

Natural Gas Corporation Limited (ONGC) identified fifty blocks in four basins *viz.* Assam, KG, Cauvery and Cambay basin and Oil India Limited (OIL) identified six blocks in two basins *viz.* Jaisalmer and Assam basins for exploration and exploitation of Shale gas and oil.

(c) to (e) OIL and Indian Oil Corporation Limited (IOCL) have acquired 20% and 10% Participating Interest (PI) respectively in a liquid rich shale gas project in the Denver-Julensburg (D-J) Basin in Colorado, United States of America (USA). Gas Authority of India Limited (GAIL) has also acquired 20% Pi in Carrizo in Eagle Ford Shale play, USA.

**Assessment of prices of natural gas produced in the country**

449. SHRI NARAYAN LAL PANCHARIYA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has made any assessment of revising the formula to determine the price of natural gas produced in the country;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether Government has been successful in maintaining a fine balance between the profitability of the companies producing natural gas and insulate common man from undue burden of rise in prices of natural gas during the revision of the said formula;

(d) if so, the details thereof and if not, the reasons therefor; and

(e) the other steps taken/being taken by Government in this direction?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) to (e) At present, no proposal is under consideration of Government to make assessment for revising the domestic natural gas pricing formula notified on 25th October, 2014. The domestic natural gas pricing guidelines, 2014 were approved by the Government after detailed deliberation including Rangarajan Committee Report and Report of Committee of Secretaries on this subject matter and inter-ministerial consultation.

The domestic natural gas pricing guidelines, 2014 is formula based and has been

worked out considering the volumes and prices prevailing at major international markets such as Henry Hub, National Balancing Point, Alberta and Russia. The formula has been finalized considering the requirements of producing and consuming sectors, and had tried to make a fine balance between their interests. The prices are notified every six month in accordance with said guidelines.

To incentivize additional production of natural gas, Government vide Notification dated 21st March, 2016 granted marketing including pricing freedom on natural gas produced from Deep water, Ultra deep water and High Pressure-High Temperature areas subject to ceiling price based on landed price of alternate fuels. Further, Government has also granted marketing and pricing freedom for sale of natural gas under Discovered Small Field Policy, Hydrocarbon Exploration and Licensing Policy and Coal Bed Methane (CBM) contracts. In addition, Government *vide* Notification dated 28th February 2019 granted marketing and pricing freedom to those new gas discoveries whose Field Development Plan (FDP) will be approved for the first time after the Notification.

#### **Cracker and Petrochemical Complex at Kakinada, Andhra Pradesh**

450. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that Government is establishing a Cracker and Petrochemical Complex at Kakinada, Andhra Pradesh under AP Reorganisation Act;
- (b) if so, the details thereof; and
- (c) the present status of this project and whether a decision has been taken about the viability gap funding?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI DHARMENDRA PRADHAN): (a) to (c) Government of Andhra Pradesh (GoAP), GAIL India Limited (GAIL) and HPCL signed a MoU on 27th January, 2017 at Vishakhapatnam for the Petrochemical Complex with an estimated cost of ₹ 32901 crore at Kakinada, Andhra Pradesh. Feasibility study has been carried out for the project. Oil Public Sector Undertakings (PSUs) have indicated to the GoAP that Viability Gap Funding is necessary to make the project viable. GoAP has requested Government of India (GoI) to fund the Viability Gap for this Project. Ministry of Petroleum and Natural Gas has conveyed