

TEPCO to purchase U.S. liquefied petroleum gas

The Associated Press

TOKYO, Feb. 27 (Kyodo) — Tokyo Electric Power Co. said Wednesday it will purchase liquefied petroleum gas produced in the United States for the first time as part of efforts to reduce rising fuel costs for nonnuclear thermal power generation.

A total of 200,000 tons of LPG, produced at a gas terminal owned by Enterprise Products Partners L.P. based in Houston, is expected to be imported over three years starting from 2013, TEPCO said.

The contract will enable the Japanese utility to procure the LPG, produced during the extraction and refining of shale gas, for around 20 to 30 percent less than it has paid to import LPG from the Middle East and Australia.

Tokyo-based Astomos Energy Corp. will purchase the LPG and transport it to Japan. The company will also sell around 400,000 tons of LPG to Tokyo Gas Co. over six years starting from 2013.

TEPCO, which is paying massive compensation over the 2011 Fukushima nuclear crisis, is trying to cut ballooning fuel costs to make up for the halt to nuclear power generation following the disaster.

Source URL (retrieved on 01/31/2015 - 12:56pm):

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