

INADEQUATE GAS ALLOCATION

Modi's Complaint to PM Sent to Power Ministry

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Gujarat Chief Minister Narendra Modi's letter to the prime minister complaining unfair treatment of the state in allocation of natural gas is being tossed around in the Central government with the oil ministry saying that the issue is outside its turf.

Modi had made natural gas allocation a political issue in the state's assembly elections saying Gujarat, which is India's biggest gas consumer, was being denied its share by the Centre. The UPA government countered this by advertising statistics of natural gas allocation, where the state was shown getting the lion's share.

Last May, the Prime Minister's Office had forwarded Modi's letter to the petroleum ministry. Subsequently, it sent a reminder and directed the oil ministry in August to respond to the BJP leader's letter.

Gujarat is complaining that the acute shortage of gas has left huge power capacities idle, leading to a massive burden of the state as the power purchase agreement (PPA) requires it to pay certain fixed costs to the power producer, irrespective of the quantum of electricity generated.

"Natural gas-fired projects are running out of gas and unable to generate any power. As per the power purchase agreements with the producers, we are shelling out close to ₹1,300 crore to Essar, CLP India, NTPC and other public sector companies in terms of fixed costs without getting a single unit of electricity. The Gujarat govern-

Passing the Buck

April 15: Modi writes to PM

April 26: PM replies to Modi

May 6: PMO ask petroleum ministry to comment

July 3: Oil Ministry sends its comments to PMO

Aug 26: PMO asks oil ministry to send a reply to Modi

Oct 18: Oil ministry asks power ministry to send reply

ment has been writing to the Centre very often to allocate more natural gas to avoid burden on electricity consumers, but we do not have much hope in view of inadequate domestic production," said a Gujarat government official requesting anonymity.

The oil ministry says the matter must be resolved by the power ministry. "The chief minister of Gujarat has raised issues relating to the purchase of power produced from RLNG (re-gasified liquefied natural gas)-based power stations by NTPC Vidyut Vyapar Nigam Limited, which pertains to ministry of power," the oil ministry recently wrote to the power ministry.

Gujarat government wants NTPC Vidyut Vyapar Nigam to purchase electricity generated from RLNG-fired plants and blend it with power procured from other resources to market it to power deficit states.