

and Import Parity Price (IPP) for purchase of PDS Kerosene and Domestic LPG from refineries. The retail selling price of these products is calculated by taking into account the following elements:

- (i). Price paid to refinery
- (ii). Inland freight up to the market
- (iii). LPG bottling cost
- (iv). Marketing Cost & Margin
- (v). Dealers/Distributors commission
- (vi). Excise duty
- (vii). VAT and local levies

However, in order to insulate the common man from the impact of rise in international oil prices and the domestic inflationary conditions, the Government continues to modulate the retail selling price of Diesel sold in retail, PDS Kerosene and Subsidized Domestic LPG and their prices have not been increased in line with changes in the international market. Based on the refinery gate price effective 1.7.2014, the OMCs are currently incurring under-recoveries of ₹ 3.40/litre on Retail Diesel, ₹ 33.07/litre on PDS Kerosene and ₹ 449.17/cylinder on Subsidized Domestic LPG.

(b) The OMCs have reported that the assessment of requirement of LPG in the country is made on annual basis for planning the imports as indigenous production of LPG is less than the demand. The projected demand is monitored on regular basis and necessary changes in the projections are made based on the prevailing sales trend, change in policies or any other factor which may influence the demand. Action is taken accordingly to meet any fluctuation in demand of LPG due to such factors.

The OMCs have further reported that they are meeting the demand of customers registered with them. However, sporadic instances of generation of backlog occur in some markets, due to reasons beyond their control like strikes/agitations by contract labours/transporters/trade unions etc., may occur. The same is met by augmenting supplies to the affected markets and by operating the bottling plants on Sunday/holidays.

With the implementation of capping scheme, it has been decided that each beneficiary will be entitled to 12 subsidized LPG cylinders per annum with effect from 1.04.2014.

#### **Domestic production of natural gas**

\*52. DR. BHALCHANDRA MUNGEKAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what was the proportion of the State and the private sector in the domestic production of natural gas during the last three years, ending 31st March, 2014;

(b) whether the Ministry has any role in determining the price of natural gas produced by private sector; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) The break-up of natural gas production by public sector companies and private/JV companies during last three years from 2011-12 to 2013-14 is given as under:

	2011-12	2012-13	2013-14
Public Sector (MMSCMD)	71.1	71.8	71
Private/JV (MMSCMD)	59.2	39.7	26
TOTAL	130.3	111.5	97
% Share of Private/JV	45.4%	35.6%	26.8%

*SOURCE:* DGH

(b) and (c) Natural gas price for Private/Joint Venture Sector are governed as per the provisions of the Production Sharing Contract (PSC). Different Production Sharing Contracts have different provisions for natural gas pricing. Exploration blocks awarded under New Exploration Licensing Policy (NELP) require that the formula/basis on which the prices are determined shall be approved by the Government in accordance with Article 21 of the PSC. The blocks awarded under pre-NELP PSC regime have different provisions which vary from PSC to PSC. Accordingly, role of the Government for gas price approval varies in accordance with the provisions made in the respective PSCs.

#### **Volumetric decline in natural gas production**

\*53. SHRI PANKAJ BORA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that India, the fourth largest energy consumer globally, recorded the largest volumetric decline in natural gas production and consumption last year;

(b) whether it is also a fact that natural gas production in the country fell a massive 16.3 per cent to 33.7 billion cubic metre from 4.3 bcm in previous year; and

(c) if so, the special measures being taken by the Government in this regard and if not, the reasons therefor?