

## Gas trading hub may come up by year-end: petroleum board

Satpal Garg

The Petroleum and Natural Gas Regulatory Board (PNGRB) and the Centre are moving ahead to make gas trading hub a reality by the end of this calendar year, a senior official said. The move would ensure that a market-based pricing mechanism is in place for the commodity, as India aims to increase the share of natural gas in its energy mix.

Earlier this month, the regulator for the downstream petroleum and natural gas sector appointed Crisil to provide consultancy on regulations for the hub.

### 18-week deadline

A time-frame of 18 weeks, from May 11, has been provided to the agency to complete the work. "There will be many things required from the government side also... both [Centre and PNGRB] want the gas trading hub to come up in the current calendar year, 2018, itself," PNGRB member Satpal Garg said on Tuesday.

He was speaking to the media along with S. Rath, another member, on the sidelines of a roadshow organised here by the regulator.

The gas trading hub, which will function on the lines of the power exchange, has been conceived as part of measures to boost the consumption of natural gas in the country. The hub would serve as an electronic platform, facilitating trade in natural gas. The most important feature would be its role in arriving at the price of the commodity by a market based mechanism as against the existing multiple formula driven prices.

Observing that the hub could be a physical or virtual facility, Mr. Garg said he expects a premises, if required, to come up in the vicinity of a major pipeline: in Gujarat, Maharashtra or Andhra Pradesh (Kakinada).

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