

# PETROLEUM AND NATURAL GAS REGULATORY BOARD

## NOTIFICATION

New Delhi, the 26<sup>th</sup> November, 2007

**G.S.R. 732(E)** – In exercise of the powers conferred by clause (g) of Sub-section (2) of 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 (Levy of Fee and Other Charges) Regulations, 2007.
- (2) These regulations shall come into force on the date of their publication in the Official Gazette.

### 2. Definitions – In these regulations, unless the context otherwise requires,–

- (a) “Act” means the Petroleum and Natural Gas Regulatory Board Act, 2006;
- (b) “Board” means the Petroleum and Natural Gas Regulatory Board established under Sub-section (1) of Section 3 of the Act; and
- (c) All other words and expressions used herein but not defined shall have the same meanings respectively assigned to them in the Act.

<sup>1</sup>**3. Levy of Fee. ---** (1) Every application under various provisions of the Act shall accompany fee as specified below:

S. No.	Activity under the provisions of the Act	Fee (Rs.)
(1)	(2)	(3)
1.	Registration under sub-section (2) of section 15 of the Act	5,00,000
2.	Expression of interest for authorization	10,000
3.	Authorisation under sub-section (3) of section 17 of the Act (or) Exclusivity of CGD network separately if not covered under the application for authorization (or) Expansion of common carrier or contract carrier pipelines or CGD networks----	

<sup>1</sup> Subs. by Cl. (i) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Amendment Regulations, 2010 (w.e.f. 7.6.2010).

	CGD Proposal :	
	Class A City*	12,00,000
	Other cities**	8,00,000
	Pipeline Proposal :	
	Spur lines	10,00,000
	Trunk lines<or=500 Kilometers	15,00,000
	Trunk lines>500 Kilometers	20,00,000
4.	Formulation or updating or amending of any technical standard or specification including safety standard	10,000
5.	Certified copy of the order of the Board	500
6.	Modification or review of Board's order under sub-section (h) of section 13 of the Act	30,000
7.	Obtaining a certified copy of an entry in the register under sub-section (4) of section 14 of the Act (per page)	100
8.	Inspection of Petroleum & Natural Gas Register (per inspection)	5,000
9.	Filing a complaint under sub-section (2) of section 25 of the Act (per complaint)	
	Entities	1,00,000
	Others	1,000

\*Towns with population one million and above as per 2001 Census

\*\*Towns with population less than one million as per 2001 Census]

- (2) The fee shall be paid through demand draft or pay order in favour of the Petroleum and Natural Gas Regulatory Board payable at New Delhi;
- (3) The fee received shall be entered into a register to be maintained by the Board with details such as name of the entity or complainant remitting the payment, purpose of remittance, amount, number and date of demand draft or pay order as the case may be.

#### 4. Levy of other charges.–

- (1) **Operation period:** The entity who is undertaking operation of any of the activities covered under the provisions of the Act relating to registration and/or authorization, shall pay other charges to the Board on annual basis based on its turn over as per following formulation,-

**Turn over**

**Other charges**

Upto Rs. 20,000 crore	0.01% (Rs. 2 crore)
Rs. 20,001 to 50,000 crore	0.008% (Rs. 2 crore + 0.008% of >20,000 crore)
Rs. 50,001 to 1,00,000 crore	0.005% (Rs. 4.4 crore + 0.005% of >50,000 crore)
More than Rs. 1,00,000 crore	0.004% (Rs. 4.9 crore +0.004%of > 1,00,000 crore)

(2) **Construction period:** (a) The entity relating to any of the activities of registration and/or authorization covered under the provisions of the Act shall pay other charges to the Board on annual basis during the construction period at the rate of 0.2 per cent of their capital expenditure (CAPEX) of the project based on projected investment in the financial year, which shall be modified at the end of that financial year as per the actual expenditure;

(b) Other charges remitted by an entity under sub-clause (a) above shall be treated as an interest free deposit and the Board shall refund such other charges once the entity commences regular operations and replaces with the appropriate level of other charges as applicable during the operation period as per sub-clause (1) above.

(3) The other charges shall be paid annually within fifteen days from the date of finalizing the annual statement of accounts by the entity.

(4) The other charges shall be paid through demand draft or pay order in favour of the Petroleum and Natural Gas Regulatory Board payable at New Delhi.

(5) The other charges received shall be entered into a register to be maintained by the Board with the details such as name of the entity remitting the payment, whether remittance under sub-clause (1) or sub-clause (2), amount, number and date of demand draft or pay order as the case may be and refund particulars in case of the remittance under sub-clause (2).

**5. Power to review and modify fee and other charges.**– The Board may from time to time, review and modify the structure of fee and other charges payable under these regulations. The Board may also at any time, on reference from any affected party, and for good and sufficient reasons, review and modify the structure of fee and other charges payable under these regulations.

**6. Explanatory Memorandum.**– The background and reasons for issuing these regulations are given in the explanatory memorandum at Annexure A.

**7. Interpretation.**– If any dispute arises with regard to the interpretation of any of the provisions of these regulations, the decision of the Board shall be final and binding.

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AJAY TYAGI, Secy

**EXPLANATORY MEMORANDUM**

1. Clause (g) of Sub-section (2) of Section 61 of the Petroleum and Natural Gas Regulatory Board Act, 2006 empowers the Board to levy fee and other charges at such rates and in respect of such services as may be determined by regulations.
2. In view of the powers conferred under the Act, the Board has decided to levy fee and other charges for various service/activities as provided for under the Act and hence these regulations.
3. The levy of fee has been necessitated on account of the fact that scrutiny of such a large number of applications and the process associated with them pertaining to registration, authorization, complaints etc. by the Board puts pressure on scarce regulatory resources available.
4. In addition to levy of fee, the Board is also required to determine through regulations the level of “other charges” that will be charged from entities for various functions to be discharged by under Section 11 of the Act. The Board is required to regulate the refilling, processing, storage, transportation, distribution, marketing and sale of petroleum, petroleum products and natural gas as to protect the interests of the consumers and entities and to ensure uninterrupted and adequate supply of the specified items in all parts of the country and to promote competitive markets as well. The industry overseen by the Board is vast and varied in nature, covering as of now over 10,000 km of product pipelines, over 6000 km of natural gas pipelines and a number of city gas distribution networks, 19 refineries, 2 LNG terminals, over 300 storage terminals/depots, around 200 LPG bottling plants, around 32,000 retail outlets, over 100 aviation fuelling stations, over 6000 kerosene dealers, over 9,000 LPG distributorships, etc. Considering the limitation on the available resources for the purpose of overseeing this industry, the Board has also decided to levy “other charges” for discharging its vast and varied functions.

**“Foot Note:** Principal regulations were notified *vide* No. G.S.R. 732 (E), dated 26<sup>th</sup> November, 2007 and amended *vide* G.S.R.477 (E) dated 7<sup>th</sup> June, 2013”