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AP eyes gas-based industries; two pipelines in the offing

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Hyderabad: Banking on natural resources available across the east coast and the sea, the Andhra Pradesh government is laying two major pipelines to transport natural gas from the Krishna-Godavari Basin.

The first pipeline is from Kakinada to Srikakulam covering 301 km spread over the four north coastal districts of East Godavari, Visakhapatnam, Vizianagaram and Srikakulam. The second pipeline is from Kakinada to Nellore covering 501 km and connecting all major power stations being developed in Krishna, Guntur, Prakasam and Nellore.

Both pipelines will be laid by the AP Gas Development Corporation (APGDC), a joint venture company of the government and GAIL Gas Limited with 50% equity each.

"Our target is to develop the state by exploiting gas reserves available in the KG Basin. We have already started works on the first pipeline. Work on laying the second pipeline will start soon.

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Ajay Jain | ENERGY AND INFRA SECY

Through these pipelines, we want to provide LPG to domestic consumers, CNG to vehicles and gas to industries," energy and infrastructure secretary Ajay Jain told TOI.

The state government has already finalised the plan to connect the second pipeline by linking Tumkur in Karnataka with Nellore via Hindupur. Though the KG Basin has plenty of gas reserves, lack of pipelines has been a major challenge for the state to make the state economy gas-driven.

"With the completion of the two pipelines and linking with the Karnataka line, we can provide LPG and CNG to

all major towns and natural gas to all gas-based industries and power stations. There is a massive demand for gas from industries that are eagerly waiting for the pipelines to become functional," Jain said.

The APGDC had also submitted the bid to lay a pipeline from Nellore to Ennore in Tamil Nadu so that the gas available across the east coast can be transported in the most cost-effective way. The AP government had asked the existing industries to spell out their future demand for gas so that it can tie up with national and international gas supplying companies and import gas at the Kakinada LNG terminal.

Several power stations, ceramic, cement, chemical, paper, glass and heavy machinery companies have submitted their requirement for gas in the coming year. "We are working on procuring gas from ONGC, GSPC, Reliance Industries and Cairn Limited and also to import from international companies like Shell," said a senior official in the infrastructure department.