

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

UNSTARRED QUESTION NO:831

ANSWERED ON:29.07.2010

VARIATION IN SALE PRICE OF NATURAL GAS

Mahto Shri Baidyanath Prasad;Sharma Shri Jagdish

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

- (a) whether the natural gas is being sold at different rates after the permission was granted for fixing sale price of the gas by oil companies;
- (b) if so, the details of the rates thereof;
- (c) the names of the companies selling gas along with the company-wise rate on which gas is being sold in the first week of July in the country; and
- (d) the reasons behind the difference in sale prices of natural gas sold by oil companies?

Answer

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

(a) & (d): At present, pricing regimes for natural gas in the country are as below-

- (i) The price of natural gas produced by National Oil Companies (NOCs), viz, ONGC & OIL, from their existing producing fields in nominated blocks is decided by the Government under Administered Price Mechanism (APM).
- (ii) The price of natural gas produced under New Exploration Licensing Policy (NELP) and pre-NELP Joint Ventures (JVs) is governed in terms of the Production Sharing Contract (PSC) signed between the Government of India and the respective Contractor.
- (iii) The price of Liquefied Natural Gas (LNG) imported under term contracts is governed by the Sale Purchase Agreement (SPA) between the LNG Seller and the Buyer, while the spot cargoes are purchased on mutually agreeable commercial terms.

(b) & (c) The available details are annexed.