

GAIL plans to extend Urja Ganga gas pipeline project to Guwahati

NEW DELHI: State-owned GAIL plans to extend the ambitious Urja Ganga natural gas pipeline project to Guwahati to connect the north-eastern region with grid, Oil Minister Dharmendra Pradhan said on Thursday.

GAIL is laying a pipeline from Jagdishpur in Uttar Pradesh to Haldia in West Bengal and onwards to Bokaro in Jharkhand and Dhamra in Odisha by 2022 at a cost of Rs 12,940 crore.

Speaking at a seminar organised by industry body Ficci, Pradhan said GAIL has "proposed to extend the Jagdishpur Haldia and Bokaro Dhamra pipeline to Guwahati".

The company has done a feasibility study on laying a spur line to Guwahati in Assam within the approved Rs 12,940 crore project cost, he said.

GAIL has approached the Petroleum and Natural Gas Regulatory Board (PNGRB) for the permission to lay the spur line, which would connect the north eastern states to the national gas grid.

Also, five state-owned firms including GAIL, Oil and Natural Gas Corp (ONGC), Oil India Ltd and Bharat



Petroleum Corp Ltd (BPCL) have decided to join hands to lay a gas grid connecting the seven north-eastern states.

"There are gas reserves in Tripura, Manipur, Silchar and Arunachal Pradesh which so far have not been exploited as there is no pipelines to evacuate the gas and take it to users," he said.

The North-Eastern Gas Grid is currently at conception stage and the five companies are in the process of forming a special purpose vehicle which will

approach PNGRB for permission to lay the pipeline, he said.

Eastern India has so far been untouched by the gas revolution with pipelines transporting the environment friendly fuel mostly concentrated in west and north India.

Some lines are being laid in the south but east was totally unconnected.

The Urja Ganga project will take the gas to Prime Minister Narendra Modi's constituency, Varanasi.

Pradhan said the government has taken the decision to integrate the hith-

erto neglected eastern part of the country into the emerging gas economy.

Work on the 2,655 km Urja Ganga project has begun. It will connect Uttar Pradesh, Jharkhand, Bihar, Odisha and West Bengal.

The Central government has sanctioned Rs 5,176 crore, or 40 per cent of the project cost, as budgetary support for the pipeline. "This is the first time a gas pipeline is being funded from the Budget," he said.

The pipeline connecting Jagdishpur in Uttar Pradesh, Bokaro in Jharkhand, Dhamra in Odisha and Haldia in West Bengal, will be used to supply natural gas to three fertiliser companies to be revived as per a plan approved earlier by the Cabinet.

Fertiliser units at Sindri in Jharkhand, Gorakhpur in Uttar Pradesh and Barauni in Bihar, the main gas customers of the pipeline project, will benefit from the clean fuel which will be used to produce urea, the most commonly used plant nutrient in the country.

The pipeline would also feed steel plants and help produce quality steel, he added.

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FE BUREAU

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THE NATIONAL DEMOCRATIC Alliance government's flagship Urja Ganga gas pipeline will now be extended by 750 km to connect the seven North-Eastern states of the country, petroleum minister Dharmendra Pradhan said on Thursday.

"Our aim is to bring the north-east under the natural gas grid. Work has already started on Jagdishpur-Haldia and Bokaro-Dhamra region of the pipeline. Now, we are extending it to Guwahati," said petroleum minister Dharmendra Pradhan, addressing a Ficci summit in New Delhi. A consortium of state-run firms spearheaded by GAIL (India) has started the initial work of the project; the others in the consortium include Indian Oil Corp, Oil and Natural Gas Corp, Hindustan Petroleum Corp and Oil India.

The original ₹12,940-crore, 2,655-km Urja Ganga project plans to fulfill the energy requirements of 40 districts and 2,600 villages across Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal by



The original ₹12,940-crore, 2,655-km Urja Ganga project plans to fulfill the energy requirements of 40 districts and 2,600 villages across Uttar Pradesh, Bihar, Jharkhand, Odisha and West Bengal by 2020.

2020. The pipeline is being laid from Jagdishpur in Uttar Pradesh to Haldia in West Bengal and onwards to Bokaro in Jharkhand and Dhamra in Odisha. In addition, the pipeline will now be extended with an aim to help in better utilisation of gas deposits in Manipur, Silchar Valley and Arunachal Pradesh, and in turn create more jobs in the region. Pradhan said

while there are gas reserves in these areas, they have not been exploited given the lack of transmission infrastructure.

GAIL has already done a feasibility study to lay the pipeline up to Guwahati in Assam within the approved project cost of ₹12,940 crore for Urja Ganga, which is the first pipeline project to have got central assistance of ₹5,176 crore. The consortium, which will be creating a special purpose vehicle, will approach the Petroleum and Natural Gas Regulatory Board to allow it to extend the line.

The pipeline in the eastern states will not only help in supplying gas for domestic use, it will also supply natural gas to fertiliser units at Sindri (Jharkhand), Gorakhpur (Uttar Pradesh) and Barauni (Bihar) to manufacture urea, the most commonly used plant nutrient in the country. Moreover, the pipeline will also supply gas to steel plants in order to manufacture quality steel.

The development comes at a time when there are reports that GAIL can be split to bifurcate its pipeline and marketing businesses.

Too early for DGH to become regulator, says Oil Minister

Urja Ganga to be extended up to Guwahati

OUR BUREAU

New Delhi, January 11

It is too early to give the Directorate General of Hydrocarbons (DGH) a role akin to a regulator, said Dharmendra Pradhan, Minister for Petroleum and Natural Gas.

According to the Minister, the upstream technical arm of the Ministry will have to wait as the hydrocarbons exploration sector in the country was still at a nascent stage. Pradhan was addressing the FICCI conference on 'Unleashing India's Domestic Exploration and Production Potential'.

"The upstream oil and gas sector is yet to develop in the country and there is scope for government initiated reforms. Establishing an independent regulator to emulate a market mechanism will not be appropriate," he added.

Pradhan was responding to a suggestion that said that the DGH should be given powers similar to the Securities and Exchange Board of India (SEBI) to govern the upstream

sector. He also said that the proposed Jagdishpur-Haldia and Bokaro-Dhamra gas pipeline will be extended to North East and will touch Guwahati. He said, "GAIL (India) Ltd has proposed extending the Urja Ganga pipeline to Guwahati."

"Five oil public sector undertakings, including GAIL (India) Ltd, ONGC, Oil India, Bharat Petroleum Corp and Indian Oil Corporation have formed a Special Purpose Vehicle (SPV) to lay out the framework for a gas grid connecting the seven North-Eastern States," he added.

North-East potential

He said that there is potential for natural gas production in Tripura, Manipur, Silchar valley and Arunachal Pradesh. "The company has done a feasibility study for extending the pipeline within the ₹12,940-crore pre-approved project cost," he said.

Highlighting the government's agenda to boost gas consumption, Pradhan said, "This month, the Petroleum and Natural Gas Regulatory Board will be announcing 100 new projects for City Gas Dis-



Oil Minister Dharmendra Pradhan

tribution networks. "The new bid parameters will take into account the experience of the earlier rounds for laying CGD networks. There will be provision of geographical flexibility too."

Pradhan also said that GAIL will be setting up coal to gas conversion plants.

He said, "GAIL India will be setting up coal to synthetic gas plants in Odisha. SAIL will be a technology partner in this project. This will be the first time that public sector undertakings will be developing such a project. This synthetic gas is expected to be cheaper than domestic gas and can meet the local requirements of the steel."

"GAIL India is in talks with the Ministry of Fertilizer and Ministry of Coal for the same," he added.