

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

UNSTARRED QUESTION NO:654

ANSWERED ON:15.03.2012

GAS SUPPLY TO NON-PRIORITY SECTORS

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

- (a) whether the Government has a proposal to reduce gas supply to non-priority sectors and use the same for core sectors such as power and fertilizers;
- (b) if so, the details thereof and the reasons therefor;
- (c) the views of each State in this regard including Andhra Pradesh and Karnataka; and
- (d) the details of sharp decline in output from many blocks of Krishna Godavari basin;

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N SINGH)

(a & b): In view of decline in production of KG-D6 gas, Ministry of Petroleum and Natural Gas issued an order on 12.07.2010 to apply pro-rata cuts in the supply against firm allocation to all customers on days when the total production is less than the signed GSPAs (Gas Sale and Purchase Agreement).

As the gas production continued to fall, the Ministry of Petroleum and Natural Gas, in the larger public interest vide order dated 30.03.2011 directed the KGD6 Contractors that:

(i) supply to core sectors viz., Fertilizer, LPG, Power and CGD (domestic & transport) sectors, apart from gas needed for operation of East West pipeline (EWPL) should be fully met up to their firm allocations before any supply is made to other sectors, irrespective of the production levels,

(ii) Further, if there is any short fall in meeting the firm demand of remaining sectors due to fall in production, pro-rata cuts should be imposed on non-core sector customers;

(iii) If the KGD6 gas production is still insufficient to meet the demand of core sector, then cuts would be imposed in the reverse order i.e, in the sequence of CGD (domestic & transport), Power, LPG, and lastly Fertilizer.

(c): The Chief Minister of Haryana, Puducherry, Uttarakhand, Punjab, Andhra Pradesh, Gujarat, Karnataka & Maharashtra have requested that gas be allocated for the power projects in their respective states.

(d) The production from KG-D6 gas in Krishna Godavari Basin commenced in April-2009 and reached its peak production of 60 MMSCMD in March-2010. Thereafter the production has been steadily declining and during January-2012 the supply of KG-D6 gas was 36.75 mmscmd.