

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

UNSTARRED QUESTION NO:3518
ANSWERED ON:26.04.2012
SETTLING OF GAS PRICE DISPUTE
Rajesh Shri M. B.

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

- (a) whether the Gas Authority of India Limited (GAIL) has placed any proposal before the Government for settling its gas price dispute with British Gas (BG) and Reliance;
- (b) if so, the details thereof;
- (c) whether the Government has approved the proposal and agreed to pay the settlement amount from Gas Pool Account; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N SINGH)

(a) & (b): Yes, Madam. Arbitration proceedings were initiated by M/s Reliance Industries Limited and M/s British Gas Exploration and Production India Limited (BGEPI) for the settlement of the higher price for PMT JV gas due for revision as per the Production Sharing Contract for the period from 26.6.2004 for Tapti fields and from 6.2.2005 for Panna Mukta fields till the date of revision of gas prices with effect from 1.4.2005. Based on the negotiation, Arbitration Settlement (Consent Terms) was agreed upon by the parties. As per the broad contours of the settlement proposal, GAIL shall pay USD 3.86/MMBTU during the relevant period against the invoiced gas price of USD\$ 4.69/MMBTU to USD\$5.09/MMBTU.

(c) & (d): The Ministry of Petroleum & Natural Gas has conveyed approval to the Arbitration Settlement (Consent Terms) between GAIL (India) Ltd. and Reliance Industries Ltd. /BG Exploration and Production India Ltd. (PMT Joint Venture) for the release of an amount of Rs. 274.00 crores from Gas Pool Account to PMT JV toward the amount payable against revision of gas price from Panna-Mukta (for the period from 06.02.2005 to 31.03.2005) and Tapti field (for the period from 26.06.2004 to 31.03.2005)