

IOC's LNG Terminal at Andhra Pradesh.

3276. SHRI NANDI YELLAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the State Government of Andhra Pradesh has requested the Central Government to instruct Indian Oil Corporation (IOC) to establish the LNG Terminal at Krishnapatanam port at the earliest in the interest of State and 1400 MW Power Project at Bidadi of Kanranaka Power Corporation Ltd. in view of the fact that Krishnapatanam port is expected to be operational within a short period;

(b) if so, whether Government would assure of taking an early favourable decision in this regard; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) While the State Government has taken up the matter for setting up an LNG terminal at Krishnapatanam by IOC, such decisions are taken by the companies, including IOC, on commercial considerations.

IOC has informed that they had initially proposed to develop an LNG import terminal at the Kakinada Deep Water Port in Andhra Pradesh. However, the subsequent large indigenous gas discovery in the Krishna-Godavari basin changed the picture of gas availability in the region. Accordingly, IOC decided to explore the possibility of developing the LNG project at an alternative site away from Kakinada with target gas markets in Southern Andhra Pradesh, Tamil Nadu and Karnataka. Initially, technical feasibility and gas demand studies were conducted for an LNG terminal at Krishnapatanam. In this study, it was observed that the potential switch over gas customers, including Indian Oil's subsidiary Chennai Refinery (of Chennai Petroleum Corporation Ltd.), are in Tamil Nadu. Indian Oil, therefore, undertook a further study through a consultant to identify the most suitable port for supply of gas to various potential customers in the region. The study established that Ennore is the most suitable port for setting up the LNG import terminal in East Coast. The key factors favouring Ennore were its proximity to the demand centres and its developed port facilities. Nevertheless, demand for gas arising at Southern Andhra Pradesh and Karnataka could also be met from the proposed project at Ennore subject to commercial/legal agreements.

In view of the above, IOC does not plan to set up any LNG terminal at Krishnapatanam.

LPG agencies in district Headquarters

†3277. SHRI DILIP SINGH JUDEV: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that not even a single distribution agency for arranging distribution of LPG in some district Headquarters in the country was allotted as on 31st March, 2005;

(b) if so, the names of districts allotted with distribution agencies during the year 2005-06 out of the said districts;

(c) whether any action has been taken for allotting distribution agency in the remaining districts; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) As on 31.3.2005, 16 district headquarter towns in the country did not have any LPG distributorships of Public Sector Oil Marketing Companies (OMCs). Out of these, 2 district headquarter towns, namely, Sindhudurg Nagri, District-Sindhudurg, Maharashtra and Mongon, District-North Sikkim, Sikkim are not viable for sustaining an independent distributorship and are being serviced by the nearby LPG distributors.

Out of the remaining 14 district headquarter towns, 2 distributorships of Indian Oil Corporation Limited (IOCL) were commissioned during the year 2005-06 as per details below.

Sl. No.	State	District	District Headquarter
1.	Arunachal Pradesh	Dibang Valley	Anni
2.	Sikkim	South Sikkim	Namchi

(c) and (d) OMCs supply domestic LPG through their distribution network and have the freedom to set up LPG distributorships at Viable locations as per their commercial considerations. The setting up of LPG distributorships is a continuous process and involves identification of suitable locations, arranging land for setting up of godown, obtaining various statutory clearances, etc.

† Original notice of the question was received in Hindi.