

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) The Production Sharing Contract (PSC) signed between the Government and the Joint Venture (JV) provides that the entire gas would be sold to the Government nominee.

However, during 2004-05, Government allowed PMT JV to directly sell 4.6 mmscmd gas, while the remaining about 6 mmscmd gas continued to be supplied to power and fertilizer consumers through GAIL. Further, it was decided that the position would be reviewed at the end of the year. In the meantime, perhaps on the understanding that the gas being marketed by GAIL might be released for direct marketing to JV from 2006-07, PMT JV solicited Expression of Interests (Eoi) from prospective buyers to purchase gas up to 4 mmscmd from 1st April, 2006 for a period of two years with a caveat that the JV reserved the right to decide the quantity to be sold. As informed by PMT JV, GSPC and another buyer offered the highest price for this gas. The issue of continuing gas supplies to the power and fertilizer sector consumers by GAIL beyond 31.3.2006 was reviewed in the Ministry in March, 2006 and it was decided that this arrangement needed to be continued for a further period of 2 years, *i.e.*, upto 31.3.2008, as then there were no alternative sources of gas supplies and any disruption in gas supplies would have resulted in idling of the existing assets in these important sectors.

Subsequently, it was decided in 2007 that, in accordance with the provisions of the PSC, all gas produced by PMT JV would be sold to Government nominee, *i.e.*, GAIL, from 2008-09. Accordingly, the entire production of PMT JV is being supplied to GAIL from 1.4.2008.

(c) and (d) This Ministry had received through Prime Minister's Office a copy of the letter dated 8.3.06 addressed to the Prime Minister by Members of Parliament. As mentioned above, it has been decided in 2007 that, from 2008-09, all gas produced by PMT JV should be supplied to GAIL for marketing according to Government's directions.

(e) Yes, Sir.

(f) The entire gas produced from PMT is already committed and is being sold by the Government nominee, *viz.*, GAIL (India) Limited, to various priority sectors customers. As regards gas produced from KG D-6 field, it has been decided that, subject to the availability of gas, necessary allocations from KG D-6 fields will be made to these projects as and when they are ready to commence production.

Kirit Parikh Committee Report

†1324. MISS ANUSUIYA UIKEY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Kirit Parikh Committee has submitted its report;

†Original notice of the question was received in Hindi.

(b) if so, the suggestions given by this committee regarding hiking the prices of petroleum products and its distribution;

(c) whether it is a fact that Parikh Committee has also recommended that income tax payers would be provided only six subsidized gas cylinders in a year;

(d) whether implementation of such recommendation would be amounting to discrimination against income tax payers and it would discourage them to pay income tax; and

(e) the details of the action taken by Government till date on this report?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) An Expert Group, constituted by the Government on “A Viable and Sustainable System of Pricing of Petroleum Products” under the chairmanship of Dr. Kirit Parikh, has submitted its Report on 3rd February, 2010. The main recommendations of the Group are as under:—

- (i) Prices of Petrol and Diesel should be market determined, both at the refinery gate and at the retail level.
- (ii) PDS Kerosene allocation across States should be rationalized, which will bring down all-India allocation by at least 20%. Further reduction in PDS Kerosene allocation can be done on the basis of progress of rural electrification, LPG and piped gas availability.
- (iii) The price of PDS Kerosene needs to be increased by at least Rs. 6 per litre. Thereafter, price can be raised every year in step with the growth in per capita agricultural Gross Domestic Product (GDP) at nominal price.
- (iv) Prices of Domestic LPG can be increased by at least Rs. 100 per cylinder. Thereafter, the price of Domestic LPG should be periodically revised based on increase in paying capacity as reflected in the rising per capita income. The subsidy on Domestic LPG should be discontinued for all others except the BPL households once an effective targeting system is in place.
- (v) A transparent and effective distribution system for PDS Kerosene and Domestic LPG can be ensured through UID/Smartcards framework.
- (vi) The Public Sector Oil Marketing Companies (OMCs) marketing PDS Kerosene and Domestic LPG should be compensated fully for their under-recoveries. The mechanism for financing under-recoveries on PDS Kerosene and Domestic LPG would involve the following:—
 - a. Periodic reduction in PDS Kerosene allocation,
 - b. Increase in prices of PDS Kerosene and Domestic LPG from time to time,
 - c. Mopping up a portion of the incremental revenue accruing to ONGC/OIL from production in those blocks, which were given by the Government on nomination basis.
 - d. Providing cash subsidy from the Budget to meet the remaining gap.

- (c) No, Sir.
- (d) Does not arise.
- (e) The Government has not taken a decision on the implementation of the Expert Group's recommendations.

Shortage of LPG in Bihar

1325. SHRI RAJNITI PRASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that consumers of LPG of State-run oil marketing companies have to wait for days to get the LPG refills;
- (b) whether Government is aware of newspaper reports that consumers are agitating in different towns of Bihar because they are not getting the refills on time;
- (c) if so, the reasons therefor; and
- (d) what steps are being taken by Government to ensure timely supply of LPG refills to the customers?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) to (d) Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG in the country including the State of Bihar and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of customers registered with the LPG distributors.

OMCs have reported that they have supplied 259 TMT of domestic LPG in the State of Bihar between April, 2009 and January, 2010 as against 230.64 TMT domestic LPG during the corresponding period of last year, showing a growth rate of 12.29%.

OMCs have reported that they have instructed their LPG distributors to effect LPG refill supplies to genuine customers within forty eight hours from the date of booking, under normal circumstances. However, delay in refill supplies may occur in the event of backlog due to non-availability of filled LPG cylinders with the distributors for unavoidable reasons such as prolonged intense fog, bulk shortage and delays in rail as well as road movements of LPG.

Whenever OMCs receive complaints on deliberate delay in refill supplies, these are investigated. If the complaints is established, action is taken against the erring LPG distributor in accordance with the provisions of the Marketing Discipline Guidelines (MDG).

Consultant for evolving pricing formula for KG Basin crude oil

1326. SHRI A. ELAVARASAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Government has decided to appoint a global consultant to evolve a pricing formula for crude oil produced at KG fields;