

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

UNSTARRED QUESTION NO:1940
ANSWERED ON:23.08.2012
BIDS FOR SALE OF NATURAL GAS
Jardosh Smt. Darshana Vikram

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

- (a) whether it is a fact that Panna Mukta Tapti (PMT) J.V. partners invited the bids for sale of natural gas upto 4 Million Standard Cubic Metre per Day (MSCMD) from 1st April, 2006 from various companies;
- (b) if so, the details thereof;
- (c) whether it is also a fact that Gujarat State Petroleum Corporation Limited (GSPCL) offered the highest price for gas amongst the bidders;
- (d) if so, whether the Government of Gujarat has made any representation to Union Government to follow the rules of tender procedure and offer gas to GSPCL since their bid was the highest;
- (e) whether the State Government of Gujarat have requested Union Government to allocate 3.15 MSCMD gas for Pipavav project; and
- (f) if so, the response of the Union Government thereto?

Answer

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

(a) to (c): The Production Sharing Contract (PSC) signed between the Government and the Joint Venture (JV) provides that the entire gas would be sold to the Government nominee.

However, during 2004-05, Government allowed PMT JV to directly sell 4.6 Million Metric Standard Cubic Meter Per Day (MMSCMD) gas, while the remaining about 6 MMSCMD gas continued to be supplied to power & fertilizer consumers through GAIL (India) Limited (GAIL). Further, it was decided that the position would be reviewed at the end of the year. In the meantime, PMT JV solicited Expression of Interests (EOI) from prospective buyers to purchase gas up to 4 MMSCMD from 1st April, 2006 for a period of two years with a caveat that the JV reserved the right to decide the quantity to be sold. As informed by PMT JV, GSPC and another buyer offered the highest price for this gas. The issue of continuing gas supplies to the power and fertilizer sector consumers by GAIL beyond 31.03.2006 was reviewed in the Ministry in March 2006 and it was decided that this arrangement needed to be continued for a further period of 2 years, i.e., up to 31.03.2008, as then there were no alternative sources of gas supplies and any disruption in gas supplies would have resulted in idling of the existing assets in these important sectors.

(d): It was decided in 2007 that, in accordance with the provisions of the PSC, all gas produced by PMT JV would be sold to Government nominee, i.e., GAIL, from 2008-09. Accordingly, the entire production of PMT JV is being supplied to GAIL from 1.4.2008.

(e) and (f): The entire gas produced from PMT is already committed and is being sold by the Government nominee, viz., GAIL. There is no gas available, at present, for allocating to Pipavav project. In case of availability of gas, the same will be allocated by this Ministry as per Gas Utilization Policy.