

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

STARRED QUESTION NO:284
ANSWERED ON:15.04.2010
ALLOCATION OF NATURAL GAS FROM KG BASIN
Mahato Shri Narahari

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

- (a) whether certain industrial sectors have been short-listed for selling gas produced in Krishna-Godavari (KG) basin;
- (b) if so, the names of the short-listed sectors;
- (c) whether the priority of these sectors was decided keeping in view the needs of the country;
- (d) if so, the order of priority of these sectors; and
- (e) the allocation of gas from KG basin made to the different industrial sectors?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO.284 TO BE ANSWERED ON 15-04-2010 REGARDING ALLOCATION OF NATURAL GAS FROM KG BASIN

(a) to (d):

1. The Empowered Group of Ministers (EGoM) constituted to decide issues related to inter alia commercial utilization of gas under New Exploration Licensing Policy (NELP) has taken decisions regarding the supply of gas produced from KG D6 keeping in view the needs of the country and shortfall being faced by existing gas-based assets. The EGoM has decided that KG D6 gas be supplied on firm basis to the following priority sectors:-

- (i) Existing gas-based fertilizers plants producing subsidized fertilizers.
- (ii) Existing gas-based LPG plants
- (iii) Existing gas-based power plants and those to be commissioned in 2009-10, including liquid fuel plants which are now running on liquid fuel and could switch over to natural gas (for operating at Plant Load Factor (PLF) of 75% in Andhra Pradesh and 70% in other parts of India).
- (iv) City Gas Distribution (CGD) entities for supply to domestic & transport sectors.
- (v) Existing gas-based steel plants (only for feedstock & not for captive power requirement)
- (vi) Existing gas-based petrochemicals plants (only for feedstock & not for captive power requirement)
- (vii) Existing refineries

Out of the above firm allocations, the highest priority has been accorded in the mentioned sequence to

- i) existing gas-based urea plants,
- ii) existing gas-based LPG plants,
- iii) existing gas-based power plants & those to be commissioned in 2009-10 and
- iv) CGD entities for supply to domestic & transport sectors.

2. Further, the EGoM has also taken decisions regarding supply of KG D6 gas on fallback basis to the following priority sectors:-

- (i) Existing gas-based power plants and those to be commissioned in 2009-10, including liquid fuel plants which are now running on liquid fuel and could switch over to natural gas(for operating at PLF beyond 75% in AP and 70% in rest of India).
- (ii) CGD entities for supply to commercial & industrial sector customers up to 50,000 scmd(standard cubic meters per day).

(iii) Existing refineries

(iv) Captive power plants

The EGoM has decided that amongst fallback customers, the requirement of power sector(excluding captive power) would be firstly met and, thereafter, all the remaining fallback customers should be supplied gas.

(e): The quantity of KG D-6 gas allocated to various sectors is as follows:-

(in mmscmd, i.e., million scmd)

SL. No.	Sector	Firm allocations	Fallback allocations	Grand Total
---------	--------	------------------	----------------------	-------------

1.	Fertilizer	15.508		15.508
----	------------	--------	--	--------

2.	LPG	3		3
----	-----	---	--	---

3.	Power	31.165	12	43.165
----	-------	--------	----	--------

4.	CGD	0.83	2	2.83
----	-----	------	---	------

5.	Steel	4.19		4.19
----	-------	------	--	------

6.	Petrochemicals	1.918		1.918
----	----------------	-------	--	-------

7.	Refineries	5	6	11
----	------------	---	---	----

8.	Captive Power		10	10
----	---------------	--	----	----

Total		61.611	30	91.611
-------	--	--------	----	--------