

PETROLEUM AND NATURAL GAS REGULATORY BOARD**NOTIFICATION**

New Delhi, the 1st September, 2010

G.S.R. 720(E).—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 (Code of Practice for Quality of Service for City or Local Natural Gas Distribution Networks) Regulations, 2010.
- (2) These shall come into force on the date of their publication in the Official Gazette.

2. Definitions.

- (1) 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;
 - (c) "CGD network" means city or local natural gas distribution network
 - (d) "domestic consumer" means a consumer who is provided PNG connection for the purpose of cooking or for other own domestic use and not for commercial use;
 - (e) "commercial consumer" means a consumer who is provided PNG connection for commercial purpose;
 - (f) "industrial consumer" means an industrial establishment which is provided PNG connection within the authorized CGD network;
 - (g) "CNG consumer" means consumer who is supplied CNG for use as fuel for vehicle through CNG station.
- (2) All other words and expressions used and not defined in these regulations but defined in the Act or in the rules or regulations thereunder shall have the meanings respectively assigned to them in the Act or in the rules or regulations as the case may be.

3. Application.

- (1) These regulations shall apply to an entity authorized for laying, building, operating or expanding city or local natural gas distribution network in accordance with the provisions specified in the Petroleum and Natural Gas

Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.

- (2) These regulations lay down code of practice for promoting reliable service to consumers and the public and obligations of consumers besides conforming to minimum levels of service to be provided by the entity authorized for laying, building, operating or expanding CGD Networks.
- (3) These regulations shall apply from the date of their notification to all entities authorized for laying, building, operating or expanding city or local natural gas distribution network after the appointed day and in case of entities which were carrying on the activity of laying, building, operating or expanding city or local natural gas distribution network before the appointed day, these shall apply after six months from the date of notification of these regulations.
- (4) Provisions in relation to quality of service standards in these regulations shall be in addition to and not in derogation of provisions contained in the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008.

4. Service norms for new PNG connections.

- (1) Every entity shall comply with the following service standards for new PNG domestic connection applicants, namely :-
 - (a) shall prominently display at its office and also on its website or through newspaper advertisement, the procedure for applying for a new domestic connection, the application format, amount of refundable security deposit and the list of documents required to be submitted alongwith the application;
 - (b) shall also provide consumers the facility to download application form from its websites alongwith necessary instructions thereof;
 - (c) shall also endeavour to provide facility for online submission of applications as well as online acceptance;
 - (d) shall also indicate its charge-area-wise roll-out plan and the tentative dates for receipt of new applications;
 - (e) shall issue a dated and numbered receipt to the applicant acknowledging receipt of the duly-filled application and the amount of refundable security deposit prescribed under regulation 14 of the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Gas Distribution Networks) Regulations, 2008;
 - (f) the entity, on receipt of an application, shall -
 - (i) assess the techno-commercial feasibility of providing the connection;
 - (ii) if in the assessment of the entity an application is not prima facie feasible for supply due to any reason, it shall convey its rejection of application with reasons thereof alongwith the refundable deposit to the applicant within thirty days of receipt of the application form;

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Explanation:-

The entity shall webhost the guidelines which would be followed in assessing Techno Commercial feasibility for commencing supply;

- (iii) obtain requisite approval from the concerned agencies for laying and operating the network in line with the schedule indicated to the consumers;

Explanation:-

The entity shall endeavour to obtain in advance all statutory approvals required in consonance with the rollout plan indicated to consumers;

- (iv) provide connection within three months from the receipt of completed application form provided the consumer is located within the charge area indicated in the approved network plan of the entity and required permission are obtained:

Provided further that in case of any delay in obtaining the requisite permission or non-feasibility of providing connection due to technical reasons, the entity shall inform the applicant of the same within three months from the date of receipt of application and refund the security deposit;

- (v) in case of non-feasibility of providing connection and non-refund of security deposit within three months, the entity shall pay interest on the security deposit, at the prevailing Prime Lending Rate (PLR) notified by the State Bank of India from the date of submission till the date of refund;

- (g) the application shall preferably be made by the lawful owner of the premises and in case of tenant making the application; it shall be accompanied by a "No Objection Certificate" from the lawful owner of the premises. The format of the "No Objection Certificate" prescribed by the entity shall be displayed by the entity;

- (h) where an applicant has purchased a property with gas connection lying disconnected, he shall apply to the entity for "No dues certificate", if not obtained earlier by the previous owner;

- (i) the entity shall intimate in writing, the dues or issue "No dues certificate" within seven days from the date of receipt of application.

- (2) The entity shall comply with the following service standards for existing domestic consumers applying for modifications or alteration in existing connection, namely:-

- (a) in case of request for alteration in the existing domestic connection in the premises, the entity shall-

- (i) examine the technical feasibility and cost of carrying out the requested alteration within fifteen days of receiving such request ;

- (ii) seek the approval of the consumer by providing an estimate of the charges to be borne by the consumer which shall not exceed the actual cost of such alteration;

Explanation:

the entity shall webhost the guidelines, prescribed form and standard schedule of rate for various bills of material and labour charges in this regard;

- (iii) on acceptance by the consumer, complete the works relating to the alteration in the connection within thirty days;
- (iv) In case the entity rejects the request of the domestic consumer for such alteration on technical or safety considerations, it shall inform in writing, such reasons for rejection within fifteen days.
- (b) in case of a request for change of consumer's name against consumer registration number, the entity shall-
- (i) verify that the person making such a request is the new lawful owner of the premises or such application is accompanied by a consent letter from the existing consumer in whose name the connection is registered;
- (ii) verify the status of transfer of refundable security deposit from the previous owner of the premises to the new owner;
- (iii) subject to verification, carry out the change in the name against the consumer registration number within a period of seven days of receiving the request; and
- (iv) inform both previous and new owner of the premises of such change within thirty days:
- Provided that in such cases where refundable security deposit is not available for transfer, the entity may seek fresh refundable security deposit from the new owner of the premises as per regulations.
- (c) in case of death of an existing domestic consumer, the connection may be transferred to his legal successor subject to such requirements as the entity may specify.
- (d) in case of request to shift the domestic connection to new premises within the same geographical area of the CGD network, the entity shall-
- (i) verify the lawful ownership of the new premises by the consumer making the request;
- (ii) examine the technical feasibility of providing connection in the new premises;
- (iii) provide the connection within 30 days in the new premises and charge the consumer an amount not exceeding the actual cost of such shifting;
- (iv) inform the consumer in writing in case providing connection in the new premises is not found feasible on any technical or safety consideration within 15 days of such request;

- (e) in case of complete demolition of a premises with an existing domestic connection, the entity, on receipt of a request for disconnection from the consumer, shall remove the meter and other equipment within a period of 30 days from the premises of the consumer and in case the consumer so desires, reconnect the same in the reconstructed premises at the cost of consumer.

5. Obligations of Consumers.

- (1) Consumer shall make use of the PNG supply for the registered premises only and shall not re-supply to any other person under any circumstances.
- (2) Consumer shall inform the entity before any change of ownership of premises and clear all pending arrears and apply for "No dues Certificate" and obtain refundable of security deposit from the entity.
- (3) The new owner of the premises may apply to the entity alongwith necessary documentation and security deposit.
- (4) The consumer shall not alter the PNG connection that has been provided within the premises without the consent of the entity.
- (5) The consumer shall follow the safety guidelines notified by the entity or any other statutory authority regarding supply of gas.
- (6) The consumer shall promptly report about any damage to or leakage from any of the equipment.
- (7) The CNG consumer shall ensure installations of approved kit and comply with safety guidelines issued by the concerned authority.

6. Metering.

- (1) Every entity shall comply with the following code of practice with reference to metering of domestic, commercial and industrial consumer, namely:-
 - (a) all connections shall have duly certified gas metering equipment;
 - (b) metering equipment installed shall comply with the prescribed technical standards as well as accuracy standards;
 - (c) in case of existing domestic consumers being served without metering equipment, the supplying entity shall submit a time schedule to the Board for upgradation of such services with meters and implement the same within the prescribed time schedule;
 - (d) metering equipment shall be sealed and have appropriate protective devices to prevent or detect interference or tampering;
 - (e) meter shall be maintained and kept in working condition at all times to ensure that the billing is to be done as per actual meter readings;
 - (f) in case the meter of a domestic consumer is not read during any billing cycle due to reasons attributable to the entity, the entity may seek information on current reading of the meter from the

consumer and base its billing on the feedback received from the consumer.

- (g) in case the meter is not read during any billing cycle due to reasons attributable to domestic consumer, the entity shall send a provisional bill based on average consumption of the last six billing cycles;
- (h) the amount paid by consumers against provisional bills or bills based on consumer feedback on meter readings shall be adjusted against actual meter readings, as and when such readings are taken;
- (i) only actual bills shall be raised for the commercial and industrial consumers.
- (j) the entity shall indicate in the monthly invoice the schedule window for reading of meter area wise so that consumers would be prepared and-
 - (i) if meter is rendered inaccessible on three consecutive billing cycles by a domestic consumer, the entity shall serve a seven days' notice to consumer under proper receipt to keep open the premises for taking meter reading on dates and time indicated in the notice;
 - (ii) if the consumer fails to comply with such notice, the entity may disconnect the gas supply;
 - (iii) in case of request for a special reading of meters beyond working hours or on a holiday due to non availability of consumer during the normal working hours, the entity may do so at reasonable cost to consumer;
- (k) the entity shall conduct periodic inspection or testing and calibration of the meters as applicable and replace defective meters within seven days;
- (l) the entity shall keep the following records while the meter is in service, namely:-
 - (i) identification and location of the meter;
 - (ii) date of installation;
 - (iii) serial or assigned meter number;
 - (iv) meter testing or calibration records;

(m) the entity must retain all metering information regarding supplies for at least previous twelve months except for disputed cases for which records have to be retained till resolution of dispute.

(2) consumer shall comply with the following obligations with respect to metering of PNG, namely:-

- (a) consumer shall provide suitable and adequate space for installation of meter and its safe custody;
- (b) consumer shall provide right of access to the authorized agent for the purpose of reading, repairing, replacing or testing of the equipment and the authorized agent shall carry proper identification and

authorisation documents failing which the consumer shall be at liberty to deny access;

- (c) in case a consumer disputes the meter accuracy-
- (i) he may, after paying prescribed testing fees, get the meter tested by the entity;
 - (ii) the entity shall test the meter within fifteen days of receiving such request by giving at least seven days advance notice to the consumer;
 - (iii) the entity shall provide the duly authenticated test results to the consumer within ten days;
 - (iv) in case the meter is found to be defective, the testing fee paid by the consumer shall be refunded and dues, if any, based on the correction is also to be refunded to the consumer by the entity;
 - (v) if upon inspection by the entity either *suo motu* or on consumer's complaint, the meter is found to be defective or damaged, it shall be replaced within ten days and if the meter is removed for repair or replacement, consumer shall continue to get gas supply and the billing for the period shall be based on average of last six billing cycles;
 - (vi) if it is established that the meter got burnt or damaged or tampered with due to reasons attributable to the consumer, he shall bear the consequent liabilities.

7. BILLING.

- (1) Every entity shall comply with the following code of practice with reference to billing of domestic, commercial and industrial connections, namely :-
- (a) raise bills for domestic consumers with a billing cycle not longer than bimonthly;
 - (b) notify area or district or circle wise billing and payment schedule and raise the bill for any billing cycle based on actual meter readings only;
 - (c) upgrade billing procedures from time to time to accommodate advance lump-sum payments, online payments, smart cards or any other such schemes which would facilitate consumers' payments and also provide details of such procedure on its website;
 - (d) raise the bill at least fifteen days before the due date of the payment for domestic consumer and seven days before due date for commercial and industrial consumers;
 - (e) issue the first bill only after energizing the connection;
 - (f) issue a duplicate bill free of cost, if requested by the consumer;
 - (g) resolve the issue within ten days in case it is established that the meter reading is not correctly reflected in the bill;
 - (h) reflect adjustment of any excess payment made by the consumer in the subsequent bill failing which interest on the excess payment

- shall be payable by the entity at the prevailing Prime Lending Rate (PLR) notified by the State Bank of India;
- (i) the bill shall contain following details, namely:-
- (i) Consumer details: Account Number, Name, Address, Phone number;
 - (ii) Consumption details: consumer category, consumption details, date of reading (old, new and next due on);
 - (iii) Network Tariff, Charges for the last mile connectivity if applicable, taxes, levies, the sale price charged for supply of gas, penalty chargeable for payment after due date and other dues payable;
 - (iv) in the case of CNG consumer, the entity shall also indicate the compression charges for CNG;
 - (v) in the case of domestic consumers, the entity shall indicate additional parameters, namely, average consumption in the last six months, excess payments made by consumer, if any, other charges if any, collected by the entity from the consumer during the billing cycle etc;
 - (vi) the invoice shall also indicate the entity related details like Name, Address and Telephone numbers of Bill Collection Centre, their timings, Incharge-Complaint Receiving Cell, Nodal Officer and Appellate Authority for dealing with consumer complaints;
- (j) if the meter is found to be defective and the supply is continuing the bill for such period shall be based on average consumption of the last six billing cycles;
- (k) the entity shall acknowledge immediately any complaints filed by the consumer on billing;
- (l) there shall be a provision for the consumer to lodge the complaint through email also;
- (m) the complaint shall be addressed within ten days and if additional time is required, then, it has to be conveyed to the consumer along with reasons thereof;
- (n) in case of consumer's request for final bill settlement, the entity shall arrange a special meter reading for final bill within seven days and -
- (a) final bill shall be generated within seven days of the closure of gas supply;
 - (b) once the final bill is raised, the entity shall not have any right to recover any charge other than those in the final bill.

8. Disconnection of PNG Connection.

(1) Disconnection by the entity

- (a) In case of a domestic consumer defaulting on payments, the entity may issue a notice for a period of not less than fifteen days and disconnect if the payment is not received within the notice period.

- (b) The entity shall give written notice of not less than seven days before the service is disconnected on any one of the following grounds, namely:
- (i) for violation of the terms of contract;
 - (ii) for using the equipment which adversely affects the entity's services to other consumers;
 - (iii) on rendering the premises inaccessible to the entity for three consecutive billing cycles for reading of meters.

(2) Disconnections (consumer- initiated)

- (a) In case of temporary disconnection requested by a domestic consumer, the entity may charge maintenance costs for the connection but the security deposit shall not be refunded.
- (b) In case of permanent disconnection, the consumer shall apply for refund of security deposit in the prescribed pro-forma and
- (i) the final bill for such consumers shall be raised by the entity as per procedure indicated in regulations above;
 - (ii) the disconnection shall take place within fifteen days from the date of receipt of consumer request.

(3) Theft and unauthorized use of gas connection

- (a) In case of theft of gas supply by the consumer, the entity shall disconnect the supply and seize all material evidence from the premises and file a case against the consumer with a copy to the consumer.

9. Quality of Service pertaining to CNG station.

(1) Filling time

- (a) the entity shall endeavour to minimize the time taken for filling;
- (b) in case any consumer is turned away either for want of gas or inadequate pressure or failure of equipment, such details shall be recorded and submitted alongwith Annual Returns in Schedule I to be filed by the entity with the Board.

(2) The following basic amenities shall be provided at CNG stations:

- (a) safe and potable drinking water;
- (b) free air;
- (c) clean and functional toilets;
- (d) consumer complaint box;
- (e) safety kits, fire extinguishers and other safety related equipment;
- (f) shelter for passengers off loaded before refilling of vehicles on a best endeavour basis.

- (3) The entity shall also prominently display names and contact numbers of persons responsible in case of emergency.

10. Network interruptions.

- (1) The entity shall comply with the following code of practice with reference to planned network interruptions, namely:-

- (a) any planned interruptions concerning distribution resulting in partial or full curtailment of gas supply to consumers shall be kept at the minimum;
- (b) the entity shall serve at least two days' notice to consumers before any planned interruption in gas supply;
- (c) the entity shall ensure minimum guaranteed service reliability level as below:

Consumer category	Maximum number of interruptions in a year
domestic	6
commercial and industrial	10
CNG station	12

- (d) these interruptions indicated above are excluding any interruptions due to *force majeure* or contractual interruptions.
- (e) every entity shall comply with the following code of practice with reference to unplanned network interruptions which include non-contractual interruptions resulting from inadequate network capacity, leakages, mechanical pipe or plant failure, third party actions or any other such cause;, namely:-
- (i) set up an emergency response team for handling any unplanned interruptions and specify responsibility chart for its officials in times of emergency;
 - (ii) set an emergency response time to address an emergency situation as a first response to make the system safe;
 - (iii) provide real time information to affected parties about nature of interruptions and expected duration of interruption.

11. Complaint Handling.

- (1) The entity shall ensure that all complaints are resolved in a reasonable manner and time frame
- (2) the entity shall provide a Consumer Complaints Cell with the following arrangements, namely :-
 - (a) a twenty four hour Consumer Complaint Cell where the complainants can register their complaints either personally or through telephone or through e-mail;
 - (b) the entity shall ensure that Consumer Complaint Cell:-

- (i) register each complaint by allotting a unique identification number to be called the docket number and communicate docket number to the consumer.
 - (ii) intimate the action taken on the complaint to the consumer through telephone or other electronic means or any other means.
 - (iii) intimate contact details of the Nodal Officer (including his name, telephone number and address) to the consumer to whom the consumers may approach directly in case the complaint is not resolved to the satisfaction of the consumer;
- (c) the entity shall also nominate an Ombudsman, who is not an employee of the entity, with the prior approval of the Board;
 - (d) the Ombudsman so appointed shall have appropriate jurisdiction to address consumer complaints not resolved at the Nodal Officer's level;
 - (e) while the Ombudsman's decision shall be binding on the entity, it shall not detract from the consumer's right to approach an appropriate forum for pursuing his complaint if he is not satisfied with the Ombudsman's decision.
- (3) The entity shall maintain a database of information regarding complaints redressal and submit an "Annual Returns" to the regulator as per Schedule I.
- (4) The entity shall appoint an independent third party with the prior approval of the Board to carry out annual consumer satisfaction surveys on a scientific sample of consumers;
- (a) the survey questionnaire shall be formulated by the entity in association with the third party consultant;
 - (b) the findings of the same shall have to be aggregated, analyzed and submitted to the Board.

Schedule I - Annual Returns
[See regulations 9(1) (b) and 11(3)]

Information required to be submitted in the Annual Returns

1. **Technical:**
- (1) The quantity and specification of each type of gas entering the distribution system from each source
- (a) summary of results of tests conducted to ascertain metering accuracy
 - (b) information in respect of:
 - (i) accidents or emergencies, fire, explosion, near-miss incidents, leakages if any, during the year;
 - (ii) the number of disruptions, the causes for disruption, the number of incidents where gas supply could not be restored within six hours;

- (iii) total quantity of gas distributed to different segments of consumers.

2. **Consumers:**

(a) **Consumer Numbers:**

- (i) total number of consumers;
(ii) number of new consumers added in each segment along with annual gas consumption;
(iii) Network Tariff, , compression charges, penalty charges for payment after due date collected during the year;
(iv) month wise weighted average price at which the gas was purchased by the entity and the sale price charged for each of the consumer segments for supply of gas during the month;

(b) **disconnection for non-payment and re-connection:**

- (i) number of reminder notices dispatched to each consumer segment;
(ii) number of disconnection notices dispatched;
(iii) number of actual disconnections;
(iv) number of actual re-connections on the same name.

(c) **Disconnection and re-connection on other grounds**

- (i) number of disconnection notices dispatched to each consumer segment;
(ii) number of actual disconnection carried out;

3. **Complaints:**

- (a) total number of consumers' complaints from each consumer segment;
(b) consumer complaints shall be categorized under different consumer segments and action taken on complaints shall be submitted as per format given below:

QoS Parameter (Benchmark)	No. of complaints per 100 connections per month	percentage complaints resolved within week	Mean Time: the average time taken to resolve a complaint	Number of complaints pending for over a month
Activation / Refund delays				
Faults/ Disruption/ Delay in restoration				
Pressure/Quality/other parameters of gas				

Billing/ Payment				
Others				

4. **Regulatory Compliance Plan:**

- (a) details of the entity's actual performance against the standards, indicators and targets issued by the Board as per service obligation;
- (b) if the performance is below the targets specified, the entity shall provide the reasons for the failure to meet the targets and strategies for achieving the targets.

5. **Reliability of Supply:**

- (a) unplanned interruptions to supply- for each incident
- (1) reasons for the interruption;
- (2) duration;
- (3) number of consumers affected.
- (b) planned interruptions to supply- for each incident
- (i) reasons for the interruption;
- (ii) duration;
- (iii) number of consumers affected.
- (c) month wise number of incidents in which CNG Consumers who could not be supplied gas due to quality, quantity and pressure issues or equipment failure at the dispensing station.

[F. No. S-Admn./11/8/2010]

RATAN P. WATAL, Secy.

