

.....(Interruptions)..... It belongs to you.
(Interruptions)..... It is only because
 of this reason that the country is
 suffering.(Interruptions).....

SHRI TRILOKI NATH
 CHATURVEDI: Sir, various
 Parliamentary Committee have also
 commented on it.(Interruptions).....
 The report of the CAG is also there on
 the subject(Interruptions)..... It is
 your money. It has specifically been given
 to you by an Act of Parliament. Why is it
 being allowed to be used for some other
 purposes?(Interruptions).....

SHRI SATISH AGARWAL: How can
 it go to the Consolidated Fund?
(Interruptions)..... What is the
 Minister going to do in this regard?
(Interruptions).....

SHRI T.R. BAALU: Sir, I have
 already said that I have written to the
 Finance Minister(Interruptions)..... I
 have walready answered this question.
(Interruptions).....

MR. CHAIRMAN: He has taken up
 this issue with the Finance
 Minister....(Interruptions).....

SHRI T.R. BAALU: Sir, it is the
 responsibility of the Parliament to get us
 back this money.(Interruptions)..... It
 is for the hon. Members
(Interruptions).....

SHRI SATISH AGARWAL:
 Parliament is always coming to your
 assistance(Interruptions)..... I raised
 this issue during the last Budget Session.
(Interruptions)..... We are ready to
 help you. We are all with you on this
 issue if you want to get back the money
(Interruptions).....

SHRI T.R. BAALU: Sir, as far as the
 second part of the question with regard
 to depletion in the crude oil production is
 concerned, there should not be any panic
 or any such thing. It is not a new
 phenomenon in the case of crude oil
 production. Sir, in 1990-91, the crude oil
 production was 33.021 MT. It has
 decreased gradually. In 1992-93 it was

30346 MT. In 1993-94, it was 2695 MT.
 In 1994-95, it went up aain and it was
 32.237 MT, and in 1995-96, even higher
 rates 35.149 MT. But, it was gone down
 again. So, it is not a new phenomenon. It
 depends on various factors like
 maintenance of oil wells, presssure of gas,
 etc. We have started many programme
 sot accelerate the production of crude oil.
 We have earmarked more then Rs. 6,000
 crores for exploration maintenance of oil
 wells and other things to increase the
 production.

*84 [The questioner (Shri Brahmakumar
 Bnafi was absent. For answer vide
 column. 32 infra]

Flaring of Gas

*85. SHRI K.M. SAIFULLAH: Will
 the PRIME MINISTER be pleased to
 state:

(a) whether it is a fact that a huge
 quantity of gas is flaring up;

(b) if so, the quantity of gas flared
 during each of the last three years; and

(c) the reasons for which this gas was
 not utilised?

THE MINISTER OF STATE IN THE
 MINISTRY OF PETROLEUM AND
 NATURAL GAS (SHRI T.R.
 BAALU): (a) The current rate of flaring
 of gas is around 3.6 MMSCMD.

(b) The flaring in the last three years
 was as follows:

1993-94	—	5.27 MMSCMD
1994-95	—	5.53 MMSCMD
1995-96	—	3.81 MMSCMD

(c) Flaring of gas is due to technical
 requirements of field operation, lack of
 infrastructural facility, fluctuations in
 offtake by consumers, availability of gas
 at isolated structures etc.

SHRI K.M. SAIFULLAH: Sir, my
 question was with regard to the flaring of
 gas. The Minister has answered in one
 line that 3.33 MMSCMD is flared.
 Anybody can write this. I would like to

know from the Minister the steps that have been taken up to stop this flaring of gas in Bombay High and other oil fields in Assam.

SHRI T.R. BALLU: Sir, there is no flaring up of gas in Bombay High. Sir, flaring of gas is due to technical requirements of field operations maintenance of equipment, etc. ...*(Interruptions)*...

SHRI K.M. SAIFULLAH: I would like to know the precautionary measures that have been taken to stop it like in other countries.

SHRI T.R. BALLU: We should not stop this flaring. For some technical reasons, there should be some flaring.

SHRI K.M. SAIFULLAH: My second supplementary is with regard to the quantity of gas flared during the last three years. The hon. Minister has said the flaring in 1993-94 was 5.27 MMSCMD; in the year 1994-95 it was 5.53 MMSCMD; and in 1995-96 it was 3.81 MMSCMD. Can the hon. Minister state the value of gas flared up in comparison with the expenditure for exploration?

SHRI T.R. BAALU: Sir, actually, we produce 62.52 MMSCMD per day. Supply by the GAIL and the Oil India Limited is 48.6 MMSCMD. The internal use is 10.18 MMSCMD per day, in the whole country.

SHRI K.M. SAIFULLAH: In foreign countries like Venezuela, Middle-East and Russia, they are adopting some new methods to stop this unnecessary flaring up. I want to know from the hon. Minister whether they are also going to adopt the same methods to stop this unnecessary flaring.

SHRI T.R. BAALU: If there is any excess flaring, over and above the technical requirements, we will try to contain it. I have already instructed for setting up of new compressors, new pipelines for transportation and gas handling system.

SHRI JIBON ROY: There are many countries where no flaring of gas is taking place.

SHRIMATI RENUKA CHOWDHURY: Sir, I wish to draw the hon. Minister's attention to two factors: Firstly, blow-out in Andhra Pradesh for the third consecutive time, in our region in the Godavari Basin. You have been kind enough to permit me to mention about the same in today's Special Mentions. The loss of human life is shown as 'Nil'. But, there is extensive loss suffered by the State Government in terms of roads, coconut trees, vegetation and habitation. In the last blow-out the ONGC has given an assurance to the State of Andhra Pradesh that Rs. 30 crores would be given as compensation. This commitment has not yet been fulfilled. Subsequently, now, we are facing a second blow-out whereby natural gas is being burnt and it is a loss to the State Government, to the State. The burning of gas has not been computed in terms of loss by the ONGC.

The second issue which I would like to discuss here is GAIL and the oil pool deficit which the country is facing. Sir, India is the only nation which is pricing its natural gas at the lowest. In the past seven years the tariff of natural gas has not been raised where as LPG has been raised from Rs. 5,420 to Rs. 23,539 per tonne — an increase of 330% in the last seven years. In the last ten months alone, LPG has gone up by more than 100%. Earlier, the concept was that the price of LPG supplying to the industry has to be nine times more than the price of natural gas supplied to the natural gas consuming industries. So, there is a huge untapped resources that the Petroleum Ministry can tap by revising their laws, because we are charging at the cheapest when compared to the world over. There is also a regional imbalance as the companies which are close to HPJ pipeline get it at ¼ of the cost compared to the rest of industries in India. I would like to draw the attention of the hon. Minister that

natural gas is the only item on which the price has not been increased since 1990. What is the reason behind this? And, what hesitation do we have to raise the prices in these areas so that we do not affect the domestic LPG tariff? I would like to know whether the price structure of crude-based would be gone into in order to match it with the import price of crude. I would like to know whether there is any attempt to bring the natural gas into the basket of fuel pricing. In order to see that the burden is shared, I would like to know whether the Government would examine the question of marginally increasing the price so that the deficit in the Oil Pool Account can be brought down.

SHRI T.R. BAALU: Actually, Sir, a Committee has been set up to go into the details of raising the price of natural gas...

SHRIMATI RENUKA CHOWDHURY: With due apology, Sir, I would like to point out that the Gas Authority of India Limited is facing problems. A case has been filed against the Gas Authority of India Limited for erratic gas supply to these companies. I do not know whether the hon. Minister is aware of this or not.

SHRI T.R. BAALU: A Committee has been set up. It is going into the details as to how the price should be rationalised. As and when we examine the report, we will come out with the details.

SHRIMATI RENUKA CHOWDHURY: What about the payment of compensation to be paid to Andhra Pradesh on account of the first blow-out? What about the compensation of Rs. 30 crores? This question has not been answered. When are you going to release this amount?

SHRI T.R. BAALU: Sir, this Rs. 30 crores is not by way of compensation. Actually, the State Government wanted to have this amount as an advance. It is a loan. It is not compensation.

SHRIMATI RENUKA CHOWDHURY: It was not advance.

SHRI H. HANUMANTHAPPA: Sir, Mr. Renuka Chowdhury is answering the questions. The Minister is not able to answer and, therefore, she is answering.

SHRI V. NARAYANASAMY: Mr. Chairman, Sir, the hon. Minister, while answering this particular question, is trying to mislead the House. Sir, the production of natural gas for this year, i.e. 1995-96, is 22.3 billion cubic metres. I am giving this figure from the Economic Survey for the year 1996-97 which was presented to Parliament the day-before-yesterday.

The hon. Minister, while replying to the main question, said that the flaring was due to technical reasons only. He said that there was no wastage of gas on account of flaring. The Minister even went to the extent of saying that gas was being used to the maximum possible extent. This is the reply given by the hon. Minister.

In this connection, I would invite his attention to this document, i.e. the Economic Survey. It says that the flaring of natural gas is currently down to around 5 per cent, of which the technical flaring is 2.5 per cent. It also says that efforts are being made to further reduce the flaring of natural gas. This is what the Economic Survey says. But the hon. Minister's reply is that it is only technical flaring. This 2.5 per cent which is being flared even today is a huge quantity. I would, therefore, like to know as to what is the action plan for the purpose of reducing it. Let him say that. The hon. Minister is not answering in a responsible way. I would like to know whether the Government has any action plan to reduce this flaring to the extent of 2.5 per cent. Technical flaring is all right. But what about the remaining 2.5 per cent which is being flared? Is there any action plan?

SHRIMATI RENUKA CHOWDHURY: What about the Kelkar Committee Report?

SHRI T.R. BAALU: Kindly allow me to reply.

MR. CHAIRMAN: Let the hon. Minister reply please.

SHRI T.R. BAALU: Sir, in the case of western offshore, the total flaring is 1.87; Maharashtra — nil; Gujarat — 0.92; Madhya Pradesh — nil; Uttar Pradesh — nil; Rajasthan — nil; Delhi — nil; Haryana — nil; Assam — 0.64.

SHRI V. NARAYANASAMY: Then you withdraw your Economic Survey.

SHRI T.R. BAALU: Arunachal Pradesh — 0.10; Tripura — nil; Andhra Pradesh — nil; Tamil Nadu — 0.15.

Sir, in the case of Assam and Arunachal Pradesh, the total production is 4.03 MMSCMD. The percentage of flare thus works out to around 11 per cent of the total gas produced. Actually, the gas produced in Arunachal Pradesh is not connected to the main field in Assam and this gas is allocated to an industrial set-up for production of micro crystalline wax. The technical flaring in Assam is for reasons like small quantities of gas in remote and isolated oil wells, very low pressure gas at the Oil Collecting Stations and the minimum quantity required to keep the pilot burners on in the flare pits, and it amounts to around 5 per cent (0.2 MMSCMD). Frequent variations in market offtake account for around 1.8 per cent (0.07 MMSCMD). For the balance 2.2 per cent (around 0.09 MMSCMD), compressors are being installed in various locations which are expected to be fully commissioned during 1997.

Therefore, Sir, this matter is being taken up by the Ministry. New pipelines are being provided.

SHRIMATI RENUKA CHOWDHURY: What about the Kelkar Committee Report?

MR. CHAIRMAN: Let us give a little rest to the hon. Minister.

SHRI TRILOKI NATH CHATURVEDI: We share the feeling of compassion of the Chair towards the Minister!

*86. [The questioner (Shri Maheshwar Singh) was absent. For answer vide col. 33 infra].

MR. CHAIRMAN: Question No. 87.

AN HON. MEMBER: Again Mr. Baalu has to answer, Sir.(Interruptions).

MR. CHAIRMAN: Mr. Baalu, the questioner of Question No. 86 has not turned up.(Interruptions).... It is your stars today!

Oil Pool Account Deficit

*87. SHRI SATISH PRADHAN:

SHRI RAGHAVJI: †

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that there has been a deficit in the Oil pool account since 1989-90;

(b) if so, details thereof, year-wise;

(c) what are the details of steps Government are contemplating to take for tiding over the problem; and

(d) whether Government also propose to increase the prices of petroleum products to cover the deficit; and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) to (d) Deficits have arisen in the pool account because the sales realisation from the products did not fully cover the

† The question was actually asked on the floor of the house by Shri Raghavji.