

wells approved for drilling upto March, 2012 as per the Field Development Plan (FDP). In addition, five out of total 18 gas producing wells in D1 and D3 fields have ceased to produce gas due to water loading/sand ingress in the wells. One oil/gas producing well in MA field out of 6 oil/gas producing wells has ceased due to water loading. The Contractor has expressed inability to firm up appropriate drilling locations on plea of geological complexities. DGH has not agreed to the Contractor's contention and asked the Contractor to comply with the approved FDP by drilling more number of gas producing wells in D1 and D3 gas fields and achieved the FDP approved gas Production Profile.

Benefits of dismantling of APM

1505. DR. T.N. SEEMA:

SHRI P. RAJEEVE:

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

- (a) the reasons for dismantling Administered Price Mechanism (APM) of petroleum products;
- (b) whether this move has benefited the common man;
- (c) if so, the details thereof; and
- (d) the number of times the price of petrol has risen since APM was dismantled on 26 June, 2010?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH): (a) to (c) With effect from 1.4.2002, the Administered Pricing Mechanism (APM) for petroleum products was dismantled and it was decided that the prices of all petroleum products, except PDS Kerosene and Domestic LPG, would be market-determined. The primary objective behind the reforms undertaken by the Government was the growing imperative for fiscal consolidation, the need for reducing the subsidy burden on petroleum products so as to allocate more funds to social sector schemes for the common man, and for ensuring country's energy security in the long term. However, in view of the steep increase and high volatility in the international oil prices since 2004-05, the Government started modulating the Retail Selling Prices (RSPs) of the four sensitive petroleum products; namely Petrol, Diesel, PDS Kerosene and Domestic LPG sold by the three Public Sector Oil Marketing Companies (OMCs) to protect the consumer from the inflationary impact of international oil prices.

In the light of the recommendations made by the Expert Group set up to advise on a viable and sustainable system of pricing of petroleum products under the Chairmanship of Dr. Kirit S, Parikh, the price of Petrol has been made market-determined with effect from 26.6.2010

- (d) The details of revision in RSP of Petrol at Delhi since 26.06.2010 are given in Statement.

Statement*Revision of Petrol Prices since 26.6.2010*

Sl. No.	Date	RSP (Rs. per litre)	Increase	Reason for Increase
	25.06.2010	47.93	-	RSP as on 25.6.2010
1.	26.06.2010	51.43	3.50	Increase in Basic Price
2.	01.07.2010	51.45	0.02	Increase in Siding and Shunting Charges
3.	08.09.2010	51.56	0.11	Increase in Dealer's commission
4.	21.09.2010	51.83	0.27	Increase in Basic Price
5.	17.10.2010	52.55	0.72	Increase in Basic Price
6.	02.11.2010	52.59	0.04	Increase in Siding and Shunting Charges
7.	09.11.2010	52.91	0.32	Increase in Basic Price
8.	16.12.2010	55.87	2.96	Increase in Basic Price
9.	15.01.2011	58.37	2.50	Increase in Basic Price
10.	15.05.2011	63.37	5.00	Increase in Basic Price
11.	01.07.2011	63.70	0.33	Increase in Siding and Shunting Charges and Dealer's commission
12.	16.09.2011	66.84	3.14	Increase in Basic Price
13.	04.11.2011	68.64	1.80	Increase in Basic Price
14.	16.11.2011	66.42	-2.22	Reduction in Basic Price
15.	01.12.2011	65.64	-0.78	Reduction in Basic Price
		65.64		Current RSP at Delhi

Note - Price as per IOCL at Delhi

Validity of price approved under NELP-PSCs

1506. SHRI A. ELAVARASAN: Will the MINISTER OF PETROLEUM AND NATURAL GAS be pleased to state:

(a) the period prescribed under New Exploration Licensing Policy (NELP) Production Sharing Contracts (PSCs) for which a price once approved will remain valid;

(b) under which provision of the PSC Government decided that the price approved for KG-D6 gas had to remain valid for five years;

(c) what is meant by arms length sales in the region under the PSC; and

(d) whether in the event of change in arms length prices in the region at any point, whether PSC prices would reflect the changed prices?