

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

UNSTARRED QUESTION NO:2256
ANSWERED ON:22.07.2004
TRANSPORT OF GAS FROM AP COAST TO NTPC PLANT, GUJARAT
Purandeswari Smt. Daggubati

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

- (a) whether arrangements for transport of gas from field of the Andhra Pradesh coast to NTPC's power plants in Gujarat have been finalized;
- (b) if so, the details thereof; and
- (c) the reasons for ignoring GAIL's offer to transport at a lower cost?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a)&(b) Yes, Sir. NTPC had invited bids for procurement of fuel for its power plants in Gujarat on International Competitive Bidding basis. The supply of fuel {Re-gasified Liquefied Natural Gas (RLNG)/Natural Gas} was up to power plant boundaries, i.e. including transportation of gas from re-gasification terminal (in case of LNG supply chain) and from gas field in case of domestic natural gas.

As an outcome of the bidding process, the proposal submitted by Reliance Industries Ltd. (RIL) for supply of natural gas has been found to be techno-commercially acceptable and the lowest in financial evaluation.

A letter of intent had already been placed on RIL for supply of natural gas, which has been accepted by them. The scope includes transportation and delivery of gas from gas field off the Andhra Pradesh coast to NTPC's power plant boundaries in the State of Gujarat.

(c) The price indicated by GAIL was subsequent to the opening of the price bid of NTPC and, therefore, could not be given cognizance.