

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

UNSTARRED QUESTION NO:499

ANSWERED ON:27.07.2006

AGREEMENT BETWEEN GAIL AND ONGC FOR GAS SUPPLY

Singh Shri Sugrib

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

- (a) whether GAIL(India) Limited and Oil and Natural Gas Corporation Limited have recently signed any gas sales agreement;
- (b) if so, the details alongwith terms and conditions thereof; and
- (c) the quantum of gas, Oil and Natural Gas Corporation Ltd. will supply from various oilfields under the said agreement?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b) Yes, Sir. The Gas Supply Agreement (GSA) for supply of Administered Pricing Mechanism (APM) gas was signed on 7th July, 2006 between GAIL (India) Limited and ONGC.

The main features of the GSA are:

#The GSA is for APM gas from the existing fields of ONGC.

#The GSA is valid for fifteen years from the date of signing of the agreement.

#Price of gas would be as per Govt. orders in force.

#Take or Pay: GAIL will offtake 90% of the adjusted Annual Contract quantity or nevertheless pay for it.

#Seller's Supply Obligation: ONGC would assure supply of 90% of the Annual Contract Quantity.

#In case of fall in available supply pressure, one year notice to be given by Seller to enable buyer to set up facility.

#Invoicing twice a month and payment within 7 days.

(c) The quantity of gas which ONGC shall supply under the contract shall be as per the production profile given in the Long Term Gas Profile-2000 (LTGP-2000) of ONGC. As per LTGP-2000, the availability of gas is projected to decline from the existing level of about 50.50 million standard cubic metre per day (MMSCMD) over the years.