



Press Brief: Incentive Scheme for Promotion of Domestic PNG Connections

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The Government of India has today approved the an Incentive Scheme for Promotion of Domestic PNG Connections, a major initiative aimed at bringing clean, safe and affordable piped cooking gas to households across the country. Effective from 1 September 2026, the Scheme is designed to fast-track the expansion of active PNG connections ensuring that more families can start using piped natural gas in their kitchens at the earliest.

How this will benefit the common people

Currently, there are 1.74 crore Domestic PNG connections across the country. The new Scheme directly incentivises the City Gas Distribution (CGD) companies to actively convert unbilled connections into working gas connections, and expand the PNG network to new areas.

Benefits of Piped Natural Gas (PNG) for households

Piped Natural Gas offers households a safer, cleaner and more convenient alternative to LPG cylinders and traditional cooking fuels:

- **Safety:** PNG is supplied through underground pipelines at low pressure, eliminating risks associated with storing and handling cylinders, and being lighter than air, it disperses quickly and safely in case of any leakage.
- **Convenience:** There is no need to book, store, or replace cylinders — gas is available round the clock directly at home, with billing based on actual metered consumption, similar to electricity or water.
- **Affordability:** Households pay only for the gas they actually consume, and PNG is generally cheaper than LPG on a per-unit energy basis, reducing monthly household fuel expenses over time.
- **Environment-friendly:** Being a cleaner-burning fuel, PNG produces fewer pollutants than conventional cooking fuels, contributing to better indoor air quality and lower carbon emissions.
- **Uninterrupted supply:** Continuous pipeline supply removes dependence on cylinder delivery logistics, particularly benefiting households in high-rise buildings and dense urban colonies.

Government's continued push for PNG expansion

This Scheme builds on a series of steps the Government has taken over the past few months to accelerate PNG expansion and make the transition to clean cooking fuel easier for households:

- **Streamlined regulatory clearances:** Accelerated Approval Framework and standardised Right-of-Way charges under the Natural Gas & Petroleum Distribution Order, 2026 have been issued, which would help in priority disposal of applications within a defined timelines for PNG infrastructure, along with standardized charges.
- **VAT rationalisation:** States are being encouraged to bring VAT on natural gas down to 5%, making PNG more affordable for households; several States have already reduced VAT.

- **National PNG Drive 2.0:** A nationwide drive, including a portal for surrender of LPG cylinders, household notices, awareness camps and conversion of LPG-using housing societies to PNG, to help more families switch to piped gas.
- **Unified PNG registration portal:** A single-window digital platform is under development to simplify and speed up the process of applying for and tracking new PNG connections.

The APM/NAPM Incentive Scheme for Promotion of Domestic PNG Connections is a major initiative in this direction, further strengthening the Government's sustained efforts to expand household access to clean, safe and affordable piped cooking gas across the country.

Scheme structure

Under the Scheme, eligible CGD entities will be allocated an additional 200 SCM of domestically-produced, lower-priced (APM) gas for every incremental billed Domestic PNG connection achieved during the performance period, over and above the Threshold Level determined for the respective Geographical Area (GA). The Scheme will be implemented over two Tranches spanning six months. The additional gas allocation will substitute the costlier Liquefied Natural Gas (LNG) that CGD entities currently procure for their Compressed Natural Gas (Transport) segment, thereby lowering their overall gas-sourcing costs.

The resulting cost savings are expected to shorten the payback period for capital expenditure incurred on D-PNG connections from around 10 years to approximately 3 years — giving CGD entities a strong financial incentive to expand household PNG connectivity more rapidly, bringing the benefits of clean, safe and affordable piped cooking gas to a larger number of Indian households in the months ahead.

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