

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

UNSTARRED QUESTION NO:3637

ANSWERED ON:26.04.2012

NATURAL GAS FROM TURKMENISTAN .

Bhadana Shri Avtar Singh;Meena Shri Raghuvir Singh

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

- (a) The price at which natural gas will be imported from Turkmenistan and the basis or formula for pricing gas imports therefrom;
- (b) the details of any transit fees required to be paid to some countries for such import;
- (c) whether the price of Turkmenistan gas is linked to crude oil and if so, the steps taken to protect the consumers from volatility of crude oil prices;
- (d) whether the Government is considering to increase the price of natural gas being produced in India in view of the market price of \$ 15-16 per unit; and
- (e) if so the details thereof and if not the reasons therefor?

Answer

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

- (a) The Gas Sale & Purchase Agreement (GSPA) relating to the Turkmenistan –Afghanistan – Pakistan – India (TAPI) Pipeline project, which includes inter alia the pricing of Turkmen Gas has not been signed.
- (b) A broad understanding among India, Pakistan and Afghanistan has been arrived on transit fee. However a formal Agreement has not been signed.
- (c) The Pricing of gas has been agreed between Turkmenistan and India. The contract price of TAPI gas is linked to a formula which contains indices based on fuel basket and other indices which are not as volatile as crude oil. The formula is similar to the ones used in international contracts.
- (d) At present, there are broadly two pricing regimes for gas in the country – gas priced under Administrative Pricing Mechanism (APM) and non-APM. The price of APM Gas is set by the Government. As regards non-APM domestic gas it is produced from New Exploration Policy (NELP) and pre-NELP fields. The pricing of NELP and pre NELP-gas is governed in terms of the Production Sharing Contract (PSC) signed between the Government and the Contractor.
- (e) Does not arise in view of (d) above.