

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

UNSTARRED QUESTION NO:3021

ANSWERED ON:15.03.2013

ALLOCATION OF GAS

Agarwal Shri Rajendra;Bundela Shri Jeetendra Singh

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

- (a) the details of gas allocated at concessional rates during each of the last three years and the current year till date; allottee-wise;
- (b) whether any commercial companies which purchase gas at concessional rates sold power as per the market rate with profit;
- (c) if so, the details thereof and the reaction of the Government thereto;
- (d) whether the Government proposes to formulate any policy in this regard;and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

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

(a) So far Ministry of Petroleum & Natural Gas has allocated around 239 mmscmd of domestic natural gas from various sources (around 193 mmscmd on firm basis and 46 mmscmd on fall back basis).

(b) to (e) To ensure that power companies having domestic gas allocation sold power generated from allocated quantity at regulated tariff, MoP&NG has directed that supply of APM gas at APM rate and supply of non-APM gas shall only be made to those power companies supplying power at regulated tariff to public distribution companies. Further, EGoM in its meeting dated 24.2.2012 has decided that the existing and future allocations of NELP gas to power plants be subject to the condition that the entire electricity produced from the allocated gas shall only be sold to the Distribution Licenses at tariffs determined or adopted (in case of bidding) by the tariff regulator of the power plant. The gas will be supplied only for the duration of the Power Purchase Agreement (PPA) and supply of gas will start only after the signing of PPA. The PPA may initially be for one year (short term PPA) during which electricity shall be sold at the tariff determined by the regulator and the subsequent PPA should be for medium term or long term. The EGoM also authorized MoP&NG to cancel the current allocation of any power plant(s) not complying with the above conditions.