

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

UNSTARRED QUESTION NO:4674  
ANSWERED ON:21.02.2014  
ALLOCATION OF GAS TO STEEL COMPANIES  
Pathak Shri Harin

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

- (a) whether the Government had taken a decision to allocate gas from the Krishna-Godavari (KG) basin to various steel companies in the country;
- (b) if so, the details thereof along with the quantum of gas being supplied to various steel companies in the country, company-wise;
- (c) if not, the reasons for not supplying assured quantity of gas to such companies; and
- (d) the steps being taken by the Government to supply adequate quantity of gas to various steel companies in the country?

**Answer**

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

(a) to (c): The contractors of KG-D6 had projected that production from KG-D6 will reach plateau of around 80 MMSCMD by 2012. Based on the above projection, EGoM has allocated 63.171 MMSCMD of KG-D6 on firm basis and 30.165 MMSCMD of gas on fallback basis. Out of 63.171 MMSCMD of firm allocation, the steel sector has been allocated 4.19 MMSCMD of KG-D6 gas. As the gas production from KG-D6 started declining, Ministry of Petroleum and Natural Gas directed the KG-D6 Contractors that supply to priority 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. In view of above guidelines, as and when production of KG-D6 gas is insufficient to meet the requirement of priority sector, the supply to non-priority sectors including steel, become zero. Since October-2011 the supply of KG-D6 gas to Steel sector has been zero.

(d): Ample amount of imported Regasified Liquefied Natural Gas (R-LNG) is available freely in the country. The Steel Plants can source R-LNG to meet their requirement of natural gas.