

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

UNSTARRED QUESTION NO:406
ANSWERED ON:23.11.2012
SELLING OF DOMESTIC GAS
Swamygowda Shri N Cheluvarya Swamy

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

- (a) whether Government proposes to sell domestic gas at international prices to prevent market distortion;
- (b) if so, the details thereof; and
- (c) the steps taken/proposed to be taken in this regard to avoid any type of fluctuation?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SMT. PANABAAGA LAKSHMI)

(a) to (c): Under the provision of the Production Sharing Contracts (PSCs) under New Exploration Licensing Policy (NELP) regime and Coal Bed Methane (CBM) Contracts, the Contractor shall endeavour to sell all Natural Gas and CBM produced and saved from the Contract Area at arms-length prices to the benefit of parties to the Contract. The Government as per the provisions of NELP and CBM Contracts shall approve the formula or basis on which Natural Gas and CBM Gas prices shall be determined.

A Committee has been constituted under Chairmanship of Dr. C. Rangarajan, Chairman, PM's Economic Advisory Council (EAC) whose terms of reference includes "structure and elements of the Guidelines for determining the basis or formula for the price of domestically produced gas, and for monitoring actual price fixation" whose report is expected by 30th November, 2012.