

PC's approval for financing of LPG connection to BPL families

1. LPG is a clean cooking fuel. There has been substantial expansion of LPG coverage in the country during the last five years whose use has progressively increased to cover 55% of India's population. However, this coverage is mainly in urban and semi-urban areas and the rural penetration of LPG is low and mainly confined to the rich households.
2. Focus of Vision 2015 adopted by the Ministry of Petroleum & Natural Gas is to extend the usage of LPG for cooking purpose in rural/ under served areas so that standard of life in rural areas improves and the women folk in the under-developed areas of the country can reap the benefits of cooking on LPG stoves rather than use of kerosene/fire-wood. This shift from kerosene/fire-wood in rural areas will also result in environment protection/reduction in cutting down of trees in forest areas for use as fire-wood.
3. In order to increase rural penetration and to cover remote as well as low potential areas, a new scheme of rural LPG distributor namely, 'Rajiv Gandhi Gramin LPG Vitrak Yojana (RGGLVY)' was launched in October, 2009 and over 2000 locations have been advertised for rural LPG distributorships under this scheme.
4. 5.5 crore new LPG connections are proposed to be released till 2015 to reach 16 crore customers with most of the new connections being released in rural areas as urban areas are largely covered. Out of approximately one crore connections to be released each year, it is expected that number of BPL families will be on an average around 35 lakh every year. With Rs.1250/- as security deposit for LPG and Rs.150/- for pressure regulator, a sum of Rs.1400/- is required for obtaining a domestic LPG connection by the customer. The Ministry had proposed a scheme to the Planning Commission to give one time subvention of Rs.1400/- to BPL families to enable them to get an LPG connection. The budgetary requirement for implementing the scheme would work out to around Rs.490/- crore (35,00,000 x Rs.1400).
5. Shri Jitin Prasada, Minister of State (P&NG) announced today that the Planning Commission has given its approval to this scheme and agreed to provide 50% of the cost from the Plan funds.
6. The Plan Scheme will be operated through Public Sector Oil Marketing Companies (OMCs) namely, Indian Oil Corporation Limited (IOC)/ Bharat Petroleum Corporation Limited (BPCL)/ Hindustan Petroleum Corporation Limited (HPCL).
7. The scheme will act as an incentive to BPL families in rural areas/small urban towns & cities, hitherto uncovered by the LPG network, to shift from the traditional mode of using fire-wood/kerosene as fuel for cooking.

