

PETROLEUM AND NATURAL GAS REGULATORY BOARD NOTIFICATION

New Delhi, the ..., November, 2020

F.No. PNGRB/COM/2-NGPL Tariff (2)/2012 (P-xxx)— In exercise of the powers conferred by section 61 of the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006), the Petroleum and Natural Gas Regulatory Board hereby makes the following regulations, namely:—

1. Short title and commencement:

- (1) These regulations may be called the Petroleum and Natural Gas Regulatory Board (Imbalance Management Services) Second Amendment Regulations, 2020.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Petroleum and Natural Gas Regulatory Board (Imbalance Management Services) Regulations, 2016, –

- (i) regulation 1, sub-regulation (2) shall be deleted;
- (ii) in regulation 2, sub-regulation (1), after clause (d) the following clause shall be inserted namely: –

“(da) operational balancing agreement” or “OBA” means an agreement among the transporters of interconnected natural gas pipeline in respect of balancing the differences in the scheduled and actual quantities of natural gas at agreed delivery and receipt points;”

- (iii) in regulation 3, the following regulation shall be substituted, namely: -

“These regulations shall apply to a natural gas pipeline covered under the provisions of regulation 9, 17, 18, a dedicated pipeline which is converted into a natural gas pipeline under the provisions of sub-regulation (1) or (2) of regulation 19 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 and a natural gas pipeline authorized by the Board pursuant to a policy directive issued by the Central Government under sub-section (2) of section 42 of the Act.”

- (iv) in regulation 4 sub-regulation (1), the following sub-regulation shall be substituted, namely: -

“(1) Subject to availability of pipeline capacity and without affecting the services to any shipper, transporter shall provide the following imbalance management services to a shipper to manage transportation imbalances, namely: –

(a) Parking service: shall mean a service under which the transporter and shipper

agree on a day-wise plan for receipt of agreed quantities of shipper's natural gas into the pipeline at one or more agreed points for parking in the pipeline and subsequent day-wise re-delivery of the agreed quantities by the transporter to shipper, either at the same point or any other point on the pipeline.

Provided that in case the point or points at which the natural gas is received is different than the point or points at which such gas is re-delivered, the shipper shall also pay to the transporter the applicable transportation tariff.

Provided further that natural gas parked but not withdrawn within the agreed period shall be treated to have created a positive imbalance and dealt with in accordance with Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008;

(b)Lending service: which shall mean a service under which the transporter and shipper agree on a day-wise plan for lending of agreed quantities of natural gas by the transporter to shipper at one or more agreed points and subsequent agreed day-wise return of such loaned quantities by shipper to the transporter either at the same point or any other point on the pipeline.

Provided that in case the point or points at which the natural gas is loaned is different than the point or points at which such gas is returned, the shipper shall also pay to the transporter the applicable transportation tariff.

Provided further that natural gas loaned but not returned within the agreed period shall be treated to have created a negative imbalance and dealt with in accordance with Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008;

(c)Netting service: which shall mean a service under which the shipper offsets its positive and negative imbalances under different Gas Transportation Agreements with the transporter; and

(d)Trading service: which shall mean a service under which more than one shippers offset their positive and negative imbalances under different Gas Transportation Agreements resulting into reduction of their total imbalances.”

(v) in regulation 4 sub-regulation (4), the following sub-regulation shall be substituted, namely: -

“(4) The transporter shall charge from the shipper an amount not exceeding rupees fifteen per MMBTU for imbalance management services referred to in clauses (a) and (b) of sub-regulation (1) and an amount not exceeding rupees one and paisa fifty for services referred to in clause (c) and (d) of sub regulation(1).”

- (vi) in regulation 4 sub-regulation (5), the following sub-regulation shall be substituted, namely: -

“(5) fifty percent of the amounts accrued to the transporter from imbalance management services referred to in sub-regulation (1) shall be considered as miscellaneous income for determination of tariff under Petroleum and Natural Gas Regulatory Board (Determination of Natural Gas Pipeline Tariff) Regulations, 2008

Provided that fifty percent of the amounts accrued to the transporter from imbalance management services referred to in sub-regulation (1) in respect of pipelines authorised under regulation 9 of Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 shall be deposited in the Escrow account maintained by the Board within the time and manner as detailed in Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines), Regulations, 2008.”

- (vii) in regulation 4, sub-regulation (8) the words “(besides deferred delivery services)” shall be deleted;
- (viii) in regulation 4, the following sub-regulation shall be inserted after sub-regulation (8), namely: –

“(9) Under an OBA, all the imbalances at the interconnect point of natural gas pipelines are operational imbalances and may be cured only by the parties to an OBA. In case transporters of two interconnected pipeline have entered into an OBA then the transporters shall consider the two pipelines as single gas balancing network for measuring the imbalance quantities of the shipper who has availed the imbalance management services from both the transporters.

(10) Transporter shall publish relevant information about imbalance management services along with the applicable charges on its website.”

Vandana Sharma
Secretary

Foot Note: Principal regulations were notified vide F.No. PNGRB/M(C)/48, dated 29th April, 2016 and subsequently amended vide F.No. PNGRB/M(C)/48, dated 23rd March, 2018 and F.No. PNGRB/COM/2-NGPL Tariff (2)/2012, dated 19th June, 2020.