

>

Title : Need to allocate quota of Natural Gas from K.G. Basin to Tamil Nadu to meet requirements of fertilizer plants and upcoming power plants in the State.

SHRI S.S. RAMASUBBU (TIRUNELVELI): Tamil Nadu ranks fourth place in the overall development of our country and remains forefront in industrial development. The State is more dependent on coal and crude oil to meet its energy demand which is estimated as equivalent to 24 billion cubic metres of natural gas in 2010. Against the demand, the availability of natural gas to the State was mere 3 million Metric Standard Cubic metres of gas per Day (MMSCMD) from ONGC sources in the Cauvery basin which is only 2-1/2% of the State's total energy demand. It estimated to grow at 9% per annum in the next 10 years.

The two major sources of natural gases in the country yielding more than 120 MMSCMD is fully consumed by a few States Viz., Andhra Pradesh, Maharashtra and Gujarat and not a single cubic metre of gas has been allocated to Tamil Nadu, which has a huge demand and the interests of the State has been totally neglected. Krishna Godavari (KG) basin gas is a national wealth and, therefore, it has to be distributed in an equitable way.

Power and fertilizer sectors require about 50% of the estimated demand for natural gas in the State. Two major fertilizer plants – Madras Fertilizers Ltd., and Southern Petrochemicals Industries Corporation Ltd using naphtha/fuel oil as feed stock to produce urea and di-ammonium phosphate (DAP) are struggling for survival.

SPIC stopped production of Urea and DAP for over a year ago due to rising prices of naphtha. This has an adverse impact on the production of Urea in Tamil Nadu, one of the largest fertilizer-consuming State. Unless gas is made available, these two plants may face closure resulting in huge deficiency of vital farm inputs in the State. Union Government has given approval for two projects to provide natural gas to Tuticorin, Tamil Nadu through pipeline from the KG Basin but the State is so far not getting any amount of gas.

I shall, therefore, urge upon the Union Government to allocate natural gas from KG basin to the State of Tamil Nadu to meet the immediate requirement of fertilizer plants and the upcoming power plants and also to take steps for equipment distribution of the same to all the States in the country.