

NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) and (b) No, Sir. MS and HSD is released to COCO outlets as well as dealer-operated outlets at natural temperature as per the capacity of tank truck, and hence there is no discrimination in supply between COCO and dealers-operated retail outlets.

(c) The Govt. vide letter No. P-20027/8/82-PP dated 16.5.83 authorised payment of revised dealers commissions following the increase in ex-storage point price of HSD w.e.f. 15.2.83. The Govt. also gave a formula for increase in dealers commission, whenever there is an increase in ex-storage point prices of MS/HSD. Retail selling prices of MS/HSD include a uniform element of commission. In the formula for automatic price revision, additional working capital/product loss have been taken into account due to price revision that may be authorised by the Govt. from time to time.

Operating cost of LPG distributorship

2574. SHRI GHUFRAN AZAM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the per cylinder estimated operating cost of running the LPG distributorship in the markets having population less than 10 lakh and in Delhi market;

(b) what elements of cost are taken into account at the time of deciding the distributorships commission; and

(c) what are the reasons for giving very high increase in profits of Delhi Distributors by increasing the refill sole ceiling limits rapidly?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) As per the sample survey conducted for the Directors' Committee Report of August, 1997, the average cost per distributor works out to about Rs. 6.88 per cylinder on an all-India basis as per 1995-96 data.

(b) Dealers' Commission takes into account the following elements:

- (i) Return on investment;
- (ii) Operating costs which includes

expenses like salary and wages, electricity, insurance, repair and maintenance, telephone, uniforms, conveyance, depreciation, taxes/fees/audit, rent, printing and stationery, consumables and shrinkage allowance where applicable.

(iii) Cost of working capital and stock loss.

(c) LPG refill ceiling is linked with the population of the city/town in which the markets are located. Refill ceiling for various markets is fixed on the Principle of Servicing Capability, Operating Costs, Viability levels and other factors like availability of land, etc. Accordingly, the LPG refill sale ceiling limits have been revised upward in May, 1997 on all India basis including Delhi. On account of above factors, refill sale ceiling limits are higher in towns with higher population.

LNG Terminal at Haldia

2575. SHRIMATI CHANDRA KALA PANDEY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a LNG terminal is set up by Gas Authority of India, Ltd. (GAIL) or any other Government agency in Haldia;

(b) if so, the project cost and the likely date of completion; and

(c) if not, the reasons thereof in view of the offer from the Government of West Bengal to take part in equity?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) No Sir.

(b) Does not arise.

(c) Although Government of West Bengal have expressed its interest in equity participation for setting up an LNG Terminal at Haldia, the demand for LNG to required level has not been assessed for the projects other than those at Dahej and Cochin.

New exploration licensing policy

2576. SHRI M.J. VARKEY MATTATHIL:
SHRI SATISH CHANDRA SITARAM PRADHAN:

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

(a) the broadline of New Exploration Licensing Policy; and

(b) the details of fiscal incentives granted to oil majors?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) and (b) The New Exploration Licensing Policy provides a level playing fields to National Oil Companies vis-a-vis Private Oil Companies. The fiscal terms offered under NELP are as under:

1. There is no signature, discovery or production bonus.

2. There is no mandatory state participation.

3. There is no carried interest by National Oil Companies.

4. Income Tax Holiday for seven years from start of commercial production.

5. No customs duty on imports required for petroleum operations.

6. Biddable cost recovery limit upto 100%.

7. Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.

8. Biddable sharing of profit petroleum based on pre-tax investment multiple achieved by the contractor.

9. Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For offshore areas, it is payable at the rate of 10% for oil and natural gas. Royalty for discoveries in deep water areas beyond 400 m iso-bath will be chargeable at half the applicable rate for offshore areas for the first seven years of commercial production.

10. Fiscal stability provision in the contract.

11. Freedom to the contractor for marketing of oil and gas in the domestic market.

12. Provision for assignment.

13. Conciliation and Arbitration Act, 1996, which is based on UNCITRAL model shall be applicable.

14. To facilitate investors, a Petroleum Tax Guide (PTG) is in place.

The fiscal terms apply uniformly to all companies including oil majors.

Making commercial vehicle run on CNG

2577. **SHRI RAJNATH SINGH 'SURYA':** Will the Minister of PETROLEUM & NATURAL GAS be pleased to state:

(a) whether it is a fact that Government is under obligation for making all commercial vehicle run on CNG by March 2001;

(b) whether any plan of action has been finalised;

(c) if so, the details thereof;

(d) whether there is any incentive to common men for having their vehicles converted to run on CNG; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) to (e) As per the directive of the Supreme Court, the Govt. is under obligation to make auto, taxi and buses (DTC & private) run on CNG by March, 2001 in Delhi. The Hon'ble Supreme Court has issued the following directives:—

(i) Replacement of all pre-1990 autos and taxis with new vehicles on clean fuels;

(ii) No 8-year old buses to ply except on CNG or other clean fuels.

(iii) Entire bus fleet (DTC & private) to be steadily converted to single fuel mode on CNG; and

(iv) Number of CNG supply outlets to be increased from 9 to 80 in Delhi.

Govt. has formed Indraprastha Gas Limited, a joint venture company of GAIL, BPCL and Government of NCT of Delhi to inter-alia, augment CNG outlets from 9 to 80 by 31.3.2000.

As per the prevailing prices in Delhi of petrol (Rs. 23.94/litre) and diesel (Rs. 9.94/litre), CNG is 67% cheaper than petrol and 18% cheaper than diesel.

In order to provide support to the public for using CNG, Government is levying only 5% basic customs duty on CNG conversion kits.