

NATURAL GAS DISTRIBUTION AND SALE (TECHNICAL
AND OPERATIONAL) RULES, 2007

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NATURAL GAS DISTRIBUTION AND SALE (TECHNICAL AND OPERATIONAL) RULES, 2007

In exercise of the powers conferred on the Energy Commission by section 28 of the Energy Commission Act 1997, Act 541 these Rules are made this 5th day of December, 2007.

Supply of natural gas

Scope

1. These Rules apply to a person licensed as a public utility under the Act to engage in the distribution and sale of natural gas in an area or zone designated by the Commission.

Application for service connection

2. (1) A person shall not be connected to a natural gas service line unless that person has applied to a distribution company for a service connection.

(2) A person who applies for a service connection shall

- (a) ensure that the natural gas installation at the premises is carried out by a certified technician, and
- (b) obtain from the certified technician, a duly signed and dated Installation Completion Certificate approved by the distribution company.

(3) The applicant shall attach the Installation Completion Certificate to the application form for the connection and submit the application to the distribution company.

(4) The distribution company shall provide a standard application form approved by the Commission for a connection and the form shall

- (a) be simple; and
 - (b) have terms and conditions which are clearly stated in plain English.
- (5) The terms and conditions shall include provisions that the applicant
- (a) does not have an outstanding debt from a previous natural gas bill at a different supply address other than a debt subject to a dispute;
 - (b) informs the distribution company in writing of the estimated quantity of natural gas consumption at the applicant's premises;
 - (c) agrees to pay
 - (i) the requisite connection fee, and
 - (ii) the cost of financing service lines where necessary subject to rule 4,

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- (d) permits reasonable access at reasonable times, and gives adequate protection for the distribution company's agent during meter reading, fault rectification, disconnection and reconnection exercises and other lawful activities connected with the supply at the applicant's premises;
- (e) gives an accurate contact address for the delivery of natural gas bills,
- (f) provides an approved site plan, building permit and an internal pipe-line layout;
- (g) will not connect supply unless it is passed through a meter,
- (h) will not tamper with the meter or an ancillary equipment associated with the supply;
- (i) specifies an approved permit to connect for service;
- (j) will not use or permit to be used the natural gas supplied to the applicant's premises for a purpose other than that for which it was contracted;
- (k) will not connect or permit to be connected from the applicant's premises to other premises, natural gas supplied to that applicant's premises, without the prior consent of the distribution company;
- (l) will disclose to the distribution company dangerous environmental conditions on the applicant's premises and will rectify them; and
- (m) agrees to enter into other service contracts with the distribution company at the request of the distribution company.

Connection of supply

3. (1) A distribution company licensed under the Act to distribute and engage in the retail sale of natural gas to customers shall provide, install and maintain the necessary equipment required for the supply and sale of natural gas to customers.

(2) The distribution company shall inspect an installation before service is introduced to ensure that the applicant's piping and equipment accord with approved technical and safety standards.

(3) The supply shall be connected through an appropriate service line connection and protective device that accords with the applicable standards prescribed by the Commission.

(4) For purposes of an applicant's installation prior to a service connection, a distribution company shall not require the applicant to purchase equipment from a particular person as a condition for the supply connection or require the customer to use the services of a particular person.

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(5) Where an applicant for a new service connection fails to comply with subrule (2), the distribution company may refuse to connect the applicant to the distribution system.

(6) A distribution company shall ensure that its distribution service lines are free from encroachments at all times.

Financing of service lines

4. (1) A distribution company is financially responsible for the development and maintenance of its distribution system.

(2) Where a customer finances part of the development of a distribution system with the approval of the distribution company, that customer is entitled to a full refund of the investment from the distribution company.

(3) Despite subrule (2) the claim for a refund is subject to

(a) a connection of other customers to the newly developed part of the distribution system, and

(b) the distribution company's procedures for refund approved by the Public Utilities Regulatory Commission.

(4) A distribution company shall establish and submit in writing to the Public Utilities Regulatory Commission for approval the procedures for making the refund.

(5) The Public Utilities Regulatory Commission may direct the distribution company to review its procedures for making the refund and may approve an acceptable proposed modification to the procedures.

Precaution in execution of works

5. (1) Work in respect of the supply of natural gas shall meet the siting requirements of the Commission.

(2) Without limiting subrule (1), work in respect of the supply of natural gas which affects

(a) a street, railway, river, irrigation system, drainage, sewer system or water supply,

(b) telegraphs, telephones or harbour works, or

(c) any public or private work,

shall be carried out in the manner prescribed by these Rules and without danger to public or private safety despite any other requirement.

Metering

6. An applicant shall provide a location on that applicant's premises suitable to the distribution company for the installation of, and easy access to the distribution company's meter.

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Illegal connections

7. (1) Natural gas supply to any premises made contrary to rule 2 is illegal.

(2) An illegal connection under subrule (1) shall be disconnected in accordance with the Public Utilities (Termination of Service) Regulations 1999 (L.I 1651).

(3) Where it is established that an illegal connection has resulted in

(a) damage to

(i) the distribution company's property, or

(ii) a third party's property, or

(b) loss of

(i) revenue to the distribution company, or

(ii) life, or

(c) injury to life

the person who made the illegal connection, the person who authorised the connection and the beneficiary of the illegal connection are liable to pay damages to the affected person.

Natural gas billing

Issue and delivery of bills

8. (1) A distribution company shall read the meter recordings in a consistent cycle, by adopting

(a) a daily meter reading,

(b) monthly meter reading day taken on a specific day of the month,

(c) quarterly meter reading day taken on a specific day of the month, or

(d) bi-annual meter reading day taken at the mid-year and the end of the year.

(2) Despite subrule (1), a distribution company may vary the meter reading day by a maximum of three days.

(3) A distribution company shall deliver a bill once in a month or as agreed between the customer and the distribution company at the address of the customer by hand, electronic mail or any other appropriate and convenient means except in the case of those on prepayment meters.

(4) The bill shall indicate the natural gas usage in the month or within a period as agreed between the distribution company and the customer.

(5) A distribution company which contravenes subrule (1) and (3) commits an offence is liable on summary conviction to a fine of not more than five hundred penalty units.

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(6) A distribution company shall issue a bill in respect of a metered customer after the distribution company has read and taken a record of the customer's meter measurements.

(7) A customer is entitled to settle an accumulated bill by an installment payment plan agreed between the distribution company and the customer, if the distribution company fails to deliver a bill to the customer for a period of three months after the bill has become due.

(8) Where a distribution company fails to bill a customer for a period of twelve months, the distribution company cannot recover the cost of that service unless the delay in the billing occurred

- (a) without the negligence on the part of the distribution company; or
- (b) due to the customer's actions.

(9) Where a distribution company's right to claim the cost of service to a customer is not vitiated by failure on the part of the distribution company to bill the customer for a period of twelve months, the distribution company shall recover the accrued cost of service by

- (a) giving the customer the option to pay the shortfall by an installment payment plan; and
- (b) not charging interest on the amount.

(10) Where the distribution company and the customer are unable to agree on a payment plan, the matter shall be referred to the Public Utilities Regulatory Commission for resolution.

(11) Where a distribution company adopts quarterly or bi-annual meter readings under subrule (1)(c) or (d), the distribution company shall

- (a) issue a monthly estimated bill to the customer;
- (b) reconcile the estimated consumption with the actual consumption at the end of the bi-annual year; and
- (c) compute the final natural gas charges at the end of the bi-annual year using the approved natural gas tariff.

(12) In computing the final natural gas charges, any difference between the estimated consumption and the actual consumption shall be spread over the six months following or a longer period that the distribution company considers appropriate.

(13) Where a distribution company's reading of a customer's meter is irregular and inconsistent with the usual reading cycle and as a result, the customer's bill covers a period beyond the usual billing cycle, the distribution company shall adjust the natural gas consumption and the tariffs on a proportional basis.

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Contents of a bill

9. A distribution company shall ensure that the content of each bill in a billing cycle include

- (a) the name, address, service address, locality and account number of the customer;
- (b) the meter number;
- (c) the dates of previous and current meter recordings or estimates;
- (d) the date of issue;
- (e) the previous and current meter recordings or estimates;
- (f) the actual or estimated natural gas consumption in standard cubic feet, british thermal unit and standard cubic meters;
- (g) the approved rate and the amount due;
- (h) the payment due date;
- (i) the date and amount of the last payment; and
- (j) the amount of arrears or any other charge with the details of the service provided, credit, advance refundable and the balance brought forward.

Estimated bill

10. (1) A distribution company may use estimated consumption for billing for up to six months and inform the customer where

- (a) the meter is not functioning;
- (b) the meter is faulty and is registering incorrect consumption;
- (c) the distribution company has no meter in stock;
- (d) an existing meter has been tampered with; or
- (e) access to the premises is denied for reasons of safety, bad weather, industrial action or locked premises.

(2) Despite subrule (1), a distribution company may use estimated consumption for a maximum of seven days to determine the daily consumption for billing an industrial customer whose meter is read daily.

(3) When the problem or event in subrule (1) is remedied and the distribution company is able to read the meter, the distribution company shall reconcile the actual meter recording with the estimated natural gas consumption as soon as practicable.

(4) Where the estimated bill of a customer exceeds the customer's actual consumption by more than fifty percent, the distribution company shall treat the customer in accordance with rule 16.

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- (5) An estimated bill shall be calculated as follows:
- (a) the amount shall be based on the average consumption by the customer over the previous thirty days of service or for the period the service was provided, whichever is lower, where the meter is read daily;
 - (b) the amount shall be based on the average consumption by the customer over the previous twelve months where service has been provided for a period of twelve months or more;
 - (c) the amount shall be based on the average consumption by the customer for the period the service was provided, where service has been provided for less than twelve months; or
 - (d) the amount shall be based on the estimated natural gas to be consumed provided by the customer to the distribution company on the application form where the service is new.

Bill payment

Payment procedure

11. A distribution company shall establish customer service outlets throughout its area of operation for

- (a) the payment of natural gas bills; and
- (b) enquiries, complaints and other services.

Dishonoured payment

12. (1) A distribution company shall recover the bank charge from a customer where the customer pays a natural gas bill by cheque or by direct debit from an account with a bank and the cheque is dishonoured by the bank resulting in the distribution company incurring a bank charge.

(2) A distribution company may withdraw the customer's right to pay the bills by cheque where a customer's cheque is dishonoured.

Payment by installment

13. (1) A distribution company may permit a customer to pay only by installments if the customer proves to the satisfaction of the distribution company the financial difficulties of the customer and the inability of the customer to pay the bill; subject to subrule (3).

(2) The installments may be paid concurrently with the current monthly bill.

(3) The distribution company may refuse the customer the option to pay by installments if in the previous twelve months the customer has had two installment payment plans cancelled by the distribution company.

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(4) In making an installment payment offer to a customer, the distribution company shall

- (a) take into consideration the customer's natural gas usage and ability to pay when calculating the amount of the installment and the duration of payment;
- (b) put in place measures to monitor the customer's natural gas usage while on the installment plan;
- (c) provide fair and reasonable procedures to address any possible payment difficulties;
- (d) make provision for the recalculation of the amount and duration of the installment payment where the difference between the customer's estimated natural gas consumption and actual natural gas usage as read from the meter may significantly affect the customer's financial standing or well-being; and
- (e) explain to the customer, how the amount and duration of installment payments were computed.

(5) Where there is non payment of an installment by the customer, the customer shall remain disconnected until full payment of the arrears has been settled.

Review of natural gas bill

Disputed bill

14. (1) A distribution company shall review and reconcile a bill if a customer disputes the bill.

(2) The customer shall pay any undisputed portion of the bill.

(3) Where the entire bill is in dispute, the customer shall pay a reasonable amount agreed between the customer and the distribution company in respect of the bill until the distribution company reconciles the bill.

(4) The customer shall

(a) pay the amount accrued by the due date; or

(b) request an installment payment plan in accordance with rule 13 where it is established after review that the bill is accurate.

Undercharge of natural gas consumption

15. (1) Where a distribution company undercharges a customer, the distribution company shall first inform the customer of the undercharge and may afterwards take steps to recover the shortfall.

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(2) Where the distribution company decides to recover the shortfall under sub-rule (1), the distribution company shall

- (a) give the customer the option to pay the shortfall by an installment payment plan; and
- (b) not charge interest on the amount.

(3) The duration of the installment payment plan under subrule (2)(a) shall be equivalent to the period of the undercharge or a maximum period of twelve months whichever is shorter.

(4) Without limiting subrule (2), the distribution company is entitled to recover the shortfall with interest and related penalties as determined by the Public Utilities Regulatory Commission, where the distribution company establishes that a customer is illegally using natural gas and the use results in undercharging the customer.

Overcharge of natural gas consumption

16. (1) A distribution company shall not deliberately overcharge a customer.

(2) Where a distribution company overcharges a customer, the distribution company shall

- (a) take immediate steps to correct the bill; and
- (b) after correcting the bill, immediately credit the account of the customer with the full amount overcharged and inform the customer accordingly.

(3) A customer is entitled to interest on an overcharged amount at the prevailing Bank of Ghana interest rate, if that customer has been overcharged continuously for three months or more.

(4) A distribution company that contravenes subrule (1) commits an offence and is liable on summary conviction to a fine not exceeding two hundred and fifty penalty units.

Vacation or disposal of premises

17. (1) A customer who intends to vacate or dispose of the customer's premises shall

- (a) inform the distribution company in writing, at least
 - (i) ten working days before vacating or disposing of the premises, where the customer is a residential customer, or
 - (ii) two months before vacating or disposing of the premises, where the customer is an industrial customer,

for the disconnection of the supply.

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- (b) deliver the notice required under paragraph (a), personally to the distribution company's offices; and
 - (c) provide an address to which the last bill must be sent.
- (2) A customer who fails to comply with subrule (1)(a) or (b) is liable to pay for natural gas supplied to that customer's premises.
- (3) Where the customer gives notice of a shorter period than that specified under subrule (1), and the distribution company is unable to disconnect the supply before the customer vacates or disposes of the premises, the customer is liable to pay for natural gas supplied to the premises up to the date of disconnection.
- (4) The customer shall not be liable to pay for natural gas supplied to the premises after vacating or disposing of the premises, where the distribution company receives notice from the customer but fails to disconnect the supply on the notified date of vacation or disposal of the premises.
- (5) A customer who consumes natural gas after a date requested by the customer for a disconnection of supply is liable to pay for the natural gas consumed.

Advance deposit

18. (1) A distribution company may request a new customer to provide an advance deposit against bills starting from the date of first supply.
- (2) The amount of the deposit shall be calculated using the estimated monthly consumption of natural gas as agreed between the customer and the distribution company and in accordance with the Public Utilities Regulatory Commission's approved natural gas rates.
- (3) The distribution company may in addition to the advance deposit, request a bank guarantee in respect of an industrial or commercial customer where the customer is unable to pay the full amount of the advance deposit requested.
- (4) Where an industrial or commercial customer consistently pays bills as required over a period of twelve months, the bank guarantee provided shall cease to apply at the expiration of the twelfth month.
- (5) Where a distribution company requests a customer to provide an advance deposit, the advance deposit shall be subject to the payment of interest in accordance with rule 20.

Refundable advance

19. (1) A distribution company may request an existing customer to provide a refundable advance against the actual bill and any arrears that may accrue in respect of the premises.
- (2) The refundable advance shall be double the average estimated monthly bill.

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(3) The distribution company may offset the customer's refundable advance against any outstanding bill that is not in dispute.

(4) Where a distribution company requests a customer to provide a refundable advance, the advance shall be subject to the payment of interest in accordance with rule 20.

Interest on deposits and accounts due

20. (1) A distribution company which requires its customers to make cash deposits with it as a condition precedent to receiving a service offered by the distribution company, shall pay interest on the deposit at a rate determined by the Public Utilities Regulatory Commission, except that interest shall not be paid on deposits held by the distribution company for less than three months.

(2) Subject to subrule (1), where applicable, a distribution company shall disclose to the customer with its final billing statement in each calendar year, the amount of interest which has accumulated on deposits during the calendar year and the proportion which stands to the credit of the customer.

Disconnection of supply of natural gas

21. (1) Subject to these Rules, a distribution company shall disconnect natural gas supply to a customer where the customer

- (a) fails to pay for bills for the service used for more than twenty-eight days from the date of demand of payment;
- (b) defaults on an agreed payment schedule for the service;
- (c) defaults on an agreed payment schedule for the installation of the service;
- (d) tampers or interferes with a meter or a public utility equipment or permits a person to damage a public utility's installation or equipment;
- (e) illegally connects the service or allows the service to be used in a manner that will interfere with the supply to others;
- (f) uses a service which is legally connected in an unauthorised manner;
- (g) refuses to allow a public utility employee or agent to read a meter or check utility equipment when the public utility employee has followed the prescribed procedures for obtaining access; or
- (h) requests the termination personally.

(2) Where a customer's natural gas supply is disconnected for failure to pay a bill, the distribution company shall request the customer to pay a refundable advance before reconnecting the customer in accordance with rule 19 and the payment of a reconnection fee determined by the distribution company.

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(3) Subject to these Rules, a customer's natural gas supply shall not be disconnected by the distribution company where

- (a) the natural gas supply to the customer's premises was obtained contrary to rule 2, but without the knowledge or action of the customer;
- (b) the customer has lodged a complaint with the public utility in respect of a disputed bill and has paid or continues to pay a reasonable amount;
- (c) a complaint in respect of a disputed bill or meter reading is under investigation by the Public Utilities Regulatory Commission or a customer service committee established by the Public Utilities Regulatory Commission and the customer has paid or continues to pay a reasonable amount;
- (d) an unpaid bill is in the name of a previous occupant or owner and the current occupant of the premises did not use the service billed; or
- (e) there is no evidence of the customer having been undercharged by the distribution company.

(4) A distribution company shall disconnect natural gas supply to a customer, where on the distribution company's inspection of the customer's installation, the distribution company realises that the customer's installation does not conform with the technical and safety standards.

(5) Despite subrule (4), the distribution company shall reconnect supply to the customer in accordance with the standards of performance for natural gas distribution and sale, provided the customer has complied with the technical and safety standards for the supply of natural gas.

Miscellaneous provisions

Complaints and dispute resolution

22. (1) A customer who is not satisfied with the natural gas supplied, may complain orally or in writing to the distribution company.

(2) Where the distribution company fails to address the customer's complaint to the customer's satisfaction, the customer may lodge a complaint with the Public Utilities Regulatory Commission in accordance with the Public Utilities (Complaints Procedure) Regulations 1999 (L.I. 1651).

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Management of assets

23. A distribution company shall

- (a) adopt good asset management practices in respect of its equipment and properties to enable it provide a natural gas supply service that is efficient, safe, adequate, reasonable, quality and reliable to customers; and
- (b) develop and implement programmes for the maintenance, operation, repair, refurbishment, acquisition and disposal of its assets in order to
 - (i) attain its performance targets, and
 - (ii) minimize the risk associated with failure or reduced performance of assets that would hinder efficient delivery of service to customers.

Contraventions and penalties

24. (1) Where a distribution company contravenes an obligation imposed under these Rules for which a penalty is not provided, the Commission in consultation with the Public Utilities Regulatory Commission may impose a pecuniary penalty on the distribution company as may be considered appropriate but in any case not more than two hundred and fifty penalty units.

(2) A customer who,

- (a) intentionally interferes or knowingly allows interference with the distribution company's distribution system, meter or equipment; or
- (b) obtains natural gas supply in an illegal manner under rule 2(1)

commits an offence and is liable on summary conviction to a fine not exceeding two hundred and fifty penalty units and in default of payment, is liable to imprisonment for a term not exceeding twelve months.

(3) Where a contravention of an offence under these Rules is committed by a customer or distribution company which is 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 customer or distribution company shall be considered to have also committed the offence and is on summary conviction, liable to payment of compensation for any damage resulting from the breach, unless the person proves to the satisfaction of the court that due diligence was exercised to secure compliance with the provisions of these Rules.

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Interpretation

25. In these Rules unless the context otherwise requires,

“Act” means the Energy Commission Act, 1997, (Act 541);

“advance deposit” means an amount that has been lodged with the distribution company by a customer as security against default in the payment of the natural gas bill for the first three months of supply;

“approved natural gas rate” means a rate approved by Public Utilities Regulatory Commission;

“bill” means a natural gas consumption bill;

“billing cycle” means a regular recurrent time and date within which a distribution company submits bills related to natural gas to a customer;

“certified technician” means a person certified or licensed by the Commission to install or repair a natural gas pipeline, equipment or appliance;

“Commission” means the Energy Commission established under section 1 of the Energy Commission Act, 1997 (Act 541);

“commercial customer” means a person who is involved in commercial activities and contracts to purchase natural gas from a distribution company for commercial purposes;

“customer” includes a person that purchases or receives natural gas for consumption and not for delivery or resale to any other person, and a person that owns or occupies premises where gas is supplied;

“distribution company” means a public utility licensed under the Act to distribute and carry out retail sale of natural gas to a customer in an area or zone designated by the Commission;

“customer meter” means the meter that measures the transfer of natural gas from a distribution company to a customer;

“distribution system” means a system that consists of service lines, compressors, meters, and other ancillary equipment interconnected for the supply of natural gas;

“Installation Completion Certificate” means a notice of authentication that indicates the successful completion of a piping installation for natural gas from the distribution company’s meter to the end user’s appliance;

“industrial customer” means a person that uses natural gas for manufacturing or processing;

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“natural gas” means any hydrocarbon or a mixture of hydrocarbon and other gases which at a temperature of sixty degrees Fahrenheit and at atmospheric pressure are predominantly in a gaseous state;

“reasonable amount” means

- (a) the average units used by the customer over the previous twelve months where service has been provided for a period of twelve months or more,
- (b) the average units used by the customer for the period that the service was provided where service has been provided for less than twelve months, and
- (c) sixty percent of the units used or estimated units used where the service is new; and

“residential customer” means a person who uses natural gas in the home for domestic purposes.

PROF. F.K.A. ALLOTEY
Chairperson, Energy Commission

Date of *Gazette* notification: 14th December, 2007.

Entry into force: 11th March, 2008.