

pricing of Petrol in line with the international oil prices and market conditions. Also, in order to reduce under-recovery on sale of Diesel and in pursuance of the decision taken by the Cabinet Committee on Political Affairs, the Government on 17.01.2013 has authorized the OMCs to (a) increase the retail selling price of Diesel in the range of 40 paise to 50 paise per litre per month (excluding VAT as applicable in different State/Union Territories) until further orders; and (b) sell Diesel to all consumers taking bulk supplies directly from the installations of the OMCs at the non-subsidized market determined price. Also effective 14th September, 2012, the Government decided to cap the supply of Subsidized Domestic LPG cylinders for each domestic LPG consumer to 6 cylinders (of 14.2 Kg) per annum, which was subsequently increased to 9 and to 12 cylinders on 17th January 2013 and 30th January, 2014 respectively.

However, there has been no increase in basic price of PDS Kerosene and Subsidized Domestic LPG since June, 2011. Further, 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 (RSP) of Diesel (in retail), PDS Kerosene and Subsidized Domestic LPG, resulting in incidence of under-recovery to the OMCs. Based on the Refinery Gate Price (RGP) effective 1st July, 2014, the Government is providing a total subsidy of ₹ 33.89/litre on PDS Kerosene and ₹ 471.75/ cylinder (14.2 kg) on Subsidized Domestic LPG.

At present, there is also no proposal before the Government for deregulation of Natural Gas Price.

#### **Cost of production of crude oil**

853. SHRI M.P. ACHUTHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

- (a) the cost of production of crude oil in the country;
- (b) the cost of processing crude oil; and
- (c) the sale price of diesel, petrol, LPG and kerosene and the tax portion in each case ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) The average cost of production of crude oil by Oil and Natural Gas Corporation Ltd. (ONGC) (excluding JVs) and Oil India Ltd. (OIL) during last three years is as under:

*Cost of Production (USD/bbl)*

Year	ONGC	OIL
2011-12	38.37	29.18
2012-13	40.10	28.62
2013-14	35.68#	27.03

# Cost data for FY 2013-14 is provisional and under finalization and cost audit.

Under the Production Sharing Contract (PSC) regime, the total cost of production of crude oil *vis-à-vis* operating cost (including processing cost) in major oil producing fields during the last three years (2010-11 to 2012-13), based on the annual audited accounts, are as under:

Field /Block Name	(in US\$/bbl including levies)		
	Total Cost of Production		
	2010-11	2011-12	2012-13
Ravva	11.12	12.47	11.91
Panna-Mukta	18.84	16.64	17.23
RJ-ON-90/1	33.28	37.58	41.20

Refining of crude oil is a process industry where crude oil constitutes around 90% of the total cost. Crude oil is processed through several processing units such as Crude Distillation Unit (CDU), Vacuum Distillation Unit (VDU), Lube Catalytic Cracking Unit (FCC), Hydrocracker, Coker unit, Lube unit etc. Each of these units produces intermediate product streams, which require extensive reprocessing and blending. Finished petroleum products are produced from a blend of various intermediate streams and hence, production cost is not assigned to individual refined products.

(c) The sale price of diesel, petrol, LPG and kerosene and the tax portion in each case are given in the Statement.

**Statement**

*Breakup of Tax included in retail Selling Prices of Major Petroleum Products, at Delhi as on 1.7.2014*

Elements of RSP	Effective Date/ Product 1.7.2014
	Petrol (₹/Litre)
1	2
Price excluding taxes	50.90
Customs duty	0.95
Excise duty	9.48
VAT and Other local levies	12.27
TOTAL TAXES	22.70
RSP at Delhi	73.60
	Diesel (₹/Litre)
Price excluding taxes	46.64
Customs duty	0.96
Excise duty	3.56
VAT and Other local levies	6.68
TOTAL TAXES	11.20
RSP at Delhi	57.84
	PDS Kerosene (₹/Litre)
Price excluding taxes	14.25
Customs duty	-
Excise duty	-
VAT and Other local levies	0.71
TOTAL TAXES	0.71
RSP at Delhi	14.96

1	2
	Subsidized Domestic LPG (₹/Cylinder)
Price excluding taxes	414.00
Customs duty	-
Excise duty	-
VAT and Other local levies	-
TOTAL TAXES	-
RSP at Delhi	414.00

#### Damage caused by blast in gas pipeline in A.P.

854. DR. T. N. SEEMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether many people were killed and injured in a fire following a blast in a gas pipeline belonging to Gas Authority of India Limited in Nagaram village of Andhra Pradesh's East Godavari district recently;

(b) if so, the details thereof;

(c) whether Government is aware that in a radius of almost half a kilometer in Nagaram, the gigantic flames scorched everything including houses and plantations; and

(d) the steps taken by Government to prevent recurrence of such incidents in future and to ensure replacement of the damaged and rusted pipelines passing through the village and other areas in the district ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) and (b) Yes, Sir. 21 persons were killed and 18 others were injured in the fire and blast that took place in GAIL's Tatipaka-Kondapalli gas pipeline near Tatipaka terminal in East Godavari District of Andhra Pradesh on 27.6.2014.

(c) The maximum impact of fire was towards North side of the accident spot where trees, crops and properties in the range of 250-300 meters were damaged. In other directions the range of damage was 30-100 meters from the accident spot.

(d) In order to ensure safety and security of gas pipelines, various measures are already in place which are being carried out regularly. These include periodical internal