

**Modalities of maintaining & operation of Escrow Account under the
Petroleum and Natural Gas Regulatory Board (Access Code for Common or
Contract Carrier Natural Gas Pipelines) Regulations, 2008**

1. All transporters shall as a part of their books of accounts, maintain an “*Escrow account*” for accountal of charges for system indiscipline in terms of positive or negative imbalance or over runs charged by transporter as per the regulation so as to ensure safety and integrity of the pipeline system.
2. The imbalance and over runs charges shall be as per Schedule-1. Escrow account to be maintained by the transporter shall be credited with all charges on account of imbalances and overruns on the natural gas pipeline for which that account has been opened.
3. Since only one escrow account is to be maintained by each transporter, sufficient details of each item of debit and credit is to be maintained in their books of accounts to enable tracking of each item to the pipeline to which it pertains i.e., all dates, purposes, name of the pipeline, shipper, amount of deposit, withdrawals or interest on account.
4. The transporter shall recover the imbalance and overrun charges plus applicable taxes/levies through a separate invoice. The transporter shall deposit the taxes/levies with the concerned authorities and the balance shall be deposited in a separate Flexi Current Bank Account maintained by the transporter for this purpose within 15 days.
5. The funds of escrow account shall be withdrawn as per clause 13 (10) of Petroleum and Natural Gas Regulatory Board (Access Code for Common or Contract Carrier Natural Gas Pipelines) Regulations, 2008.

6. The transporter shall submit to PNGRB the annual audited statement of escrow account showing the details of debits and credits duly certifying that the funds in this account has been maintained as per the provisions of the relevant regulations and the guidelines issued thereof. Such statement should be submitted by the transporter within 45 days of the finalization of the audited annual account.
7. All amounts credited to an escrow account, including interest accrued on the funds if any, shall be retained in such account, until disbursed there from in accordance with the provisions of these guidelines.
8. Notwithstanding anything to the contrary contained herein, the transporter shall not be authorized to draw amounts for claims in excess of the balance held hereunder in the account.
9. In addition to the provisions at guideline no. 5 above, the transporter shall be entitled to charge reasonable expenses for the maintenance and operation of the escrow account and the performance of its duties and obligations in that connection.
10. These guidelines shall be applicable to each natural gas pipeline from 01.04.2011

Schedule-1

S.No	Item	Particulars	Charges
1.	Unauthorised Overrun	Beyond 110% of the allocated capacity	½ times Tariff of natural gas pipeline
2.	Positive Imbalance	Cumulative Imbalance beyond 10% of booked capacity	½ times Tariff of natural gas pipeline
3.	Negative Imbalance	Cumulative Imbalance beyond 5% of booked capacity	½ times Tariff of natural gas pipeline