

पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड

Petroleum and Natural Gas Regulatory Board

Ref: PNGRB/Monitoring/7/Misc-FM/(3)/2020 (P-810)

Subject: Guidelines for consideration of 'Force Majeure' in CGD Networks

1.0 In order to examine the requests of the CGD Entities for extension of MWP Targets, on account of 'Force Majeure' as defined in the relevant bid document or Regulation 2(1)(ga) and Regulations 14(11) to 14(13) of Petroleum and Natural Gas Regulatory Board (*Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks*) Regulations, 2008 ("CGD Authorisation Regulations"). The following guidelines are hereby issued:

2.0 Regulatory Provisions

2.1 Definition of Force Majeure

As per the Regulation 2(1)(ga) of CGD Authorisation Regulations, "Force Majeure" shall mean and be limited to

(i) *war / hostilities;*

(ii) *major riots or civil commotion;*

(iii) *earthquake, flood, tempest, lightening or other natural physical disasters;*

(iv) *restrictions imposed by Central Government or State Government, that have arisen after last date of submission of bid, which prevents or delays the execution of obligations under the Regulations.*

2.2 Regulation 14(11) to 14(13) of CGD Authorization Regulations further provide in respect of 'Force Majeure' as follows:

(11) *In the event of authorized entity being rendered unable to perform any obligation required to be performed by it as per the work program, due to force majeure, the relative obligation of the entity affected by such force majeure shall be suspended for the period during which such force majeure lasts and the decision of the Board in this regard shall be final and binding on the entity.*

(12) Upon the occurrence of such force majeure and upon its termination, the entity alleging that it has been rendered unable as specified in sub-regulation (11), the entity must inform the Board giving full particulars of the force majeure and duly certified by statutory authorities, the beginning and end of the delay due to such force majeure immediately but not later than 15 days from the end of such force majeure.

(13) Time for performance of the relative obligation suspended by such force majeure shall stand extended by the period during which such force majeure lasts.

3.0 Procedure to be followed by CGD Entities facing Force Majeure

When an entity authorised in respect of a CGD network is unable to perform its work program due to a force majeure event, as defined in regulation 2(1)(ga), it shall take the following steps and the following procedure shall be adopted by the Board:

3.1 Within 15 days from the date of occurrence of the Force Majeure event, the entity shall inform the Board giving full particulars of the force majeure event, the date of beginning of the event, the area covered by the event in terms of a district, tehsil or any other administrative unit, or part thereof comprised in the Geographical Area authorised to him, along with supporting documents such as news-reports/ clippings, any notifications, resolutions, orders, circulars issued by the central Government, state Government, local authority or any other Government agency, other evidences duly certified by statutory authorities and any other information which the entity considers to be relevant in this regard.

3.2 Within 15 days of the date on which the event of Force Majeure ends either in whole of the area where the Force Majeure had occurred or part thereof, the entity shall inform the Board the date of termination of the event of Force Majeure, details of the area in which the event has terminated in terms of a district, tehsil or any other administrative unit, or part thereof, along with supporting documents such as news-reports/ clippings, notifications, resolutions, orders, circulars issued by the central Government, state Government, local authority or any other Government agency, other evidences duly certified by statutory authorities, details of the activities affected due to the event in the implementation of the CGD

network and any other information which the entity considers to be relevant in this regard.

- 3.3** PNGRB may ask the entity to submit any further information deemed necessary by it in order to verify the claim of the entity. The Board may, after considering the information submitted by the Entity or otherwise available with it, by order, allow whole or a part of the period claimed by the entity to be covered by the event of Force Majeure, the whole or a part of the area claimed by the entity to be covered by the event of Force Majeure and the whole or a part of the CGD activities claimed by the entity to be affected by the event of force majeure, as covered by the event of the Force Majeure. The Board may also allow, a period deemed reasonable by it as restoration period after the termination of the event of Force Majeure for restoration of the activities after termination of Force Majeure event. The decision of the Board in this regard shall be final and binding on the entity.
- 3.4** No request for allowing Force Majeure shall be considered for events/ occurrences that are not covered in the definition of “Force Majeure” under relevant bid document or regulation 2(1)(ga) of CGD Authorisation Regulations. It also needs to be clarified that securing permissions from statutory/ local/ other authorities of any Government or Government agencies is the prime responsibility of the CGD Entities. Hence, delays on this account cannot qualify as “Force Majeure”.
- 3.5** All communication in this regard shall be addressed to Secretary, Petroleum and Natural Gas Regulatory Board, 1st Floor, World Trade Centre, Babar Road, New Delhi-110001 (Email: secretary@pngrb.gov.in).
