

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2411
ANSWERED ON:30.08.2007
BIDDING PROCESS ON NATURAL GAS PRICING
Mondal Shri Abu Ayes

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government is following the competitive bidding process in the matter of fixing the price of natural gas;
- (b) if so, whether valuation of anticipated gas stocks are taken into account; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): At present, two gas price regimes prevail in the country – one for gas produced from nomination fields of ONGC and OIL, called the APM regime. The second regime provides for market related pricing, which is applicable to gas produced from Production Sharing Contracts (PSC) by Joint Venture/Private companies and for Regasified LNG.

As per the Production Sharing Contract (PSC) signed by the Government under the New Exploration Licensing Policy (NELP), the operators have the freedom to market the gas in the domestic market on arms length basis. Government does not fix price of gas. The role of the Government is to approve the valuation of gas for the purpose of determining Government take.