

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

UNSTARRED QUESTION NO:74  
ANSWERED ON:02.07.2009  
RISE IN SALE PRICE OF NATURAL GAS  
Hegde Shri Anant Kumar;Sharma Shri Jagdish

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

- (a) whether Government propose to raise the sale price of natural gas in the country;
- (b) if so, the details thereof and the criterion evolved for effecting price hike; and
- (c) the formula adopted at present to determine the sale price of natural gas in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a): The Government has no proposal under consideration now for increase in price of natural gas.

(b): Does not arise.

(c): The price of Administered Price Mechanism (APM) gas was last revised w.e.f 1.7.05 by the Government; it was fixed as Rs.3200/mscm (thousand standard cubic metres) on an adhoc basis. As regards the gas from New Exploration Licensing Policy (NELP) fields, prior approval of Government has to be obtained for the formula or the basis on which price is fixed. The price of gas produced under pre-NELP contracts is determined in terms of the provisions of the Production Sharing Contract (PSC) signed between Government and Joint Venture Consortium. Price of Liquefied Natural Gas (LNG) imported under term contracts is governed by the Sale Purchase Agreement (SPA) between the LNG seller and the buyer; spot LNG cargoes are purchased on mutual agreeable commercial terms.