

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:34
ANSWERED ON:24.11.2005
MARKETING OF GAS BY ONGC
Nayak Shri Ananta

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

- (a) whether the Oil and Natural Gas Corporation (ONGC) has a plan to market the gas to be produced from Panna-Mukta-Tapti gas fields;
- (b) if so, the details thereof; and
- (c) the likely effect on other public sector oil and gas companies with the entering of ONGC in the gas marketing business?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.34 FOR ANSWER ON 24.11.2005 RAISED BY SHRI ANANTA NAYAK, MP REGARDING MARKETING OF GAS BY ONGC.

(a) & (b): ONGC has a participating interest of 40% in the Panna – Mukta – Tapti (PMT) Joint Venture. Till the 31st March 2005, GAIL, as a nominee of the Government of India, was buying the whole of PMT gas in terms of the Production Sharing Contract (PSC) for both Panna – Mukta and Tapti fields. During 2004-05, in terms of PSC, the JV exercised its option to revise the selling price of gas. As the revised price was not acceptable to GAIL, the JV was allowed to market its gas directly w.e.f. 1st April 2005. At present, out of the total gas of 11 million standard cubic meters per day (MMSCMD) from PMT fields, the JV is selling around 6 MMSCMD to GAIL for supplying to the existing power and fertilizer customers, with the balance being sold to other customers by the JV.

ONGC have also signed a gas sales agreement with Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL) for 1.5 MMSCMD of Tapti gas, which is likely to be available as its share from the Tapti field after completion of the expansion plan post Monsoon 2007.

(c): ONGC is selling or plans to sell its share of PMT JV gas in terms of the PSC. ONGCs entry into the gas marketing business is expected to augment competition, thus incentivizing greater efficiency in other public sector oil and gas companies.