

National Gas Regulatory Authority (Licensing) Rules 2001

FINAL DRAFT

13 July 2001

S. R. O. _____.

—In exercise of the powers conferred by section 34 of the Natural Gas Regulatory Authority Ordinance, 2000 (I of 2000), the Natural Gas Regulatory Authority, with the approval of the Federal Government, is pleased to make the following rules, namely: —

PART I

SHORT TITLE, COMMENCEMENT AND DEFINITIONS

2 Definitions. — (1) In these rules, unless there is anything repugnant in the subject or context,—

1 Short title and commencement. —(1) These rules may be called the Natural Gas Regulatory Authority (Licensing) Rules, 2001.

(2) They shall come into force at once.

(i) "application" means an application made to the Authority in accordance with the provisions of these rules for obtaining a license from the Authority;

(ii) "Authority" means the Natural Gas Regulatory Authority established under section 3 of the Ordinance;

(iii) "BTU" means British Thermal Unit;

(iv) "category of retail consumer" means a category of retail consumer designated as such by order of the Federal Government from time to time;

(v) "common carriage" means the obligation to transport, on a non-discriminatory basis, for a fee or any other basis approved by the Authority, natural gas through the pipelines of a licensee;

(vi) "communication" means the pleadings and any other correspondence with the Authority in connection with the proceedings;

(vii) "consumer" means retail consumers or wholesale consumers;

(viii) "correct meter" means a meter that registers the amount of natural gas passing through it to an accuracy of + two percent or such other accuracy as may be determined by the Authority from time to time and the Authority may determine different accuracies for different types of meters;

(ix) "distribution" means the activity of transporting natural gas through pipelines and associated facilities at a pressure which would not ordinarily be expected to exceed 300 psig or such pressure as the Authority may prescribe from time to time;

(x) "existing companies" means Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited;

(xi) "existing gas purification facilities" means the facilities at the Sui Gas Field used by the existing companies for purification on the date of commencement of the Ordinance;

(xii) "financial year" means the period beginning on the first day of July in a calendar year and ending on thirtieth day of June in the next following calendar year;

(xiii) "license" means a license granted by the Authority under the Ordinance and these rules, to undertake one or more regulated activities;

(xiv) "licensee" means the grantee or holder of a license;

(xv) "MMCF" means million cubic feet;

(xvi) "MMCFD" means million cubic feet per day ;

(xvii) "main" means a distribution line that serves as a common source of supply of natural gas for more than one service line;

(xviii) "meter" means an instrument for measuring and indicating or recording the volume of natural gas that has passed through it;

(xix) "motion" means any written or, if so permitted by the Authority, oral application in relation to any matter under these rules;

(xx) "natural gas" means hydrocarbons or mixture of hydrocarbons and other gases which at sixty degrees Fahrenheit and atmospheric pressure are in the gaseous state (including gas from gas wells, gas produced with crude oil and residue gas resulting from the processing of gas) consisting primarily of methane, together with any other substances produced with such hydrocarbons;

(xxi) "Ordinance" means the Natural Gas Regulatory Authority Ordinance, 2000 (I of 2000);

(xxii) "open access" means the non-discriminatory access, for a fee or any other basis approved by the Authority, to transmission or distribution facilities;

(xxiii) "person" includes an individual, firm, association of persons, partnership, company, trust, corporation, a government, local or other authority or any other legal entity;

(xxiv) "pipe" means any pipe or tubing used in the transportation of gas, including pipe type holders and the expression "piping" shall be construed accordingly;

(xxv) "pipeline" means all parts of those physical facilities through which natural gas moves during transmission, including pipes, valves and other appurtenances attached to pipes, compressor units, metering stations, regulated stations, delivery stations, holders and fabricated assemblies;

(xxvi) "pleadings" means the application, the replies to the application and rejoinders;

(xxvii) "prescribed period" means the period of time prescribed in these rules for the giving of a notice or directions or for the performance of any other act or acts by the Federal Government or the Authority.

(xxviii) "proceedings" means the process beginning with the filing of an application and ending when the Authority makes its final determination and includes the process of a review by the Authority of its final determination;

(xxix) "project" means transmission, distribution or sale of natural gas through a specified route or in a geographical area, where the applicant proposes to build the requisite pipelines and other infrastructure;

(xxx) "psig" means pounds per square inch gauge;

(xxxi) "public emergency" means the occurrence of any natural calamity, or an event which threatens public safety, or the sovereignty, security or integrity of Pakistan and is declared as such by the Federal Government;

(xxxii) "purification" means the purification or processing of natural gas and may include the removal of any of its constituent gases or the separation from gas of any oil or water;

(xxxiii) "register" means the record maintained by the Registrar wherein shall be entered the title and number of all applications and communications in such manner and with such details as the Authority may, from time to time, direct;

(xxxiv) "Registrar" means a person designated by the Authority to register and record the receipt of communications and applications filed with the Authority and to perform such other duties under these rules as may, from time to time, be assigned by the Authority.

(xxxv) "regulatory accounts" means accounts of the licensee maintained in such form as may be prescribed by the Authority so as to enable the Authority to obtain all relevant information as it may require in order to determine that licensee's total revenue requirement for each financial year, to establish or vary any tariff or to exercise any other power contained in rule 4 of these rules.

(xxxvi) "regulated activity" means any of the activities of transmission, distribution or sale of natural gas by any person and the purification of natural gas by an existing company using the existing gas purification facilities but shall not include the activities of transmission or distribution of natural gas within a lease area governed by a petroleum concession agreement and undertaken by the holder of a petroleum right as defined in such an agreement;

(xxxvii) "retail consumer" means a person who purchases or receives natural gas for consumption and not for delivery or resale other than resale for vehicular use and shall include a person who owns or occupies any premises which are connected to a supply of natural gas.

(xxxviii) "sale" means the sale of natural gas to retail consumers but shall not include sale of natural gas for vehicular use and self consumption by a licensee in connection with its regulated activity and the expression "sell" shall be construed accordingly;

(xxxix) "service line" means a distribution line that transports natural gas from a main to (i) a consumer's meter or the connection to a consumer's piping, whichever is further downstream or (ii) the connection to a consumer's piping if there is no consumer meter;

(xl) "transmission" means the activity of transporting natural gas through pipelines and other facilities at a pressure of not less than 300 psig or such pressure as the Authority may prescribe from time to time;

(xli) "wholesale consumer" means a person who purchases or receives natural gas for delivery or resale to others but does not include a person dealing in the sale of compressed natural gas as fuel for vehicular use.

(2) All other terms used but not defined in these rules shall have the meanings ascribed to them in the Ordinance.

PART II

LICENSING OF REGULATED ACTIVITIES

3. Regulated activities prohibited without license.-

(1) No person shall undertake any regulated activity without having obtained a license from the Authority in accordance with these rules.

4. Powers of the Authority —

(1) The Authority shall be exclusively responsible for licensing the carrying on of regulated activities on the terms and conditions set out in these rules and such others as it may impose provided the same are not inconsistent with these rules and are connected with the regulated activities.

(2) Without prejudice to the generality of the foregoing, the Authority is empowered to-