

CNG prices in NCR up again, IGL says no relief likely soon

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New Delhi: Indraprastha Gas Ltd (IGL) late on Friday night raised the prices for compressed natural gas (CNG) in Delhi to Rs 75.61 per kg, even as company MD Sanjay Kumar said rates would remain elevated in the near future due to high international prices of natural gas and the management was looking at cutting operational costs to soften the blow for consumers.

The rates in Noida, Ghaziabad, Gurgaon and other cities in Uttar Pradesh, Haryana and Rajasthan served by the company will be between Rs 78.17 and Rs 86.07 per kg.

IGL said it might have to revise rates every month as a result of a new gas allocation guideline. "CNG prices are based on several factors. One of them is the cost of market-priced gas and LNG (gas imported in ships), which accounted for 20% of IGL's CNG and PNG (piped natural gas) sales in 2021-22. These rates are expected to remain high for the time being because of the situation in Europe (Russia-Ukraine conflict). That will have an impact on CNG rates," IGL managing director Sanjay Kumar said on Friday.

LNG prices are still hovering around \$20 per unit, which is double the normal rate. Prices will rise further if summer is unusually warm in the western hemisphere. Domestic gas prices too are expected to rise further in October.

As the share of LNG and market-priced domestic gas rises in IGL's portfolio due to limited availability of government-controlled gas, it impacts retail prices, he said. "Every dollar increase in natural gas price has an impact of Rs 4-4.50 on retail rates," he said. Under the gas allocation guideline, state-run GAIL will set a price for supplying gas every month after pooling government-controlled domestic gas, market-priced output from domestic fields and LNG, he added.
