



RESULTS-FRAMEWORK DOCUMENT

(R F D)

For

Ministry of Petroleum and Natural Gas

(For April 2010 - March 2011)

SECTION 1:

Vision, Mission, Objectives and Functions

Vision: To address India's energy security needs in the hydrocarbons sector and to ensure availability of petroleum products at reasonable prices.

Mission:

- (i) To accelerate domestic Exploration & Production (E&P) of hydrocarbons as well as equity oil & gas abroad.
- (ii) To develop the hydrocarbon sector through technology upgradation and capacity building in production, refining, transportation and marketing sectors.
- (iii) To develop supply and distribution infrastructure for petroleum products, to serve the needs of the economy, including households.
- (iv) To enhance service standards and to maximize customer satisfaction.
- (v) To promote fuel conservation and development of alternate, clean & green fuels.

Objectives:

- (i) To increase exploration coverage through the New Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM) Policy
- (ii) To accelerate monetization of new oil and gas discoveries
- (iii) To enhance production of crude oil & natural gas.
- (iv) To maintain self-sufficiency and enhance export capability in petroleum products through enhancement in refining capacity and technological upgradation of refineries.
- (v) To encourage the use of Natural Gas in the economy.
- (vi) To make available quality fuels at reasonable prices.

- (vii) To improve consumer services through better retailing practices and competition.
- (viii) To promote conservation of petroleum products.
- (ix) To develop alternate, green and clean fuels.

Functions:

- (i) Exploration and production of liquid and gaseous hydrocarbons;
- (ii) Import and export, production/refining, supply, distribution, marketing, conservation and pricing of petroleum, including natural gas, Coal Bed Methane and petroleum products;
- (iii) Administration of various acts on the subjects allocated to the Ministry and the rules made there under, such as :
 - a) The Oil Fields (Regulation and Development) Act, 1948 (53 of 1948),
 - b) The Oil and Natural Gas Commission Act, 1959 (43 of 1959),
 - c) The Petroleum & Minerals Pipelines (Acquisition of right of User in Land) Act, 1962 (50 of 1962),
 - d) The Oil Industry (Development) Act, 1974 (47 of 1974),
 - e) Administration of the Petroleum Act, 1934 (30 of 1934) and
 - f) Petroleum & Natural Gas Regulatory Board Act, 2006 etc.
- (iv) Safety and Security of Oil Installations across the country
- (v) Development of pipelines for the transportation of crude oil, gas and petroleum products across the country.
- (vi) Blending, marketing, distribution and retailing of bio-fuels and its blended products.
- (vii) Planning, development and supervision of and assistance to, all industries dealt with by the Ministry.

SECTION 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
1. Increase in exploration coverage	0.22	1. Offering of Exploration blocks under 9 th round of NELP & Award of Blocks	Offering of blocks in NELP-IX bidding round in the year	Date	30	15.10.10	31.10.10	15.11.10	30.11.10	15.12.10
			Award of NELP-IX Blocks	Date	40	31.03.11	-	-	-	-
		2.Area offered for Exploration as percentage of Indian sedimentary basin area of 3.14 million sq. km.	Achievement of offered area	%	30	5.0	4.5	4.0	3.5	3.0

2.New policy initiatives for E&P sector	0.10	Simultaneous operations of CBM gas along with crude oil & natural gas	Finalization of Policy	Date	50	31.03.11	-	-	-	-
		Simultaneous operations of CBM gas and coal mining.	Finalization of Model Co-Development Agreement	Date	50	31.03.11	-	-	-	-
3. Making the four sensitive petroleum products viz. Petrol, Diesel, PDS Kerosene and Domestic LPG available at reasonable prices	0.10	To modulate retail prices as also to ensure the financial health of the public sector oil marketing companies through compensation of their price under-recoveries, if any	Submission of a note for CCEA/ CCPA on pricing of sensitive petroleum products and burden sharing mechanism.	Date	40	30.06.10	31.07.10	31.08.10	30.09.10	31.10.10

		Processing the claims for budgetary subsidy under the schemes on “PDS Kerosene and Domestic LPG Subsidy Scheme, 2002” and “Freight Subsidy (For Far Flung Areas) Scheme, 2002”	Percentage of budgetary allocation utilized	%	60	More than 90%	More than 85%	More than 80%	More than 75%	More than 70%
4. Availability of clean fuels (MS and HSD)	0.10	Production of BS IV compliant MS and HSD	Completion of arrangements for ensuring product availability at Retail Outlets in 13 cities.	Date	30	01.06.10	01.07.10	01.08.10	-	-
		Production of BS III compliant MS and HSD	Completion of arrangements for ensuring product availability at Retail Outlets in rest of the country (i.e., excluding 13 cities).	Date	70	01.12.10	01.01.11	01.02.11	-	-

5. Providing Ministry's support to PSUs and subordinate offices	0.05	Review the performance of 9 major PSUs on a quarterly basis.	Number of Quarterly Performance Reviews (QPRs) held.	Number	100	35	34	33	32	31
6. To encourage use of Natural Gas	0.15	To increase consumption of natural gas in various sectors in the country	Quantity of natural gas in the country	mmscmd	50	180	170	160	155	150
		Commissioning of gas transportation capacity in the country	Gas transportation capacity in the country	mmscmd	30	280	270	260	250	240
		To process claims of subsidy for use of gas in North-East	Release of subsidy to OIL	Rs.(crore)	20	150	140	130	120	110

7. Ensuring availability of sensitive petroleum products across the country with effective marketing and distribution	0.10	Ensure availability of sensitive petroleum products	Volume of Petrol made available	MMT	17.5	13.01	12.63	12.25	11.89	11.53
			Volume of Diesel made available	MMT	17.5	58.74	57.03	55.32	53.66	52.05
			Volume of Kerosene made available	MMT	17.5	9.20	8.93	8.67	8.41	8.15
			Volume of LPG made available	MMT	17.5	13.49	13.10	12.70	12.32	11.95
		Review requirement of PDS Kerosene for States/UTs in view of expansion of LPG	Submission of a paper on rationalizing of PDS Kerosene allocation to States/UTs	Date	15	31.10.10	31.12.10	30.01.11	28.02.11	15.03.11
		Expanding the network of Domestic LPG to rural areas	Commissioning of Rajiv Gandhi Gramin LPG Vitarak Agencies	Number	15	600	500	400	300	200

8. To promote fuel conservation	0.05	Evaluation of public awareness campaigns to impart energy conservation tips to users in Industrial, transport, Domestic and Agriculture sectors.	Number of education programmes conducted	Number	60	2500	2400	2300	2200	2100
			Number of drivers trained under practical training programmes	Number	40	10000	9500	9000	8500	8000

SECTION 3:
Trend Values of the Success Indicators

Objective	Actions	Success Indicator	Unit	Actual value for FY 07/08	Actual value for FY 08/09	Target value for FY 09/10	Projected value for FY 10/11	Projected value for FY 11/12
1.Increase in exploration coverage	1. Offering of exploration blocks under 9 th round of NELP & Award of Blocks	Offering of blocks in NELP-IX bidding round in the year	Date	-	-	15.10.10	-	-
		Award of NELP-IX Blocks	Date	-	-	31.03.11	-	-
	2. Area offered for Exploration as percentage of Indian sedimentary basin area of 3.14 million sq. km.	Achievement of offered area	%	-	-	5%	-	-
2. New policy initiatives for E&P sector	Simultaneous operation of CBM gas with crude oil and natural gas in NELP blocks	Finalization of Policy	Date	-	-	31.03.11	-	-
	Simultaneous operations of CBM gas	Finalization of Model Co-Development	Date	-	-	31.03.11	-	-

	operator and coal mining operators.	Agreement						
3. Making the four sensitive petroleum products viz. Petrol, Diesel, PDS Kerosene and Domestic LPG available at reasonable prices	To modulate retail prices as also to ensure the financial health of the public sector oil marketing companies through compensation of their price under-recoveries, if any	Submission of a note for the CCEA/CCPA on pricing of sensitive petroleum products and burden sharing mechanism.	Date	-	-	30.06.10	-	-
	Processing the claims for budgetary subsidy on “PDS Kerosene and Domestic LPG Subsidy Scheme, 2002” and “Freight Subsidy (For Far Flung Areas) Scheme, 2002”.	Percentage of budgetary allocation utilized	%	-	-	More than 90%	-	-

4. Availability of clean fuels (MS and HSD)	Production of BS IV complaint MS and HSD	Completion of arrangements for ensuring product availability at Retail Outlets in 13 cities.	Date	-	-	01.06.10	-	-
		Completion of arrangements for ensuring product availability at Retail Outlets in rest of the country (i.e., excluding 13 cities).	Date	-	-	01.12.10	-	-
5. Providing Ministry's support to PSUs and subordinate offices	Review the performance of 9 major PSUs on a quarterly basis.	Number of Quarterly Performance Reviews (QPRs) held.	Number	-	-	35	-	-
6.To encourage use of Natural Gas	To increase consumption of natural gas in various sectors in the country	Quantity of natural gas in the country	mmscmd	105	140	170	175	185

	Commissioning of gas transportation capacity in the country	Gas transportation capacity in the country	mmscmd	170	250	280	280	300
	To process claims of subsidy for use of gas in North-East	Release of subsidy to OIL	Rs. (crore)	138	158	150	160	180
7. Ensuring availability of sensitive petroleum products across the country with effective marketing and distribution	Ensure availability of sensitive petroleum products	Volume of Petrol made available	MMT	11.24	11.92	13.01	13.39	14.19
		Volume of Diesel made available	MMT	51.73	54.31	58.74	59.88	62.87
		Volume of Kerosene made available	MMT	9.30	9.12	9.20	8.76	8.58
		Volume of LPG made available	MMT	12.34	12.71	13.49	13.60	13.89
	Review requirement of PDS Kerosene for States/UTs in view of expansion of LPG	Submission of a paper on rationalizing PDS Kerosene allocation to States/UTs	Date	--	11.02.10	31.10.10	31.12.11	31.12.12
	Expanding the network of Domestic LPG to rural areas	Commissioning of Rajiv Gandhi Gramin LPG Vitarak Agencies	Number	--	--	600	500	500

8. To promote fuel conservation	Evaluation of public awareness campaigns to impart energy conservation tips to users in Industrial, transport, Domestic and Agriculture sectors	Number of education programmes conducted	Number	2219	2846	2500	2500	2500
		Number of drivers trained under practical training programmes	Number	12840	10440	10000	10000	10000

SECTION 4:
Description and Definition of
Success Indicators and
Proposed Measurement Methodology

CBM	:	Coal Bed Methane
E&P	:	Exploration and Production
ECS	:	Empowered Committee of Secretaries
MMT	:	Million Metric Tonnes
NELP	:	New Exploration Licensing Policy
RS.	:	Rupees
PDS	:	Public Distribution System
MMTPA	:	Million Tonnes Per Annum
MMSCMD	:	Million Standard Cubic Meter Per Day
CCEA	:	Cabinet Committee of Economic Affairs
CCPA	:	Cabinet Committee of Political Affairs
LNG	:	Liquefied Natural Gas
MS	:	Motor Spirit
HSD	:	High Speed Diesel
LPG	:	Liquefied Petroleum Gas
OIL	:	Oil India Limited
MOP&NG	:	Ministry of Petroleum & Natural Gas
BS	:	Bharat Stage
Rs.	:	Rupees
ROs	:	Retail Outlets
QPRs	:	Quarterly Performance Reviews
PSUs	:	Public Sector Undertakings
PCRA	:	Petroleum Conservation Research Association

SECTION 5:

Specific Performance Requirements from other Departments

1. Ministry of Finance (MOF) and Ministry of Law & Justice's support is required in Empowered Committee of Secretaries (ECS) under NELP for finalization of the price bids and signing of Production Sharing Contracts.
2. Support of MOF, Ministry of Law & Justice and Ministry of Coal is required in Empowered Committee of Secretaries (ECS) under CBM for finalization of the price bids and signing of contracts.
3. Cabinet's approval of MoP&NG's note on pricing of the four sensitive petroleum products and the Burden Sharing Mechanism for 2009-10.
4. Ministry of Finance is required to issue cash assistance in a timely manner to compensate the under-recoveries of the public sector Oil Marketing Companies.

Minister
Ministry of Petroleum & Natural Gas

Secretary
Ministry of Petroleum & Natural Gas

Place:

Date:

