

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

STARRED QUESTION NO:363
ANSWERED ON:20.04.2015
ALLOCATION OF GAS
Patil Shri Bheemrao Baswanthrao

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

- (a) the salient features of policy on allocation of gas to various segments of the economy;
- (b) whether there is a mismatch between demand and supply of gas to power, fertilizer and other sectors and if so, the details thereof, sector-wise;
- (c) whether the Government proposes to supply gas to various fertilizer units including Ramagundam plant of the Fertilizer Corporation of India in the State of Telangana; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO.363 ASKED BY SHRI BHEEMRAO B. PATIL, MP TO BE ANSWERED ON APRIL 20, 2015

(a): Government broadly follows the following order of priority in the matter of allocation of domestic gas:

- (i) City Gas Distribution (CGD) network for domestic and transport sectors
- (ii) Existing gas-based urea plants
- (iii) Existing gas-based LPG plants
- (iv) Existing grid connected and gas-based power plants
- (v) Steel, petrochemicals and refineries for feedstock purposes, CGD networks for industrial and commercial customers, other gas-based fertilizer plants and captive power plants.

The prevailing Gas Utilization Policy of the Government does not envisage any reservation in the matter of allocation of domestic gas, thereby implying that a plant should be in a position to consume the gas as and when it is available.

(b): Yes, Madam. The details of demand and supply of gas to various sectors during 2014-15 are as under:

Sector Projected Demand during 2014-15# Supply (domestic and RLNG)
 as per Working Group Report during April to September 2014
 12th Five Year Plan (in MMSCMD)
 (in MMSCMD)

Power	171	28.80
Fertilizer	113	41.82
City Gas	24	16.52
Petrochemicals/	67	20.57
Refineries/Internal consumption		
Steel	8	2.62
Others	22	9.02

#However, actual demand is price sensitive and total utilization during 2014-15 (April to September 2014) was only 119.35 MMSCMD (Domestic-74.79 mmscmd and RLNG - 44.55 mmscmd).

Due to less demand of imported LNG, out of 62.10 MMSCMD of total re-gasification capacity, 17.55 MMSCMD remained unutilized.

In power and fertilizer sector, installed capacity is much less than the demand projected by Working Group.

(c) & (d): Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 31.3.2015 has approved the proposal of pooling of gas in Fertilizer (Urea) sector which will ensure supply of gas at uniform delivered price to all natural gas grid connected urea plants as per their individual requirement. However, three Naphtha based units, viz., MCF-Mangalore, MFL-Manali and SPIC-Tuticorin which are being converted to natural gas have been kept out of pooling till their connectivity to natural gas pipeline.

The coal based fertilizer plant of Fertilizer Corporation of India (FCI) at Ramagundam has not yet been converted to a gas-based fertilizer plant.