Compliance with the directions of High Court of Delhi

3028. SHRI AVINASH RAI KHANNA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether in a writ petition (C) 17451/2005 titled as Sunil Bansal *v/s* Union of India and Others, decided on 8 August, 2007 in which High Court of Delhi has given directions to Government;

(b) if so, whether Government and Oil Companies have been complying with these directions, if not, the reasons therefor; and

(c) whether it is a fact that Government has received representation that the Oil Companies are not following the directions of the Court, if so, the reaction of Government on this ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) to (c) Yes, Sir. Public Sector Oil Marketing Companies namely; Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have reported that the directions given by the Hon'ble High Court of Delhi are complied with. IOCL has confirmed compliance of the directions of the Hon'ble Court quoted in the representation sent to the Government.

Increase in prices of LPG and kerosene

3029. SHRI PANKAJ BORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government proposes to raise LPG cooking gas cylinder and kerosene prices per month to wipe out the subsidy; and

(b) if so, the details of the proposal of Government ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) No, sir.

(b) Does not arise.

Capping of price of gas sold by PSC contractors

3030. SHRI SALIM ANSARI: 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 dollar per MMBTU;

(b) if so, what would be the reduction in subsidy on LPG, kerosene and diesel if the price of crude were also capped at 50 dollar a barrel; and

(c) the reasons why Government does not cap the price of crude oil being produced by PSC contractors at 50 dollar in public interest ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) The price of gas produced from the fields operated by the companies under Pre-NELP regime is determined in accordance with the provisions made in the respective Production Sharing Contracts (PSCs).

The existing formula approved by the Government in 2007 for gas produced under New Exploration Licensing Policy (NELP) is:

SP (USD/mmbtu) = 2.5 + (CP-25)^0.15

Where, SP=Sales price/mmbtu [Net Heating Value (NHV) basis]; CP=Average price of Brent crude oil in US$/barrel for previous financial year.

The cap for Brent Crude Price in the formula would be frozen at US $ 60 per barrel.

The price arrived at on the basis of above formula is US$ 4.20/MMBTU.

The Government notified the Domestic Natural Gas Pricing Guidelines, 2014 on 10.1.2014, which envisaged revised gas prices to become applicable from 1st April, 2014. The price notification based on new guidelines required collecting data from various domestic and international sources. Meanwhile, the schedule for Lok Sabha elections 2014 was announced and Model Code of Conduct for the Guidance of the Political Parties and Candidates came into effect with effect from 5.3.2014. The Election Commission *vide* its letter dated 24th March, 2014 deferred the notification of gas price till the end of the election process. Accordingly, the revision of prices as per the Domestic Natural Gas Pricing Guidelines, 2014 was deferred by the Government *vide* order dated 28th March, 2014.

The Government subsequently considered gas price issue in the CCEA meeting held on 25th June, 2014 and decided that the whole issue of gas pricing needs comprehensive re-examination. Accordingly, it was decided that the Domestic Natural Gas Pricing Guidelines, 2014 will be kept in abeyance up to 30.09.2014 and till that time, the domestically produced gas would continue to be priced at the rate prevailing on 31.03.2014.

(b) and (c) The Public Sector Oil Marketing Companies (OMCs) pay Trade Parity Price (TPP) for purchase of diesel and Import Parity Price (IPP) for purchase of PDS

kerosene and domestic LPG from refineries. The TPP / IPP are determined based on the price of respective product in the international market and are not related to the price of crude oil. Moreover, the price of crude oil produced by the domestic producers under PSCs cannot be capped under the terms of the contract.

Setting up of LNG importation terminal in Andhra Pradesh

3031. SHRI MOHD. ALI KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Gas Authority of India Limited (GAIL) has joined hands with the State Government of Andhra Pradesh for setting up of an LNG importation terminal, initially Floating Storage and Re-gasification unit (FSRU) along the State's expansive sea coast; and

(b) if so, the details thereof and the present position thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) Yes, Sir. The Floating Storage and Re-gasification Unit (FSRU) project is being contemplated by Andhra Pradesh Gas Distribution Corporation (APGDC), a joint venture company of GAIL Gas Ltd. and Andhra Pradesh Gas Infrastructure Corporation Ltd. (APGIC) in Kakinada, in collaboration with GDF, Suez and Shell wherein APGDC will have 48% equity and GDF Suez and Shell will hold 26% equity each. The capacity of the re-gasification unit would be about 3.5 MMTPA. The Pre-Front End Engineering and Design (FEED) of this project is being coordinated by APGDC in collaboration with GDF Suez.

Oil and gas discoveries under NELP

3032. SHRI A.U. SINGH DEO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the number of oil and gas discoveries made and hydrocarbons reserves added during the last three years under the New Exploration and Licensing Policy (NELP);

(b) the projected exploration and production of oil and natural gas likely to be achieved during the next three years;

(c) whether the country is lagging behind in exploration and production of oil and natural gas as compared to the other developed/developing countries;

(d) if so, the details thereof along with the reasons therefor; and

(e) the corrective action taken by Government in the matter including steps initiated to achieve self-sufficiency in the production of oil and natural gas ?