

Review of gas pricing formula in KG Basin

1250. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has reduced the gas pricing formula as compared to its previous formula, if so, the details thereof;

(b) whether the ONGC has requested Government to review the new gas pricing formula in KG Basin which is termed as non-viable to carry out its discoveries in KG Basin;

(c) the response of Government to the request of ONGC; and

(d) the stand of Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) The price of domestically produced natural gas is fixed by PPAC every six months as per New Domestic Gas Pricing Guidelines 2014. As per the approved formula price of domestically produced natural gas is linked to the price of natural gas at four important hubs/markets. Price of domestically produced natural gas increases or decreases every six months depending on the increase or decrease in prices at concerned hubs/markets.

(b) to (d) ONGC along with other operators had requested for review of applicable pricing mechanism for gas produced from its block KG-DWN-98/2. Considering the requests from the oil and gas operators Government has decided to grant Marketing (including pricing freedom) to the discoveries made in the Deepwater, Ultra Deepwater and High Pressure High Temperature areas which have not gone on production as on 1.1.2016 and also to the discoveries which are to be made in future in such areas. This freedom would be subject to a ceiling price on the basis of landed price of alternative fuels. In case of existing discoveries which are yet to commence commercial production as on 1.1.2016, if there is pending arbitration or litigation filed by the contractors directly pertaining to gas pricing covering such fields, this policy guideline shall be made applicable only on the conclusion/withdrawal of such arbitration/litigation and attendant legal proceedings.

Ending subsidy of well-off people

1251. SHRI P. L. PUNIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Ministry plans to end subsidy on LPG for those with annual income above ₹ 10 lakh;