

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1634
ANSWERED ON:09.03.2007
DABHOL POWER PROJECT
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba

Will the Minister of POWER be pleased to state:

(a) whether mixing of short-term and long term imports for firing the Dabhol Unit is likely to bring down the cost of electricity from the project as reported in The Times of India dated January 29, 2007; and

(b) if so, the steps taken by the Union Government to combine the price of gas being imported in ships by Petronet LNG under long term deal with costlier fuel for Dabhol being bought from spot markets to work out a lower average cost?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) : Mixing of short term imports from spot market and long term imports of Liquefied Natural Gas (LNG) will bring down the average cost of fuel for firing the Dabhol gas turbine units. Under the aegis of the Ministry of Petroleum & Natural Gas, Petronet LNG Ltd. (PLL) is sourcing LNG from the LNG suppliers for Dabhol Power Project on short term basis. This gas together with the LNG under the long term contract could bring down the cost of fuel and thereby the cost of electricity from the project.

(b) : The Ministry of Petroleum & Natural Gas has informed that they have issued instructions to all concerned that the gas prices being charged on supply of RLNG procured under long term contracts should be on a non-discriminatory basis and uniform pooled prices should be charged from all the existing and new consumers.