

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

STARRED QUESTION NO:423

ANSWERED ON:26.08.2010

ALLOCATION OF NATURAL GAS

Maadam Shri Vikrambhai Arjanbhai;Shukla Shri Balkrishna Khanderao Balu Shukla

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

- (a) whether allocation of gas for commercial utilization under the New Exploration Licensing Policy has been finalized;
- (b) if so, the details of sectors covered under the scheme;
- (c) whether modalities for supply of gas to the small and medium enterprises including in Gujarat under the scheme have been finalised;
- (d) if so, the details thereof; and

**Answer**

MINISTER OF THE STATE IN THE MINISTRY 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 LOK SABHA STARRED QUESTION NO. 423 RAISED BY SHRI AHIR VIKRAMBHAI ARJANBHAI MAADAM, SHRI BALAKRISHNA K. SHUKLA TO BE ANSWERED ON 26.08.2010 REGARDING ALLOCATION OF NATURAL GAS

(a) & (b): The Empowered Group of Ministers (EGoM) constituted to decide issues related to commercial utilization of gas under New Exploration Licensing Policy (NELP) has taken decisions regarding the various priority sectors to which the gas produced from KG D6 would be supplied. The following priority sectors have been decided keeping in view the larger public interest:-

1. Existing gas-based fertilizers plants producing subsidized fertilizers.
2. Existing gas-based LPG plants
3. 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
4. City Gas Distribution (CGD) entities for supply to domestic & transport sectors
5. Existing gas-based steel plants (only for feedstock & not for captive power requirement)
6. Existing gas-based petrochemicals plants (only for feedstock & not for captive power requirement)
7. Existing refineries
8. CGD entities for supply to commercial & industrial sector customers consuming up to 50,000 scmd (standard cubic meters per day).
9. Captive power plants

(c) & (d) In accordance with the decisions taken by EGoM in its meeting held on 27.10.2009, 2.165 million standard cubic meters per day (mmscmd) of KG D6 gas has been allocated on fallback basis to City Gas Distribution (CGD) entities for supply to their industrial & commercial customers, whose total consumption of natural gas (including KG D6 gas) does not exceed 50,000 standard cubic meter per day (scmd). Out of the above allocation, a quantity of 0.875 mmscmd has been allocated to M/s Gujarat Gas Company Limited (GGCL), M/s Sabarmati Gas Ltd. & GAIL (India) Ltd. for supply to their industrial & commercial customers in the areas of Surat, Bharuch, Ankleshwar, Gandhinagar, Mehsana, Sabarkantha & Vadodra in the State of Gujarat.

KG D6 production is presently around 60 mmscmd. Hence, In view of the firm allocations of 63.715 mmscmd already made in accordance with EGoM decisions, GSPAs with CGD entities for the mentioned fallback allocations have not yet been signed by the Contractor.