

## **Initiatives taken in LPG sector**

- **Capping of Cylinder**

W.e.f 14<sup>th</sup> September 2012, number of subsidized domestic cylinders per household were restricted to 6 per annum. This cap was revised to 9 on 17<sup>th</sup> /18<sup>th</sup> January 2013. Further, on 30<sup>th</sup> January, 2014, the cap was revised to 11 cylinders for 2013-14 and 12 cylinders from the year 2014-15. The aim of the capping scheme is to restrict the number of subsidized cylinders. This has resulted in reduction in subsidy burden of Government.

- **De-duplication of LPG connections**

The launch of project Lakshya saw a slew of initiatives to curb the tendency of multiple connections. A Know Your Customer (KYC) initiative was launched whereby the new customers were required to provide their proof of address/identity to seek a new connection in a standardized format across the public sector Oil Marketing Companies (OMCs) namely, Indian Oil Corporation Limited (IOC), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). This enabled collection of customer demographic information in a standardized format leaving little scope for manipulation/discretion in the hands of distributors. The databases of OMCs were also re-engineered to capture this information in the KYC compliant format. The entire business process of the release of new connection was re-engineered to ensure software de-duplication prior to release of the connection. The de-duplication algorithm was designed with the help of National Informatics Centre (NIC) to detect multiple connections in the pre-existing database of the OMCs.

- **PUBLIC GRIEVANCE REDRESSAL SYSTEM IN OIL MARKETING COMPANIES (OMCs)**

With the focus on providing better services to customers, OMCs, namely IOC, BPCL and HPCL have also introduced a common Unique Toll Free telephone Numbers viz 18002333555, to redress the customers complaint.

- **Portability**

- To provide customer greater choice to select his distributor and to bring competition amongst distributors, portability was started as a pilot in Chandigarh on 11<sup>th</sup> January, 2013 and Intercompany portability was launched in 24 cities on 5<sup>th</sup> October, 2013.
- This will provide motivation for distributors to provide better service to woo the customers.
- The portability request can be made electronically and will be completed without manual intervention.
- Customers can now switch from one distributor to a better star rated distributor within the cluster of distributors both intra and intercompany to be put in place.
- Portability will bring in competition in the markets and thereby it will improve customer service.

- **Transparency Portal**

To educate the customer online for various aspect of sales and distribution of LPG which is affecting him Transparency Portal was Launched on 22<sup>nd</sup> June 2012. The information is hosted in [www.indane.co.in](http://www.indane.co.in) by IOCL, [www.ebharatgas.com](http://www.ebharatgas.com) by BPCL and [www.hindustanpetroleum.com](http://www.hindustanpetroleum.com) by HPCL.

Following information is available on transparency portal:

- NDCE customers shown separately
- Convenient lodging of complaints
- Surrender connection
- Subsidy amount- Month-wise
- Distributor Name based selection
- Last date of delivery
- Number of wait list customers and last date of new connection booking released.
- Customers to view Multiple connections
- Rating of Distributors with respect to Delivery Time
- Aadhaar seeding status with Bank and Distributor

- **Mobile Application**

LPG customers are becoming more and more tech-savvy. Mobile applications provide easy access to information and access to services. A mobile application can be downloaded by customers on their android as well as Apple phones and can do several web functions from their phones such as refill booking, new connection booking, booking for second cylinder, complaints, viewing history of supplies, hotplate repair, surrendering connections, rating distributors. Mobile connectivity to customers also provides a communication channel for OMCs to educate customers on the safety, new initiatives and schemes etc.

- **Rating of distributors based on delivery performance**

This is the latest development in improving the transparency portal and to improve the decision making by the customer. Following are the important features of the scheme:

- Each distributor is being rated from 5 stars to 1 star (\*\*\*\*\* to \* and no star). The distributor who supplies 85% of booking in less than two days is rated 5 star and the one who delivers 85% beyond 10 days is given zero star.
- Customers can now view the delivery pattern of their distributor and compare it with other distributors in that area.
- OMC Sales Officers have been asked to focus on lower star rated distributors and improve their performance. The performance appraisal will take into account the performance of their distributors.
- Distributors will also be motivated to improve delivery times, when they see themselves compared to their peers. In just last few weeks there has been an increase in distributors that are rated as 5/4 star compared to a month ago.
- This rating will enable the LPG customer to select his distributorship once portability is available.

- **LPG AS AUTO FUEL**

LPG as an automotive fuel was introduced in India after the issuance of the LPG (Regulation of Use in Motor Vehicles) Order in year 2001 by Ministry of Petroleum & Natural Gas. PSU Oil Companies as well as Private players have setup Auto LPG Dispensing Stations (ALDS) in various parts of the country to dispense Auto LPG to registered vehicles fitted with permanently fitted Auto LPG tanks and approved LPG conversion kits as notified by Ministry of Surface Transport, Govt. of India.

- **Direct Benefit Transfer of LPG Scheme (DBTL)**

Direct Benefits Transfer Scheme (DBTL) was approved by CCPA in its meeting held on 09.05.2013. The scheme was launched in 18 identified districts on 1<sup>st</sup> June, 2013 followed by the launch in Mysore on 1<sup>st</sup> July, 2013 and in Mandi on 1<sup>st</sup> August, 2013. Subsequently, after evaluation of phase I, the DBTL expansion was approved by CCPA in its meeting held on 29<sup>th</sup> August, 2013.

As on 1<sup>st</sup> January, 2014, the scheme was launched in 291 districts in 6 phases covering 9.62 crore LPG consumers. All Aadhaar linked domestic LPG consumers are getting an advance in their bank account as soon as they book their first subsidized cylinder.

Ministry had set up a committee to review the functioning of DBTL scheme keeping in view the difficulties experienced by the beneficiaries in the DBTL scheme. In the meanwhile, the DBTL scheme has been kept in abeyance in 291 districts till further orders and the system of providing subsidized cylinders to all domestic LPG consumers on payment of applicable subsidized price for each such cylinder is introduced in all the DBTL districts. The committee has submitted its report.

- **MARKETING OF 5 Kg LPG CYLINDER BY OMCs**

Over the years, a new category of consumers have emerged especially in big cities who are mobile and thus do not want a permanent LPG connection but still require LPG for their needs. Such customers need flexibility for getting the LPG cylinders as per their convenience and their needs can also be fulfilled by smaller quantities of LPG. OMCs have Company Owned Retail Outlets which are accessible to all and are open for longer hours. In view of the above, it has been decided initially to launch a scheme on pilot basis in Mumbai, Chennai, Kolkata and Bangalore on 05.10.2013 for selling 5 kg LPG cylinders with/without Domestic Pressure Regulator (DPR) at such Company Owned Retail Outlets. On 4<sup>th</sup> November, 2013, it has been decided to allow extension of the scheme to other part of country.

Further, retail outlets other than COCO have also been included subject to statutory clearances of OISD/PESO and compliance of their observations. ROs other than COCOs will have to fulfil all the norms and conditions given in the scheme on 24<sup>th</sup> July, 2013. The LPG sold under the scheme will be called Free Trade LPG (FTL). At the time of first sale cost of equipment (DPR plus cylinder), cost of product at prevailing Non-domestic 5 kg cylinders price and administrative charges will be payable. At the time of subsequent refill only the cost of product will be payable.

- **REFILL BOOKING THROUGH SMS/IVRS**

OMCs have introduced Short Message Service (SMS) and Interactive Voice Response System (IVRS) booking for LPG refills so that the customers can directly book refills through computerized interface without human intervention. Under this system, there is the facility for confirmation of the refill booking and the time of the booking to the customers along with information on the likely date when the refill will be supplied leaving no scope for doubt in the mind of the customers.

With the focus on providing better services to customers, the OMCs have adopted Vision 2015 for Customers satisfaction wherein it is targeted to introduce SMS booking in all towns with population of more than 5 lakh in phases beginning with the metros. Accordingly, OMCs have introduced the facility of refill booking through SMS/ IVRS. Hindustan Petroleum Corporation Limited (HPCL) has made it compulsory to book LPG refills on SMS/ IVRS system in the entire State of Kerala and Delhi.