

'Undersea pipeline from Iran can bring cheaper gas to India'

BY PTI | UPDATED: SEP 05, 2017, 05.42 PM IST



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NEW DELHI: A 1,300-km undersea pipeline from Iran, avoiding Pakistani waters, can bring natural gas from the Persian Gulf to India at rates less than the price of LNG available in the spot market, proponents of the pipeline said

today.

Releasing a study on the Iran-India gas pipeline, former oil secretary T N R Rao said natural gas imported through the over \$4 billion line would cost \$5-5.50 per million British thermal unit at the Indian coast, cheaper than the rate at which some of the domestic fields supply gas.

Liquefied natural gas (LNG) imported through ships costs about \$7.50 per mmBtu.

Rao, who is the chairman of the advisory board of South Asia Gas Enterprise Pvt Ltd (SAGE) - the firm wanting to lay the undersea line - said the pipeline can first travel to Oman, and then onwards to Porbandar in Gujarat.

"The cost of landed gas through an undersea pipeline will be at least \$2 cheaper than importing LNG, saving about \$1 billion annually," the study said.

SAGE wants the government to support the pipeline and help buyers enter into contract.

The pipeline is planned to carry 31.5 million standard cubic meters gas per day and will be built in two years from the date of necessary approvals and a gas sale and purchase agreement (GSPA) being signed.

The subsea pipeline is being seen as an alternative to the onland Iran-Pakistan-India pipeline. New Delhi has not been participating in talks on the 1,036-km Iran-Pakistan-India gas pipeline since 2007 citing security and commercial concerns but has never officially pulled out of the \$7.6 billion project.

Under the proposal being discussed, SAGE will lay the 1,300-km pipeline bypassing the exclusive economic zone (EEZ) of Pakistan. Any company wanting to buy gas from

Iran can use the pipeline for rent, its Director Subhodh Kumar Jain said.

"SAGE will not be buying gas from Iran. It will lead an international consortium for building the pipeline," he said.

Chabahar port or Kuh-e-Mubarak could serve as the origin of the pipeline that may terminate near Porbandar in Gujarat. It can then be connected to India's national gas grid.

Rao said gas from other nations can also be sourced through the pipeline.

Turkmenistan has a pipeline supplying gas to Iran in the north. Iran can use the Turkmen gas for its own use and supply and equivalent volumes to India from its offshore fields, he said.

Also, gas from Qatar can be pumped into the proposed pipeline.

Jain said fertiliser and power sector can be main users of the Iranian gas. "Landed price of gas in India would be competitive to spot LNG price," he said.

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