

GAIL to connect gas fields with national grid

Rishi Ranjan Kala
New Delhi

State-run GAIL is working on a project to connect isolated gas fields to the national grid, which will make available 3.5 million standard cubic meters natural gas per day (MSCMD) for CNG and PNG customers at an economical rate.

The initiative by the Ministry of Petroleum and Natural Gas (MoPNG), as part of its first 100 days' target, involves procurement of compressors and using them to convert low pressure gas from isolated fields to high pressure gas, which can be injected into the national gas grid, a senior government official said.

"The effective cost of the increase is expected to be only about 50 paise per kg of CNG for the final con-



This will increase the availability of CNG and PNG consumer," he added.

DIP IN LOGISTICS COST

The official said that connecting isolated fields with the main grid would increase the availability of domestic gas for CNG for transport and piped natural gas (PNG) used in households' segments of the CGD sector. It will minimise logistics cost and swapping charges as well as will complement the integration of the National Gas

Grid. A top government official said, India will provide liquefied natural gas (LNG) to Sri Lanka to run its power plants.

State-run Petronet LNG (PLL), and Sri Lanka's LTL Holdings have signed a MoU for creating LNG infrastructure and supply chain to Sri Lanka. It is focused on providing solutions to supply LNG through a multimodal ISO container supply chain involving development of unloading, storage, and regasification facilities at Kerawalapitiya in Colombo.

"Under this MoU, PLL will explore LNG supplies to fuel the 230 megawatt (MW) gas turbines at Kerawalapitiya ensuring clean, reliable and round-the-clock power generation," the official added.

The Ministry has also moved for amendments to

the Oil The Oilfields (Regulation and Development) Amendment Bill 1948 in the Budget session. The Ministry expects the amendments to be passed by Parliament in the upcoming session.

MINERAL OIL

The Ministry has proposed 'petroleum lease' and has expanded the definition of mineral oils to include crude oil, natural gas, petroleum, condensate, coal bed methane, oil shale, shale gas, shale oil, tight gas, tight oil and gas hydrate. Besides, it separates mining operations from petroleum operations.

"The changes will instil confidence in potential bidders for OALP X exploration acreages being planned in the next fiscal. The government will also provide benefits of these changes to winning bidders in the OLAP IX round," the official said.

GAIL to connect gas fields with national grid

Rishi Ranjan Kala
New Delhi

State-run GAIL is working on a project to connect isolated gas fields to the national grid, which will make available 3.5 million standard cubic meters natural gas per day (MSCMD) for CNG and PNG customers at an economical rate.

The initiative by the Ministry of Petroleum and Natural Gas (MoPNG), as part of its first 100 days' target, involves procurement of compressors and using them to convert low pressure gas from isolated fields to high pressure gas, which can be injected into the national gas grid, a senior government official said.

"The effective cost of the increase is expected to be only about 50 paise per kg of CNG for the final con-



This will increase the availability of CNG and PNG consumer," he added.

DIP IN LOGISTICS COST

The official said that connecting isolated fields with the main grid would increase the availability of domestic gas for CNG for transport and piped natural gas (PNG) used in households' segments of the CGD sector. It will minimise logistics cost and swapping charges as well as will complement the integration of the National Gas

Grid. A top government official said, India will provide liquefied natural gas (LNG) to Sri Lanka to run its power plants.

State-run Petronet LNG (PLL), and Sri Lanka's LTL Holdings have signed a MoU for creating LNG infrastructure and supply chain to Sri Lanka. It is focused on providing solutions to supply LNG through a multimodal ISO container supply chain involving development of unloading, storage, and regasification facilities at Kerawalapitiya in Colombo.

"Under this MoU, PLL will explore LNG supplies to fuel the 230 megawatt (MW) gas turbines at Kerawalapitiya ensuring clean, reliable and round-the-clock power generation," the official added.

The Ministry has also moved for amendments to

the Oil The Oilfields (Regulation and Development) Amendment Bill 1948 in the Budget session. The Ministry expects the amendments to be passed by Parliament in the upcoming session.

MINERAL OIL

The Ministry has proposed 'petroleum lease' and has expanded the definition of mineral oils to include crude oil, natural gas, petroleum, condensate, coal bed methane, oil shale, shale gas, shale oil, tight gas, tight oil and gas hydrate. Besides, it separates mining operations from petroleum operations.

"The changes will instil confidence in potential bidders for OALP X exploration acreages being planned in the next fiscal. The government will also provide benefits of these changes to winning bidders in the OLAP IX round," the official said.

Panel to Suggest Ways to Split Mktg and Transport Cos, End City Gas Monopoly

LEVELLING PLAYING FIELD Panel expected to submit its report in three months

Sanjeev Choudhary

New Delhi: The Petroleum and Natural Gas Regulatory Board (PNGRB) has set up a committee to recommend ways to resolve the two most contentious issues in the domestic natural gas sector: splitting entities that engage in both transport and marketing of gas and ending the monopolies of city gas distributors where required.

The eight-member panel will be led by Ajay Tyagi, former chairman of market regulator Sebi, and it is expected to submit its report in three months.

Several companies have complained that bundling of transportation and marketing activity has been stifling growth of the domestic gas market as it doesn't allow a level playing field. GAIL and

GSFC engage in both gas marketing and transportation.

"Section 21 of the PNGRB Act, 2006 mandates PNGRB to ensure separation of activities related to natural gas marketing and transportation," the regulator said in a memo announcing the setting up of the panel, which will analyse global practices and hold larger consultations with industry before making recommendations.

The committee will "formulate recommendations for PNGRB, including possible models for separation of transportation and marketing activities in the natural gas sector including ownership of the pipeline, implementation strategies, and measures to address identified challenges," the regulator said.

In addition to separating transport and marketing, "the



Panel will also recommend 'pathways for geographical area where exclusivity for laying, building or expansion of CGD network has ended'

networks and using them for a certain number of years. But past attempts by the regulator to end the monopolies and declare city gas networks as common carriers have found little success and often ended in litigation. The regulator wants the committee to find a way

issue related to exclusivity in city gas distribution (CGD) is also of paramount importance for opening up the gas market," PNGRB said.

A licence to distribute gas in an area gives the distributor a monopoly over laying pipeline

out of it.

The committee will provide "actionable recommendations for revising the exclusivity framework in the city gas distribution (CGD) sector" and "suggest measures to address legal challenges and ensure a fair and competitive market."

It will also recommend "pathways for geographical area where exclusivity for laying, building or expansion of CGD network has ended."

The regulator said it wants to "balance" the interest of distributors with that of consumers. "The declaration of geographical areas as a common carrier or contract carrier is essential for ushering in fair competition and efficiency in the city gas distribution sector, which may benefit the end consumer as well as authorised entity," it said.