

**GAIL TO MONITOR SUPPLIES**

# Natgas Pool Set to Release 7 mmscmd to Priority Sectors

About 2.5 mmscmd could go to city gas distributors, rest to fertiliser cos, others

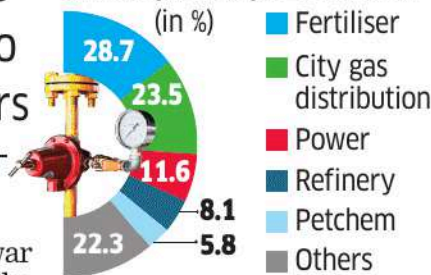
**Sanjeev Choudhary**

**New Delhi:** As the Iran war triggered a supply crunch, the government plans to supply about 7 million metric standard cubic meters per day (mmscmd) of natural gas to city gas distributors, fertiliser makers and other users via a pooling mechanism. The supplies will be at around \$11.60 per metric million British thermal unit (mmbtu), people familiar with the matter said.

Last month, after Iran's attack on Qatar's LNG facility and the effective closure of the Strait of Hormuz slashed Indi-

## Filling the Gap

Sectors' share in natural gas consumption (Apr 25-Feb 26)



**All diverted gas volumes from non-priority to priority sectors have been pooled**

**GAIL told to oversee diversion at a govt-set price** | **Allocation to fertiliser units, other industries to be hiked from today onwards**

a's natural gas imports by about 60%, the government issued an order to regulate supplies.

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# Consultations Held

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It drew up a priority ladder of gas-consuming sectors and tasked state-run Gail with overseeing the diversion of gas from non-priority to priority users. All diverted volumes were to be pooled and priced uniformly by the oil ministry.

After consultations with producers and consumers, and an assessment of available supplies and costs, a pool of about 7 mmscmd has been formed, people said. Imports account for roughly half the volumes, with the rest largely sourced from Vedanta and deep-water output by Reliance Industries and Oil & Natural Gas Corporation, they said.

A large share of domestically produced gas is already being supplied to priority consumers

under government allocation and is not included in the pool.

Gail, which will administer the supplies, is also expected to levy a charge of \$0.20 per mmbtu on top of the gas price — a move consumers are pushing back against as it would further raise costs.

Some stakeholders argue the charge is unjustified, noting that Gail is acting under government mandate, bears little risk in the process, and is not undertaking significant market-making efforts since both suppliers and eligible consumers are already identified and supplies are tight.

About 2.5 mmscmd of the pooled volume is likely to go to city gas distributors, with the remainder allocated to fertiliser makers and industry, people said.

Last month's order gave top priority to piped natural gas for households and CNG for transport and LPG production, with directions to meet up to 100% of their consumption based on the average over the previous six months. Supplies to fertiliser plants were capped at 70%, with 80% allocation for various other industries.

On Sunday, the oil ministry said supplies to fertiliser plants and other industries would be raised from April 6.

"Considering the available inventory and scheduled LNG cargo arrivals, overall gas supply available to fertiliser plants will be increased to approximately 90% of their average consumption over the preceding six months, effective 06.04.2026," the ministry said in a statement.

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