

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

UNSTARRED QUESTION NO:62
ANSWERED ON:07.07.2014
DEMAND AND SUPPLY OF NATURAL GAS
Kateel Shri Nalin Kumar

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

- (a) the domestic demand and supply of natural gas at present in the country along with the steps taken by the Government to meet the increasing demand of natural gas during the next two to three years in the country;
- (b) the total requirement and supply of natural gas to the power and fertilizer sectors in the country along with the likely steps taken by the Government to ensure availability of natural gas in the next two to three years to these sectors; and
- (c) the details of cost of production of natural gas vis-à-vis the rate at which it is being sold to these sectors?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a) & (b): As per the report of the Working Group on Petroleum & Natural Gas Sector (12th Five Year Plan), there was a total demand of about 371 MMSCMD during 2013-14, out of which the requirement of power and fertilizer sector was to the tune of 153 MMSCMD and 110 MMSCMD respectively. During the same period the supply of natural gas to power and fertilizer sectors was 29.43 MMSCMD (27.26 MMSCMD – domestic & 2.17 MMSCMD – RLNG) and 42.95 MMSCMD (30.30 MMSCMD – domestic & 12.65 MMSCMD - RLNG) respectively.

Government has taken several steps to improve the availability of gas which inter-alia include intensification of domestic exploration & production activities through New Exploration Licensing Policy (NELP) rounds, development of shale gas policy framework, research and development of gas hydrate resources in the country, import of Liquefied Natural Gas (LNG), exploring possibility of transnational gas pipelines, clearance for exploration and development of some NELP blocks, exploration in the Mining Lease Area with certain conditions and acquisition of overseas oil and gas assets.

(c): The cost of production of natural gas of ONGC (excluding JV) during the year 2012-13 was US\$ 3.62/mmbtu. During the same period, under the Production Sharing Contract (PSC) regime, the average cost of gas production in major gas producing fields varied from US\$ 2.19/mmbtu to US\$ 4.80/mmbtu.

The current price at which the various types of gas are being sold to power and fertilizer sectors is as under:

Sl No. Source Current Price (in US\$/mmbtu)

1. APM (from 4.2
nominated
fields) 2.52 (for North-East customers)

2. Non-APM 4.2 - 5.25
(nominated
fields)

3. PSC regime 3.5 - 6.87
(NELP,
pre-NELP, CBM)