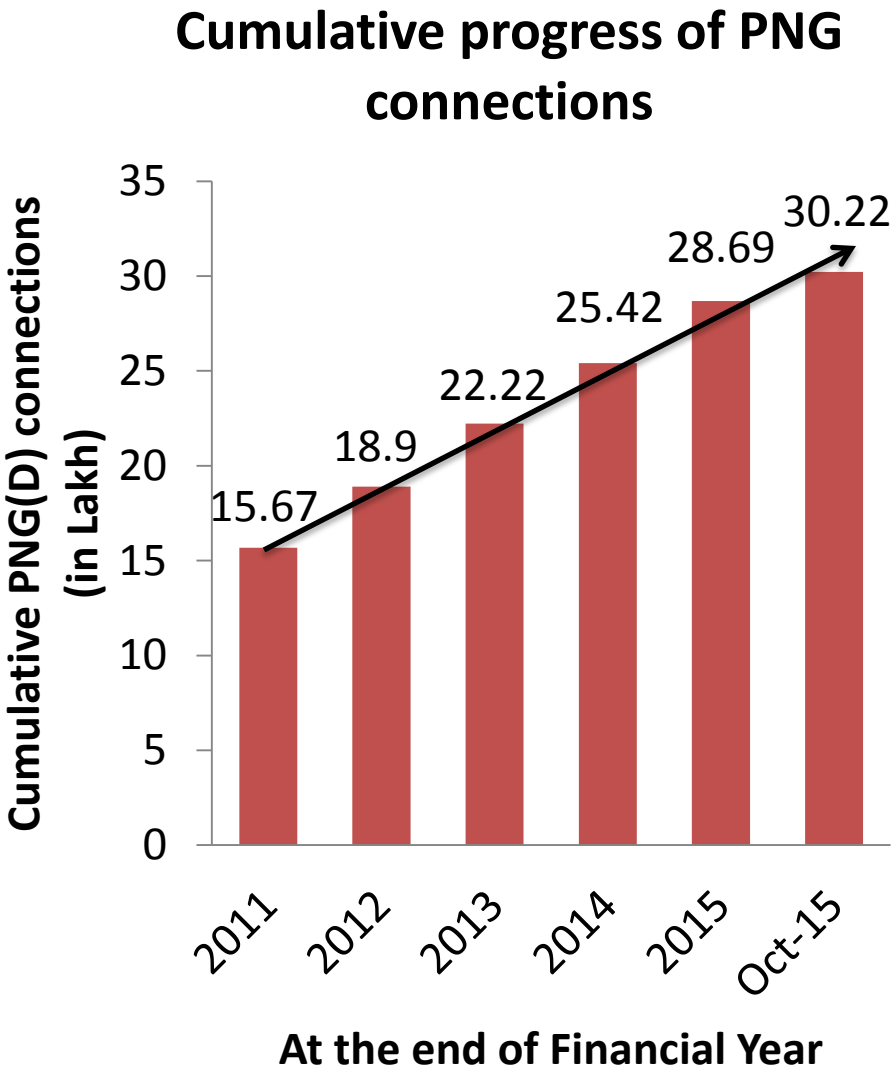
  - **Present CGD infrastructure in the country -**

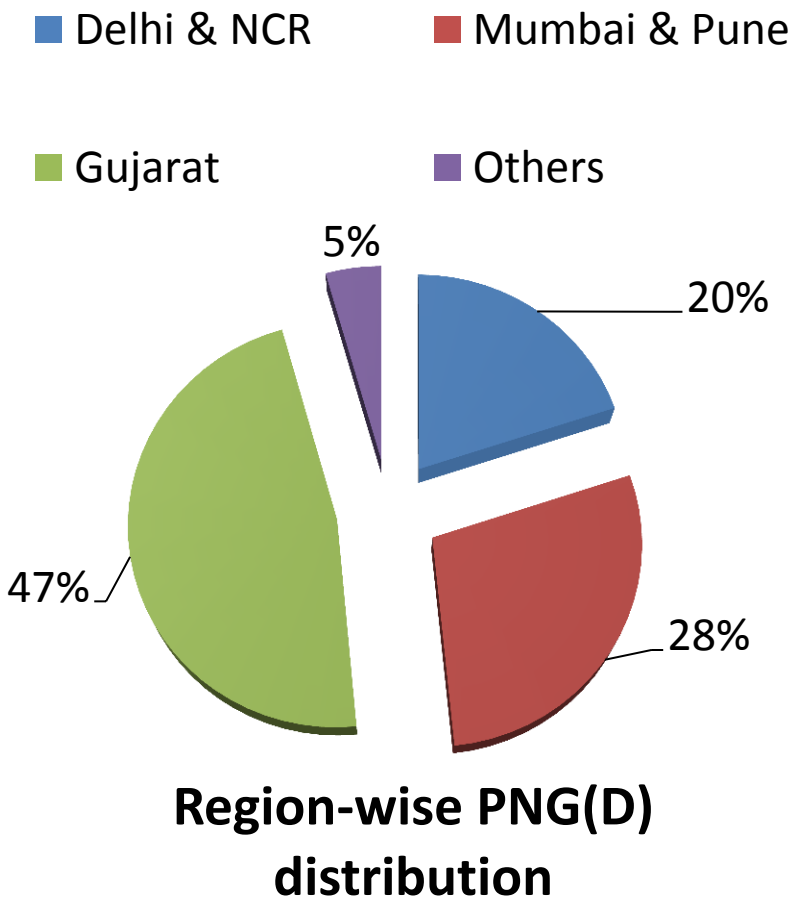
    - **PNG (Domestic) household connections : 30.22 Lakh**
    - **PNG (Industrial &Commercial) connections : ~ 28,800**
    - **CNG Stations : ~ 1015**
    - **No. of CNG Vehicles : ~ 25.5 Lakh**
    - **Domestic Gas consumption in PNG and CNG: ~ 9. 16 MMSCMD***
    - **Imported RLNG consumption in industries : ~ 7.14 MMSCMD ***

    (* in FY 2014-15)

  - **Under Petroleum & Natural Gas Regulatory Board (PNGRB) Act,2006, PNGRB has invited bids for 34 more new GAs under 6th CGD bidding round. This round is expected to be concluded by Dec.-2015/Jan.2016.**

Trends of PNG (Domestic) Connections





Actions initiated by MoP&NG to expedite CGD networks roll-out

- **Accorded Highest priority in domestic gas allocation to PNG(D) and CNG(T) segments of CGD networks and placed under No-cut category.**
- **Presently, Domestic gas is being supplied to meet entire requirement of PNG(D) and CNG(T) segments of CGD networks at Uniform prices (excluding transportation tariff and Taxes).**
- **Expedited the process of granting new CGD networks in synchronization with the availability of nearby trunk gas pipeline so as to ensure gas supplies to CGD network.**
- **CGD entities are developing customer interactive web-portals with online facilities, like application for PNG connection, tracking the status of application, grievance lodging and redressal, e-billing and e-payment etc.**

Smart Cities covered or proposed to be covered with CGD networks

Nos. of Cities approved under Smart City Plan in Stage 1	Exiting nos. of Cities covered/approved for CGD networks	Proposed to be covered in 6th Round of CGD Bidding
98	35	3

- Remaining potential Smart Cities will be considered for development of CGD networks in synchronization with development of envisaged National Gas Grid

List of approved Smart cities(Stage-1) covered or proposed to be covered with CGD network

Sl. No.	Name of State/UT	Existing and proposed Cities with CGD	
		Existing/Approved	Proposed in 6th round
1	Andhra Pradesh	Kakinada	-
2	Chandigarh	Chandigarh	-
3	Dadra & Nagar Haveli	Silvasa (Dadra & Nagar Haveli)	-
4	Delhi	NDMC (Delhi)	
5	Goa		Panaji (North Goa)
6	Gujarat	Gandhinagar, Ahmedabad, Surat Vadodara, Rajkot	Dahod
7	Haryana	Faridabad	
8	Karnataka	Belagaum, Dharwad, Tumakuru	
9	Kerala	Kochi (Ernakulum)	
10	Madhya Pradesh	Indore including Ujjain, Gwalior,	
11	Maharashtra	Navi Mumbai, Thane, Greater Mumbai, Kalyan-Dombivali, Pune	
12	Punjab	Ludhiana, Jalandhar, Amritsar	
13	Rajasthan	Kota	
14	Telangana	Greater Hyderabad (Hyderabad)	
15	Tripura	Agartala	
16	Uttar Pradesh	Moradabad, Bareilly, Jhansi, Kanpur, Allahabad, Lucknow, Ghaziabad, Agra	Saharanpur

Key Support required from State/Municipal/Local Authorities

- **Need to take a rational view for levying Permission charges:**
  - **At present, State/Municipal/Local Authorities are levying exorbitantly high permission charges from CGD network which is costing about Rs15000 to Rs 20000 per PNG connection to CGD entities.**
  - **However, CGD entities are recovering only Rs 5,000/- per PNG connection as one time refundable security deposit from house holds.**
- **Need to expedite process for granting permissions to lay CGD network.**
- **Rationalize the differential taxes (i.e. VAT on natural gas) in adjoining states which leads to differential pricing of PNG and CNG in adjoining states.**

QUESTIONS?

Thank You