

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

UNSTARRED QUESTION NO:2020
ANSWERED ON:05.08.2010
SUPPLY OF NATURAL GAS TO UREA PLANTS
Lingam Shri P.;Panda Shri Prabodh

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

- (a) whether the Government proposes to supply natural gas to various urea plants at a subsidised rate;
- (b) if so, the details thereof; and
- (c) the extent to which the farmers and the other end users are likely to be benefited as a result of subsidised gas supply?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS(SHRI JITIN PRASADA)

(a) & (b): Customers in fertilizers sector have been accorded priority in allocation of natural gas by the Government. Natural gas produced from the blocks awarded to National Oil Companies (NOCs), viz., ONGC & OIL, on nomination basis is supplied at Administered Price Mechanism (APM) rate to four categories of priority sectors, including the fertilizers sector. Presently, around 15.14 million metric standard cubic metre per day (mmscmd) gas is being supplied to customers in the fertilizers sector at APM rate. Further, around 2.75 mmscmd natural gas is being bought from Panna Mukta Tapti (PMT) Joint Venture (JV) at Production Sharing Contract (PSC) price of US\$ 5.73/mmbtu and is being supplied to customers in the fertilizers sector at the APM rate of US\$ 4.2/mmbtu; the difference is being made up from Gas Pool Account.

(c): Regular supply of natural gas at a reasonable rate enables the fertilizers Companies to function optimally and produce urea at lower rates. This has resulted in substantial saving in fertilizers subsidy paid by the Government.