The NGC Story

The consultations had identified the way forward towards a new pathway of industrialisation based on natural gas.

However the first imperative was that the country had to guarantee gas supplies to the prospective investor. This necessitated upstream development so, Amoco, the existing producer, was given a contract for gas field development in waters of approximately 200 feet. The second imperative was to create an entity that could administer this contract, as well as transport and sell the gas commodity to the proposed plants. This entity involved the creation of NGC as a state enterprise.

NGC's Articles of Association clearly state that the Company was formed to be at the centre of the natural gas industry whose overall development for the benefit of the country was at stake.

In the 1975 Budget Speech the Prime Minister announced that the government or a designated agency would be the sole seller of gas using this as a 'trigger' for industrialsation. On March 6th 1975 Cabinet agreed on the formation of such an entity, and by August 7th it announced that the company's name would be 'The National Gas Company of Trinidad and Tobago Limited', a wholly owned state company registered under the Company's Ordinance with an authorized share capital of $45 million and to be operated as a Private Company.

On August 22nd 1975, the Company started its operations with its first board meeting comprising:

- Mr. Bernard V. Primus – Chairman
- Basharrat Ali – Director of Energy Planning
- Kamala Bhoolai – Ministry of Petroleum and Mines
- Sam A. Martin – Ministry of Finance
- Prof. Kenneth S. Julien – UWI
- Prof. G. Maxwell Richards – UWI
- Eldon G. Warner – General Manager, Industrial Development Corporation
- Knollys Ahloy – Chief Executive Officer, National Gas Company

In the first months, NGC's business involved planning for the development of the company itself and servicing the 6 or so customers whose total gas sales for the year amounted to 370 mcf. For the year 1975 NGC's sales revenue was $180,000.00 and profit, though marginal, was $19,000.00

Also prioritized was the management of the very important contract negotiated between the Government and Amoco for a supply of gas to T&TEC.

Conversely, by this time the Government Task Force, which had been mandated earlier to drive all the early gas-based investment initiatives was gaining firm investment decisions for the siting of ammonia, urea, iron and steel and methanol plants on the Point Lisas Industrial Estate.

For the purposes of this article, the NGC arm of the strategy, by early 1976, was clear, as it was simple; NGC was attempting to create the pipeline blueprint for gas development, or create the necessary infrastructure, including pipelines and other facilities to move natural gas from offshore to Point Lisas.

The Early Years

Indeed NGC opened for business in a small office adjoining a lawyer's chambers at 54 Abercromby Street, before moving within six months to 60 Pembroke Street, Port of Spain.

Accorded just $80,000.00 as an advance from the Government, which was a paltry sum, even in those days, NGC, in the course of 1976, assisted in the supervision and construction of the 23-mile, 24-inch-diameter-line from Beachfield to Picton, as well as operated and maintained the 44-mile, T&TEC 16-inch-diameter-pipeline system from Penal to POS, which at the time was valued at $12 million. On April 14th 1977, the Company commissioned the 24-inch line valued at $31 million.

In 1978, January 1st, a 24-mile, 24-inch-diameter marine line was commissioned from Amoco Teak 'B' to Point Galeota. This line, valued at $68 million, brought the country's transmission capacity to 400 MMscf/d and, indeed, these assets, which had been constructed with government funds, were in effect now under the control of *NGC*, and there were plans to expand.

NGC by this time had assumed the role of merchant of natural gas, purchasing, transporting, supplying and selling natural gas to the four heavy consumers of natural gas and the 18 light industrials/ manufacturers located mainly in the east-west corridor. Total gas sales for 1978 amounted to 150 MMscf/d.

Flare Gas Conservation project

Of course there was much apprehension that over 180 MMscf of natural gas was being flared on a daily basis in the Teak and Poui marine fields located off the south east coast of Trinidad. In July 1979, in an effort to stem this wastage of an increasingly valuable resource, NGC was mandated to implement the *'Flare Gas Conservation Project',* which comprised the design, construction and installation of two offshore compression facilities through which a major portion of the 'flared' gas could be saved and compressed, prior to being transferred to land for commercial use in areas such as power generation.

The project itself represented nearly four years of study with the engineering work contracted to a company based in Houston and the greater portion of the facilities, such as the jackets, decks, engines, compressors, utility modules and support equipment fabricated in Louisiana.

Indeed the installation and commissioning of *NGC 'Teak'* and *'Poui'* in 1981/1982 could arguably have been one of the all time great milestone events in the local gas industry; compressed gas from this project provided NGC with its cheapest supply of natural gas allowing the Company to provide the country with subsidized fuel for its electricity needs. In fact so beneficial has been this project that in 1992, 19% of the total supply of 506 MMscf/d was being derived from these operations, and even today, some 23 years later, T&TEC's electricity rates per KWh remain one of the cheapest in the Western Hemisphere. THANKS TO NGC.

NGC, a home grown company, was the state enterprise to have succeeded in a project that can only be described as being the 'poster child' of all local initiatives, almost twenty years before the Government would formally seek to write in to all energy contracts the concept of 'local content' or participation in energy projects.

NGC's consolidation

The decade of the 1980s, although viewed by local economists as a lost decade in terms of macro economic growth, which, at the time, was totally dominated by the fortunes of the oil industry was, nevertheless, a decade of growth and consolidation for the gas industry and NGC by extension. In1980, NGC, reflecting the growth of the sector, moved offices twice, from the corner of Murray and Ariapita in Woodbrook to 134-138 Frederick Street, to meet the space needs of its expanding land-based employee population as well as the offshore component that was being created for the Company's prospective offshore operations.

These growth spurts were related to the amount of construction work being done by NGC to meet the increasing demands for gas by the new plants that were being located at the Point Lisas Estate.

NGC kept abreast of these developments by constructing:

- As a loop-line to the T&TEC system, a 13-mile, 20-inch-diameter pipeline between two crucial valve stations, Picton and Phoenix Park
- A 4-mile, 24-inch-diameter line from Galeota to Beachfield
- A 35-mile, 30-inch-diameter cross-country line from Beachfield to Phoenix Park, via Rio Claro
- A 30-inch-diameter marine line from Cassia offshore field to Galeota station
- A trunk line, from Mahaica to the Princess Margaret Highway, which served the distribution line connecting small consumers located in the O' Meara and Macoya estates

In 1980 gas sales were 192 MMscf/d however, by the end of 1984, construction activities and new plants on stream allowed NGC to increase gas sales to 343 MMscf/d to a sector that had moved from one ammonia plant to four, a new power plant at Point Lisas, a steel mini mill, and methanol and urea facilities.

The Honourable Prime Minister, Mr. George Chambers, in January 1985, following in the same vein as his predecessor commented on the continuing importance of the country's energy intensive industries in stimulating industrial growth and the diversification of foreign exchange earnings.

NGC while in construction mode also undertook a number of investments in all segments of the gas value chain.

For-example, in the midstream sector, NGC undertook two major investments:

- Majority shareholding interest of 49% in PPGPL, the country's first natural gas liquids plant, which had a design capacity of 650MMscf/d
- Shareholding interest of 18% in National Helicopters Services Limited (NHSL) and construction, in March 1989, of a new heliport that could provide 'take off', landing and hangar facilities for helicopters transporting staff to and from offshore installations.

In the upstream segment, however, NGC also undertook two major investments:

- By a 20% interest in Trintomar, the country's flagship marine gas production company, which operated in the Pelican Field. While the field was immediately successful and full of promise, by 1991 it underwent major decline, dashing hopes for it being an alternative supply source and a diversification of supply sources for the country.
- By updating and improving its operations in the Teak marine field, since it had become aware that there was more gas in that field than formerly anticipated. Fortunately the Teak platform could accommodate additional compressors to increase capacity by the application of different technologies, and NGC could purchase three solar turbine-driven centrifugal compressors for installation on Teak, increasing the combined capacity of the two platforms from 108 to 141 MMscf/d. By 1989, gas sales had increased to 431 MMscf/d.

The raised profile of NGC, as a model state enterprise, with roles of being a compressor, merchant, transporter of natural gas, as well as having interest in gas production did not go unnoticed by the shareholder who was increasingly realizing the strides being made by the Company.

NGC at Point Lisas

In 1990, NGC was poised to play an even greater role in the energy sector; in less than fifteen years, NGC's business had grown to the point where it had become a major state company with strategic investments in gas pipelines, production, platforms and Natural Gas Liquids (NGLs).

These successes meant that the company had become a full-fledged energy company, and by 1988-1989 it was increasingly obvious that it should be closer to the industry it had helped develop. After years of renting premises, in Port of Spain, in August 1990, NGC moved all its land-based personnel to the Point

Lisas Industrial Estate and into its very own state-of-the-art building located at the corner of Goodrich Bay Road and Orinoco Drive.

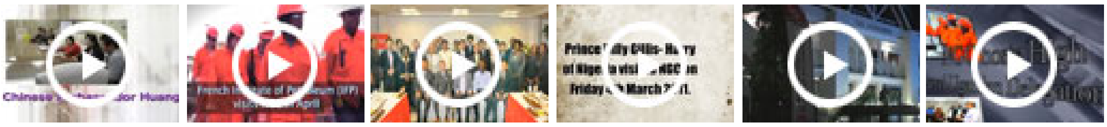
For the first time in its history, NGC could be proud that it had surpassed $100 million in net profit, registering TT$113 million, which was an increase from the TT$79,808 million made in 1989. NGC, and natural gas as a true alternative energy source capable of being a foreign exchange earner, was proving itself worthy to be at the centre of economic transformation in the country.

Continue Reading >

Social Media Hub

Click above to view our **social media** networks.

Latest Videos



View the **latest videos** from our media centre.

External Links

Phoenix Park Gas Processors Ltd
National Energy
Invest in T&T
LNG17
Ministry of Finance
NIHERST
Ministry of Energy and Energy Affairs
NGC CNG Company Limited

Staff Login: Email Cloud | Extranet | NPCL GMS | SAP SuccessFactors