

China on 12-13 January, 2006, GAIL signed Memorandum of Understanding (MoU) with three companies in China, namely, China Petrochemical Corporation (Sinopec), CNOOC International Limited (subsidiary of China National Offshore Oil Corporation) and Beijing Gas Group Company Limited (Beijing Gas).

The MoU mainly focus on cooperation in the areas of Exploration and Production (E&P), Liquefied Natural Gas (LNG) Sourcing, Piped Natural Gas (PNG) & Compressed Natural Gas (CNG), City Gas use for Heating & Cooling, Research & Development (R&D), Training and other gas sector projects of mutual interest.

Through the MoUs signed with Sinopec and CNOOC, GAIL will jointly explore international E&P opportunities, LNG sourcing, participation in LNG projects, etc. with these Chinese National Companies. GAIL and Beijing Gas would cooperate and jointly participate in CNG and PNG projects.

#### **Subsidy on LPG cylinder**

3286. DR. NARAYAN SINGH MANAKLAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the domestic LPG cylinders have been subsidised;
- (b) if so, the details of subsidies and the rationale behind this;
- (c) whether the number of LPG connections has been increased over the years;
- (d) if so, the details thereof during the last three years, rural and urban area-wise;
- (e) whether increase of LPG users means higher subsidies; and
- (f) if so, the alternatives to deal with the situation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir.

(b) LPG being clean and environment friendly fuel, the Government has tried to promote its consumption. Hence the retail selling prices of domestic LPG have not been revised in line with the international prices.

The detail of subsidies given on domestic LPG during the year 2005-06 are given below:—

	From Govt. Budget	Per Unit Subsidy (Rs./Cyl.) By Oil Companies	Total
2005-06(Estimated)	22.58	152.46	175.04

(c) Yes, Sir.

(d) The details of rural and urban area-wise number of LPG connections during the last three years are given below:—

(Fig. in lakhs (Prov.)

As on	Urban	Rural	Total
2003-04	652.37	119.45	771.82
2004-05	703.42	141.50	844.92
2005-06	690.33	195.40	885.74

(e) Yes, Sir.

(f) The public sector oil marketing companies have started strict scheduling and monitoring of domestic LPG supplies to their distributors since June, 2004 so that subsidised domestic LPG supplies are made to only genuine customers.

The oil & gas companies are also implementing supply of piped gas in selected cities to reduce the dependence on LPG.

### Supply of Gas to Power Units

3287. SHRI NANDI YELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the State Government of Andhra Pradesh have requested Union Government to charge present supply of 0.57 MMSCMD Gas from Ravva Satellite Fields to Power utilities in Andhra Pradesh at APM price of Rs. 3,200/MCM only and not at the rate of free market price of Rs. 5,840/MCM, as this supply falls within the maximum entitlement of APM Gas;

(b) whether Government would assure of taking an expeditious favourable decision in this regard to save power projects from recurring