

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:687
ANSWERED ON:28.07.2006
DABHOL POWER PROJECT
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of POWER be pleased to state:

- (a) whether the Dabhol Power Project is facing the prospects of closure due to running out of Naphtha stock as reported in the Times of India, dated the June 19, 2006;
- (b) if so, whether there was no timely assessment of the stock and no measures were taken;
- (c) if so, the reasons therefor; and
- (d) the ways and means of tackling this problem?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) : Yes, Sir. Fresh stocks of Naphtha have not been procured by RGPPL in absence of any further demand by Maharashtra State Electricity Distribution Company Limited (MSEDCL) of electricity generated on Naphtha due to its high cost. As a result the revived Power Block-II is presently being maintained in the reserve shut down mode.

(b) : No, Sir. Based on the peak summer requirements of MSEDCL, Ratnagiri Gas and Power Private Ltd. (RGPPL) had worked out a one-time arrangement with MSEDCL to supply 346 Million Units of infirm power on liquid fuels from the revived Power Block -II during the months of May and June 2006. Accordingly, the quantity of fuel required to augment the existing stock of Naphtha was arranged by RGPPL. RGPPL's commitment to supply this power was fulfilled on 03rd July, 2006.

(c) : Does not arise.

(d) : Since prevalent Naphtha prices are very high, the Government of India have given exemption from payment of customs duty for the import of Naphtha for use by this plant in the interim period till gas supplies become available, so as to reduce its cost of generation on Naphtha and make it acceptable to MSEDCL.