

- (ii) Pressure decline is several times higher than originally envisaged.
- (iii) Early water production in some of the wells was not predicted in initial reservoir simulations, though overall field water production is small.

Further, the gas production from D1 and D3 fields was much less than the production rates approved in the Field Development Plan (FDP). The Contractor had set up production facilities (in a cost recoverable manner) for approved production of 80 MMSCMD, but he failed to adhere to the approved Field Development Plan both in terms of gas production rate as well as drilling and putting on stream the required number of wells, even after repeated reminders. The Government, in May, 2012, issued notice for proportionate disallowance of cost of production facilities amounting to US \$ 1.005 Billion. The issue is currently under arbitration.

(c) and (d) No Sir, the price is determined in accordance with provisions of Production Sharing Contract.

#### **Audit of KG-D6 block by CAG**

293. SHRI DEVENDER GOUD T. : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) The reaction of his Ministry to the complaint made by CAG that RIL is stalling audit of KG-D6 Block;
- (b) The details of financial and other records sought by CAG and refused to submit by RIL;
- (c) The reasons behind RIL's refusal to submit the same; and
- (d) The manner in which his Ministry would work as the coordinator between CAG and RIL for early completion of audit of KG-D6 Block?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) The Ministry has taken seriously the issue raised by Comptroller and Auditor General of India (CAG) in audit of KG-D6 block. Initially there were certain issues being raised by the Operator *i.e.* RIL relating to scope and coverage of audit to be conducted by the CAG. Due to

this, there was a delay in taking up the audit. However, these issues have since been resolved with continuous engagement of Government with audit as well as the Operator. Consequently, RIL has agreed to provide access to all records and cooperate unconditionally with regard to performance audit of the block KG-DWN-98/3. Audit by the CAG is currently under progress.

(b) Office of CAG has informed to the MOPNG that out of 96 audit requisition issued by them, reply in respect of 28 are either not received or is partially received.

(c) RIL has replied that the pending information was being collected and would be provided when it is ready.

(d) Audit of KG-D6 block is a Time Bound Process therefore, Ministry has directed on July 22nd, 2013 to RIL to provide record as early as possible as agreed by RIL to provide the same earlier.

#### **Increase in price of domestic gas**

294. SHRI M.P. ACHUTHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has decided to double the price of domestic gas to 8.4 dollar a unit;

(b) if so, the details thereof and under what formula this price was fixed;

(c) whether it is a fact that this steep price increase will have its impact on the prices of power, CNG and fertilizer; and

(d) if so, to what extent?

THE MINISTRY OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI PANABAKA LAKSHMI): (a) and (b) Government has approved the gas price formula based on the Rangarajan Committee recommendations, which will be applicable from 1st April 2014 for a period of 5 years. The details are given in the Statement-I (*See* below).