



Tenders for gas pipeline in Oct.

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Tenders for Srikakulam and Kakinada pipeline gas works will be invited next month, the state government has announced on Friday. The pipeline will carry natural gas from the LNG terminal in Kakinada to all the three north coastal districts and also parts of East Godavari.

"Initially, our intent is to supply natural gas to the Hindustan Petroleum Corporation Limited. But since a gas pipeline is useful in a multiple way such as supply of CNG or for industrial purposes etc, we are extending it to Srikakulam," a senior official of AP Energy department looking after gas-related affairs told *Deccan Chronicle*.

Meanwhile, CM N. Chandrababu Naidu, has announced that gas-supplying pipeline connectivity will be linked in all the 13 districts. "The Kakinada-Nellore works also will commence shortly. We want to connect up to Tumkur and the projects will be expedited to be completed in the next couple of years," he stated. "We have a longer vision. We want to set up City Gas Distribution networks for supply of gas to every household, gas grid network for industrial purposes in AP," he added.

He was speaking after a

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joint venture was formed in which the AP Gas Distribution Corporation, GAIL, SHELL and ENGIE were partners for the development of Floating Storage Regasification Unit at Kakinada Deep Water Port. This is called Kakinada LNG Terminal for which the partners had signed two separate MOUs in January.

Kakinada LNG Terminal is the state of the art floating storage unit and first one in the East Coast. "The ₹1,800 crore project is slated to be completed by mid 2017 and expected to generate an annual revenue of ₹1,700 crore," S Narayanan, Managing Director of APGDC said. Two JV agreements were signed on Friday. The first one is on construction of terminal and the second JV is for creation of 'LNG supply and gas marketing company'.

This is rated as the first biggest PPP project in AP after bifurcation, involving national and international companies.

Anindya Choudhury of SHELL said they would be a major partner in the economic development of AP.