

# 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

<sup>1</sup>[(c) All other words and expressions used and not defined in these regulations but defined in the Act or other regulations shall have the meanings respectively assigned to them in the Act or the other regulations, as the case may be.]

<sup>2</sup>**[3. Levy of Fee.---**(1)Every application under various <sup>3</sup>[provisions of the Act or the regulations framed thereunder] shall accompany fee as specified below, namely:

S. No.	<sup>4</sup> [Activity under the provisions of the Act or the regulations framed thereunder]	Fee (Rs.)
(1)	(2)	(3)
1.	Registration under section 15 of the Act	10,00,000
2.	Expression of interest for authorization	1,00,000
3.	Application for authorization under sub-section (3) of section 17 of the Act; or	

<sup>1</sup> Subs. by sub reg. (a) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Second Amendment Regulations, 2020 (w.e.f. 28.09.2020).

<sup>2</sup> Subs. by sub reg. (a) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Amendment Regulations, 2019 (w.e.f. 03.01.2019). [Earlier, also substituted by the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Amendment Regulations, 2010 & the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Amendment Regulations, 2013, respectively].

<sup>3</sup> Subs. by Cl (i) of sub reg. (b) of reg. 2, Supra 1 (w.e.f. 28.09.2020).

<sup>4</sup> Subs. by sub-cl (A) of Cl (ii) of sub reg. (b) of reg. 2, Supra 1 (w.e.f. 28.09.2020).

	<p>Exclusivity of CGD network separately, if not covered under such application for authorization; or Expansion of common carrier or contract carrier pipelines or CGD networks.---</p> <p><u>CGD Proposal:</u></p> <p>(a) Geographical Areas with a population of one million and above as per latest Census</p> <p>(b) Other Geographical Areas</p> <p><u>Pipeline Proposal:</u></p> <p>Spur lines</p> <p>Trunk lines upto 500 Kilometers</p> <p>Trunk lines more than 500 Kilometers</p>	<p>20,00,000</p> <p>15,00,000</p> <p>20,00,000</p> <p>30,00,000</p> <p>40,00,000</p>
4.	Formulation or updating or amending of any regulation or standard or specification including safety standard	20,000
5.	Certified copy of the order of the Board	1,000
6.	Modification or review of Board's order under clause (h) of sub-section (1) of section 13 of the Act	60,000
7.	Obtaining a certified copy of an entry in the register under sub-section (4) of section 14 of the Act (per page)	200
8.	Inspection of Petroleum and Natural Gas Register (per inspection)	10,000
9.	<p>(i) Filing a complaint under sub-section (2) of section 25 of the Act (per complaint) by-</p> <p>(a) Entities or commercial customers</p> <p>(b) Voluntary consumer organization or non-Governmental organizations representing individuals other than on matters maintainable before a consumer Redressal</p>	<p>2,00,000</p> <p>2,000</p>

	Forum set up under the Consumer Protection Act, 1986 (68 of 1986) as specified under sub-section (1) of section 25 of the Act.  (ii) Filing of Miscellaneous Applications under section 24 or 25 of the Act (not covered above)	30,000
10.	Empanelment of Third Party Inspection Agency - (a) First Year (b) Subsequent years	1,00,000 50,000
<sup>5</sup> [11.	Application fee for seeking authorisation under regulation 8 or renewal of authorisation under regulation 12 of the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020: (a) for a Gas Exchange with Clearing Corporation; or (b) for a Gas Exchange without Clearing Corporation; or (c) for a Clearing Corporation	3,00,000]

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(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.

#### <sup>6</sup>[4. Levy of other charges.---

(1) Any entity engaged in laying, building, operating or expanding natural gas pipeline or petroleum or petroleum product pipeline of any nature or city or local natural gas distribution network shall annually pay to the Board other charges in respect of each such pipeline or network for each financial year as specified in sub-regulation (2).

(2) Other charges payable annually in accordance with sub-regulation (1) shall be paid at

<sup>5</sup> Ins. by sub-cl (B) of Cl (ii) of sub reg. (b) of reg. 2, , the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Second Amendment Regulations, 2020 (w.e.f. 28.09.2020).

<sup>6</sup>Subs. by sub reg. (b) of reg. 2, *ibid.* (w.e.f. 03.01.2019).

rates specified below with effect from the first April, 2019, namely:-

**(A) For each City or local natural gas distribution network:-**

<b>Population of the Geographical Areas as per 2011 Census of India</b>	<b>From the second financial year to the fifth financial year, starting from the financial year in which authorisation was granted or accepted by Board</b>	<b>From the sixth financial year, starting from the financial year in which authorisation was granted or accepted by Board, and onwards</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
(i) Less than 1 million	Rs. 5,00,000	Rs. 5,00,000
(ii) 1 million or more but less than 5 million	Rs. 5,00,000	Rs. 10,00,000
(iii) 5 million or more but less than 10 million	Rs. 5,00,000	Rs. 25,00,000
(iv) 10 million or more	Rs. 5,00,000	Rs. 50,00,000

**(B) For each Natural gas pipeline or petroleum product pipeline of any nature:-**

<b>(a) Before commencement of operations:</b>	
(i) with a length of more than 50 kilometres	Rs. 5,00,000 for each pipeline
(ii) with a length of upto 50 kilometres	Rs. 1,00,000 for each pipeline
<b>After commencement of operations:</b>	
(i) with a length of more than 50 kilometres	Rs. 5,00,000 for each pipeline or 0.02% of the revenue (excluding taxes) from that pipeline for the relevant financial year, whichever is higher.
(ii) with a length of upto 50 kilometres	Rs. 1,00,000 for each pipeline or 0.02% of the revenue (excluding taxes) from that pipeline for the relevant financial year, whichever is higher.

Note: Other Charges in respect of Pipelines after commencement of their operation may be initially paid considering the revenue accrued (excluding taxes) during the previous financial year. Difference of amount paid and payable shall be adjusted at the time of making payment for the next financial year.

<sup>7</sup>[(2A) The following annual other charges specified in the Table, shall be payable by a gas exchange with clearing corporation, a gas exchange without clearing corporation and a clearing corporation for every financial year with effect from the date of authorisation granted to it by the Board under Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020, namely:

Table

Sr. No.	Particulars	Amount (Rs.)
1.	Annual and other charges under regulation 13 of the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020:	
	a) for a Gas Exchange with Clearing Corporation; or b) for a Gas Exchange without clearing corporation; or	Rs. 20,00,000 or 0.02% of the trade value in the exchange (excluding taxes) during the relevant financial year, whichever is higher
	c) for a Clearing Corporation	Rs. 20,00,000 or 0.02% of the clearing value in the clearing corporation (excluding taxes) during the relevant financial year, whichever is higher
<p>Explanation:</p> <ol style="list-style-type: none"> <li>1. The trade value in the exchange shall be worked out by considering only one part of the transaction (either to buy or to sell) and not the sum of value of buy and sell transaction.</li> <li>2. The clearing value in the case of clearing corporation shall be the amount cleared that is to say the amount received or the amount disbursed and not the sum of amount received and amount disbursed.</li> </ol>		

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(3) Other Charges payable under this regulation shall be paid annually for each financial year that is to say a period of 12 months beginning on first April and ending on thirty-first March of the following year, within a period of two months from the beginning of the financial year.

<sup>7</sup> Ins. by Cl (i) of sub reg. (c) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Second Amendment Regulations, 2020 (w.e.f. 28.09.2020).

- (4) Other Charges payable under this regulation shall be rounded off to the nearest Rs. 100.
- (5) Other Charges shall be paid through demand draft or pay order in favour of the Petroleum and Natural Gas Regulatory Board and payable at New Delhi, or by any electronic mode into the account of the Board.
- (6) In case of non-payment of Other Charges by the due date, late payment surcharge at the rate of one percent (1%) shall be payable on the outstanding amount for each month of delay or part thereof after due dates of payment as specified in sub-regulation (3). Such surcharge shall also be payable beginning from 1st April, 2019 on the past dues of other Charges as on 31st march 2019.
- <sup>8</sup>[(7) Any entity liable to pay Other Charges or late payment surcharge in accordance with sub-regulation (2) and sub-regulations (3) to (6), shall submit details of remittance in Form-I attached to these regulations, within seven days of making such payment and any entity liable to pay Other Charges or late payment in accordance with sub-regulation 2A and sub-regulations (3) to (6), shall submit details of remittance in Form-II attached to these regulations, within seven days of making such payment.]
- (8) Other charges receivable and other charges received shall be entered into a register to be maintained by the Board with the details such as other charges receivable, name of the entity remitting the payment, financial year for which payment has been made or is payable, name of the CGD network or the name of the pipeline, serial number, date and name of the bank or its branch in respect of the demand draft or pay order or details of electronic payment, as the case may be.
- (9) Other charges already remitted by an entity till the financial year 2018-19 for 'Construction Period' under sub-regulation (2) of regulation 4 before the commencement of the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Amendment Regulations, 2018 as interest free deposit, shall be adjusted by the Board against the applicable Other Charges under sub-regulation (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.

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<sup>8</sup> Ins. by Cl (ii) of sub reg. (c) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Second Amendment Regulations, 2020 (w.e.f. 28.09.2020).

**<sup>9</sup>[7. Interpretation.–**

If any question arises as to the interpretation of these regulations, the same shall be decided by the Board.]

[S-Admn/II/8/8007-Vol.I]

AJAY TYAGI, Secy

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<sup>9</sup> Subs. by Reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Amendment Regulations, 2020, for 'Reg 7', (w.e.f. 13.05.2020).

**Form-I****[See regulation 4(7)]**

Details of other charges payable and paid as per part A of the Table under regulation 4(1) for the financial year 20...-

Name of entity				
Address of the entity				
<b>(a) Details of Other Charges paid or payable in respect of CGD Networks</b>				
Name of the CGD Networks (GA)	Population as per 2011 Census of India	Financial year from the start of grant of authorization or acceptance thereof by the Board	Other charges paid or payable (Rs.)	Remarks
1.				
2.				
3.				
....				
Sub-Total – (a)				
<b>(b) Details of Other Charges paid or payable in respect of Pipelines</b>				
Name of the Pipeline (Natural Gas and Petroleum or Petroleum Products)	Revenue (excluding taxes) accrued during the previous financial year	Other Charges paid or payable	Remarks	
1.				
2.				
3.				
....				
Sub-total- (b)				
Total- (a)+(b)				
<u>Details of remittance</u> Demand Draft or pay order No./Ref No. of Electronic payment, Date of Issue or Payment, Bank and branch at which payable Amount (in Rupees)				



<sup>10</sup>[Form – II

[See regulation 4(7)]

Details of annual other charges payable and paid as per Table specified in sub-regulation (2A) of regulation 4 for the financial year 20\_

Name of Gas Exchange or Clearing Corporation				
Address of the Gas Exchange or Clearing Corporation				
Financial year of grant of authorization or Financial Year	Trade Value or Clearing value of the relevant Financial year	Annual Other Charges payable	Annual Other Charges paid	Mode of payment
Details of remittance: Demand Draft or pay order No. and date or Ref No. and date of Electronic payment, Bank and branch at which payable and Amount in Rs.				

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<sup>10</sup> Ins. by sub reg. (d) of reg. 2, the Petroleum and Natural Gas Regulatory Board (Levy of Fee and Other Charges) Second Amendment Regulations, 2020 (w.e.f. 28.09.2020).

**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:** The 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, 2010 and F. No. Legal/50/2013, dated the 21<sup>st</sup> June, 2013 and F. No. PNGRB/F&C/Amendment PNGRB Regulations, dated 03<sup>rd</sup> January, 2019 and F. No. PNGRB/Fin./8-OC(1)/2018, dated 13<sup>th</sup> May, 2020 and PNGRB/Fin./8-OC(1)/2018(P-836) dated 28<sup>th</sup> September, 2020.