

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

UNSTARRED QUESTION NO:2419
ANSWERED ON:03.12.2009
FIXATION OF GAS PRICE
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has appointed a Spanish Consultant to explore the possibilities of uniform gas pricing in the country;
- (b) if so, the time by which the said agency is likely to submit its report; and
- (c) the present mode of fixing gas price both for public/ private sector?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

- (a): Government has asked GAIL (India) Ltd. to undertake a study on pooling of prices of natural gas in the country. GAIL (India) Ltd. has engaged M/s Mercados EMI Pvt. Ltd., a premier consultancy organization, for the same.
- (b): The report is likely to be submitted by end of December 2009.
- (c): At present, there are broadly two pricing regimes for gas in the country, i.e., gas priced under Administered Price Mechanism (APM) and non-APM or free market gas. The price of APM gas is set by the Government. As regards non -APM /free market gas, this could also be broadly divided into two categories, namely,
 - (i) imported Liquefied Natural Gas (LNG) and
 - (ii) gas produced from New Exploration Licensing Policy (NELP) & pre-NELP fields. While the price of LNG imported under term contracts is governed by the Sale Purchase Agreement (SPA) between the LNG seller and the buyer, the spot cargoes are purchased on mutually agreeable commercial terms. As regards NELP & pre-NELP gas, its pricing is governed in terms of the provisions of Production Sharing Contract (PSC) signed between the Government and the Contractors.