

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

STARRED QUESTION NO:97
ANSWERED ON:23.02.2006
REQUIREMENT OF NATURAL GAS TO FERTILIZER AND POWER PLANTS
Ahir Shri Hansraj Gangaram

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

- (a) the total requirement of natural gas in fertilizer and power sectors in the country;
- (b) whether natural gas is being supplied to these sectors as per their demand;
- (c) if not, the reasons therefor; and
- (d) the steps taken by the Government to meet the requirements of fertilizers and power sectors?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (d): A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO.97 FOR ANSWER ON 23-2-2006 RAISED BY SHRI HANSRAJ G. AHIR, MP REGARDING REQUIREMENT OF NATURAL GAS TO FERTILIZER AND POWER PLANTS

(a): While the requirement of natural gas of the existing gas based fertilizer units is about 35 million standard cubic metres per day (MMSCMD), the normative gas requirement for gas based power plants at 90% PLF is about 50 MMSCMD.

(b) to (d): As against the total availability of natural gas of around 92 MMSCMD, including 18 MMSCMD of imported regasified Liquefied Natural Gas (RLNG), the estimated demand of natural gas in the country is around 150 MMSCMD. Natural gas is available at APM (Administered Pricing Mechanism) price and at market related prices. The APM price is applicable to the gas produced from the existing fields of ONGC and OIL given to them on nomination basis. While APM gas has been allocated to various units by the Government, the consumer units have to tie up with the gas suppliers directly for non-APM gas.

As against the APM gas allocations of about 117 MMSCMD, the availability under this price at present is about 55 MMSCMD. In accordance with the Government policy, all available APM gas is supplied only to the power and fertilizer sector consumers against their existing allocations along with the specific end-users committed under court orders as well as small scale consumers having allocations upto 0.05 MMSCMD. The APM gas allocations for the power and fertilizer sectors are about 42 MMSCMD and 30 MMSCMD respectively. As against these allocations, the average gas supply to these sectors under APM during the third quarter of 2005-06 was about 27 MMSCMD and 20 MMSCMD respectively. In addition, 1.96 MMSCMD RLNG was supplied to the power sector and 6.60 MMSCMD RLNG to the fertilizer sector.

The steps taken to increase the availability of natural gas in the country include efforts for increasing domestic gas production under New Exploration Licensing Policy (NELP) and import of natural gas as LNG or through transnational pipelines.