

NATURAL GAS TRANSMISSION UTILITY (STANDARDS OF PERFORMANCE) REGULATIONS, 2008 (LI 1936)

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NATURAL GAS TRANSMISSION UTILITY (STANDARDS OF PERFORMANCE) REGULATIONS, 2008 (LI 1936)

IN exercise of the power conferred on the Board of the Energy Commission by section 27 of the Energy Commission Act, 1997 (Act 541) and acting in consultation with the Public Utilities Regulatory Commission, these Regulations are made this 4th day of June, 2008.

General principles and provisions

Overriding obligations

1. The Utility shall

- (a) transport gas to a bulk customer or distribution company,
- (b) not discriminate between shippers, bulk customers and distribution companies, and
- (c) notify a shipper, a bulk customer or distribution company of any matter related to their activities in the natural gas supply industry required under these Regulations or on the direction of the Commission.

System integrity and security

2. (1) The Utility shall operate the transmission system in accordance with the Act, Regulations made under the Act and the terms and conditions of the transmission licence.

(2) The Utility shall ensure

- (a) the maintenance of the physical safety and security of persons, apparatus and installations over which it has complete and unencumbered control and has the legal right of access;

(b) the maintenance of the operational integrity of the transmission system;

(c) that the physical balance of the transmission system is maintained; and

(d) the mitigation of the adverse effect that results from a breach of these Regulations, an ancillary agreement or the procedures adopted by a bulk customer or distribution company.

(3) In the discharge of its obligations under sub-regulation (1), the Utility shall take

(a) any necessary action in the circumstance to ensure the flow of natural gas from the transmission system, and

(b) preventive measures where the operational integrity of the transmission system is at risk.

Bulk customer and distribution company's facilities

3. (1) The Utility shall have a right of access at all reasonable times to a bulk customer or distribution company's facilities without charge to exercise its rights in accordance with these Regulations and the framework agreement.

(2) Without limiting the effect of sub-regulation (1), where natural gas is off-taken for use by an end-user who is not a bulk customer or a distribution company, the bulk customer or distribution company shall by a deed of adherence or otherwise, require the end-user to comply with these Regulations, the framework agreement and any ancillary agreement.

(3) The Utility may cease to make natural gas available for off-take at the off-take point where a bulk customer or distribution company does not comply with sub-regulation (2).

Capacity

4. (1) A shipper is entitled to reserve capacity in the transmission system in accordance with these Regulations.

(2) The obligation of the Utility to make capacity available to a shipper under these Regulations, the framework agreement and any ancillary agreement shall depend on the availability of the

capacity having regard to, among other things, the Utility's estimate of anticipated discharge of natural gas from the transmission system and anticipated deliveries of natural gas to the transmission system.

(3) The Utility may determine the capacity to be held by a shipper bulk customer or distribution company, on the transmission system with the approval of the Commission.

Disbursement account

5. (1) The Utility shall open and maintain a disbursement account which shall be a separate account from the Utility's operation account and into which shall be paid any money received from a shipper, bulk customer or distribution company in respect of a balancing charge.

(2) The Utility shall use the proceeds of the account to discharge payments due in respect of any overrun charge, balancing charge, transmission shrinkage cost and non-compliant gas cost.

(3) Each shipper, bulk customer and distribution company shall (a) be informed each month of the status of the disbursement account,

(4) Amounts charged by the Utility in respect of shrinkage gas shall be paid into the disbursement account.

Administration Application for reserve capacity

9. (1) A person may apply to the Utility for reserve capacity at an entry point.

(2) The Utility may reject an application if

(a) the applicant is not registered by the Commission as a shipper;

(b) the applicant has not made any prior arrangement to make gas available at the entry point for the duration for which the capacity is required;

(c) the quality of gas to be delivered at the entry point does not meet the requirement of the Utility at that entry point; or (d) for any other reason that the Utility determines.

(3) The Utility shall

(a) within ten days after the receipt of an application, acknowledge receipt, and

(b) within sixty days after receipt of an application inform the applicant in writing of its decision.

(4) Subject to regulation 4, where the Utility approves an application for reserve capacity, the Utility shall provide the shipper with the reserve capacity.

(5) A person aggrieved by the refusal of the Utility to grant reserve capacity, may lodge a complaint with the Minister within ten days after receipt of the Utility's decision referred to in sub regulation (3) (b).

(6) The Minister shall within thirty days after receipt of the complaint make a decision on it.

Entry point requirements

10. (1) A shipper shall

(a) deliver natural gas to the transmission system, or

(b) tender natural gas for delivery to the transmission system at an entry point in accordance with entry point requirements applicable to that entry point.

(2) The Utility shall provide a shipper registered at an entry point with detailed requirements for the delivery of natural gas to that entry point, including

(a) the location of the entry point,

(b) pressure conditions and specifications of natural gas delivered or tendered for delivery to the transmission system at that entry point in accordance with regulations 16 and 17,

(c) metering, and

(d) entry point procedures.

(3) A shipper shall indemnify the Utility for any cost, loss and expense that arises out of the failure on the part of the shipper to comply with an entry point requirement at which the shipper's natural gas is delivered or tendered for delivery.

Off-take points

11. (1) A bulk customer or distribution company shall apply to the Utility to become the registered bulk customer or distribution company at an off-take point.

(2) For purposes of these Regulations, an off-take point from the transmission system may also become an entry point.

Registered bulk customer or distribution company at an off-take point

12. (1) A single bulk customer or distribution company shall be registered at a single off-take point but more than one bulk customer may be registered at multiple off-take points.

(2) Nothing in these Regulations confers a right on a bulk customer or distribution company to become the registered bulk customer or distribution company at an off-take point.

Measuring equipment

13. (1) The Utility shall provide, install, maintain and operate appropriate measuring equipment within specified accuracy limits of the measuring equipment at each

(a) entry point, and

(b) off-take point.

(2) The Utility shall

(a) ensure that the accuracy of the measuring equipment is maintained throughout its usage,

(b) periodically test and if necessary calibrate measuring equipment at the facilities of the supplier or bulk customer,

(c) review its transmission system for any measuring equipment that has been in service for twenty years or more,

(d) seal a measuring equipment within the transmission system in the presence of a shipper or the shipper's representative as the case may be, who shall ensure that the seal is firmly in place, and

(e) replace a defective measuring equipment or provide an appropriate alternative to restore natural gas supply to the bulk customer.

(3) Despite sub-regulation (2)(d), the Utility may break a seal on measuring equipment during testing, maintenance or repair and shall on completion, reseal the measuring equipment in the presence of the bulk customer or distribution company or the bulk customer's or distribution company's representative.

(4) The Commission shall determine the frequency of calibration depending on the type of measuring equipment used by the Utility.

Bulk customer or distribution company operational information

14. (1) The Utility shall provide the Commission, a bulk customer distribution company with information on request on the bulk customer's or distribution company's gas quality, gas pressure, temperature and daily flow rate of the gas.

(2) Despite sub-regulation (1), the Utility shall at the request bulk of a bulk customer or distribution company and at the bulk customer's or distribution company's expense, provide to the bulk customer or distribution company in respect of the off-taken natural gas, additional information on the bulk customer or distribution company's off-take.

Safety of supply

15. (1) The Utility shall comply with operational safety require contained in Regulations for natural gas in respect of occupational h and safety.

(2) The Utility shall require that a bulk customer or distribution company does not use natural gas in a manner that would make the Utility's transmission system unsafe.

(3) Where the Utility becomes aware either by information the public or otherwise that its transmission system at a particular locality is faulty and may pose danger to the public, the Utility shall visit the locality and

(a) place notices to warn the public of the danger,

(b) isolate the faulty part of the transmission system within

(i) two hours, where the location of the fault is within a radius of thirty kilometers,

(ii) four hours, where the location of the fault is within a radius of sixty kilometers, or

(iii) ten hours, where the location of the fault is within a radius of above sixty kilometers from the district or regional office of the Utility where the information was received, and

(c) take other measures necessary to ensure the safety of the public.

Gas quality

Quality

16. Natural gas delivered to or tendered for delivery at an entry or off take point shall conform to the specification for natural gas specified in the First Schedule.

Pressure

17. (1) The Utility shall make natural gas available for off-take from the transmission system at an off-take point at a pressure that is not more than the design pressure of the connecting pipe of a local distribution company or bulk customer.

(2) The Utility is not obliged to make natural gas available for off take by a bulk customer or distribution company from the transmission system at a pressure in excess of the agreed maximum pressure.

(3) The Utility shall require a shipper to deliver natural gas to an entry point at the pressure which prevails at that point.

Non-compliant gas

18. (1) The Utility shall ensure that.

(a) the gas tendered for delivery at an entry point conforms to the specifications in the First Schedule, and

(b) not more than two percent of the total gas transmitted annually is classified as non-compliant.

(2) The Utility may, where it has been notified in advance that the non-compliant gas tendered for delivery at the entry point does not conform to the specification in the First Schedule,

(a) take measures to limit the rate at which the non-compliant gas is delivered to the transmission system, or

(b) ensure that the non-compliant gas is not delivered.

Off-spec gas

19. (1) The Utility shall ensure that gas delivered at an off-take point conforms to the specifications agreed between the Utility and the shipper.

(2) The bulk customer or distribution company may, where natural gas made available for off-take by the Utility at an off-take point fails to conform to the off-take specification specified in the First Schedule, either

(a) off-take immediately,

(b) continue to off-take, or

(c) decline to off-take the off-spec gas.

(3) The Utility shall ensure that total gas transmitted annually does not contain more than three percent of gas classified as off-spec.

Interruptions and congestion management

Interruption for planned maintenance

20. (1) The Utility may disconnect or interrupt natural gas supply to 'J bulk customer or distribution company to carry out planned maintenance including repair and installation of new equipment.

(2) Except in a situation of emergency, the Utility shall not exercise its power under sub-regulation (1) unless the Utility informs the bulk customer or distribution company of the intended disconnection or interruption and stipulates the approximate duration of the disconnection or interruption through

(a) public notice,

(b) direct contact by telephone or electronic mail, or

(c) other appropriate information technology system.

(3) For the purpose of sub-regulation (2) (a), the public notice shall be given for a period of not less than ten working days after which supply may be interrupted.

(4) Where the Utility interrupts supply, the Utility shall restore natural gas supply after the stipulated period.

Notice of planned supply interruption

21. (1) Subject to regulation 28, the Utility shall pay to a bulk customer or distribution company the compensation specified in the Second Schedule, where the Utility

(a) without notice to the bulk customer or distribution company as required under regulation 20, or

(b) on a day other than the day specified in a notice of interruption, has interrupted supply to the bulk customer or distribution company to discharge the Utility's obligation under the Act or Regulations made under the Act.

(2) A bulk customer or distribution company shall lose the right to be compensated if the bulk customer or distribution company does not make a claim on the Utility for compensation within thirty days from the date of the interruption without notice.

Emergency interruption of supply or disconnection

22. (1) The Utility may in an emergency situation disconnect or interrupt supply to a bulk customer without prior notice to the bulk customer or distribution company and immediately after the disconnection inform the bulk customer or distribution company.

(2) The Utility shall take the appropriate measures to rectify the situation and immediately advise the bulk customer or distribution company.

Restoration of supply after interruption

Rectification of faults and restoration of natural gas supply

23. (1) The Utility shall on the occurrence of a fault with the transmission system rectify the fault and restore natural gas supply to the affected bulk customer or distribution company

(a) where a minor fault occurred, within twenty-four hours, or

(b) where a major fault that would require capital intensive equipment replacement occurred, within five days.

(2) The periods stated in this regulation do not apply to faults associated with natural disasters.

(3) Where a bulk customer's or distribution company's natural gas supply is disconnected for failure to comply with regulations in respect of the inspection of the bulk customer's or distribution company's installations prior to connection to the transmission system, the Utility shall restore natural gas supply within twenty-four hours after the customer or company has complied fully with the Regulations.

Restoration of supply

24. (1) Where a report on an interruption of supply of natural gas to a bulk customer or distribution company as a result of failure of, fault in or damage to the transmission system, is made to the Utility by a shipper, bulk customer or distribution company, the Utility shall subject to subregulation (2) pay to the bulk customer or distribution company the compensation specified in the Second Schedule if supply of natural gas to the bulk customer or distribution company is interrupted and supply is not restored to the bulk customer or distribution company within the periods prescribed under regulation 23.

(2) The Utility shall pay an amount equivalent to the compensation paid under sub-regulation (1) for each succeeding twelve hour period following non-compliance with sub-regulation (1).

(3) Sub-regulation (1) does not apply in instances where

(a) the circumstances stipulated in regulation 28 exist,

(b) the fault is on a section of the pipeline situated on or under a river, lake or sea bed,

(c) the bulk customer's or distribution company's facility is situated on an island and an alternative means is normally not available to the Utility to supply the facility on that island, or

(d) the utility has not received a claim for compensation from the bulk customer or distribution company in respect of the conditions stipulated in sub-regulation (1) within forty days from the date of restoration of supply to the bulk customer or distribution company's facility.

Congestion management

25. (1) The Utility may declare a difficult day or a restricted capacity day and by issuing an operational flow order, instruct the bulk customer or distribution company affected by a difficult day or a restricted capacity day.

(2) A bulk customer or distribution company issued with an operational flow order shall comply with Regulations in respect of the operations of the natural gas transmission utility.

(3) A bulk customer or distribution company that contravenes this regulation commits an offence and is liable on summary conviction to a fine of five hundred penalty units.

Disputes

26. (1) The Utility, a shipper, bulk customer or distribution company may refer a matter of dispute between

(a) the Utility and the shipper, the bulk customer or distribution company, or

(b) a shipper and a bulk customer or distribution company, to the Commission for settlement.

(2) Where a dispute is referred to the Commission for settlement, the parties to the dispute, shall furnish the Commission or a person appointed by the Commission with the relevant evidence required to enable a proper determination of the dispute.

(3) Where the settlement of a dispute results in an order that requires the Utility to make a payment to the shipper, bulk customer or distribution company and the Utility fails to make that payment, the shipper, bulk customer or distribution company may set-off the amount ordered to be paid against any amount owed by the shipper, bulk customer or distribution company to the Utility.

(4) A settlement made with respect to a dispute brought before the Commission may include a provision requiring the unsuccessful party to pay the costs or expenses incurred by the successful party and the fees of the arbitration panel set up for the settlement of the dispute.

Payments

27. (1) The Utility shall, where it is required to make payment to a shipper, bulk customer or distribution company under these Regulations, pay the compensation specified in the Second Schedule if it fails to notify the shipper, bulk customer or distribution company that payment is due and make payment to the shipper, bulk customer or distribution company of the sum entitled.

(2) Sub-regulation (1) does not apply if a dispute between the Utility and the shipper, bulk customer or distribution company exists.

(3) Payment to the shipper, bulk customer or distribution company may be made by:

- (a) cash,
- (b) a cheque, or
- (c) credit to the bulk customer's natural gas account with the distribution company where a distribution company is required to make a payment under these Regulations to a bulk customer within thirty days after the amount is due.

Exemptions

28. The Utility shall be exempted from paying to a shipper, bulk customer or distribution company, the compensation specified in the Second Schedule if the failure to comply with these Regulations is as a result of

- (a) severe weather conditions;
- (b) inability to obtain access to the bulk customer or distribution company's facility;
- (c) industrial action by the employees of the Utility, subject to the Labour Act, 2003 (Act 651);
- (d) frivolous or vexatious information or a complaint as determined by the Commission;
- (e) the failure by the bulk customer or distribution company to pay a charge due to the Utility;
- (f) the bulk customer or distribution company informing the Utility that the bulk customer does not wish the Utility to take an action or a further action in respect of an obligation under these Regulations;
- (g) the dispatch of information required to be provided by the bulk customer or distribution company to the Utility, to a wrong address; or
- (h) a circumstance of exceptional nature which in the opinion of the Commission is beyond the control of the Utility.

Force majeure

29. (1) Where a shipper, bulk customer or distribution company is affected by the Utility's inability to perform its obligations under the Act, these Regulations or the framework agreement as a result of force majeure, the Utility shall notify that shipper, bulk customer or distribution company as soon as practicable.

(2) A shipper, bulk customer or distribution company unable to perform an obligation under the Act, Regulations made under the Act or agreement shall notify the Utility in writing of the event and its inability to perform.

(3) The Utility shall suspend the obligations of the shipper, bulk customer or distribution company to the extent that the shipper, bulk customer or distribution company's ability to perform is hindered by force majeure.

(4) Where the Utility considers an event of which it is notified by a shipper, bulk customer or the distribution company to constitute force majeure which affects the transmission system, the Utility shall as soon as is practicable, declare a force majeure and the obligations of the Utility and each shipper, bulk customer or distribution company will be suspended to the extent hindered by the force majeure.

Extent of relief from force majeure

30. (1) Force majeure shall not relieve the Utility, a shipper, bulk customer or distribution company from a liability or obligation to

(a) make payments due under these Regulations, the framework agreement or any ancillary agreement except to the extent that the failure to pay money is caused by force majeure or a circumstance affecting all reasonable means of payment; or

(b) give notice or other communication which may be required under these Regulations, the framework agreement and any ancillary agreement between a shipper, bulk customer or distribution company, except where either the Utility, distribution company or bulk customer is unable to give the notice or communication due to the force majeure affecting the monitoring system, in which case the notice or communication shall be made in accordance with the direction of the Utility.

(2) The affected party shall be relieved of any liability under regulation 29 for as long as, and to the extent that the occurrence of the force majeure and the effects of the occurrence cannot be overcome by a measure which the affected party might reasonably be expected to take with a view

to resuming performance of its obligations, except that the affected party shall not be required to settle any strike, lock-out or other industrial trade dispute which constitutes force majeure.

(3) A party that is not affected shall be relieved of liability to perform its obligations under these Regulations and any ancillary agreement to the extent that, that party is rendered unable to perform any of its obligations as a result of the affected party being prevented from, delayed or hindered in the performance of any of its obligations by reason of force majeure.

Information

31. (1) Relief in relation to an entry point or an off-take point shall not be given in a circumstance under regulation 29 unless, the affected party supplied the other party with a report giving reasonable details of the

(a) place, nature of and reason for the force majeure, and

(b) obligation delayed or prevented in the performance and the estimated period during which performance may be suspended

within twenty one days of the occurrence of the force majeure, or within a period approved by the Commission.

(2) A party may in relation to force majeure that relates to an off take point, request the affected party to supply that other party with a report containing details of the matters specified in sub-regulation (1)(a) and (b).

(3) The report shall be supplied by the affected party to the other party within twenty-one days from the date of the request.

Resumption of performances

32. A party who is relieved under regulation 29 of a liability which arises from a failure to perform an obligation, shall after the removal of the cause of the failure, notify the other party and resume the performance of the obligation.

Notices to the Commission

33. (1) The Utility shall provide the Commission with a copy of each report made by the Utility pursuant to regulation 29(1).

(2) A shipper, bulk customer or distribution company shall provide the Commission with a copy of each report provided by the shipper, bulk customer or distribution company pursuant to regulation 29(2).

Notification

34. (1) Where a complaint or notification of the occurrence of an event affecting the transmission system is made by a bulk customer or distribution company to the Utility outside the Utility's working hours under regulation 15, the notification shall take effect from the following working hour.

(2) The Utility shall provide an emergency contact facility to bulk customers, distribution companies and the general public.

Performance reporting

35. (1) The Utility shall prepare a quarterly statement indicating compliance with Regulations in respect of the operations of the Utility and the level of performance achieved with regard to the performance indicators specified in the Third Schedule, in the form and content that can reasonably be understood by a bulk customer or distribution company.

(2) The Utility shall

(a) lodge a copy of the statement, and any revision made to that statement with the Commission and the Public Utilities Regulatory Commission, before releasing it to bulk customers or distribution companies,

(b) despatch to each bulk customer or distribution company, a copy of the quarterly statement,

(c) display a copy of the statement in its current form for inspection at its facility, and

(d) make available a copy of the statement in its current form to a person who requests for it.

Liabilities and indemnities

36. (1) Except as expressly provided in these Regulations each shipper, bulk customer or distribution company shall indemnify the Utility against actions, proceedings, suits, claims, demands, damages, losses, costs, charges, expenses and fines that arise from

(a) personal injury to, illness or death of the Utility's own officers, directors, employees and agents or those of its affiliates, contractors or sub-contractors, and

(b) loss of or damage to the Utility's own property or the property of its affiliates, contractors or sub-contractors and respective officers, directors, employees and agents,

that results from the shipper, bulk customer or distribution company's breach of obligations under these Regulations and any ancillary agreement between the Utility and the shipper, bulk customer or distribution company, or the Utility's negligent act or omission, except a liability, loss or damage resulting from the willful misconduct on the part of the Utility.

(2) Subject to these Regulations and any ancillary agreement, the Utility shall indemnify a shipper, bulk customer or distribution company against any action, proceeding, suit, claim, demand, damage, loss, cost, charge, expense and fine arising from

(a) personal injury to, illness or death of a shipper's, bulk customer's or distribution company's own officers, directors, employees and agents or those of its affiliates, contractors or sub-contractors, and

(b) loss or damage to the shipper's, bulk customer's or distribution company's property or the property of affiliates, contractors or sub-contractors and the respective officers, directors, employees and agents,

that result from the Utility's breach of obligations under these Regulations, the framework agreement and any ancillary agreement between the Utility and the shipper, bulk customer or distribution company, or the shipper, bulk customer or distribution company's negligent act or omission, except for a liability, loss or damage resulting from the willful misconduct on the part of a shipper, bulk customer or distribution company.

(3) The aggregate liability of the Utility in a gas year, whether for breach of contract, tort or otherwise, including a liability of the Utility in relation to the refund of a portion of the back-up capacity reservation charge irrespective of the number of incidents, shall not exceed in a gas year, the annual liability cap.

Offences and penalties

37. (1) A person who contravenes a provision of these Regulations commits an offence and is liable on summary conviction to a fine of not more than two hundred and fifty penalty units or to a term of imprisonment of not more than one year or both.

(2) Where an offence under these Regulations is committed by a body corporate, a partnership or other firm, every director or officer of that body corporate or any member of the partnership or firm or other person concerned with the management of the body corporate, partnership or firm shall be considered to have committed the offence and is on summary conviction, liable to pay a penalty not exceeding one thousand penalty units or to a term of imprisonment not exceeding five years or to both.

Interpretation

38. Unless the context otherwise requires, in these Regulations,

"Act" means the Energy Commission Act, 1997 (Act 541);

"affected party" means the Utility, a shipper, bulk customer or distribution company that is unable to perform an obligation as a result of force majeure;

"annual liability cap" means the aggregate liability of the transmission utility in anyone year in connection with these Regulations, including framework agreement and ancillary agreement, whether for breach of contract, tort or otherwise irrespective of the number of incidents but shall not exceed in anyone gas year a total limitation sum to be determined by the Energy Commission;

"back-up capacity" means capacity reserved for a period of twelve months by the Utility for a shipper at an entry point that is different from the registered entry point of the supplier or bulk customer;

"balancing charge" includes a charge due to imbalance or difference between the input and output quantities recorded by the transmission utility on behalf of a wholesale supplier, bulk customer or distribution company for a specific period and a charge debited or credited to the disbursement

account as a result of any balancing action taken by the transmission utility to ensure the physical balance of the transmission system;

"balancing gas contract" means an agreement between the Utility and a shipper of natural gas to provide natural gas for the safe maintenance and operation of the transmission system; "bulk customer" means a customer that purchases or receives a natural gas product of an amount or level that the Commission may specify;

"capacity reserve" means a wholesale supplier, bulk customer or distribution company request for a specific quantity of natural gas at an entry point or exit point of the transmission system at a specific time as a result of the transmission utility's acceptance;

"Commission" means the Energy Commission established under section 1 of Act 541;

"connected system" means a transportation system that operates upstream of the transmission system;

"customer" means a person that contracts to purchase natural gas from a shipper;

"customer meter" means the meter that measures the transfer of gas from the Utility to a bulk customer;

"difficult day" means a day declared by the Utility where there is insufficient flexibility available on the transmission system to accommodate a bulk customer within the day's profile at a bulk customer's off-take, other than the profile which specifies a uniform off-take rate;

"disbursement account" means an account where all amounts received from every bulk customer and distribution company in respect of balancing charges are lodged;

"dispute" means a controversy or claim arising out of or in connection with these Regulations, and the Framework Agreement;

"distribution company" includes a person licensed under the Act to distribute and sell natural gas for consumption and not for delivery or resale to others, and a person who owns or occupies premises where natural gas is supplied;

"emergency" includes an event or circumstance or combination of an event or circumstance which has occurred or may occur, which adversely affects, or may adversely affect the safety or operational integrity of the transmission system, or which threatens or may threaten the safety of life, property, the environment and a system emergency and, where the context requires

- (a) the event or circumstance which gives rise to the emergency,
- (b) the safe conveyance of natural gas by the transmission system that is significantly at risk,
- (c) natural gas conveyed by the transmission system at a pressure or of a quality to constitute a danger to life, property or the environment when off-taken from the transmission system,
- (d) an escape or suspected escape of natural gas,
- (e) the Utility's inability to maintain safe pressure within the transmission system being affected or threatened by an interruption or disruption to the transmission system or a connected system,
- (f) an event or circumstance in a connected system upstream or downstream of the transmission system, (g) an insufficiency of the delivery of natural gas to and from the transmission system, and
- (h) any actual or potential failure of or damage to the transmission system;

"end user" means a third party that has entered into an agreement with a wholesale supplier, bulk customer or distribution company to purchase or utilise natural gas to be off-taken from the transmission system ;

"entry point" means a point at which natural gas is transferred from a connected system to the transmission system; "force majeure" means

- (a) an act or event which arises out of, or is attributed to an act of God,
- (b) war, hostility, a terrorist act, sabotage, an act of vandalism, revolution, an act of military authority or riot,
- (c) disaster, fire, flood, epidemic or explosion,
- (d) an event which is beyond the reasonable control of the Utility bulk customer or distribution company, and
- (e) a strike, lock-out or other industrial trade dispute;

"framework agreement" means the agreement entered into between the Utility and a shipper, which specifies the

(a) procedure for obtaining and terminating transmission and interconnection services for natural gas, (b) method of response to the request for the Utility's services, and

(c) maps and diagrams of the Utility's natural gas transmission facilities in the country as required under section 24(2) (c) of the Act;

"gas year" means a twelve month period determined by the Utility and declared to the Commission;

"maximum supply pressure" means the maximum pressure at which gas is supplied to a customer;

"measurement equipment" means equipment installed, or required by the Utility to be installed, at an entry point or at an off-take point for the purpose of measuring the flow rate, temperature and pressure of natural gas delivered to or off taken from the transmission system;

"meter" means natural gas meter;

"minimum supply pressure" means the minimum pressure at which gas is supplied to a customer;

"minor fault" means a fault that requires the repair or replacement of a pump, valve and control device of the transmission system;

"natural gas meter" means equipment installed, or required by the transmission utility to be installed, at an entry point or at an of take point for the purpose of measuring the volume or any other characteristic of natural gas delivered to or off taken from the transmission system;

"non-compliant gas" means natural gas tendered for delivery at the entry point which fails to conform to the entry specification;

"non-compliant gas cost" includes any cost or expense that is properly incurred by the transmission utility as a result of the delivery of non-compliant gas and the cost and expense incurred in taking the necessary measure to

- (a) clean any part of the transmission system or rectify other damage caused by the delivery of noncompliant gas;
- (b) ensure that the transmission system can continue to operate in accordance with the provisions of these Regulations despite the delivery or continued delivery of non-compliant gas, or
- (c) bring natural gas within the entry specification;

"off-spec gas" means natural gas which fails to conform to the off-take specification when made available for off-take by the Utility at an off-take point;

"off-take point" means the point at which gas is delivered to the bulk customer or distribution company from the Utility;

"operational flow order" means an order issued by the Utility to the shipper, bulk customer or distribution company on or before a difficult day or a restricted capacity day, or in anticipation of a difficult day or a restricted capacity day, to prevent a difficult or a restricted capacity day from occurring in respect of the transmission system;

"other party" means the Utility, a shipper, bulk customer or distribution company that is not directly affected by force majeure, but is affected by the affected party's inability to perform;

"overrun charge" means a charge to be incurred by the wholesale supplier, bulk customer or distribution company in respect of the utilization of capacity at a specific entry or exit point in excess of its allocation for a specific period;

"person" includes a body corporate, whether corporation aggregate or corporation sole and an unincorporated body of persons as well as an individual;

"rate" means fee, payment or charge in the form of money for a service provided by a public utility;

"reserve capacity" means the capacity in a pipeline that is reserved under a framework agreement to facilitate the transportation of natural gas by the Utility from a particular entry point to a particular delivery point;

"restricted capacity day" means a day declared by the Utility on which there is reduced capacity on the transmission system for reasons of physical or operational constraints which makes the Utility unable to deliver to the transmission system;

"service line" means a distribution line ending at the outlet of the customer meter;

"shipper" means a wholesale supplier, bulk customer or distribution company, registered by the Utility and which contracts the Utility to transport natural gas in the transmission system; •

"shrinkage gas" includes the volume of natural gas

(a) issued by the transmission utility for the operation of the transmission system or a compressor station,

(b) issued for a preheating purpose, and

(c) lost or unaccounted for from the transmission system.

"tariff" means a schedule of rates approved by the Public Utilities Regulatory Commission for a service provided by a public utility;

"transmission shrinkage cost" includes the cost of natural gas which is used by the transmission utility for the operation of the transmission system or a compressor station and for preheating purposes, or which is lost or otherwise unaccounted for from the transmission system;

"transmission system" means the national transmission system required to be operated by the utility; and

"Utility" means the person granted the transmission licence as a public utility under section 23 of the Act to carry out the transmission of natural gas.

FIRST SCHEDULE

GAS SPECIFICATIONS

Regulations 16 and 19 (2)

PART A - COMPOSITION (BY VOL %)

<i>Gas components</i>	<i>Maximum</i>	<i>Minimum</i>
Methane	95	85
Ethane	10	0
Propane	8	0
Butane + Paraffine (C4+)	5	0
CO ₂	8	
N ₂	6	
Total Inert (CO ₂ + N ₂)	12	
O ₂ (by volume)	10 ppm	
Water Content	7lbs/MMscf	
H ₂ S (by volume)	4ppm	
Total sulfur	28 ppm	0 ppm

PART B - HEATING VALUE (BTU/SCF)

	<i>Maximum</i>	<i>Minimum</i>
Higher	1150	950
Lower Wobbe Index (Gross)	1050 52	86547
Delivery Temperatures	49° C (120°F)	5° C (41F)

PART C - SOLIDS CONTAINED IN RAW NATURAL GAS

Sand, dust, gums, other solids

Free by normal commercial standards of objectionable odours, dusts, solid or liquid matter, waxes, gums and gum forming constituents, or aromatic hydrocarbons which might cause injury to or interfere with proper operation of all equipment through which it flows.

SECOND SCHEDULE

(Regulations 21(1), 24(1) and 27(1))

REGULATION	STIPULATED PERIOD	PRESCRIBED
		COMPENSATION Bulk Customer/ Distribution Company / Shipper (New GH¢)
21(1)	10 working days	6,000.00
24(1)	24 hrs: minor fault	6,000.00
27(1)	5 days: major faults	6,000.00
	30 days	6,000.00

THIRD SCHEDULE

(Regulation 35(1))

Key Performance Indicator Section	Aspect Measured
Safety	Network and public safety
Measurement	Accuracy and reliability of gas metering and measurement of gas heating value.
Quality	Natural gas quality
Reliability Item	Reliability of gas supply and equipment

	Description	Allowable	Actual
Safety -11.	Number of over pressurization incidents in networks per month		
2.	Number of complaints of delectability of gas by odour.		
3.	Number of gas outages		
4.	Regulator failures and number of instances of above agreed maximum allowable operating pressure		
5.	Number of times damage occurred to the main transmission system		
6.	Number of leaks from the transmission system.		
7.	Number of fires caused by a gas leak in the transmission system.		
	Description	Allowable	Actual
8.	Number of meter retest requests.		

9.	Number of retest requests with response time exceeding 3 days.		
10.	Number of defective meters		
11	Percentage of meters tested within the accuracy limits of the meters class		
12. Gas Quality	Quality of gas entering transmission system		
13.	Quality of gas exiting transmission system		
14.	Number of instances of off-spec gas		
15	Total duration of occurrence of off-spec gas off taken from system		
16	Number of instances of non-compliant gas		
17	Total duration of occurrence of non-compliant gas entry into system		
18			

Reliability	Total unaccounted for gas		
19			
	Number of leaks reported		
20.			
	Number of complaints of low supply pressure		
21			
	Aggregate of planned gas outages		
22.			
	Aggregate of unplanned gas outages		
23.			
	Aggregate of number of hours lost through unplanned outages		

PROF. F.K.A. ALLOTEY

Chairman of the Energy Commission

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