

## **GAIL signs Gas Cooperation Agreement with Karnataka**

New Delhi, April 29, 2009.

GAIL (India) Limited and Infrastructure Development Department (IDD) Karnataka today signed a Gas Co-operation Agreement in Bangalore. The Co-operation Agreement was signed by Shri B. C. Tripathi, Director (Marketing), GAIL and Shri Arvind Jadhav, Principal Secretary, Infrastructure Development Department, Government of Karnataka. The agreement was signed in the presence of Shri Sudhakar Rao, Chief Secretary, Government of Karnataka, Shri V P Baligar, Principal Secretary to Chief Minister, Dr. U. D. Choubey, Chairman and Managing Director, GAIL, and other senior officials of GAIL and the Karnataka Government.

Speaking on the occasion, Dr U. D. Choubey, CMD GAIL said that the Gas cooperation agreement between GAIL and IDD, Karnataka aims to develop the natural gas distribution and city gas infrastructure, to develop the use of eco-friendly fuels, especially Natural Gas/CNG/PNG/R-LNG and to promote a Joint Venture (JV) for domestic, industrial and transport sectors in the state of Karnataka.

In his address Shri Sudhakar Rao, Chief Secretary, Government of Karnataka said that natural gas is a preferred fuel today for environmental and other reasons and with the recent discoveries of new natural gas find as well as the proposed GAIL pipeline to Bangalore, he was confident that the state will now be able to obtain gas for its energy as well as other requirements. He wished all success to GAIL in laying its pipelines to Bangalore

The two organisations would initiate a joint exercise for immediate assessment of the demand potential of natural gas and allied products in the State. Besides, the cooperation is based on the strategy of API i.e. Awareness, Prevention and Implementation to work towards the goal of clean and green environment.

Under the Cooperation Agreement, GAIL will use its technical and commercial expertise to study various options and to evaluate Energy Demand in the state. GAIL and IDD will conduct necessary techno-economic studies based on demand potential, including pipelines and City Gas Distribution Networks (CGD) prepare the preliminary Techno Economic Feasibility Report (TEFR) for infrastructure development. The Cooperation Agreement also provides for GAIL and IDC, to identify industrial clusters for distribution of Natural Gas as fuel and to determine modus operandi for setting up of joint ventures by GAIL in Karnataka.

It may be recalled that GAIL Board had accorded in-principle approval for laying of the Dabhol-Bangalore gas pipeline during its meeting held in January 2008. Depending on the source and customer tie up, the 30", 730 km Dabhol-Bangalore gas pipeline shall be designed to carry 16 MMSCD of gas and will need an investment of approximately Rs. 4400 crore (including 650 km of spurlines). The route of the proposed pipeline is from R-LNG Terminal of Ratnagiri Gas and Power Private Limited (RGPPL) at Dabhol in Maharashtra up to Bangalore. The pipeline will pass through Ratnagiri and Kolhapur districts of Maharashtra; and Belgaum, Dharwad, Haveri, Davangere, Chitradurga, Tumkur and Bangalore districts of Karnataka. With this pipeline, natural gas from RGPPL's R-LNG Terminal can be supplied to industrial clusters in the state of Maharashtra and Karnataka. GAIL will also be laying 840 km Kochi – Kanjirkod – Bangalore / Mangalore pipeline which will pass through Kerala, Tamil Nadu and Karnataka at an estimated investment on this pipeline will be Rs. 2200 crore.

GAIL also organized a workshop on Natural Gas in Bangalore, where speakers from GAIL, Technical Consultancy Services Organisation of Karnataka (TECSOK), Karnataka Udyog Mitra discussed the natural gas and city gas infrastructure potential as well as opportunities for investment in the sector in Karnataka.



**Photo Caption:** *Signing of Gas Cooperation Agreement between GAIL and Infrastructure Development Department, Government of Karnataka (from left to right): Dr V K Raju, Economic Advisor to Chief Minister, Shri B C Tripathi, Director (Marketing), GAIL, Dr U D Choubey, CMD, GAIL, Shri Sudhakar Rao, Chief Secretary, Government of Karnataka, Shri Arvind Jadhav, Principal*

*Secretary, Infrastructure Development Department, Government of  
Karnataka, Shri V P Baligar, Principal Secretary to Chief Minister*