

ONGC has procedures for decommissioning old pipelines and do have Disaster Management Plan (DMP).

All installations of ONGC are Quality Health Safety Environment (QHSE) certified as per latest International standards. DMP including pipeline leakage is already available for any emergency at local level, regional level and corporate level which is integrated with National DMP. All actions as per DMP have been followed and complied with.

Revenue Divisional Officer, Nagapattinam has fixed compensation of Rs. 47,250/- per acre, in consultation with the Agriculture Department, and the same was paid to the 12 affected land owners, to the tune of Rs. 6,43,058/- on 12.11.2012. Steps are also taken to restore the land by Bio-remediation which will quickly mitigate non cultivation of land due to the spill.

#### **Capping of crude oil price sold by PSC contractors**

1173. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has capped the price of gas being sold by Production Sharing Contract (PSC) contractors at \$ 4.2 per mmbtu until 2014;

(b) the reduction in subsidy on LPG, kerosene and diesel if the price of crude were capped at \$ 50 a barrel; and

(c) the reasons for Government not capping the price of crude oil being produced by PSC contractors at \$ 50?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) Reliance Industries Limited (RIL), Operator of the block KG-DWN 98/3, had submitted a price proposal for approval of the Government. Empowered Group of Ministers (EGoM) was constituted to consider issues related to gas pricing under New Exploration Licensing Policy (NELP) regime on utilization of gas. On 12.9.2007, the EGoM approved the price formula for the gas produced from KG-DWN-98/3 block valid for 5 years from the date of commencement of supply. Based on the approval of EGoM, the current gas price works out to be US \$ 4.2 per mmbtu at crude price greater or equal to US \$ 60 per barrel. As per available information the prices of different gases are annexed.

(b) We import more than 80% of our crude oil requirement at international prices. The domestic crude procured from PSC contractors is governed by contractual price of PSCs.

(c) The price of crude oil produced under Production Sharing Contract (PSC) regime is determined as per the provisions of relevant PSC.

#### **Subsidies on petroleum products**

1174. SHRIMATI KUSUM RAI:

SHRI PRABHAT JHA:

SHRI ARVIND KUMAR SINGH:

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

(a) the details of subsidy in rupee being borne on petrol, diesel and LPG by oil marketing companies during the last three years and the current year, year-wise, company-wise, and product-wise; and

(b) the amount of the subsidy likely to be curtailed due to restriction on subsidized LPG cylinders and unprecedented price hike in diesel recently?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) The Government provides fiscal subsidy of Rs. 22.58 per 14.2 kg. cylinder on Domestic LPG under the "PDS Kerosene and Domestic LPG Subsidy Scheme, 2002". In addition to this, the Government is modulating the retail selling prices of Diesel PDS Kerosene and Domestic LPG in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, resulting in incidence of under-recovery to the Public Sector Oil Marketing Companies (OMCs) on sale of these products. The year-wise, product-wise and company-wise details of the subsidy given by the Government and under-recovery incurred by the OMCs during last three years and April-September, 2012 are given in Statement (*See below*).

(b) With the decisions taken by the Government with regard to capping of Domestic Subsidized LPG cylinders to 6 cylinders per annum and increase in price of Diesel by Rs. 5.00/litre (including excise duty of Rs. 1.50/litre), the OMCs under-recovery was expected to be reduced by Rs. 20,300 crore during 2012-13.