

287

No. P- 17024/8/1999-MKT
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhavan,
New Delhi, 3rd February, 2005

To

1. The C&MD,
ONGC / GAIL,
New Delhi.
2. President,
Reliance Industries Limited,
Mumbai.

Subject: Authorization to ONGC, GAIL and Reliance Industries Limited (RIL) for marketing of seasonally surplus LPG (higher than ILP number which OMCs are unable to uplift) from LPG producers (ONGC, GAIL and RIL).

Sir,

I am directed to say that LPG produced by ONGC, GAIL and RIL is at present being uplifted by oil marketing companies, namely, IOC, BPCL and HPCL as per Industry Logistic Plan (ILP) to meet domestic (PDS) demand. LPG being a deficit product in the country, all efforts are made to ensure that the product from indigenous sources is uplifted to the maximum possible extent. This includes holding of ILP meetings of industry members (producers as well as OMCs) and tabling the production of LPG Vs PDS demand on monthly basis; the gap between indigenous production and demand is met through term imports. However, despite careful planning, situation sometimes arises when LPG becomes seasonally surplus, for example, in lean demand season and/or actual production being more than ILP numbers.

2. To augment domestic availability, parallel marketeers have been allowed to import LPG and sell it in the country. The existing Government policy does not allow sale of indigenously produced LPG under the parallel marketing system (PMS). It is felt that there is a need to change the Government policy by allowing parallel marketeers to access domestically produced LPG of ONGC, GAIL and RIL to prevent the situation of seasonal surplus arising at times of lean LPG demand/higher than ILP production, as also to enable the producers to maximise their production and not be dependent on upliftment of LPG by OMCs alone. It would also help in preventing situations where indigenously produced LPG is being exported while LPG requirements under PMS is being imported resulting in criss cross movement apart from loss of foreign exchange to the nation.

Cont

286

3. In view of above, I am directed to state that ONGC, GAIL and RIL may market their seasonally surplus LPG (higher than ILP numbers and which OMCs are unable to uplift) through PMS or directly subject to the following conditions:

- (a) LPG demand of OMCs as per ILP Plan has to be fully met till 31st March, 2006. Director, PPAC will monitor the production of LPG and PDS demand and will give case-to-case approval for marketing of surplus LPG through PMS / directly by ONGC, GAIL and RIL.
- (b) The sale of bulk LPG would not be more than the 20% of total sale of LPG.
- (c) Provisions made in LPG (Regulation of Supply and Distribution) Order, 2000 dated 26th April, 2000 and LPG (Regulation of Use in Motor Vehicles) Order, 2001 dated 1st August, 2001 would be strictly adhered to for sale of LPG in domestic and non-domestic markets (bulk and auto).

4. The enabling notification / amendment under LPG Control Orders are being issued separately to facilitate the implementation of above decision.

Yours faithfully,

Nangia

(Pramo Nangia)
Director- Marketing
Tel. (011) -23385339

Copy to:-

- (i) C&MD, IOCL / BPCL / HPCL, New Delhi.
- (ii) Director, PPAC, New Delhi.

je

3/2/05

