

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

UNSTARRED QUESTION NO:4363
ANSWERED ON:22.03.2013
GAS FOR CORE SECTORS
Choudhry Smt. Shruti

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

- (a) whether the Government proposes to discontinue gas to non-core sector and use the same for core sectors such as power and fertilisers;
- (b) if so, the details and the purpose thereof; and
- (c) the reaction and actual demands from States/UT Governments in this regard?

Answer

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

(a) to (c) In view of decrease in production of KG-D6 gas, Ministry of Petroleum and Natural Gas (MoPNG) 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 signed Gas Supply & Purchase Agreement (GSPA). As production continued to fall, vide order dated 30.03.2011, MoP&NG directed the KGD6 Contractors that 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 met up to their firm allocations before supplying to other sectors, irrespective of the production levels. 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. If the KGD6 gas production is 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. Further, any plant operating on natural gas can function by using domestic gas or imported Regasified Liquefied Natural Gas (R-LNG), where the difference is only the price of gas as the characteristics of the fuel remain the same. Availability of RLNG is less uncertain and ample in nature.