

Supply of gas to MSEB

203. SHRI N.R. GOVINDARAJAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Oil and Natural Gas Corporation Ltd. (ONGC) has quoted a price of Rs.6/MMBTU for the gas produced in Bombay High to Maharashtra State Electricity Board (MSEB);

(b) if so, the details thereof;

(c) whether it is a fact that some of the Administered Pricing Mechanism (APM) gas is also sold at market price by ONGC; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) No, Sir. However, Oil and Natural Gas Corporation (ONGC) participated in an open tender by MAHAGENCO (*erstwhile* Maharashtra State Electricity Board (MSEB)). On conclusion of tender process, MAHAGENCO placed letter of Award (LOA) on ONGC on 28.8.2008 for supply of 1 mmcmd of gas at MAHAGENCO, GTPS, Uran from 1.9.2008 to 30.11.2008 (three months) at a price of USD 11/mmbtu, which was accepted by ONGC. Thus ONGC supplied non-APM gas to MAHAGENCO under the said LOA.

(c) and (d) According to information made available by ONGC, it supplies APM gas at APM rate. However, Ministry of Petroleum & Natural Gas's Gas Pricing Order dated 20.6.2005 does envisage supply of APM gas to non-APM customers and *vice versa* by GAIL (India) Ltd., owing to existing supply linkages and operational requirements, as a self-balancing mechanism.

Requirement of petroleum products

†204.SHRI JAI PARKASH AGGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there has been a steep increase in the requirement of petroleum products;

(b) if so, the estimated requirement of these products after fifteen years;

(c) whether Government has formulated or proposes to formulate any plan to deal with this problem;

(d) whether Government is exploring any other alternative; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) Yes, Sir. As per the Integrated Energy Policy Report approved by the Government of India, demand for oil is estimated to be in the range of 350-486 Million Metric Tonnes (MMT) in the year 2031-32.

(c) to (e) The Government has formulated the following plans to meet future requirements of petroleum products:

†Original notice of the question was received in Hindi

- i. Carving out more and more areas of exploration for offer under various rounds of New Exploration Licensing Policy (NELP) / Coal Bed Methane (CBM) Policy.
- ii. Quicker development of discovered oil and gas reserves for enabling commencement of production.
- iii. Use of stimulation techniques for increasing production from existing fields.
- iv. Application of Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) techniques for increasing recovery from existing fields.
- v. Arresting decline from ageing fields.
- vi. Acquisition of exploration acreages and oil producing properties overseas to bring in equity oil.
- vii. Exploration of gas hydrates, by participating in the Gas Hydrates programme in cooperation with other countries.
- viii. Extracting gas from deep-seated and/or isolated coal deposit/lignite resources under the Underground Coal Gasification programme.
- ix. Substitution of oil in the transport sector through use of alternative fuels such as Bio-diesel, Ethanol-blended Petrol, etc.
- x. Diversification of the sources for procurement of crude oil. The Oil Marketing Companies (OMCs) are now importing crude oil from about 25 countries either on term contract or through spot purchase basis.
- xi. Construction of a Strategic Storage of crude oil of 5 MMT capacity at three locations viz. Visakhapatnam, Mangalore and Padur for meeting/unforeseen situations arising out of short term supply disruptions etc.

Fall in International Crude Prices

205. SHRI AMAR SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that there had been steep fall in the international crude oil prices for the last more than 6 months;
- (b) if so, the details thereof since 1st September, 2008 till date;
- (c) the specific reasons for not reducing the prices of petrol, diesel and gas immediately after the fall of international crude prices; and
- (d) by when it is likely to be reduced and to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL): (a) and (b) International prices of crude oil and petroleum products have remained volatile in the recent past. The Indian Basket of crude oil, which averaged \$79.25 per barrel during 2007-08, had gone up to an unprecedented level of \$142.04 per barrel on 3rd July, 2008 before declining sharply due to fall in demand on account of economic recession in major oil consuming countries of the world. However, the benefit of softening of the international oil prices has been partly offset by the depreciation of the rupee since April' 08. The details of the average price of the Indian Basket of crude oil from September, 2008 to February, 2009 (up to 9th) are given below:-