

GRAND STAGE COMES AGAIN TO "COASTAL ANDHRA"!

Blossoming hopes on LNG Terminal at Kakinada

Eenadu – Kakinada, Jun 3rd 2014

The difficulties of the Industries facing shortage of Gas for long time are going to come to an end. In connection with this two modern projects at Kakinada are emerging. In spite of delay due to elections, after new government coming in to power, the hopes on the work is blooming. After executing these two projects, it is not only the Industry but also the entire Coast would realize a grand benefit.

APGDC, and GAIL, a joint Venture Company is expected to set up two Floating, Storage and regasification units at Kakinada. Out of these two units, one will be set up by APGDC, GAIL JV and the other by Shell and Kakinada Seaport Limited, united led Company. The project set up by APGDC and GAIL JV is having capacity of 3.5 MMT. It is termed as FSRU LNG (Liquefied Natural Gas) based terminal. It will be floating on the sea. For this purpose a heavy vessel (Ship) will be engaged. LNG shall be imported from foreign countries, which shall be distributed through these terminals. For this purpose specialized berths shall be installed at Kakinada Seaport. APGDC and GAIL shall have equal partnership in this project. GAIL and its Groups have agreement to share 74% of the capital; Whereas GDF Company came forward to offer the remaining 26% of the share. In the same terms Shell came forward to offer 30% of the equity. Since Shell has not participated in the international bidding, doubt aroused whom to select out of these two companies. In the past a high level committee was set. The selection will be based on the report produced by the committee. Initially public hearing will be collected for one Project alone. Public hearing of this project was postponed last year due to some reasons. The arrangement for public hearing is being organized now.

These FSRU shall yield Rs. 1,500 cr. /Annum to the Government through VAT. The same type of project is also proposed to set up at Gagavaram. The Capacity of it is 5 MMT. Official sources estimated Rs. 2,500 Cr./ annum will be available to the Government in the form of VAT after Gagavaram Unit is also set.

EENADU ARTICLE