



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2024-01-0007<sup>08</sup>

**ADOPTING THE AMENDED RULES AND REGULATIONS GOVERNING THE  
PHILIPPINE DOWNSTREAM NATURAL GAS INDUSTRY**

Pursuant to Republic Act (RA) No. 7638, known as the "Department of Energy Act of 1992", creating the Department of Energy (DOE), Executive Order No. 66, designating the DOE as the lead agency in developing the Philippine Downstream Natural Gas (DNG) Industry, and Administrative Order No. 38, providing for the institutional strengthening of the DOE, the DOE, in consultation with appropriate government agencies and private stakeholders, hereby issues, adopts and promulgates the following regulations:

**RULE I  
PRELIMINARY PROVISIONS**

**Section 1. Short Title.**

This Circular shall be known as the "Amended Philippine Downstream Natural Gas Regulation".

**Section 2. Scope.**

This Circular shall prescribe the guidelines on:

- a. The requirements for the issuance of Permits to Operators for the siting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities;
- b. The requirements for the issuance of Accreditations to Participants in the trade of Natural Gas delivered through DNG Facilities;
- c. The industry-specific standards and best practices for the safe and responsible operation of the DNG Industry;
- d. The responsibilities of the DOE, the Operators of DNG Facilities, and Participants in the trade of Natural Gas in compliance with this Circular;
- e. The reportorial requirements of Operators and Participants; and
- f. The implementation of plans and programs geared towards the promotion and development of the DNG Industry in support of the Philippine Energy Plan (PEP).

### **Section 3. Declaration of Policies.**

It is hereby declared the policy of the State to:

- a. Provide a conducive environment for the promotion and development of the DNG Industry through the issuance of policies, plans and programs therefor;
- b. Promote the development and operation of gas-fired power plants notwithstanding the depletion of the Malampaya Natural Gas Supply;
- c. Promote Natural Gas as a sustainable, accessible, and flexible fuel which can contribute in attaining the goals of the PEP;
- d. Ensure compliance with DNG Industry product and facility standards and best practices on Health, Safety, Security, and Environment (HSSE), and other applicable rules and regulations under a system of safe, secure, high-quality, environmentally responsible operations and services that afford protection to consumers and industry stakeholders;
- e. Promote the financial viability of the DNG Industry by liberalizing the entry of investors and encourage access to capital and off-taker market under a system of transparency, competition, and fair trade;
- f. Support the exploration and development of Indigenous Natural Gas resources and facilities, and prioritize the use of Indigenous Natural Gas to help attain greater energy security;
- g. Ensure transparent pricing of Natural Gas and rates for its importation, storage, regasification, transmission and distribution in a regime of open and fair competition and full public accountability that shall promote operational and economic efficiency and enhanced competitiveness of Philippine products;
- h. Encourage the development of the necessary trades, technical expertise, and skills of personnel of the Government Agencies and private sector to support the DNG Industry; and
- i. Facilitate the development of power and non-power end-uses of Natural Gas including the use of Natural Gas as fuel for power, commercial, industrial, residential and transport applications that promote fuel diversity and compliance with existing environmental laws; Provided, that the power rates from utilization of Natural Gas shall be subject to RA 9136, otherwise known as the "Electric Power Industry Reform Act of 2001," as amended.

### **Section 4. Definition of Terms.**

As used in this Circular, the following terms shall be defined as follows:

- a. *Accreditation* refers to the authorization granted by the DOE to a natural or juridical person as a Participant in the business of Natural Gas trade through a DNG Facility in the country;

- b. *Acknowledgment* refers to the acknowledgment granted by the DOE to a natural or juridical person under Section 2 of the Guidelines for Issuance of Participant's Accreditation;
- c. *Affiliate* refers to any corporation that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under the common control of another corporation;
- d. *Aggregation* refers to the activity of a natural or juridical person that procures Liquefied Natural Gas (LNG) volumes and Indigenous Natural Gas through supply and/or financial trade contracts, and sells the blended and consolidated gas to gas buyers in the Philippines or abroad;
- e. *Aggregator* refers to a natural or juridical person accredited by DOE to engage in the business of Aggregation;
- f. *Anti-Competitive Behavior* refers to any behavior and/or agreement in violation of the provisions of RA 10667, otherwise known as the "Philippine Competition Act" (PCA);
- g. *Applicant* refers to any Filipino and/or foreign citizen or Filipino and/or foreign-owned corporation who wishes to secure any Permit or Accreditation under this Circular;
- h. *Bunkering* refers to the business of selling LNG as fuel for domestic or foreign marine vessel;
- i. *Bunker Trader* refers to a natural or juridical person accredited by DOE to engage in the business of Bunkering;
- j. *Capacity* refers to the handling design of a system used in the context of its functionality and expressed in a specific measurement such as volume or flow per time unit or designated measurement unit;
- k. *Conventional Transportation System* refers to a network of fixed facilities made up of, among others, wellheads, compressor stations, pipelines, and metering for the purpose of delivering Natural Gas. This includes both the Transmission and Distribution Systems;
- l. *Decommissioning and Abandonment* refers to the activity consisting of the removal or condemnation of the entire or a component of the DNG Facility installation that has come to the end of its productive life and, if applicable, the subsequent restoration of the facility site to its previous condition;
- m. *Delivery* refers to the transmission or distribution of Natural Gas and the Supply of Natural Gas at wholesale or retail;
- n. *Distribution* refers to the transportation of Natural Gas through a Distribution System;

- o. *Distribution System* refers to a system of conventional pipelines and their related facilities starting at the receipt of Natural Gas from the Transmission System up to the receiving facility of the End-User;
- p. *Downstream Natural Gas Facility or DNG Facility* refers to the facilities referred to in Section 9 of this Circular including the pipeline and its related facilities used to transport Natural Gas after the point of sale up to the last connection point to the End-Users;
- q. *Downstream Natural Gas Industry or DNG Industry* refers to Operators of DNG Facilities, Participants of Natural Gas trade, and their Affiliates;
- r. *End-User* refers to any natural or juridical person who acquires and receives Delivery of Natural Gas for final use;
- s. *Expansion* refers to an activity resulting to an increase in the design Capacity of the DNG Facility;
- t. *Financial Closing* refers generally to the stage of negotiation where a legally binding financial commitment actually exists to provide funding for a project and all conditions have already been met to permit the mobilization of funds;
- u. *Force Majeure* refers to extraordinary events not foreseeable or avoidable, events that could not be foreseen, or which, though foreseen, are inevitable, such as:
  - 1. acts of God such as earthquake, typhoon, flood, and other similar events;
  - 2. strikes, lockouts, or other major industrial disturbances;
  - 3. acts of the enemy, terrorists, wars, blockades or insurrections, riots, and other civil disturbances;
  - 4. fire or explosion or other similar major accidents of the DNG Facility;
  - 5. epidemic or quarantine;
  - 6. order of any court or tribunal or by a government agency having jurisdiction on the matter; and
  - 7. other similar events of the same import and implication.
- v. *Government Agency* refers to any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department commission, authority, tribunal, agency or entity, and any bureau of the Republic of the Philippines;
- w. *Guidelines for Issuance of Operator's Permit* refers to the guidelines issued by the DOE attached hereto as Annex A;
- x. *Guidelines for Issuance of Participant's Accreditation* refers to the guidelines issued by the DOE attached hereto as Annex B;
- y. *Guidelines for Submission of Reportorial Requirements* refers to the guidelines issued by the DOE attached hereto as Annex C;
- z. *Importation* refers to the acquisition and bringing of LNG into the Philippines for domestic use or export;

- aa. *Importer* refers to a natural or juridical person accredited by the DOE to engage in the business of Importation;
- bb. *Indigenous Natural Gas* refers to Natural Gas produced from fields within the territorial jurisdiction of the Republic of the Philippines;
- cc. *Insurance* refers generally to risk-transfer mechanism that ensures full or partial financial compensation for the loss or damage caused by event(s) beyond the control of the insured party wherein, compensation is normally proportionate to the loss incurred;
- dd. *Liquefied Natural Gas or LNG* refers to Natural Gas which has been liquefied by cooling at a cryogenic temperature;
- ee. *LNG Storage and Regasification Terminal* refers to all component facilities used to receive, unload, load, store, and regasify LNG. It shall consist of a jetty and unloading/loading arms, cryogenic and non-cryogenic pipelines, storage tanks and pumps, boil-off gas compressors and condensers, vaporizers, control facilities, metering, send out, and other relevant components;
- ff. *Maritime Agencies* refers to Government Agencies having jurisdiction over the administration of maritime related matters;
- gg. *Modification* refers to a major change or alteration to the design or any component of the DNG Facility to operate more efficiently or resolve an issue;
- hh. *Natural Gas* refers to the gaseous mixture of hydrocarbons, primarily methane, but generally includes ethane, propane and higher hydrocarbons, and some non-combustible gases such as nitrogen and carbon dioxide;
- ii. *Natural Gas Sales and Purchase Agreement or NGSPA* refers to any contract or agreement for the delivery and sale of Indigenous Natural Gas or imported LNG by and between sellers, Suppliers, buyers and End-Users;
- jj. *Operator* refers to a natural or juridical person who owns or is authorized to operate the DNG Facility and is issued with a DOE Permit to engage in the operation of a DNG Facility;
- kk. *Own-Use Operator* refers to an Operator engaged in the exclusive use of DNG Facilities by itself and/or its Affiliates;
- ll. *Parent Company* refers to a corporation which has control over another corporation either directly or indirectly through one or more intermediaries;
- mm. *Participant* refers to a natural or juridical person authorized and issued with an accreditation certificate by the DOE to engage in the business of Natural Gas trade through the DNG Facility either as Supplier, Aggregator, Bunker Trader, Reseller, or the combination thereof;

- nn. *Permit* refers to the authorization granted by the DOE to a natural or juridical person as Operator for the siting, construction, operation and maintenance of DNG Facilities;
- oo. *Philippine and International Accepted Standards* refers to those internationally recognized practices, methods and acts which would ordinarily be expected from an experienced and competent operator of DNG Facilities in the Philippines under comparable conditions and consistent with applicable laws in the Philippines at the relevant time;
- pp. *Rehabilitation* refers to any activity consisting of the major restoration to the DNG Facility or any damaged component thereof;
- qq. *Reselling* refers to the business of acquiring Natural Gas through the DNG Facility from a Supplier or Aggregator and reselling them to an End-User;
- rr. *Reseller* refers to a natural or juridical person accredited by DOE to engage in the business of Reselling;
- ss. *Supplier* refers to a natural or juridical person accredited by DOE to engage in the business of Supply;
- tt. *Supply* refers to the business of acquiring or producing Natural Gas from an indigenous or imported source and selling such Natural Gas to gas buyers in the Philippines or abroad;
- uu. *Third-Party Access or TPA* refers to the business of allowing access by a third party End-User or non-Affiliate to the entire Capacity of any DNG Facility and their related facilities;
- vv. *Transmission* refers to the transport of Natural Gas through a Transmission System;
- ww. *Transmission System* refers to a system of conventional pipelines and their related facilities starting at the receipt of Natural Gas from indigenous supply and/or from an LNG Storage and Regasification Terminal up to the receiving facility of the Distribution System; and
- xx. *Virtual Transport System* refers to any alternative modes of Natural Gas Delivery other than through the Conventional Transport System such as use of land vehicles or sea vessels, with or without an on-site modular regasification unit.

## RULE II DOE RESPONSIBILITIES

### Section 5. Responsibilities.

The DOE shall have the overall responsibility of supervising and monitoring the development of the DNG Industry. Towards this end, the DOE shall perform the following functions:

- a. Establish standards on gas quality, facility construction and equipment installation, safety and security of operation, and environmental protection in coordination with relevant government agencies.

For this purpose, the Technical Committee (TC) on Downstream Natural Gas Standards on Product, Facility and Code of Practice created pursuant to the Memorandum of Agreement dated 14 May 2021 shall develop and promulgate the applicable Philippine National Standards on the DNG Industry. The TC is composed of representatives from the following sectors:

1. Academe;
  2. Trade/Industry;
  3. Consumer;
  4. Professional associations;
  5. Research institutions;
  6. Government Agencies; and
  7. Testing institutions.
- b. Enforce DNG Industry compliance with the standards, in coordination with relevant Government Agencies, through issuance of technical regulations implementing the standards, review of reports and conduct of onsite inspection.

The Inter-Agency Health, Safety, Security and Environment Inspection and Monitoring Team (IA-HSSE IMT) created pursuant to the Memorandum of Understanding for the Organization of an IA-HSSE IMT for Natural Gas Facilities dated 24 November 2015 shall conduct onsite inspection of DNG Facilities and perform other responsibilities thereunder. The IA-HSSE IMT is composed of representatives from the following Government Agencies:

1. DOE;
  2. Maritime Industry Authority (MARINA);
  3. Philippine Coast Guard (PCG);
  4. Department of Environment and Natural Resources (DENR);
  5. Department of Labor and Employment (DOLE);
  6. Bureau of Fire Protection (BFP); and
  7. Department of Health (DOH).
- c. Issue the following:
    1. Permit for Operators involved in the implementation of activities related to siting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities;
    2. Accreditation of Participants involved in the trade of Natural Gas;
    3. Acknowledgment of LNG importation and exportation notification; and
    4. Other endorsements or issuances in furtherance of the development of the DNG Industry.

The DOE, through the Energy Virtual One-Stop Shop (EVOSS) Steering Committee, shall integrate the procedure for the processing and issuance of Permits, Accreditations, and Acknowledgments pursuant to RA 11234, otherwise known as the "Energy Virtual One Stop Shop Act" (EVOSS Act);

- d. Review, suspend or revoke Permits and Accreditations after a finding of non-compliance with the provisions of this Circular and related issuances;
- e. Issue written approval on the assignment or transfer of Permit, after a finding that the assignee or transferee has met all the legal, technical, and financial qualifications and has committed itself to assume all existing obligations of the Operator, and such assignment or transfer is in accordance with existing laws, rules, and regulations;
- f. Endorse to the Philippine Competition Commission (PCC) for investigation any reported or observed Anti-Competitive Behavior in the DNG Industry;
- g. Coordinate with relevant Government Agencies, in their capacities as investing arms, to catalyze the development of the DNG Industry;
- h. Require the submission of regular and special reports by Operators and Participants;
- i. Publish at the DOE website the list of Operators and Participants with status of their Permits and Accreditations;
- j. Create a Downstream Natural Gas Review and Evaluation Committee (DNG-REC) which shall evaluate and recommend for the approval of the DOE Secretary or the DNG-REC Chair, applications, policies and programs for the development of the DNG Industry; and
- k. Implement all other necessary measures and programs pursuant to existing laws, rules and regulations.

**RULE III  
DOWNSTREAM NATURAL GAS INDUSTRY STRUCTURE AND  
RESPONSIBILITIES**

**Section 6. Structure.**

The DNG Industry shall consist of the following sectors:

- a. Participants in the trade of Natural Gas:
  - 1. Supplier;
  - 2. Aggregator;
  - 3. Reseller;
  - 4. Bunker Trader; and
  - 5. Other persons engaged in the trade of Natural Gas.
- b. DNG Facility Operators of the following:
  - 1. LNG Storage and Regasification Terminals;
  - 2. Transmission System;
  - 3. Distribution System;
  - 4. Virtual Transport System; and
  - 5. Other related facilities.



## **Section 7. Natural Gas Supply.**

The procurement, delivery, and pricing of Natural Gas from importation or from indigenous production facilities shall be transparent, competitive, and secure. The DOE may require the Participants to submit relevant information pertaining to Supply contracting, procurement, pricing, and distribution to users for the purpose of monitoring, subject to the rules on confidential information under Section 29 of this Circular.

The DNG Facilities may be designed and constructed to ensure the accommodation of Indigenous Natural Gas, imported LNG, or a combination of both. Moreover, the DOE shall prescribe measures to support the optimal supply and use of Natural Gas, especially from indigenous sources, including, as may be necessary, the priority dispatch and/or sourcing of Indigenous Natural Gas. The DOE shall take into account energy security and consumer welfare in the formulation of the said measures.

In order to promote the exploration and development of Indigenous Natural Gas sources and maximize government revenue from its sale, the DOE may mandate the blending or aggregation of imported LNG and Indigenous Natural Gas and/or enforce the priority sourcing of Indigenous Natural Gas for power generation.

## **Section 8. Responsibilities of Participants.**

- a. Align all goals and objectives to the accomplishment of the declared policies of this Circular;
- b. Secure Accreditation before engaging in the trade of Natural Gas in accordance with the Guidelines for Issuance of Participant's Accreditation;
- c. Comply with applicable laws and regulations relating to tax, labor, health, safety, indigenous people's rights, environment and specially protected areas and ecology;
- d. Comply with the standards on Natural Gas quality in the trade of Natural Gas pursuant to Sections 5 (a) and (b) of this Circular;
- e. Comply with the accurate and timely submission of reports in accordance with the Guidelines for Submission of Reportorial Requirements;
- f. Based on a valid order, allow the DOE, IA-HSSE IMT, PCC, and other Government Agencies, entry to facility premises and full access to operational records for inspection and monitoring activities in accordance with the rules and procedures of such Government Agencies;
- g. Based on a valid order, allow examiners of the Bureau of Internal Revenue (BIR) and Bureau of Customs (BOC) entry to the facility premises and full access to accounts, books, and records for tax and other fiscal purposes, in accordance with BIR and BOC rules and procedures;
- h. Give preference to qualified local talents for hiring and local companies/agencies in entering into contracts on projects or services which are required in the business;

- i. Hold the DOE, IA-HSSE IMT, their officers, agents, and employees, free and harmless from and against all suits, claims, demands or actions of any nature or kind, arising out of their acts or omissions in the performance of any activity in connection with the implementation of this Circular; and
- j. Comply with the policies, requirements and responsibilities prescribed by this Circular and relevant orders issued by the DOE pursuant thereto, and support the overall program of the DOE to ensure a transparent, sufficient, sustainable, accessible and reasonably priced energy.

## **Section 9. Downstream Natural Gas Facilities.**

The regulation of this Department Circular shall cover the following DNG Facilities:

### **9.1. LNG Storage and Regasification Terminal.**

The LNG Storage and Regasification Terminal may include a commingling system for the blending of LNG and Indigenous Natural Gas. The basic components of the facility shall consist of the following:

- a. Jetty and unloading/loading arms;
- b. Cryogenic and non-cryogenic pipelines;
- c. Storage tanks;
- d. Low and high pressure pumps;
- e. Boil-off gas (BOG) compressors and condensers;
- f. Vaporizers;
- g. Send out system;
- h. Metering;
- i. Commingling system; and
- j. Other related facilities.

### **9.2. Delivery Systems.**

The delivery systems are the different DNG Facilities used to deliver Natural Gas from an LNG Storage and Regasification Terminal and/or an indigenous source to End Users, classified as follows:

- a. Transmission System;
- b. Distribution System;
- c. Virtual Transport System; and
- d. Other related facilities.

## **Section 10. Responsibilities of Operators.**

- a. Align all goals and objectives to the accomplishment of the declared policies of this Circular;
- b. Secure a Permit before engaging in any activity relating to siting, permitting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities in accordance with the Guidelines for Issuance of Operator's Permit;

- c. Directly be responsible and accountable for the construction, operation and maintenance of the DNG Facility by providing the necessary services, technology, and financing, either by itself or through its duly authorized contractors;
- d. Comply with applicable Philippine laws and regulations relating to tax, labor, health, safety, indigenous people's rights, environment and specially protected areas and ecology;
- e. Comply with the standards on Natural Gas quality, facility construction and equipment installation, safety and security of operation and environmental protection in securing of location, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities pursuant to Section 5 (a) and (b) of this Circular;
- f. Operate the DNG Facility strictly adhering to the scope and limits of the Permit and in accordance with HSSE best practices and Philippine and Internationally Accepted Safety Standards;
- g. Timely submit accurate and complete reports in accordance with the Guidelines for Submission of Reportorial Requirements;
- h. Allow the DOE, IA-HSSE IMT, PCC, and other Government Agencies entry to facility premises and full access to operational records for inspection and monitoring activities in accordance with the rules and procedures of such Government Agencies;
- i. Allow examiners of the BIR and BOC entry to the facility premises and full access to accounts, books, and records for tax and other fiscal purposes, in accordance with BIR and BOC rules and procedures;
- j. Give preference to qualified local talents for hiring and local companies/agencies in entering into contracts for projects or services which are required in the constructions or operations;
- k. Hold the DOE, IA-HSSE IMT, their officers, agents, and employees, free and harmless from and against all suits, claims, demands or actions of any nature or kind, arising out of their acts or omissions in the performance of any activity in connection with the implementation of this Circular; and
- l. Participate in regular operational meetings with the DNG-REC and in the development, issuance and review of plans, protocols, standards and codes applicable to DNG Facilities; and
- m. Comply with the policies, requirements and responsibilities prescribed by this Department Circular and relevant orders issued by the DOE pursuant thereto, and support the overall program of the DOE to ensure a transparent, sustainable, stable, secure, sufficient, accessible, and reasonably priced Natural Gas.

**RULE IV  
REGULATION OF DOWNSTREAM NATURAL GAS INDUSTRY**

**Section 11. Permits for Operators of DNG Facility.**

**11.1. Requirements.**

No natural or juridical person shall construct, expand, rehabilitate, modify, operate or maintain a DNG Facility unless authorized and issued with a Permit in accordance with the Guidelines for Issuance of Operator's Permit.

An Applicant may apply for the operation of the following DNG Facility and their related facilities:

- a. LNG Storage and Regasification Terminal;
- b. Transmission System;
- c. Distribution Systems; or
- d. Virtual Transport System.

**11.2. Approval of Permit.**

For purposes of this Circular, the following shall be issued in accordance with the Guidelines for Issuance of Operator's Permit:

- a. Notice to Proceed (NTP);
- b. Permit to Construct (PTC);
- c. Permit to Operate and Maintain (POM);
- d. Permit to Expand (PTE);
- e. Permit to Rehabilitate (PTR);
- f. Permit to Modify (PTM);
- g. Approval of Permit Extension;
- h. Permit for Decommissioning and Abandonment of a DNG Facility;
- i. Approval of Assignment or Transfer of Operatorship; and
- j. Any other Permit as may be necessary as determined by the DOE.

The Permits shall be on a per type of DNG Facility basis.

**11.3. Guiding Principles for Evaluation of Permit Application.**

The DOE shall subscribe to a transparent and objective conduct of application evaluation and approval of Permits.

The DNG-REC shall recommend the issuance of Permits for the approval of the DNG-REC Chair after compliance with the following conditions as set out in the Guidelines for the Issuance of the Operator's Permit:

- a. The proposed project is consistent with the declaration of policies in this Circular;
- b. The Applicant has complied with the complete submission of legal, technical, and financial requirements; and
- c. The proposed project is technically and financially viable.

Provided, that, the approval of the DOE Secretary shall be required for PTC and POM as referred to under Section 11.2.

#### **11.4. Submission of Reportorial Requirements by an Operator.**

The Operator shall comply with the accurate and timely submission of reportorial requirements prescribed by the Guidelines for Submission of Reportorial Requirements.

#### **11.5. Validity of Permit and Approval of Request for Extension.**

- a. An NTP shall be valid for a period of one (1) year.
- b. A POM shall be valid for a maximum period of twenty-five (25) years, renewable for another twenty-five (25) years.
- c. The validity period of the other Permits shall be consistent with the proposal of the Operator, subject to DOE verification. In support of its application, the Operator shall clearly outline, for the proposed validity period, its plans, work program, permitting, contractual commitments and other relevant information as may be required by the DOE.
- d. Request for any extension on the periods of a DOE Permit shall be allowed by the DNG-REC only for justifiable reasons, subject to the following conditions:
  1. That the Operator shall notify the DNG-REC in writing, with the details and proof of the existence of the ground for extension and the actions taken to resolve it; Provided, that for Force Majeure events, the notification should be made within (30) days from knowledge of its existence or occurrence; and
  2. The Operator satisfies the DNG-REC of its proposed work program and funding commitments to warrant the extension.

The grounds for extension shall include the following:

1. There is a Force Majeure event;
2. Non-issuance of a government permit or clearance without negligence or fault of the Applicant or Operator; and
3. Other justifiable reasons that are beyond the control of, and prevent the Operator from complying with its work commitments.

The Operator shall be given an extended period equivalent to the approved amended work program.

#### **11.6. Modification of the Conditions of the Permit.**

The DNG-REC may recommend, for the approval of the DOE Secretary or DNG-REC Chair, as may be applicable, any request by an Operator for the modification of any condition of a Permit, subject to applicable provisions of this Circular.

## **Section 12. Accreditation of Participants in the Trade of Natural Gas through the DNG Facility.**

### **12.1. Requirements.**

No natural or juridical person shall conduct trade of Natural Gas through a DNG Facility unless authorized, and issued an Accreditation by the DOE in accordance with the Guidelines for Issuance of Participant's Accreditation.

An Applicant for the trade of Natural Gas through a DNG Facility may apply as follows:

- a. Supplier (including Importer and Bunker Trader);
- b. Aggregator; and
- c. Reseller.

### **12.2. Approval of Accreditation.**

All the types of Accreditations shall be approved by the Oil Industry Management Bureau (OIMB) Director. The Accreditation shall be on a per type of Accreditation basis.

### **12.3. Guiding Principles for Evaluation of Accreditation Application.**

The DOE shall subscribe to a transparent and objective conduct of application evaluation and approval of Accreditations.

The Natural Gas Management Division (NGMD) shall recommend the issuance of Accreditations, for the approval of the OIMB Director, after compliance with the following considerations as set out in the Guidelines for Issuance of Participant's Accreditation:

- a. The proposed project is consistent with the policies of this Circular;
- b. The Applicant has fully complied with all legal, technical and financial requirements;
- c. The proposed trade of Natural Gas through the DNG Facility is viable if the following is shown by the Applicant or Participant:
  1. there is an available market for the trade of Natural Gas;
  2. the trade of Natural Gas shall comply with standards and responsibilities prescribed in this Circular; and
  3. the proposed trade is supported by a clear source of funding, and the Applicant or the Participant is legally, technically, and financially competent to proceed with the conduct of the trade.

### **12.4. Submission of Reportorial Requirements by a Participant.**

The Participant shall comply with the accurate and timely submission of reportorial requirements prescribed by the Guidelines for Issuance of Participant's Accreditation and Submission of Reportorial Requirements.

### **12.5. Validity of DOE Accreditation.**

All Accreditations shall be valid for a period of fifteen (15) years and may be renewed, subject to compliance with prevailing laws and regulations, for a maximum period of fifteen (15) years per renewal.

### **12.6. Modification of Conditions of Accreditation.**

The NGMD may recommend, for the approval of the OIMB Director, any request by a Participant for the modification of any condition of an Accreditation, subject to applicable provisions of this Circular.

### **Section 13. Application Fee.**

The Applicant, Operator or Participant shall pay the DOE a non-refundable fee for the processing and evaluation of its application as provided in the latest DOE Approved Schedule of Fees and Charges (Annex A-1).

## **RULE V OPERATION OF DOWNSTREAM NATURAL GAS FACILITY**

### **Section 14. Own-Use.**

- a. The Own-Use Operator shall utilize its entire Capacity exclusively for own-use and shall not be allowed to enter into TPA arrangements.
- b. The Own-Use Operator shall comply with the provisions of this Circular, specifically the responsibilities prescribed under Section 10 hereof.

### **Section 15. Third-Party Access.**

The entire Capacity of a DNG Facility of an Operator may, at its discretion, be offered for TPA. Such Operator shall utilize its entire Capacity exclusively for TPA and shall not be allowed to utilize any such Capacity for Own-Use.

#### **15.1. Classifications of TPA.**

##### **1. Negotiated TPA.**

Negotiated TPA shall refer to a commercial arrangement which allows the Operator and a third-party End-User or a non-Affiliate to agree and execute negotiated terms and conditions on the use of the entire or a portion of the Capacity of the DNG Facility which shall be governed by the following:

- a. The terms and conditions of the commercial arrangement shall not constitute Anti-Competitive Behavior; and
- b. The Operator shall comply with the provisions of this Circular, specifically the responsibilities prescribed under Section 10 hereof.

## **2. Competitive TPA.**

The Operator may publicly offer its entire or a portion of its Capacity to third-party End-Users or non-Affiliates for a Competitive TPA. The Competitive TPA shall be conducted in accordance with the following:

- a. The Operator shall notify the DOE of the terms of reference of the Competitive TPA offer;
- b. The conduct of business shall be open and public, and the offer of Capacity shall be transparent, accessible, and non-discriminatory;
- c. The terms and conditions of any resulting commercial arrangement shall not constitute Anti-Competitive Behavior; and  
The Operator shall comply with the provisions of this Circular, specifically the responsibilities prescribed under Section 10 hereof.

### **15.2. Other Relevant TPA Conditions.**

- a. The TPA arrangement shall encourage a diverse and sustainable market for Natural Gas beyond the power sector.
- b. The TPA shall be anchored on a safe, secure, reliable and efficient operation for both the Participant and the third-party users or non-Affiliates.
- c. If an Operator with a TPA arrangement opts to utilize its entire Capacity for own-use, it shall comply with Section 14 above. On the other hand, if an Own-Use Operator opts to enter into TPA arrangements, it shall comply with Section 15 above.

In either case, the Operator shall submit the requirements for own-use or TPA, as the case may be, under the Guidelines for Issuance of Operator's Permit and the Guidelines for Submission of Reportorial Requirements.

### **Section 16. DNG Transmission and Distribution Systems as Public Utilities.**

DNG Transmission and Distribution Systems that are operating as public utilities shall be subject to Commonwealth Act No. 146, as amended by RA 11659, otherwise known as the "Public Service Act," and other applicable laws and regulations in addition to this Circular.

### **Section 17. LNG Storage and Regasification Terminals.**

The operation of an LNG Storage and Regasification Terminal shall not be considered a public utility.

### **Section 18. Cross Ownership in DNG Facility and Participation in Natural Gas Trade.**

An entity may hold an interest in the ownership and operation of DNG Facilities and the importation, and supply of Natural Gas to End-Users (including by Aggregators). Such cross-ownership shall be allowed for operational and financial feasibility



considerations; provided, that, Operators and Participants shall fully adhere to applicable laws and the rules and regulations of the PCC.

### **Section 19. Fair Access to Capital and Off-Taker Market.**

The DOE shall issue applicable policies for the promotion of the financial viability of the DNG Industry and fair access to the off-taker market which shall consist of different sectors such as power, industrial, commercial, transport and residential. The DOE shall provide stakeholders with updates on the plans, programs, and technological developments in the industry.

## **RULE VI**

### **DOWNSTREAM NATURAL GAS INDUSTRY COMPLIANCE WITH STANDARDS**

#### **Section 20. Compliance Requirement.**

DNG Facilities shall be constructed, operated and maintained with due observance of high quality and efficient service, stringent safety systems, and overall attention to detail in design, solid construction, and best operational practices. Regulations shall be consistent with applicable Philippine and Internationally Accepted Standards of the DNG Industry.

#### **Section 21. Critical Safety Conditions of LNG Ships.**

- a. The Operator of the LNG Storage and Regasification Terminal and Maritime Agencies shall require a certification from the LNG vessel operator that the LNG vessel design, construction, and operations comply with international standards and codes relating to fitness to travel, hull requirements, cargo containment, pressure/temperature controls, safety systems, fire protection, and crew training, among other services.

Marine quality assurance for LNG carriers shall be provided through the process of vetting, which shall assess ship quality against a known standard to determine its acceptance for use. Vetting shall be conducted by shipping companies using employees or independent contractors on their own ships as well as chartered ships;

- b. LNG ship unloading to the LNG receiving facility shall be equipped with redundant safety systems for emergency shutdown, quick release, containment and rescue; and
- c. Ships must have a comprehensive security plan which shall provide preventive, detection, alert and rescue system.

#### **Section 22. Critical Safety Conditions of the Facility.**

Generally, multiple layers of protection are created for critical safety conditions, all of which are integrated with a combination of industry standards and regulatory compliance. Industry standards are written to guide industry and enable public officials to efficiently evaluate safety, security, and environmental impacts of LNG facilities. Regulatory compliance should ensure transparency and accountability in the public domain.

The following requirements for primary containment, secondary containment, safeguard systems, separation distance, industry standards/regulatory compliance, operational safety and accident, damage and discontinuation of operation standards, shall be applied across the DNG Industry, from production, liquefaction, and shipping, to storage and regasification:

a. Primary Containment.

Employing suitable materials for storage tanks and other equipment and appropriate engineering design throughout the DNG Industry is the most important safety requirement for the industry in order to contain the LNG.

b. Secondary Containment.

This second layer of protection ensures that, if leaks or spills occur, the LNG can be contained and isolated. For onshore installations, dikes and berms should surround liquid storage tanks to capture the product in case of a spill. In some installations, a reinforced concrete tank should surround the inner tank that normally holds the LNG. Secondary containment systems are designed to exceed the volume of the storage tank. Double and full containment systems for onshore storage tanks may eliminate the need for dikes and berms.

c. Safeguard Systems.

In the third layer of protection, the goal is to minimize the release of LNG and mitigate the effects in case of a release. At this level of safety protection, LNG operations use systems such as gas, liquid and fire detection to rapidly identify any breach in containment including use of remote and automatic shut off systems to minimize leaks and spills in case of failures. Operational systems (procedures, training and emergency response) supplement in the prevention and mitigation of hazards. Regular maintenance of these systems is vital to ensure their reliability.

d. Separation Distance.

Regulations have always required that LNG facilities be sited at a safe distance from adjacent industrial, communities and other public areas. Safety zones are to be established by the Operator around LNG ships while underway in Philippine waters and while moored. The safe distances or exclusion zones are based on LNG vapor dispersion data, and thermal radiation contours and other considerations as specified in regulations used by the Operator.

e. Industry Standards/Regulatory Compliance.

No systems are complete without appropriate operating and maintenance procedures being in place and with insurance that these are adhered to, and that the relevant personnel are appropriately trained. Organizations such as the Society of International Gas Tanker and Terminal Operators (SIGTTO), Gas Processors Association (GPA) and National Fire Protection Association (NFPA) produce guidance which comes from industry best practices.

f. Safety Standard.

In order to maintain HSSE best practices, policies and regulations in the operation of the DNG Facility, all operators shall comply with the Philippine and Internationally Accepted Safety Standards and best practices on areas of design and construction, management system, operation system, maintenance system, personnel development and training community health and safety preparedness and emergency response.

g. Accident, Damage and Discontinuation of Operations.

Should there be an accident, damage or discharges of Natural Gas or hazardous materials or substances from the DNG Facility, the Operator, in addition to the obligations stated above, shall promptly inform the DOE Secretary, DNG-REC Chair and the Director of the OIMB, and submit a preliminary report to the DOE within forty-eight (48) hours containing relevant information on the initial assessment of the incident and the emergency response taken.

Within seven (7) days from the submission of the preliminary report, the Operator shall submit a comprehensive and detailed report to the DOE Secretary, DNG-REC Chair and the Director of OIMB and the members of the IA-HSSE-IMT containing its official findings on the damage to the DNG Facility and its corresponding environment and all other relevant information on the steps taken to resolve and address the cause of the incident.

Should the Operator and the DOE, in coordination with the IA-HSSE-IMT, determine that a condition exists in any segment of the DNG Facility which may endanger life or property, the affected segment or facility shall be taken out of operation and proper remedial action shall be taken to prevent further damage and apply subsequent repair or replacement measures. In all these stages, the Operator shall submit a complete report and documentation to the DOE.

**Section 23. Critical Safety Conditions of Transmission and Distribution Systems and their Related Facilities.**

In addition to the compliance requirement of the safety conditions under Section 24 hereof, the following conditions shall further apply:

a. Impact on Public Infrastructure.

The Operator shall ensure technical and regulatory compatibility to that of other public infrastructures with proper consultation, coordination and permitting done with other Government Agencies responsible for any bridges, roads, harbors, streams, rivers and coastal waterways that will be affected by the pipeline projects.

b. Pipeline Testing.

No pipeline testing shall be done without the presence of, and proper coordination with the DNG-REC in coordination with IA-HHSE-IMT.

All certificates for hydrostatic tests referred to in this section and all radiographs or ultrasonic testing results of pipeline welds shall at all times be readily available to a

DOE inspector or its authorized representative and shall not be destroyed or otherwise disposed of except with the written permission of the DOE.

**c. Signage.**

In the interest of public safety and welfare, signs or markers shall be erected and maintained in strategic locations. The Operator shall advise concerned local government units (LGUs) and appropriate Government Agencies about the existence of the pipeline and related facilities within their respective jurisdictions and shall provide such LGUs and Government Agencies detailed maps of the pipeline routes.

**Section 24. Critical Safety Conditions for Natural Gas.**

The Operator shall maintain the quality of gas supply to End-Users in accordance with the Philippine or Internationally Accepted Standards and ensure that delivery of Indigenous or imported LNG shall always pass the requirements for purification from associated compounds that are unnecessary or damaging to the LNG Storage and Regasification Terminal.

**24.1 Measurement of Natural Gas.**

Unless otherwise approved by the DOE, the Natural Gas will be measured according to the relevant standards as developed and maintained by the Organization for Standardization (ISO) and in particular:

- a. The volume of Natural Gas will be measured in cubic meters under standard conditions specified in Section 24.2 below and all reporting will be in units of standard cubic meter (SCM);
- b. The energy value of Natural Gas will be measured in Joules and all reporting will be in joules (J) with a quantity prefix, such as megajoules (MJ), terajoules (TJ), petajoules (PJ), etc., as appropriate; and
- c. The mass of Natural Gas will be measured in Kilogram (Kg) under standard conditions specified in Section 24.2 below.

**24.2. Standard Condition.**

Standard conditions for the purpose of this Circular shall mean the conditions of Natural Gas at a temperature of 15.5 degrees Celsius (°C) (288.15 Kelvin) and an absolute pressure of 1 atmosphere or 0.101325 megapascals (Mpa) or 1013.25 millibars.

**Section 25. Critical Safety Conditions for Safety Practice.**

The Operator shall submit its HSSE Management Systems, management and employee structure, manpower component, qualification, and competency/training development program and mitigation plan to mitigate risks to as low as reasonably practicable (ALARP) levels in the following areas:

- a. Environmental Risk Assessment and Management Plan;
- b. Occupational Health and Safety Risk Assessment and Management Plan;

- c. Facility Security Risk Assessment and Management Plan; and
- d. Disaster/Emergency Preparedness and Response Plan.

**RULE VII  
DOWNSTREAM NATURAL GAS REVIEW AND EVALUATION COMMITTEE**

**Section 26. Creation and Functions of the Downstream Natural Gas Review and Evaluation Committee.**

This Circular authorizes the creation of the DNG-REC which shall perform the following functions:

- a. Receives, evaluates, and recommends to the DOE Secretary or the DNG-REC Chair, as applicable, the approval of DNG Industry Permits, endorsements and other issuances;
- b. Recommends to the DOE Secretary policies and programs geared towards the promotion and development of the DNG Industry;
- c. Recommends to the DOE Secretary the standards or codes for product, facility, and safety practices for the DNG Industry's compliance with requirements on siting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities;
- d. Supervises and monitors the progress of siting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities based on the approved work program, and imposes penalties for non-compliance with such work program;
- e. Addresses any clarification that may be raised by the DOE Secretary in connection with recommendations for approval of Philippine technical regulations, Permits, implementing policies and programs; and
- f. Implements all other necessary measures under existing laws, rules and regulations

**RULE VIII  
TRANSITORY PROVISIONS**

**Section 27. Existing Permits and Accreditations.**

Current Operators and Participants shall continue to operate under their existing Permits or Accreditations. They shall comply with any additional requirements within six (6) months from the effectivity of this Circular.

Participants who have entered into NGSPAs with End-Users and have delivered Indigenous or imported Natural Gas prior to the effectivity of this Circular shall continue to operate under said contracts subject to compliance with the additional requirements in this Circular.

**Section 28. Pending Applications.**

This Circular shall apply to all applications which are pending as of its effectivity.

## **RULE IX FINAL PROVISIONS**

### **Section 29. Confidential Information.**

The DOE shall not allow the release of any confidential information obtained under this Circular unless with the consent of the Operator or Participant or as may be allowed by law or court order.

### **Section 30. Insurance Policy.**

The Operator shall secure an insurance policy to be provided to the DOE within sixty (60) days from the date of issuance of the PTC, PTE, PTR, PTM or POM to adequately cover/answer for any potential damage to the environment, lives, and/or property, in accordance with existing laws, rules and regulations based on the environmental (land, air, water, and people) impact identification, prevention and mitigation assessment and the seismic, geologic, oceanographic, atmospheric and security hazard to infrastructure and process identification, prevention and mitigation assessment.

### **Section 31. Decommissioning and Abandonment.**

No DNG Facility shall be abandoned or decommissioned by the Operator without obtaining prior written authorization from the DOE and approval by the DOE of an abandonment and decommissioning plan based on Philippine or Internationally Accepted Standards. The Operator shall complete all abandonment and decommissioning activities in accordance with the approved abandonment and decommissioning plan, without prejudice to DENR rules and regulations.

### **Section 32. Assignment or Transfer of Operatorship.**

Assignment of the Permit or change of the Operatorship shall be allowed only upon prior written approval of the DOE Secretary subject to the full assumption by the assignee of all obligations of the current Operator and compliance with the legal, technical, and financial qualifications for an Operator in accordance with the Guidelines for Issuance of Operator's Permit.

### **Section 33. Incentives.**

DNG Industry projects shall be subject to Title XIII (Tax Incentives) of RA 8424, otherwise known as the "National Internal Revenue Code of 1997", as amended.

### **Section 34. Violations and Penalties.**

A violation is committed by an Operator or Participant for non-compliance with:

- a. Any section or rule of this Circular;
- b. Any condition of a Permit, Accreditation, or any other approvals of the DOE; or
- c. Any relevant order of the DOE.

Commission of a violation shall be subject to the imposition of penalties by the DOE in accordance with existing laws. Each day of non-compliance shall be considered a separate violation.

In addition, the DOE may suspend or cancel the Permits, Accreditations or any other approvals issued under this Circular including recommendations for the cancellation of relevant permits, licenses, and clearances from the other Government Agencies.

**Section 35. Enforcement of Rules.**

The DOE shall conduct investigations motu proprio or upon receipt of a complaint in writing and under oath of any allegation of violation under Section 34 of this Circular. Department Circular No. 2002-07-004, otherwise known as the Rules of Practice and Procedure, before the DOE shall be observed, if necessary.

**Section 36. Repealing Clause.**

Department Circular No. 2017-11-0012 or the Rules and Regulations Governing the Philippine Downstream Natural Gas Industry and all other rules and regulations or parts thereof, which are inconsistent with the provisions of this Circular are hereby repealed or modified accordingly.

**Section 37. Separability Clause.**

Should any provision of this Department Circular be subsequently declared invalid or unconstitutional, such parts not affected thereby shall remain in full force and effect.

**Section 38. Effectivity.** This Circular shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation. A copy of this Circular shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register.

Issued this JAN 12 2024 at the DOE, Energy Center, Rizal Drive cor. 34<sup>th</sup> Street, Bonifacio Global City, Taguig City, Metro Manila.

  
**RAPHAEL P.M. LOTILLA**  
Secretary



**ANNEX A  
 GUIDELINES FOR ISSUANCE OF OPERATOR'S PERMIT**

**Section 1. Coverage.**

These Guidelines shall apply to the determination of the legal, technical, and financial qualifications of an Applicant, the evaluation of applications and the grant of Permits referred to in Section 11, Rule IV of this Circular.

**Section 2. Downstream Natural Gas Review and Evaluation Committee (DNG-REC).**

The DNG-REC is hereby constituted to carry out the responsibilities as set forth in Section 26, Rule VII of this Circular and shall be composed of the following:

- |            |   |   |
|------------|---|---|
| Chair      | : | Supervising Undersecretary, Oil Industry Management Bureau (OIMB) or as otherwise designated by the DOE Secretary |
| Vice Chair | : | Supervising Assistant Secretary, OIMB or as otherwise designated by the DOE Secretary                             |
| Members    | : | Director, OIMB  |
|            | : | Director, Legal Services (LS)   |
|            | : | Director, Financial Services (FS)   |

**Section 3. Responsibilities of the DNG-REC.**

- a. Receives, evaluates and recommends to the DOE Secretary or the DNG-REC Chair, as applicable, the approval of DNG Industry Permits, endorsements and other issuances;
- b. Recommends to the DOE Secretary policies and programs geared towards the promotion and development of the DNG Industry;
- c. Recommends to the DOE Secretary the standards and codes for product, facility, and safe practices for DNG Industry's compliance on siting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities;
- d. Supervises and monitors the progress of siting, construction, operation and maintenance, modification, expansion, rehabilitation, decommissioning and abandonment of DNG Facilities based on the approved work program, and imposes the applicable penalty for non-compliance thereof;
- e. Addresses any clarification that may be raised by the DOE Secretary in connection with recommendations for approval of Philippine technical regulations, Permits, implementing policies and programs; and
- f. Implements all other necessary measures allowed under existing laws, rules and regulations.

**Section 4. DNG-REC Secretariat.**

The DNG-REC Secretariat shall assist the DNG-REC in the discharge of its responsibilities and shall be composed of the following:

- |         |   |  |
|---------|---|--|
| Head    | : | Assistant Director, OIMB   |
| Members | : | Head, Natural Gas Management Division, OIMB                      |
|         | : | Head, Downstream Conventional Energy Legal Services Division, LS |
|         | : | Head, Conventional Energy Resources Division, FS                 |



<b>Section 5. Special Evaluation Committee or Technical Working Group (TWG).</b>	
The DNG-REC shall recommend to the Secretary the creation of a Special Evaluation Committee or TWG to support the DNG-REC in the implementation of these Guidelines.	
<b>Section 6. Application Procedure.</b>	
6.1.	<b>Notice To Proceed (NTP)</b>
	a. <b>Pre-application Conference.</b>
	<ol style="list-style-type: none"> <li>1. The Applicant shall submit a letter-request for a pre-application conference addressed to the DNG-REC Chair.</li> <li>2. The DNG-REC shall, within three (3) working days from receipt of the letter-request, send a letter-reply to the Applicant stating the schedule of the pre-application conference.</li> <li>3. During the pre-application conference, the Applicant shall present the general project concept to the DNG-REC and discuss any clarification on the rules and requirements of the Permit application.</li> </ol>
	b. <b>NTP Application</b>
	<ol style="list-style-type: none"> <li>1. The Applicant shall submit the application with all the prescribed documentary requirements to the DNG-REC.</li> <li>2. Upon receipt of the application, an initial evaluation of the submission of complete documentary requirements shall be conducted prior to payment of the processing fee.</li> <li>3. The DNG-REC Secretariat shall, within fifteen (15) calendar days from receipt of the application, evaluate, resolve and inform the Applicant whether or not it has completely submitted the documentary requirements. Incomplete submission shall require further submission of lacking documents.</li> <li>4. For the complete application, the DNG-REC shall conduct, within forty-five (45) calendar days, the legal, technical, and financial evaluation and shall then recommend for approval of the DNG-REC Chair the issuance or non-issuance of the NTP.</li> <li>5. The DNG-REC Chair shall, within fifteen (15) calendar days from the date of receipt of the DNG-REC recommendation, approve or disapprove the issuance of the NTP.</li> <li>6. The DNG-REC Chair may, within an appropriate additional period given to the DNG-REC, consistent with the applicable periods under the EVOSS Act, require further explanation, clarification, or re-evaluation of the recommendation.</li> <li>7. The Applicant shall be given an NTP period of one (1) year from the date of issuance of the NTP.</li> </ol>
6.2.	<b>Permit to Construct (PTC)</b>
	a. Before the end of the NTP period, the Applicant shall submit the application for the issuance of PTC, proof of compliance to the NTP Conditions, and other prescribed documentary requirements to the DNG-REC.

- b. Upon receipt of the application, an initial evaluation of the submission of complete documentary requirements shall be conducted prior to payment of the processing fee.
- c. The DNG-REC Secretariat shall, within fifteen (15) calendar days from receipt of the application, evaluate, resolve and inform the Applicant whether or not it has completely submitted the documentary requirements. Incomplete applications shall require further submission of lacking documents.
- d. For the complete application and upon validation of the fulfillment of the NTP Conditions, the DNG-REC shall conduct, within forty-five (45) calendar days, the legal, technical, and financial evaluation and shall then recommend for approval of the DOE Secretary the issuance or non-issuance of the PTC as an authority for the Operator to proceed with the construction of the proposed DNG Facilities.
- e. The DOE Secretary shall, within fifteen (15) calendar days from the date of receipt of the DNG-REC recommendation, approve or disapprove the issuance of the PTC.
- f. The DOE Secretary may, within an appropriate additional period given to the DNG-REC consistent with the applicable periods under the EVOSS Act, require further explanation, clarification, or re-evaluation of the recommendation.
- g. The validity of the PTC will be based on the approved project baseline schedule submitted by the Operator.

**6.3. Permit to Operate and Maintain (POM)**

- a. Within thirty (30) working days from the mechanical completion of the DNG Facility, the Operator shall submit the application for POM with all the prescribed documentary requirements to the DNG-REC.
- b. Upon receipt of the application, an initial evaluation of the submission of complete documentary requirements shall be conducted prior to payment of the processing fee. Incomplete application shall require further submission of lacking documents.
- c. The DNG-REC Secretariat shall, within fifteen (15) calendar days from receipt of the application, evaluate, resolve and inform the Operator whether or not it has completely submitted the documentary requirements. Incomplete application shall require further submission of lacking documents.
- d. Within fifteen (15) calendar days from issuing the notice of complete application, the DNG-REC, in coordination with the IA-HSSE IMT, shall conduct an onsite verification of the mechanical completion of the DNG facility, completion of the final testing and commissioning requirements under the Engineering, Procurement, and Construction (EPC) Contract, and compliance with applicable regulations.
- e. After the onsite verification, the DNG-REC shall conduct, within thirty (30) calendar days, the legal, technical, and financial evaluation and shall then recommend for approval of the DOE Secretary the issuance or non-issuance of the POM as an authority for the Operator to proceed with the operation and maintenance of the DNG Facilities.

- f. The DOE Secretary shall, within fifteen (15) calendar days from the date of receipt of the DNG-REC recommendation, approve or disapprove the issuance of the POM.
- g. The DOE Secretary may, within an appropriate additional period given to the DNG-REC consistent with the applicable periods under the EVOSS Act, require further explanation, clarification, or re-evaluation of the recommendation.
- h. The POM shall be valid for a maximum period of twenty-five years from the date of issuance of the POM.

**6.4. Permits to Expand (PTE), Rehabilitate (PTR), Modify (PTM), and for Decommissioning and Abandonment**

- a. The Operator shall submit the application for the PTE, PTR, PTM or Permit for Decommissioning and Abandonment with all the applicable documentary requirements to the DNG-REC.
- b. Upon receipt of the application, an initial evaluation of the submission of complete documentary requirements shall be conducted prior to payment of the processing fee. Incomplete application shall require further submission of lacking documents.
- c. The DNG-REC Secretariat shall, within fifteen (15) calendar days from receipt of the application, evaluate, resolve and inform the Operator whether or not it has completely submitted the documentary requirements. Incomplete application shall require further submission of lacking documents.
- d. For the complete application, the DNG-REC shall conduct, within forty-five (45) calendar days, the legal, technical, and financial evaluation, and, if necessary, an onsite inspection, and shall then recommend for approval of the DNG-REC Chair the issuance of non-issuance of the Permit.
- e. The DNG-REC Chair shall, within fifteen (15) calendar days from the date of receipt of the DNG-REC recommendation, approve or disapprove the issuance of the Permit.
- f. The validity of the Permit will be based on the approved project baseline schedule submitted by the Operator.

**6.5. Approval of Permit Extension**

- a. Before the expiration of any other Permit, the Operator may request for an extension thereof before the DNG-REC but only for justifiable reasons, subject to the following conditions:
  - 1. That the Operator shall notify the DNG-REC in writing, with the details and proof of the existence of the ground for extension and the actions taken to resolve it; Provided, that for Force Majeure events, the notification should be made within (30) days from knowledge of its existence or occurrence; and
  - 2. The Operator satisfies the DNG-REC of its proposed work program and funding commitments to warrant the extension.

The grounds for extension shall include the following:

1. There is a Force Majeure case;
2. Non-issuance of a government permit or clearance without negligence or fault of the Applicant or Operator; and
3. Other justifiable reasons that prevent the Operator from complying with its work commitments.

The Operator shall then be given an extended period equivalent to the approved amended work program supporting the extension.

- b. The POM shall be renewable for another twenty-five (25) years, subject to the following conditions:
  1. That the Operator continues to be legally, technically and financially competent and the DNG Facilities are in good working condition for the renewal period; and
  2. That the Operator shall submit the renewal application at least six (6) months before the expiration of the POM.

#### **Section 7. Documentary Requirements.**

##### **7.1. General Information.**

- a. The Applicant shall refer to any Filipino and/or foreign citizen or Filipino and/or foreign-owned corporation, which is authorized for the purpose of engaging in the operation of a DNG Facility and wishes to secure any Permit under these Guidelines.
- b. A foreign-registered Applicant shall submit its legal, technical, and financial documents in English language, duly authenticated by competent authority, including the embassy which has operational coverage of the Philippines.
- c. The application must be submitted in both hard copies, with three (3) complete and legible sets of legal, technical, and financial documents, and digital copies (in PDF format on a USB drive). The recommended format includes the use of the Times New Roman font in size 12, single-line spacing, figures in A4 size, and maps at an appropriate scale.
- d. A non-refundable processing fee, in accordance with the latest DOE approved schedule of fees and charges (Annex A-1), shall be paid by the Applicant upon receipt of complete submission of documentary requirements. Payment may be made in cash, manager/company check, or by wire/bank transfer payable to the Philippine Department of Energy. All payments should be net of all applicable foreign and local bank and financial charges. An application is not considered accepted by the DOE until the full processing fee is paid.
- e. The application shall be sent by courier or registered mail, or hand-delivered and stamped-received by the DOE Records Division. It shall be addressed to:

**The Chair**

**Downstream Natural Gas - Review and Evaluation Committee (DNG-REC)**

<p>Department of Energy                  Energy Center, Rizal Drive, Bonifacio Global City, Taguig City                  Metro Manila, 1632                  Philippines</p>
<p><b>7.2. Documentation</b></p>
<p>The Applicant or Operator shall submit the following documents to the DNG-REC, which shall keep all such documents and other information forming part of an application confidential in accordance with Section 29, Rule IX of this Circular:</p>
<p><b>a. Requirements for the Issuance of NTP</b></p>
<p><b>i. Legal Documentation</b></p>
<ol style="list-style-type: none"> <li>1. Duly filled-out covering information sheet showing a brief profile of the Applicant (Annex A-2);</li> <li>2. Certified true copies of the Securities and Exchange Commission (SEC) Certificate of Registration or License to Do Business in the Philippines for foreign corporations, Articles of Incorporation and By-Laws. The corporate purpose of the Applicant shall include authority to construct and operate DNG Facilities [Certificate of Registration from the Department of Trade and Industry for sole proprietorships];</li> <li>3. Certified true copy of the updated General Information Sheet (GIS) of the Applicant and stamped-received by the SEC within twelve (12) months from date of the filing of application; and</li> <li>4. Original copy of the Secretary's Certificate showing authority of the Applicant's representative to apply, negotiate, sign, and execute documents in relation to the application.</li> </ol> <p>The DNG-REC, at its discretion, may require the submission of the above-mentioned corporate documents of the Applicant's Parent Company/ies.</p>
<p><b>ii. Technical Documentation</b></p>
<ol style="list-style-type: none"> <li>1. Applicant Profile                     <p>The Applicant shall submit a duly notarized description of its business activities, experience, and technical capability relevant to carrying out the proposed project and if necessary, including that of its Affiliate/s, specifically:</p> <ol style="list-style-type: none"> <li>a. A summary of the company profile, business direction, strategy, and major accomplishments in the DNG Industry;</li> <li>b. Information on Applicant company and its subsidiaries, joint ventures, and affiliates for the proposed project:                             <ol style="list-style-type: none"> <li>i. Organizational chart of Applicant company and its subsidiaries, joint ventures, and Affiliates;</li> <li>ii. The Applicant company and its subsidiaries, joint ventures, and Affiliates':                                     <ul style="list-style-type: none"> <li>- Complete name;</li> <li>- Scope of work;</li> </ul> </li> </ol> </li> </ol> </li> </ol>

- Purpose;
  - Resident agent, as applicable; and
  - Specialization/ expertise/ experience;
- iii. Executive officers of the Applicant company and its subsidiaries, joint ventures, and Affiliates':
- Complete name;
  - Nationality;
  - Position/ role;
  - Specialization/ expertise/ experience; and
  - Certifications/ trainings;
- c. A summary and description of all gas-related projects completed and pending, if any, for at least the past three (3) years preceding the date of the application including the assessment of the performance of their construction, operation, and economic feasibilities;
- d. Description of the qualifications and experience of key management, professional and technical personnel in the DNG Facility construction, operation and maintenance;
- e. Disclosure of any pending or finally determined major safety or environmental enforcement actions by relevant authorities;
- f. If Applicant's Affiliate's Parent Company's technical capability will be used, the Secretary's Certificate from said Parent Company confirming the existence of a board resolution authorizing the commitment of the identified technical capability to the proposed project; and
- g. Other information that the Applicant may deem necessary to support its application or as may be required by the DNG-REC.

## 2. Construction Plans and Designs

- a. General project description;
- b. Feasibility study of the LNG or Natural Gas project;
- c. Siting;

Applicant shall comply with the following minimum requirements:

- i. Classified as Heavy Industrial Zone;
  - ii. No relocation/ resettlement of local residents; and
  - iii. Adequate exclusion zone;
- d. Locational zoning clearance subject to the local government zoning ordinance;
- e. Quantitative risk assessment report for safe distance requirements;
- f. Environmental (land, air, water and people) impact identification, prevention and mitigation assessment report of the proposed

infrastructure and processes on the proposed site consistent with the Philippine Environmental Impact Statement System (EISS) Law and its implementing rules;

- g. Geologic, oceanographic, seismic, atmospheric, and security hazard identification, prevention and mitigation assessment report such as but not limited to;
  - i. Offshore Wind and Wave Study;
  - ii. Wave Transformation Modeling Study;
  - iii. Hydrodynamic (Flow) Modeling Study;
  - iv. Navigational Simulations (Fast-time);
  - v. Simplified Downtime Assessment;
  - vi. Tsunami Modeling Study;
  - vii. Typhoon Modeling Study;
  - viii. Quantitative Risk Assessment; and
  - ix. Other related studies;
- h. Source of power supply for the construction, testing, commissioning and operation of the proposed LNG facility;
- i. Front End Engineering Design (FEED) and detailed building and equipment plans and designs (as developed during FEED and together with evidence of completion of the FEED stage) and their corresponding work program and budget;
  - i. Conceptual plans and designs of buildings, other facilities and equipment, with descriptions and flow diagram of their construction and installation processes including the integrity and safety engineering methods and technology applied with due consideration of the results of the assessments made from item a above;
  - ii. Summary list with sufficient description of the Philippine or Internationally Accepted Codes and Standards specifically used as basis on the formulation of the plans and designs for the construction of buildings and other facilities and the installation of equipment including the materials used therein;
  - iii. Planned construction schedule; and
  - iv. Plot Plans and list of key buildings, other facilities, equipment, access roads, safety zones and distances;
- j. Detailed description of the professional Project Management Team for construction, installation, testing and commissioning in the form of organizational chart indicating the groups/sections and their roles, functions, scope of work, etc.;
- k. A summary report prepared by the Applicant on other Government Agencies' permitting requirements before construction and before operation; and
- l. Other relevant studies or assessment reports that the Applicant may deem necessary to support its application or as may be required by the DNG-REC.

**iii. Financial Documentation**

1. The Applicant shall submit the following:
  - a. Financial Feasibility Study; and
  - b. Work Program & Budget indicating the Applicant's ability to meet funding requirements.
2. Supporting Documents
  - a. Financial Statements (FS);
    - i. For corporations existing for more than two (2) years at the time of filing of application:
      - A certified true copy of the Annual Report or Audited FS for the last two (2) years from the date of the Application and the latest Unaudited FS duly signed by the President and/or Chief Finance Officer of the company where the Cash Balance indicated in the Unaudited FS must be substantiated by Bank Certification;
    - ii. For newly-organized corporations existing for less than two (2) years at the time of filing:
      - A certified true copy of the Annual Report or Audited FS or latest Unaudited FS duly signed by the President and/or Chief Finance Officer of the company where the Cash Balance indicated in the Unaudited FS must be substantiated by Bank Certification;
  - b. Three (3)-Year Projected Cash Flow Statement indicating positive cash flows to support the construction, expansion, or modification of the project, when applicable;
  - c. Particulars on the plan of raising funds through any or combination of the following:
    - i. For Debt Financing
      - Loan agreements
      - Approved term loan facility
      - Existing available credit lines
    - ii. For Equity
      - Internally Generated Fund
        - Certified true copy of Board Resolution Appropriating Funds for Construction and Operation from Retained Earnings
        - Documents to Support Additional Shareholders' Capital Infusion, i.e., Additional Paid-Up Capital, as approved by the SEC
      - Funds from Parent Company and/or Affiliates
        - Audited FS of the Parent Company and/or Affiliates; and



<ul style="list-style-type: none"> <li>• Board Resolution and Deed of Undertaking Indicating Fund Allocation to the Project based on its corresponding participating interest.</li> </ul>
<p><b>b. Requirements for the Issuance of PTC, PTE, PTR, and PTM</b></p>
<p><b>i. Legal Documentation</b></p>
<ol style="list-style-type: none"> <li>1. Applicable regulatory permits from the Department of Environment and Natural Resources (DENR) which includes the Environmental Compliance Certificate (ECC) from the DENR;</li> <li>2. Applicable Endorsement and Building Permits from the Local Government Unit (LGU);</li> <li>3. Certificate of Non-Overlap or Certificate of Pre-Condition (CP) from the National Commission on Indigenous Peoples (NCIP);</li> <li>4. Registration from the Department of Labor and Employment (DOLE);</li> <li>5. Fire Safety Evaluation Clearance from the Bureau of Fire Protection (BFP);</li> <li>6. Sanitary Permit from the City Health Office; and</li> <li>7. Other permits as may be required by law or rules.</li> </ol>
<p><b>ii. Technical Documentation</b></p>
<ol style="list-style-type: none"> <li>1. Construction Plans and Designs             <ol style="list-style-type: none"> <li>a. Description of the actual DNG Facility for construction and its operational model;</li> <li>b. Detailed Engineering Design which should include but not be limited to Plot Plans and list of key buildings, other facilities, equipment/component, access roads, safety zones and distances;</li> <li>c. Execution programme for the proposed facility;                 <ol style="list-style-type: none"> <li>i. A full detail of the arrangements and methods which the applicant/operator proposes to adopt for the execution of the works and milestones;</li> <li>ii. The document shall provide a detailed plan for the complete works or Milestones comprising of:                     <ul style="list-style-type: none"> <li>- Detailed Engineering Design, procurement, delivery, and civil works;</li> <li>- Erection and constructional works;</li> <li>- Detailed execution works including start and completion dates for each milestone; and</li> <li>- Pre-commissioning and commissioning tests and start up for works and milestones;</li> </ul> </li> <li>iii. For the ease of project progress and schedule monitoring, activity network diagram and chart, the Applicant shall use Primavera P6 project management or MS Project or equivalent program as scheduling tools;</li> </ol> </li> </ol> </li> </ol>

- d. Interface schedule (if any);
- e. Progress Measurement System (PMS);
- f. Manpower and construction equipment histograms;

Resource histograms shall indicate the monthly resource requirements that the Operator plans to deploy over the duration of the project.

- g. Management of change system;
- h. Maintenance of records system;
- i. A summary of the execution plan for the establishment of a professional Project Management Team for construction, installation, testing and commissioning;

Detailed description of the Project Management Team for Natural Gas projects including the following information on organizational chart such as:

- i. Complete name;
  - ii. Nationality;
  - iii. Position;
  - iv. Qualification;
  - v. Specialization/ expertise;
  - vi. Experience;
  - vii. Role/ responsibilities; and
  - viii. Certifications/ trainings;
- j. Third party quality assurance program validation:
    - i. Safety and Quality Assurance Certifications of the plans and designs of the buildings, other facilities, and equipment to be installed;
    - ii. Safety and Quality Assurance Certifications of the materials to be used on the construction, facilities, and equipment; and
    - iii. Safety and Quality Assurance Certifications of the applied engineering and technology for the construction, installation and operation of the buildings, facilities, and equipment;

- k. Required contracts;

Certified executed copies, which may be redacted for confidentiality reasons, of all key binding agreements required for the development of the proposed project including but not limited to EPC agreements;

- l. Health, Safety, Security and Environment (HSSE) Risk Assessment and Management Plan (Construction and Equipment Installation Phase);

Submission of HSSE Management Systems, management and employee structure, manpower complement, qualification and competency / training development program and mitigation plans to address the risks at ALARP levels in the following areas:

i. Environmental Risk Assessment and Management Plan

Consistent with the Philippine environmental regulations and/or International Standard, a comprehensive assessment and management program shall be established to address project-specific risks and potential impacts to the environment.

Potential environmental issues associated with the construction and installation of LNG equipment which include, but are not limited to, the following:

- Threats to aquatic and shoreline environments;
- Hazardous material management;
- Wastewater;
- Air emissions;
- Waste management; and
- Noise.

ii. Occupational Health and Safety Risk Assessment and Management Plan

Occupational health and safety issues shall be part of a comprehensive hazard identification, risk assessment and management study which include but is not limited to Hazard Identification study (HAZID), Hazard and Operability study (HAZOP), and qualitative and quantitative risk assessments shall be conducted as appropriate. The results of these studies shall be used as input to the Health and Safety Plans (HASP) specific to construction and equipment installation phases. The HASP shall include but is not limited to environmental and safety processes, and safe systems of work/ procedures which shall be prepared, communicated and implemented to manage the risks.

Occupational health and safety issues associated with the construction and installation of DNG Facilities which include, but are not limited to, the following:

- Fire and explosion;
- Roll-over;
- Contact with cold surfaces;
- Chemical hazards;
- Confined spaces;
- Working at heights;
- Lifting and rigging;
- Excavation; and
- Other construction and installation related hazards.

iii. Facility Security Risk Assessment and Management Plan

Facility security assessment shall be conducted to identify threats which include but is not limited to criminal and terrorist. The

vulnerability of the facility/ location against identified threats shall likewise be assessed and corresponding plans shall be put in place.

iv. Disaster/ Emergency Preparedness and Response Plan

Based on the HSSE assessment, a plan shall be put in place to prevent, mitigate, respond to, and maintain continuity from an incident that threatens life, property, operations and the environment. Incident as defined is anything that has the potential to cause interruption, disruption, loss, emergency, crisis, disaster or catastrophe.

v. Other areas of concern that the Operator may deem necessary

iii. Financial Documentation

1. The Applicant shall submit the following:

- a. Updated Financial Feasibility Study; and
- b. Updated Work Program & Budget indicating the Applicant's ability to meet funding requirements.

2. Supporting Documents

- a. Financial Statements (FS);
  - i. For corporations existing for more than two (2) years at the time of filing of application:
    - A certified true copy of the Annual Report or Audited FS for the last two (2) years from the date of the Application and the latest Unaudited FS duly signed by the President and/or Chief Finance Officer of the company where the Cash Balance indicated in the Unaudited FS must be substantiated by Bank Certification;
  - ii. For newly-organized corporations existing for less than two (2) years at the time of filing:
    - A certified true copy of the Annual Report or Audited FS or latest Unaudited FS duly signed by the President and/or Chief Finance Officer of the company where the Cash Balance indicated in the Unaudited FS must be substantiated by Bank Certification;
- b. Three-Year Projected Cash Flow Statement indicating positive cash flows to support the construction, expansion, or modification of the project, when applicable;
- c. Proof of ability to raise funds through any or combination of the following:
  - i. For Debt Financing
    - Loan agreements;
    - Approved term loan facility; and

<ul style="list-style-type: none"> <li>- Existing available credit lines;</li> </ul> <p>ii. For Equity</p> <ul style="list-style-type: none"> <li>- Internally Generated Fund                             <ul style="list-style-type: none"> <li>• Certified true copy of Board Resolution Appropriating Funds for Construction and Operation from Retained Earnings; and</li> <li>• Documents to Support Additional Shareholders' Capital Infusion, i.e., Additional Paid-Up Capital, as approved by the SEC.</li> </ul> </li> <li>- Funds from Parent Company and/or Affiliates                             <ul style="list-style-type: none"> <li>• Audited FS of the Parent Company and/or Affiliates; and</li> <li>• Board Resolution and Deed of Undertaking Indicating Fund Allocation to the Project based on its corresponding participating interest.</li> </ul> </li> </ul>
<b>c. Requirements for the Issuance of POM</b>
<b>i. Legal Documentation</b>
<p>Updated Permitting Requirements of Other Government Agencies for the Operation of the Facility which shall include the following:</p> <ol style="list-style-type: none"> <li>1. Applicable regulatory permits from the DENR which includes the ECC from the DENR;</li> <li>2. Endorsement and Business Permits for Operation from the LGU;</li> <li>3. Registration and Permit to Operate from the DOLE;</li> <li>4. Fire Safety Inspection Certificate from the BFP;</li> <li>5. Sanitary Permit from the City Health Office; and</li> <li>6. Other permits as may be required by law or rules.</li> </ol>
<b>ii. Technical Documentation</b>
<ol style="list-style-type: none"> <li>1. Certificate of Completion;                             <p style="margin-left: 40px;">This refers to the (a) Mechanical Completion Certificate; and (b) Testing &amp; Commissioning Certificate (upon successful completion of performance test) signed by the EPC contractor with the conformity of the Operator's project manager;</p> </li> <li>2. Summary list of buildings, facilities and equipment;</li> <li>3. Operational process flow with diagram;                             <p style="margin-left: 40px;">Description of operational process flow with diagram of building, facilities, and equipment for testing, commissioning, operation, repair and maintenance for DOE guidance and reference;</p> </li> <li>4. HSSE Risk Assessment and Management Plan (Operation Phase);</li> </ol>

Submission of HSSE management systems, management and employee structure, manpower complement, qualification and competency / training development program and mitigation plans to address the risks at ALARP levels in the following areas:

a. Environmental Risk Assessment and Management Plan;

Consistent with the Philippine environmental regulations and/or International Standard, a comprehensive assessment and management program shall be established to address project-specific risks and potential impacts to the environment.

Potential environmental issues associated with the construction and installations of LNG equipment which include but are not limited to the following:

- i Threats to aquatic and shoreline environments;
- ii Hazardous material management;
- iii Wastewater;
- iv Air emissions;
- v Waste management; and
- vi Noise.

b. Occupational Health and Safety Risk Assessment and Management Plan;

Occupational health and safety issues shall be part of a comprehensive hazard identification, risk assessment and management study which include but is not limited to HAZID, HAZOP, and qualitative and quantitative risk assessments shall be conducted as appropriate. The results of these studies shall be used as input to the HASP specific to construction and equipment installation phases. The HASP shall include but is not limited to environmental and safety processes, and safe systems of work/ procedures which shall be prepared, communicated and implemented to manage the risks.

Occupational health and safety issues associated with the construction and installation of DNG Facilities which include but are not limited to the following:

- i. Fire and explosion;
- ii. Roll-over;
- iii. Contact with cold surfaces;
- iv. Chemical hazards;
- v. Confined spaces
- vi. Working at heights;
- vii. Lifting and rigging;
- viii. Excavation; and
- ix. Other construction and installation related hazards.

c. Facility Security Risk Assessment and Management Plan;

Facility security assessment shall be conducted to identify threats which include but is not limited to criminal and terrorist. The vulnerability of the facility/ location against identified threats shall likewise be assessed and corresponding plans shall be put in place.

d. Disaster/ Emergency Preparedness and Response Plan;

Based on the HSSE assessment, a plan shall be put in place to prevent, mitigate, respond to, and maintain continuity from an incident that threatens life, property, operations and the environment which shall be developed in close coordination with the community, local government unit and other stakeholders of the location where they operate. Incident as defined is anything that has the potential to cause interruption, disruption, loss, emergency, crisis, disaster or catastrophe.

e. Community social development program; and

These programs are intended to improve the well-being of the community in the locality where the project is located on areas such as health, education, livelihood and other programs that promotes improvement of the lives and welfare of the community.

f. Other areas of concern that the Operator may deem necessary.

iii. In the event that the Operator will allow Third Party Access (TPA) of its DNG Facility, the following shall be submitted to the DNG-REC for every transaction:

1. Notification for TPA including detailed description of the commercial arrangement or terms of reference, whichever is applicable;
2. TPA Agreement/s;
3. Roles and responsibilities of the Operator and the third-party user or non-Affiliate;
4. Details of the Capacity subject for TPA; and
5. Any other relevant information on the transaction.

d. Requirements for the Issuance of Permit for Decommissioning and Abandonment

- i. Abandonment and Decommissioning Plan;
- ii. Philippine or Internationally Accepted Standards to be utilized during implementation;
- iii. A summary of the execution plan for the establishment of a professional Demolition Project Team including but not limited to:
  - a. Construction Team is the Field Execution Team of the Demolition Project and is responsible for overseeing the demolition works of the nominated Demolition Contractor;
  - b. Project HSSE Team provides support to the Construction Team in terms of specialists HSSE advice;

- c. Operator and Special Project Team verify and issue Permits to Work at the worksite; and
- d. Demolition Contractor is responsible for providing the resources and services required to dismantle and remove the natural gas line/ LNG Facility.

Detailed description of the Demolition Project Team including the following information on organizational chart such as:

- i. Complete name;
  - ii. Nationality;
  - iii. Position;
  - iv. Qualification;
  - v. Specialization/ expertise;
  - vi. Experience;
  - vii. Role/ responsibilities; and
  - viii. Certifications/ trainings;
- iv. References for Abandonment & Decommissioning (e.g. Construction Site Safety Standardization (CSSS) Version 7 Part D: Decommissioning and Demolition, International Associations of Oil and Gas Producers (IOGP) Report No. 577: Fabrication Site Construction Safety Recommended Practice- Hazardous Activities, International Associations of Oil and Gas Producers (IOGP) Report No. 597: Fabrication Site Construction Safety Recommended Practice-Enabling Activities);
  - v. Demolition Plan covering dismantling and disposal;
  - vi. Execution methodology (steps to be taken in removing DNG Facility);
  - vii. Work Method Statement and Job Hazard Analysis (JHA) related to the demolition procedure and hazard mitigation measures;
  - viii. Post report after completion of the pipeline dismantling and related components have been completely removed;
  - ix. Proof that other concerned/ related Government Agencies particularly the IA HSSE-IMT, have been notified of the decommissioning and abandonment;
  - x. Proof of degassing of pipeline/ LNG Facility;
  - xi. Demolition Permit from the City/ Municipal Engineer's Office; and
  - xii. Ground level and aerial photos and videos of the DNG Facility and components, and pipeline route right of way (ROW) indicating date, time, and longitude-latitude-altitude of photos and videos.

**e. Requirements for the Assignment or Transfer of Permit or Operatorship**

**i. Legal Documentation**

- 1. Assignor's letter to the DOE Secretary, with attention to the DNG-REC Chair, requesting approval for the assignment or transfer of Permit or Operatorship with the reasons thereof;



2. Certified true copy of the assignment agreement;
3. Original copy of the Secretary's Certificate attesting to the board resolution authorizing the assignor's representative to sign the assignment agreement;
4. Original copy of the Secretary's Certificate attesting to the board resolution authorizing the assignee's representative to sign the assignment agreement;
5. Duly filled out covering information sheet showing a brief profile of the assignee (Annex A-2);
6. Certified true copies of the assignee's SEC Certificate of Registration and License to Do Business in the Philippines for foreign corporations, or DTI Registration, Articles of Incorporation and By-Laws, and latest Certificate of Amendment, whichever is applicable. The corporate purpose of the assignee shall include the authority to construct, operate and maintain DNG Facilities;
7. Certified true copy of the updated GIS of the assignee stamped-received by the SEC within twelve (12) months from date of the filing of application; and
8. Original copy of the Secretary's Certificate showing authority of the assignee's representative to apply, negotiate, sign, and execute documents in relation to the application.

Notwithstanding the approval of the assignment or transfer, the assignee shall be required to obtain the updated permitting requirements of Government Agencies for the construction or operation of the DNG facility under its own name.

ii. Technical Documentation

1. A summary of the company profile, business direction, strategy and major accomplishments in the DNG industry;
2. A summary and description of all gas-related projects completed and pending, if any, for at least the past three (3) years preceding the date of the application including the assessment of the performance of their construction, operation and economic feasibilities;
3. Description of the qualifications and experience of key management, professional and technical personnel in the DNG Facility construction, operation and maintenance;
4. Disclosure of any pending or finally determined major safety or environmental enforcement actions by relevant authorities;
5. If assignee's affiliate's technical capability will be used, the Secretary's Certificate from said Affiliate confirming the existence of a board resolution authorizing the commitment of the identified technical capability to the proposed project; and

6. Other information that the assignor or assignee may deem necessary to support the application or as may be required by the DNG-REC.

iii. Financial Documentation

1. Proof of its financial closing to continuously fund the construction, operation, and maintenance of Downstream Natural Gas Facility.

**Section 8. Evaluation Criteria.**

In order to meet the objectives of the DNG Industry development, the DOE Secretary or the DNG-REC Chair, as applicable, upon the recommendation of the DNG-REC, shall grant the Permits applied for under the formal application process outlined in these Guidelines on a first-come, first-served basis, with due consideration for objectivity and transparency in the conduct of the evaluation, recommendation and issuance of the Permits.

- a. "First-come, first-served basis" shall refer to the process of prioritizing the acceptance and substantive evaluation by order of time and date of submission of application but applicable only to those with complete legal, technical, and financial documentary submissions.
- b. The DNG-REC and the DOE Secretary shall consider the following criteria in the evaluation of the proposed project:
  - 1. The proposed project is consistent with the declaration of policies in this Circular; and
  - 2. The Applicant:
    - i. Has submitted the complete documentary requirements;
    - ii. Has shown that the proposed project can be actually constructed and operated;
    - iii. Has clearly demonstrated its ability to meet the funding requirements;
    - iv. Has clearly demonstrated that the proposed project has sufficient supply of Natural Gas; and
    - v. Has clearly demonstrated that the proposed project shall not result to any Anti-Competitive Behavior.

**Section 9. Operational Meeting and Workshops.**

The Applicant or Operator shall participate in regular operational meetings and special workshops with the DNG-REC for the development, issuance, and review of plans, protocols, standards, and codes applicable to the DNG Industry.

**Section 10. Progress Report and Validation.**

The Applicant or Operator shall submit a monthly progress report of its work commitments, as set out in Annex C of this Circular, on all types of Permits, which shall be subject to onsite validation by the DNG-REC in coordination with the IA-HSSE IMT.

**Section 11. Performance.**

Operators and/or service/operating contract holders whose Permits or contracts with the DOE have been cancelled or terminated for breach may be disqualified from applying under these Guidelines.

**Annex A-1**

**SCHEDULE OF FEES AND CHARGES  
CY 2023**

<b>Permit and Issuances</b>	<b>Amount</b>	
Issuance of Notice to Proceed (NTP)	150,000.00	New
Issuance of Permit to Construct Expand, Rehabilitate, and Modify (PCERM)	150,000.00	New
Issuance of Permit to operate and Maintain (POM)	150,000.00	New
Issuance of LNG Importer Accreditation and/or Supply and Transport of Natural Gas	14,000.00	New
Issuance of Acknowledgement to Import (ATI-LNG)	1,500.00	New
Issuance of Acknowledgement to Supply and Transport Natural Gas (AST-NG)	1,500.00	New

Annex A-2

INFORMATION SHEET

PARTICULARS	OPERATOR/APPLICANT
1. NAME	
2. ADDRESS	
3. COUNTRY OF REGISTRATION	
4. NAME OF AUTHORIZED REPRESENTATIVE	
5. POSITION	
6. TELEPHONE NUMBER/S	
7. FAX NUMBER/S	
8. EMAIL ADDRESS	
9. WEBSITE ADDRESS	
10. SUMMARY DESCRIPTION OF APPLICATION	

**Certification**

I certify under penalty of law, based on information and belief formed after reasonable inquiry, the statements and information contained in these documents are true, accurate and complete.

Name and Signature of Authorized Representative: \_\_\_\_\_ Date: \_\_/\_\_/\_\_

**ANNEX B**  
**GUIDELINES FOR ISSUANCE OF PARTICIPANT'S ACCREDITATION**

**Section 1. Participant Accreditation Requirements.**

1.1. Participant.

Any Person who intends to engage in the Supply, Aggregation, and resale of any quantity of Natural Gas shall apply for accreditation with the Department of Energy-Oil Industry Management Bureau (DOE-OIMB).

1.2. Documentary Requirements.

All applications for Accreditation to supply, aggregate, and resell Natural Gas shall comply with all of the following documentary requirements, otherwise the application shall not be accepted:

a. Letter of Intent with the following information:

1. Company Name (Business name, address, telephone number/s, email address);
2. Contact Person and Contact Details; and
3. Type of Accreditation applied for:
  - ( ) Supplier
    - ( ) Transporter
    - ( ) Importer
    - ( ) Bunker Trader
    - ( ) Vendor (from indigenous source)
    - ( ) Exporter
  - ( ) Aggregator
  - ( ) Reseller

b. Supporting documents required

1. Supplier

- i. Articles of Incorporation/Certificate of Registration approved by the Securities and Exchange Commission (SEC) including Audited Financial Statements, if corporation; and Department of Trade and Industry (DTI) Registration, if single proprietorship;
- ii. Duly executed Secretary's Certificate and Board Resolution naming its authorized representative/s;
- iii. Business Permit;
- iv. Bureau of Internal Revenue (BIR) Registration for the applied business activity;
- v. Fire Safety Inspection Certificate (FSIC) from the Bureau of Fire Protection (BFP), if applicable;
- vi. Certificate of Accreditation as Importer from the Bureau of Customs (BOC) for Transporter, Importer, and Bunker Trader, if required;
- vii. Duly executed redacted supply agreement from source; and
- viii. Executive Briefer of business operation;
- ix. Proof of payment of applicable fee; and
- x. Other supporting and relevant documents that the law or rules may require.

All compliant applications shall be accredited by the DOE-OIMB and be issued a Supplier Accreditation Certificate (Annex B-1).

2. Aggregator

- i. Articles of Incorporation/Certificate of Registration approved by the SEC including Audited Financial Statements, if corporation; and DTI Registration, if single proprietorship;

- ii. Duly executed Secretary's Certificate and Board Resolution naming its authorized representative/s;
- iii. Business Permit;
- iv. BIR Registration for the applied business activity;
- v. FSIC from the BFP;
- vi. Duly executed redacted supply agreement from either domestic or foreign sources, or both;
- vii. Duly executed redacted supply agreement with buyer;
- viii. Executive Briefer of business operation;
- ix. Proof of payment of applicable fee; and
- x. Other supporting and relevant documents that the law or rules may require.

All compliant applications shall be accredited by the DOE-OIMB and be issued an Aggregator Accreditation Certificate (Annex B-2).

### 3. Reseller

- i. Articles of Incorporation/Certificate of Registration approved by the SEC including Audited Financial Statements, if corporation; and DTI Registration, if single proprietorship;
- ii. Duly executed Secretary's Certificate and Board Resolution naming its authorized representative/s;
- iii. Business Permit;
- iv. BIR Registration for the applied business activity;
- v. FSIC from the BFP;
- vi. Notarized certification on the supplier's contract/agreement with Natural Gas/Liquefied Natural Gas (LNG) Supplier;
- vii. Executive Briefer of business operation;
- viii. Proof of payment of applicable fee; and
- ix. Other supporting and relevant documents that the law or rules may require.

All compliant applications shall be accredited by the DOE-OIMB and be issued a Reseller Accreditation Certificate (Annex B-3).

### 1.3. Validity.

The Accreditation Certificates shall be valid for a period of fifteen (15) years from the date of issuance, unless earlier revoked or canceled by DOE-OIMB for a cause. Application for renewal shall be filed not later than thirty (30) working days prior to the expiration of the Accreditation Certificate.

## Section 2. Acknowledgment.

Accredited Participants shall send applicable notice prior to every importation and exportation of LNG. An Acknowledgment to Import Liquefied Natural Gas (ATI-LNG) (Annex B-4) and Acknowledgment to Export Liquefied Natural Gas (ATE-LNG) (Annex B-5), as applicable, shall be issued by the DOE-OIMB.

### 2.1. Importation.

#### a. Pre-Importation Requirements

To effectively monitor and ensure conformance to the Basel Convention, accredited Importers shall file a notice (Annex B-6) with the DOE-OIMB not later than seven (7) working days prior to loading of every importation, indicating the details and/or supporting documents, as follows:

#### 1. Details of Pre-Importation Notice

- i. Name of company and DOE-OIMB Accreditation No.;

- ii. Estimated quantity;
- iii. Specified quality of LNG;
- iv. Estimated date of loading (ETL) and arrival (ETA);
- v. Supplier of imported LNG;
- vi. Estimated FOB price, freight, insurance cost and other importation costs;
- vii. Vessel particulars (name and voyage number); and
- viii. Country and port of loading and discharge.

2. Supporting Documents

- i. Pro-forma Invoice

b. Post-Importation Documents

Post-importation notice shall be submitted to the DOE-OIMB not later than twenty (20) working days after unloading of every importation, with the following supporting documents:

1. Commercial invoice;
2. Import bill of lading;
3. Safety Data Sheet (SDS);
4. Certificate of quality;
5. Final import entry declaration; and
6. Statement of Settlement of Duties and Taxes (SSDT).

2.2. Exportation.

a. Pre-Exportation Notice

To effectively monitor and ensure conformance to the Basel Convention, accredited Suppliers shall file a notice (Annex B-7) with the DOE-OIMB not later than seven (7) working days prior to loading of every exportation, indicating the details and/or supporting documents, as follows:

1. Details of Pre-Exportation Notice

- i. Name of company and DOE-OIMB Accreditation No.;
- ii. Type and quantity (volume) of LNG;
- iii. ETL and ETA;
- iv. Buyer of exported LNG;
- v. FOB price, freight, and insurance cost;
- vi. Vessel particulars (name and voyage number); and
- vii. Country and port of loading and discharge.

2. Supporting Documents

- i. Pro-forma Invoice

b. Post-Exportation Documents

To account for the record of the actual export, a notice shall be likewise submitted to the DOE-OIMB not later than twenty (20) working days after loading of every export, with the following supporting documents:

1. Commercial invoice;
2. Export bill of lading;
3. Certificate of Quality; and
4. Cargo manifest.

**Section 3. Compliance.**

Failure to comply with the requirements of this Guidelines shall be ground for the suspension or cancellation of the Accreditation and the non-issuance of ATI-LNG and ATE-LNG for succeeding applications.



## SUPPLIER ACCREDITATION CERTIFICATE

<Company Name>

<Address 1>

<Address 2>

<Address 3>

<Contact No.>

<Email Add.>

### Accreditation Series Format

Issuance Date: Month/Day/Year

Valid until : Month/Day/Year

### Salutation:

This is to acknowledge receipt of your letter of intent dated \_\_\_\_\_ relative to your interest in the business as **Supplier** for \_\_\_\_\_ together with the submitted documentary requirements as follows:

Company Name (Business name, address, telephone number/s, email address)

Contact Person and Contact Details

Type of Accreditation Applied for:

Supplier

Transporter

Importer

Bunker Trader

Vendor (from an indigenous source)

Exporter

Certified True Copy (CTC) of the following documents:

1. Articles of Incorporation/Certificate of Registration approved by Securities and Exchange Commission (SEC) including Audited Financial Statement, if corporation and Department of Trade and Industry (DTI), if single proprietorship;
2. Duly Executed Secretary's Certificate and Board Resolution naming their authorized representative/s or Special Power of Attorney (SPA);
3. Business Permit;
4. Bureau of Internal Revenue registration for the applied business activity;
5. Fire Safety Inspection Certificate from the Bureau of Fire Protection, *if applicable*;
6. Certificate of Accreditation as Importer from the Bureau of Customs for Transporter, Importer, Bunker Trader, if required;
7. Duly executed supply agreement from the source;
8. Executive Briefer of Business Operation;
9. Proof of Payment of Applicable Fee; and
10. Other supporting and relevant documents that the law or rules may require.

In this regard, you are deemed to have fully complied with the requirements of the *Supplier Accreditation Guidelines* pursuant to Annex B of the amended Philippine Downstream Natural Gas Regulation (PDNGR). As such, you are now a *Registered and Accredited Supplier* as \_\_\_\_\_ and have been issued a **Supplier Accreditation Certificate**.

Attached is the **Supplier Accreditation Certificate** requiring your compliance with the reportorial requirements including submission of reports pursuant to Annex C of the PDNGR.

Very truly yours,

<Director>  
Oil Industry Management Bureau

**SUPPLIER ACCREDITATION CERTIFICATE  
(Importer)**

**Accreditation Series No:  
DOE/NG-SL-ACC-\*/\*\*/YY/MM/DD**

In accordance with the provisions of the Department Circular \_\_\_\_\_ otherwise known as the Revised Rules and Regulations Governing the Philippine Downstream Natural Gas Industry, applicable rules and regulations approved or promulgated by the Department of Energy and other relevant government agencies and the governing laws of the Republic of the Philippines,

**<Name of Company>**

**<Address 1>**

**<Address 2>**

**<Address 3>**

Is hereby granted a Supplier Accreditation Certificate for the following:

**<Details>**

and shall become effective on:

**<Date>**

This Accreditation Certificate shall be valid for a period of fifteen (15) years from the date of issuance unless earlier revoked or canceled by DOE-OIMB for a cause. Application for renewal shall be filed prior to the expiration of the Accreditation Certificate.

Further, as an Accredited Supplier for Importer, you are required to provide pre-and post-notification to the DOE for every LNG importation as a pre-requisite for the issuance of an Acknowledgment to Import LNG by the DOE-OIMB as stipulated in Annex C of the revised PDNGR.

Likewise, you are required to comply with the reportorial requirements including the submission of reports of the following:

1. Monthly reports on or before the fifteenth (15th) day of the succeeding month, with the following details:
  1. Actual quantity of Liquefied Natural Gas (LNG) importation or exportation made for the previous month;
  2. Running inventory;
  3. Average unbundled LNG purchase price; and
  4. Average unbundled LNG sales price.

- II. Annual Report on or before the fifteenth (15th) day of June of every year
  1. Projected quantity of imports and/or supply for the next three (3) years

<Director>  
Oil Industry Management Bureau

**SUPPLIER ACCREDITATION CERTIFICATE**

**Accreditation Series No:  
DOE/NG-SL-ACC-\*/\*\*/YY/MM/DD**

In accordance with the provisions of the Department Circular \_\_\_\_\_ otherwise known as the Revised Rules and Regulations Governing the Philippine Downstream Natural Gas Industry, applicable rules and regulations approved or promulgated by the Department of Energy and other relevant government agencies and the governing laws of the Republic of the Philippines,

**<Name of Company>**

**<Address 1>**

**<Address 2>**

**<Address 3>**

Is hereby granted a Supplier Accreditation Certificate for the following:

**<Details>**

and shall become effective on:

**<Date>**

This Accreditation Certificate shall be valid for a period of fifteen (15) years from the date of issuance unless earlier revoked or canceled by DOE-OIMB for a cause. Application for renewal shall be filed prior to the expiration of the Accreditation Certificate.

Further, as an Accredited Supplier, you are required to comply with the reportorial requirements including submission of reports.

**<Director>**

Oil Industry Management Bureau

## AGGREGATOR ACCREDITATION CERTIFICATE

<Company Name>

<Address 1>

<Address 2>

<Address 3>

<Contact No.>

<Email Add.>

### Accreditation Series Format

Issuance Date: Month/Day/Year

Valid until : Month/Day/Year

### Salutation:

This is to acknowledge receipt of your letter of intent dated \_\_\_\_\_ relative to your interest in the business as an **Aggregator** together with the submitted documentary requirements as follows:

- Company Name (Business name, address, telephone number/s, email address)
- Contact Person and Contact Details
- Certified True Copy (CTC) of the following documents:
  1. Articles of Incorporation/Certificate of Registration approved by Securities and Exchange Commission (SEC) including Audited Financial Statement, if corporation and Department of Trade and Industry (DTI), if single proprietorship;
  2. Duly Executed Secretary's Certificate and Board Resolution naming their authorized representative/s or Special Power of Attorney (SPA);
  3. Business Permit;
  4. Bureau of Internal Revenue registration for the applied business activity;
  5. Fire Safety Inspection Certificate from the Bureau of Fire Protection;
  6. Duly executed redacted supply agreement from either domestic or foreign sources, or both;
  7. Duly executed redacted supply agreement with buyer;
  8. Executive Briefer of Business Operation;
  9. Proof of Payment of Applicable Fee; and
  10. Other supporting and relevant documents that the law or rules may require.

In this regard, you are deemed to have fully complied with the requirements of the *Aggregator Accreditation Guidelines* pursuant to Annex B of the amended Philippine Downstream Natural Gas Regulation (PDNGR). As such, you are now a *Registered and Accredited Aggregator* and have been issued an **Aggregator Accreditation Certificate**.

Attached is the **Aggregator Accreditation Certificate** requiring your compliance with the reportorial requirements including submission of reports pursuant to Annex C of the PDNGR.

For your proper guidance and strict compliance.

Very truly yours,

<Director>

Oil Industry Management Bureau

# AGGREGATOR ACCREDITATION CERTIFICATE

Accreditation Series No:  
DOE/NG-SL-ACC-\*/\*\*/YY/MM/DD

In accordance with the provisions of the Department Circular \_\_\_\_\_ otherwise known as the Revised Rules and Regulations Governing the Philippine Downstream Natural Gas Industry, applicable rules and regulations approved or promulgated by the Department of Energy and other relevant government agencies and the governing laws of the Republic of the Philippines,

<Name of Company>

<Address 1>

<Address 2>

Is hereby granted an Aggregator Accreditation Certificate for the following:

<Details>

and shall become effective on:

<Date>

This Accreditation Certificate shall be valid for a period of fifteen (15) years from the date of issuance unless earlier revoked or canceled by DOE-OIMB for a cause. Application for renewal shall be filed prior to the expiration of the Accreditation Certificate.

Further, as an Accredited Aggregator, you are required to comply with the reportorial requirements including the submission of the following reports:

- I. Monthly reports on or before the fifteenth (15th) day of the succeeding month, with the following details:
  1. Actual quantity of Liquefied Natural Gas (LNG) importation made for the previous month;
  2. Running inventory;
  3. Average unbundled LNG purchase price;
  4. Average unbundled LNG sales price;
  5. List of its off-takers and gas sales/supply contracts;
  6. LNG and Indigenous Natural Gas sales and purchase invoices, including blending, regasification, storage, and other related fees; and
  7. Volume of Indigenous Natural Gas and LNG procured, utilized, and supplied.
- II. Annual report on or before the fifteenth (15th) day of June of every year on its corporate structural changes, including changes in management and ownership.

<Director>

Oil Industry Management Bureau

## RESELLER ACCREDITATION CERTIFICATE

<Company Name>

<Address 1>

<Address 2>

<Address 3>

<Contact No.>

<Email Add.>

### Accreditation Series Format

Issuance Date: Month/Day/Year

Valid until : Month/Day/Year

### Salutation:

This is to acknowledge receipt of your letter of intent dated \_\_\_\_\_ relative to your interest in the business as a **Reseller** together with the submitted documentary requirements as follows:

Company Name (Business name, address, telephone number/s, email address)

Contact Person and Contact Details

Certified True Copy (CTC) of the following documents:

1. Articles of Incorporation/Certificate of Registration approved by Securities and Exchange Commission (SEC) including Audited Financial Statement, if corporation and Department of Trade and Industry (DTI), if single proprietorship;
2. Duly Executed Secretary's Certificate and Board Resolution naming their authorized representative/s or Special Power of Attorney (SPA);
3. Business Permit;
4. Bureau of Internal Revenue registration for the applied business activity;
5. Fire Safety Inspection Certificate from the Bureau of Fire Protection;
6. Notarized certification on the supplier's contract/agreement with Natural Gas/ Liquefied Natural Gas (LNG) Supplier;
7. Executive Briefer of Business Operation;
8. Proof of Payment of Applicable Fee; and
9. Other supporting and relevant documents that the law or rules may require.

In this regard, you are deemed to have fully complied with the requirements of the *Reseller Accreditation Guidelines* pursuant to Annex B of the amended Philippine Downstream Natural Gas Regulation (PDNGR). As such, you are now a *Registered and Accredited Reseller* and have been issued a **Reseller Accreditation Certificate**.

Attached is the Reseller Accreditation Certificate requiring your compliance with the reportorial requirements including submission of reports pursuant to Annex C of the PDNGR.

For your proper guidance and strict compliance.

Very truly yours,

<Director>

Oil Industry Management Bureau





**ACKNOWLEDGEMENT TO IMPORT LNG (ATI-LNG)  
DOE Acknowledgment Series Format**

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Date:

DOE-OIMB Acknowledgement Series Format

<Company Name>  
<Company Address1>  
<Company Address2>  
<Telephone No. >  
<Email Address>

Attention: <Main Recipient>  
<Position>

**Gentlemen:**

This is to certify your compliance with DOE Circular DC \_\_\_\_\_, notification requirement for your **Importation of LNG** from <Country Name>, with details as follows:

Product	Name of Supplier	Estimated Volume (in cubic meter)	EST. Price (US\$/mmBTU) (FOB, CIF, DES, etc.)	Loadport	Disport	Estimated Loading Date	Estimated Arrival Date	Delivery Period (number of days)	Vessel Particulars (Name, Voyage Number)

The following document/s were attached to your notification:

1. Proforma Invoice

However, you are also required to submit to DOE a *Post-Importation Notice* not later than twenty (20) working days after the unloading of every importation with the following supporting documents:

1. Commercial Invoice
2. Import Bill of Lading
3. Safety Data Sheet (SDS)
4. Certificate of Quality
5. Final Import Entry Declaration
6. Statement of Settlement of Duties and Taxes (SSDT)

Failure to comply with the notice requirement shall mean non-issuance of ATI-LNG for your succeeding transactions.

Further, pursuant to Annex C Section 2 of the amended PDNGR, you are required to submit to the DOE, *monthly reports* on or before the fifteenth (15<sup>th</sup>) day of the succeeding month, the following details (1) actual quantity of LNG importation made for the previous month; (2) running inventory; (3) average unbundled LNG purchase price; and (4) average unbundled LNG sales price.

As for the *annual report* on or before the fifteenth (15<sup>th</sup>) day of June of every year, you are required to submit the projected quantity of imports and/or supply for the next three (3) years.

Please be guided accordingly.

Very truly yours,  
**<DIRECTOR>**  
Oil Industry Management Bureau

Annex B-4.2 (Post-importation)

## POST IMPORTATION NOTICE

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Date:

DOE ATI-LNG Acknowledgment Code

<Company Name>

<Company Address1>

<Company Address2>

<Telephone No. >

<Email Address>

Attention: <Main Recipient>  
<Position>

<Salutation>

Thank you for your submission of the LNG Post Importation Notice for <Name of Accredited Supplier (Importer)> under reference code <DOE ATI-LNG Acknowledgment Code>, relative to the issuance of the Acknowledgment to Import – LNG (ATI-LNG) together with the submitted actual information in compliance with Annex B Section 2.b. under the revised PDNGR:

1. Commercial Invoice
2. Import Bill of Lading
3. Safety Data Sheet (SDS)
4. Certificate of Quality
5. Final Import Entry Declaration
6. Statement of Settlement of Duties and Taxes (SSDT)

However, pursuant to Annex C of the revised PDNGR, the Accredited Supplier as \_\_\_\_\_ is required to submit to the DOE, *monthly reports* on or before the fifteenth (15<sup>th</sup>) day of the succeeding month, with the following details (1) actual quantity of LNG importation made for the previous month; (2) running inventory; (3) average unbundled LNG purchase price; and (4) average unbundled LNG sales price.

As for the *annual report* on or before the fifteenth (15<sup>th</sup>) day of June of every year, the Accredited Supplier is required to submit the projected quantity of imports and/or supply for the next three (3) years.

We appreciate your compliance with our requirements.

Very truly yours,

<DIRECTOR>

Oil Industry Management Bureau

**ACKNOWLEDGEMENT TO EXPORT LNG (ATE-LNG)  
DOE Acknowledgment Series Format**

Date:

DOE-OIMB Acknowledgement Series Format

<Company Name>  
<Company Address1>  
<Company Address2>  
<Telephone No. >  
<Email Address>

Attention: <Main Recipient>  
<Position>

**Gentlemen:**

This is to certify your compliance with DOE Circular \_\_\_\_\_, the notification requirement for **Exporting Liquefied Natural Gas**, with details as follows:

Product	Buyer of Exported LNG	Estimated Volume (in cubic meter)	EST. Price (US\$/mmBTU) (FOB, CIF, DES, etc.)	Loadport	Estimated Loading Date	Exporting Country	Disport	Vessel Particulars (Name, Voyage Number)

Failure to comply with the notice requirement shall mean non-issuance of ATE-LNG for your succeeding transactions.

Further, pursuant to Annex C of the revised PDNGR, you shall submit to the DOE, *monthly reports* on or before the fifteenth (15th) day of the succeeding month, with the following details (1) actual quantity of LNG exportation made for the previous month; (2) running inventory; (3) average unbundled LNG purchase price; and (4) average unbundled LNG sales price.

As for the annual report on or before the fifteenth (15th) day of June of every year, you are required to submit the projected quantity of exports and/or supply for the next three (3) years.

Please be guided accordingly.

Very truly yours,  
<DIRECTOR>  
Oil Industry Management Bureau

## ANNEX C

### GUIDELINES FOR SUBMISSION OF REPORTORIAL REQUIREMENTS

#### Section 1. Operator Reportorial Requirements

##### 1.1. Holder of Notice to Proceed (NTP).

###### a. Monthly Progress Report

The Operator shall submit a monthly progress report on the status of permitting, clearances, Financial Closing, acquisitions, and technical studies to the DNG-REC, copy furnished the Department of Energy - Oil Industry Management Bureau (DOE-OIMB) on or before the fifteenth (15<sup>th</sup>) day of the succeeding month.

##### 1.2. Holders of Permit to Construct (PTC), Permit to Expand (PTE), Permit to Rehabilitate (PTR) and Permit to Modify (PTM).

###### a. Monthly Progress Report

During construction, expansion, rehabilitation or modification of the project, the Operator shall submit a monthly progress report to the DNG-REC, copy furnished to the DOE-OIMB, on or before the fifteenth (15<sup>th</sup>) day of the succeeding month.

The report shall include, among others, the following:

##### 1. Gantt chart showing updated information including but not limited to the following:

- i. Activity name and description;
- ii. Early start and finish dates;
- iii. Actual start and finish dates;
- iv. Original duration and total float;
- v. Remaining duration; and
- vi. Rate of completion (%) activity wise;

A native file in .xer or .mpp format shall be provided along with the submission of other reportorial requirements.

##### 2. Summary of ongoing site activities, schedules and photos

- i. Summary of completed and ongoing activities during the reporting period;
- ii. Summary of next month's planned activities;
- iii. Updated Level 1 and Level 2 progress status summary;

This table shall provide the following information for each Level 1 and 2 activities:

- a. Work Breakdown Structure identifier and description;
- b. Weight factor; and
- c. Planned and actual progress for previous and reporting periods.

- iv. Updated Level 4 schedule reflecting physical percent complete, remaining duration, and actual dates;
  - v. One (1) month lookahead schedule;
  - vi. Project's critical path and near-critical path;
  - vii. Panoramic or aerial view of the project; and
  - viii. Progress photographs of component/ facility/ structure/ equipment taken at same position/angle every reporting period.
3. Compliance update report with regard to permitting, clearances and obligations with Government Agencies; and
  4. Updated report on issues and challenges and measures taken as of the end of the reporting month.
- b. Lost-Time Incident Report

The Operator shall report to the DNG-REC, copy furnished the DOE-OIMB, any lost-time incident and the corresponding action/s taken or to be undertaken within twenty-four (24) hours from the time the Operator has been made aware of the situation.

### 1.3. Holder of Permit to Operate and Maintain (POM).

a. Registry

The DOE-OIMB shall maintain a registry of all Downstream Natural Gas (DNG) Facility Operators, their buildings, facilities, and equipment. For this purpose, all Operators are required to submit on or before the fifteenth (15<sup>th</sup>) day of January an annual facility update report containing, among others, the following:

1. Updated management profile; and
2. Inventory of building, facilities and equipment and their operational and disposal status.

b. Monthly Operation Report

During the operation of the project, the Operator shall submit a monthly operation report to the DNG-REC, copy furnished the DOE-OIMB, on or before the fifteenth (15<sup>th</sup>) day of the succeeding month.

This Report shall include, but not be limited to, the following:

1. Operational performance;
2. Planned or projected system availability and maintenance schedule (for the next two years);
3. Production output;
4. Goal-zero milestones/ days since Loss Time Incident (LTI);
5. Key developments/ highlights and lowlights; and
6. Health, Safety, Security, and Environment (HSSE) Integrity Performance.

c. **Lost-Time Incident Report**

The Operator shall report to the DNG-REC, copy furnished the DOE-OIMB, any lost-time incident situation and the corresponding action/s taken or to be undertaken within twenty-four (24) hours from the time the Operator has been made aware of the situation.

d. In addition to the above, the Third-Party Access (TPA) Operator shall submit to the DOE-OIMB the following:

1. Monthly reports on or before the fifteenth (15<sup>th</sup>) day of the succeeding month, with the following details:
  - i. Operational performance/utilization of the Capacity; and
  - ii. Other relevant information on commercial arrangements.

**Section 2. Participant Reportorial Requirement.**

2.1. All Participants shall submit to the DOE-OIMB the following:

- a. Monthly reports on or before the fifteenth (15<sup>th</sup>) day of the succeeding month, or as may earlier be required by the DOE, on the following:
  1. Actual quantity of Liquefied Natural Gas (LNG) importation made for the previous month;
  2. Running inventory;
  3. Average unbundled LNG purchase price;
  4. Average unbundled LNG sales price;
  5. List of its offtakers and gas sales/supply contracts; and
  6. LNG sales and purchase invoices, including regasification, storage, and other related fees.
- b. Annual Report on or before the fifteenth (15<sup>th</sup>) day of June of every year, or as may earlier be required by the DOE, on the following:
  1. Projected quantity of imports and/or supply for the next three (3) years; and
  2. Corporate structural changes, including changes in management and ownership.

The DOE may verify the submissions of the Participants which shall allow the inspection of its records and books of accounts.

2.2 In addition to the above, the Aggregator shall submit to the DOE-OIMB a monthly report on or before the fifteenth (15<sup>th</sup>) day of the succeeding month or as may earlier be determined by the DOE, on the following:

- a. Volume of Indigenous Natural Gas and LNG procured, utilized, and supplied;
- b. LNG and Indigenous Natural Gas sales and purchase invoices; and
- c. Breakdown of fee components such as blending, regasification, storage, and other fees.