

LOK SABHA
UNSTARRED QUESTION No. 3544
TO BE ANSWERED ON 16.03.2020

Agreement between IOCL/GAIL and Dhamra LNG Terminal Pvt. Ltd.

3544. SHRIMATI MAHUA MOITRA:

पेट्रो लयम और प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether IOCL/GAIL have signed a tolling agreement with Dhamra LNG Terminal Pvt. Ltd. (owned by Adani Group) for 4.5 million tonnes per annum at the price of Rs. 60.18/mmbtu escalation at 5% per annum on use or pay basis for 20 years on the basis of “protracted techno commercial negotiations” which means without tender that works out to Rs. 1400 crore of payment made to Dhamra in the first year and Rs. 46000 crore + over 20 years;
- (b) whether use or pay basis means that IOCL/GAIL shall pay Dhamra whether they require the capacity or not;
- (c) whether IOCL built an LNG terminal at Ennore for approximately Rs. 5500 crore for 5 million tonnes per annum terminal;
- (d) the reasons for IOCL and GAIL giving Dhamra LNG Terminal Rs. 46500 crore without a tender process for something that can be made for Rs. 5500 crore; and
- (e) the details of urgent action being taken by the Government as the Contract has apparently been signed?

ANSWER

पेट्रो लयम और प्राकृतिक गैस मंत्री

(श्री धर्मन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) to (e): Liquefied Natural Gas (LNG) is imported under open general license on the terms and conditions mutually agreed upon between the buyers and sellers. LNG terminals are

being developed on market principles by the entity based on its own techno-commercial consideration.

Indian Oil Corporation Limited (IOCL) and GAIL both have signed Tolling Agreements with Dhamra LNG Terminal Pvt. Ltd. as per their own procedures for regas capacity of 3.0 Million Metric Tonne Per Annum (MMTPA) and 1.5 MMTPA respectively for 20 years. IOCL has informed that the tolling charges of Dhamra Terminal is comparable with any other LNG terminal of 5 MMTPA capacity irrespective of the developer and location and same holds true for its Ennore LNG terminal.

Booking of regasification capacity in any LNG terminal is normally being done after considering location of terminal, availability of gas pipeline connectivity, reasonability of tolling services/charges and capturable gas demand in that catchment area. GAIL has executed a Tolling Agreement inline with its procedures to meet the supply commitments of customers located in the eastern parts of the country along Jagdishpur-Haldia/Bokaro-Dhamra Pipeline (JHBDPL) project. IOCL has also booked capacity at Dhamra Terminal after considering its captive requirement of Paradip, Haldia and Barauni refineries which are in close proximity of Dhamra LNG Terminal.

IOCL has set up Ennore LNG Terminal at a Capital Cost of Rs. 4,500 crore near Chennai to meet the gas requirement of Tamil Nadu and adjoining districts of Karnataka and Andhra Pradesh. The supply of gas from Ennore LNG terminal to the gas demand centers of Eastern India would entail extra cost of infrastructure & transportation and has its own techno-commercial considerations.
