

less than 10% of the residential fuel consumption in the cities, and less than 3% of industrial energy consumption. At the national level, town gas represents only 6% of total energy consumption (excluding natural gasoline and LPG obtained from natural gas).

Given that neither manufactured gas, town gas or other commonly used gases, offer few, if any, investment opportunities, this study's discussion of gas will be centred upon the issue of natural gas production and consumption, which represents the single-most important contemporary energy issue in Chile, as projected figures on supply and demand will clearly illustrate.

5.3 NATURAL GAS: CURRENT PROJECTS

There exist a total of six gas projects throughout Chile that, if completed, will allow the country to build a comprehensive natural gas supply system. Total estimated investment should reach over the US\$ 2 billion dollar mark.

Projects for III Region Supply

Currently there are two projects aimed at supplying the III Region. In both cases, the pipeline's final destination is Calama. Tocopilla, Mejillones and Antofagasta would be considered branch line cities. The target market for both projects is the mining and thermoelectric energy generation industry in the area.

The Bolivia-Chile Gas Pipeline (the "Norandino" Gas Pipeline): This pipeline would run from the southeastern area of Bolivia to Chile by way of the Ollague sector. The project is undertaken by a consortium of companies (YPFB, 45%; BHP, 45%; and Enap, 10%). The pipeline would be 1,100 km in length and will imply a US\$ 300 million dollar investment. This consortium is not particularly interested in promoting a gas distribution business in the Region.

It is unclear what the project calendar would look like, as the consortium itself has stated that it requires further information on the size of the existing deposits in the area and on the routing required for the pipeline before actually initiating construction.

The Northern Argentina-Chile Pipeline (The Atacama Project): This project is a 725 km pipeline by a consortium in the making. (US companies, William International Pipeline and CMS Energy, with the possible incorporation of an Argentine firm and a Chilean firm, as well). Total investment would be about US\$ 500 million. The consortium has not stated what its project calendar is like either.