

LOK SABHA

UNSTARRED QUESTION NO. 3697
TO BE ANSWERED ON 19th March, 2017

Price of Natural Gas

3697: SHRI G M SIDDESHWARA:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil and Natural Gas Corporation has requested the Government to accord full autonomy on total gas pricing on the gas produced in the country to boost local output and develop a vibrant gas market;

(b) if so, the details thereof and the response of the Government thereto;

(c) whether the Government considers to allocate the gas produced indigenously to meet the local needs first and then market the remaining gas, if so, the details thereof along with the stand of Government in this regard; and

(d) the details of price of natural gas in the country along with the rate at which it is supplied to various sectors of the economy, sector-wise?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय मंत्री

(धर्मेन्द्र प्रधान)

MINISTER OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):

(a) & (b) : Government of India notified "New Domestic Natural Gas Pricing Guidelines, 2014" on 25.10.2014. This pricing mechanism is formula based and has been worked out considering the volumes and prices prevailing at major international markets such as Henry Hub, National Balancing Point, Alberta and Russia. The formula has been finalized considering the requirements of producing and consuming sectors, and has tried to make a fine balance between their interests. The prices are notified after every six months in accordance with said guidelines. Further, on representations from various operators including ONGC, Government has provided pricing & marketing freedom under Discovered small Field policy (DSF), Gas discoveries in deep water, Ultra Deep-water and High Pressure-High Temperature areas, Hydrocarbon Exploration and Licensing Policy (HELP) and Coal Bed Methane (CBM) contracts.

(c) Allocation of gas produced from the domestic fields is being carried out as per the relevant policy guidelines issued/amended by the Government from time to time. Government has also issued policy guidelines for commercial utilization of gas produced by National Oil Companies (NOCs) from their nominated blocks.

(d) The current price of Natural Gas as notified under the 'New Domestic Natural Gas Pricing Guidelines, 2014 for the period from October, 2017 to March, 2018 is USD 2.89/MMBTU on Gross Calorific Value (GCV). As per the above said guidelines, the price determined under these guidelines is applicable to all sectors uniformly.
