

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

STARRED QUESTION NO:434
ANSWERED ON:26.08.2010
AVAILABILITY OF NATURAL GAS
Sinha Shri Yashwant

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

- (a) the total quantity of natural gas available at present and the quantity likely to increase in the next two to three years in the country;
- (b) the total requirement of natural gas at present in the power and fertilizers sectors and the likely increase in demand in the next two to three years in the country;
- (c) the cost of production of natural gas and the rate at which it is being sold to these sectors;
- (d) whether there is a gap between demand and supply of natural gas in the country; and
- (e) if so, the steps taken by the Government to meet the demand of natural gas in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY 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. 434 RAISED BY SHRI YASHWANT SINHA TO BE ANSWERED ON 26.8.2010 REGARDING AVAILABILITY OF NATURAL GAS

(a): At present, total availability of natural gas in India, including imported Liquid Natural Gas (LNG), is around 167.80 million standard cubic meters per day (mmscmd), which is projected to be around 202.97 mmscmd, 256.6mmscmd and 271.92 mmscmd during 2011-12, 2012-13 and 2013-14 respectively.

(b): The present total requirement of natural gas in power & fertilizers sector is around 77.44 mmscmd & 39.61mmscmd respectively. The projected additional demand of natural gas in power & fertilizers sector in each of the next three years is as follows:

Sector	2011-2012	2012-2013	2013-2014
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Power	15.59	60#	60#
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Fertilizers	3.43	13.44	46.78
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As communicated by Ministry of Power, the total requirement of proposed power plants, whose expected date of commissioning has yet to be certified by Central Electricity Authority (CEA), is around 600 mmscmd. However, only 60 mmscmd has been included in each of the years 2012-13 & 2013-14.

(c): Cost of production of natural gas varies from field to field, depending on inter alia geological conditions, age of field, location of field, cost of equipments & services, etc. Gas available under Administered Price Mechanism (APM) and New Exploration Licensing Policy (NELP) is sold at US \$ 4.2 /million british thermal unit (mmbtu) inclusive of royalty. As regards customers in the North-East, subsidy of 40% is given by the Government. Gas available under pre-NELP contracts is sold at an average price of US \$ 5.24/mmbtu. Further, LNG imported under long-term agreement is sold at US \$ 6.53/mmbtu, while the price of spot cargo presently varies in the range US \$ 5.40-9.4/mmbtu.

(d): The present demand of various priority sectors in the country is largely being met. Further, spare regasification capacity is available in the country for import of LNG.

(e): The Government has adopted a multi-pronged strategy to enhance availability of natural gas in the country, consisting inter alia of the following:-

(i) Intensification of domestic Exploration & Production (E & P) activities through NELP rounds,

(ii) Coal Bed Methane (CBM),

(iii) Underground Coal Gasification,

(iv) Gas Hydrates,

(v) Import of LNG from various countries, and

(vi) Transnational pipelines, viz., Iran-Pakistan-India (IPI) Pipeline and Turkmenistan- Afghanistan-Pakistan-India (TAPI) pipeline.