# WHOLESALE GAS SUPPLY LICENCE

# REQUIREMENTS

This Wholesale Gas Supply Licence Requirements is made pursuant to the provisions of Sections 142 to 145 of the Petroleum Industry Act, 2021 (hereinafter referred to as the "Act"), which mandated the Nigeria Midstream and Downstream Petroleum Regulatory Authority (hereinafter referred to as the "Authority") to grant and issue a ***qualified person*** a wholesale gas supply licence upon approval of an application and payment of the prescribed fees. Detailed below are the proposed requirements for evaluating the eligibility of wholesale gas supply licence applicants:

## 1 ELIGIBLE APPLICANTS

Eligible applicants:

a. Lessees
b. Third-Party Companies
c. Independent Companies Seeking to Trade Natural Gas in Wholesale Volume

## 2 COMPANY INFORMATION OBLIGATION

d. Copy of Certificate of Incorporation
e. Memorandum and Articles of Association with clearly defined clauses in wholesale supply
f. Company Tax Clearance Certificate *(For Three (3) Years)*
g. Completed Application Form
h. Proof of Technical Competence – Company Organogram
i. List and Particulars of Shareholders
j. List and Particulars of Directors
k. Authorized Representative
l. Staff list
m. Other Supporting Documents (if any)

## 3 FINANCIAL OBLIGATION

i. Receipt of Payment for Licence and Processing Fees
j. Three (3) years financial projections, to include all recurrent and capital costs
k. Three (3) years Audited financial statement

## 4 TECHNICAL OBLIGATION

l. Evidence of licence, permit or approval issued by the Authority/Commission such as but not limited to; PPL, PML OGISP etc.

m. Submission of Natural Gas Production & Supply Plan (NGPSP) pursuant to Section 110(12) of the Act (not later than 31-Mar-Every Year).

n. Wholesale Gas Supply licence applicant is required to submit list of prospective wholesale customers and lessee/third-party suppliers (where applicable).

o. Clearly defined Standard Operating procedure for the Company

p. Compliance with the PIA and all necessary regulations and guidelines issued by the Authority

## 5 LICENCE FEES

| S/N | Licence Category | Description (Supply Volume) | Validity Period | Applicable Fees | |
|---|---|---|---|---|---|
| | | | | Processing ($) | Statutory ($) |
| **5.1.** | Wholesale Gas Supply Licence GS-1 | Above 500MMSCF/D supply | 2 Years | 0.25 per MSCF/D | 25,000 |
| **5.2.** | Wholesale Gas Supply Licence GS-2 | 500 – 25 MMSCF/D supply | 2 Years | 0.5 per MSCF/D | 12,500 |
| **5.3.** | Wholesale Gas Supply Licence GS-3 | below 25MMSCF/D supply | 2 Years | 10,000 (fixed) | 5,000 |

***Note:** Applicable fees for Third-party companies and independent companies shall be calculated to half the stipulated fees for any category except GS-3.

****Note:** Calculated applicable fees for Third-Party companies and independent companies shall not be less than GS-3 stipulated applicable fees

# WHOLESALE PETROLEUM LIQUIDS SUPPLY LICENCE

# REQUIREMENTS

This Wholesale Petroleum Liquids Supply License Requirements is made pursuant to the provisions of Sections 111, 174, 175 and 197 of the Petroleum Industry Act, 2021 (hereinafter referred to as the "Act"), which mandated the Nigerian Midstream and Downstream Petroleum Regulatory Authority (hereinafter referred to as the "Authority") to grant and issue a ***qualified person*** a wholesale petroleum liquids supply license upon approval of an application and payment of the prescribed fees. Detailed below are the requirements for the eligibility of wholesale petroleum liquids supply license applicants:

## 6 ELIGIBLE APPLICANTS

i. Lessees
ii. Crude oil refining Companies

## 7 COMPANY INFORMATION OBLIGATION

i. Copy of Certificate of Incorporation *(not applicable to Lessee)*
ii. Memorandum and Articles of Association with clearly defined clauses in wholesale supply *(not applicable to Lessee)*
iii. Company Tax Clearance Certificate *(For Three (3) Years) - (not applicable to Lessee)*
iv. Completed Application Form
v. Proof of Technical Competence – Company Organogram and staff list
vi. List and Particulars of Shareholders *(not applicable to Lessee)*
vii. List and Particulars of Directors *(not applicable to Lessee)*
viii. Authorized Representative
ix. Other Supporting Documents *(if any)*

## 8 COMMERCIAL OBLIGATION

i. Evidence of Payment for License and Processing Fees
ii. Three (3) years financial projections, to include all recurrent and capital costs
iii. Three (3) years Audited financial statement
iv. Evidence of valid Economic Viability certificate issued by the Authority

v. List of wholesale customers with a copy of their supply agreement and lessee/third-party suppliers (where applicable)

vi. Commercial allowable for production

## 9 TECHNICAL OBLIGATION

i. Evidence of license, permit or approval issued by the Authority/Commission such as but not limited to; PPL, PML, MDOGISP, etc.

ii. Previous year annual production data(volume) and current annual projection

iii. Technical allowable for production

iv. Copy of clearly defined Standard Operating procedure for the Company

v. Evidence of License to Operate

vi. Previous quarter performance record (for renewal)

vii. Submission of quarterly commercial activity report.

## 10 LICENCE FEES

| S/N | CATEGORY | RATE |
|---|---|---|
| 1 | Wholesale Petroleum Liquids (Crude Oil) Supply for volumes <50,000 BBLs | USD 1 per BBL |
| 2 | Wholesale Petroleum Liquids (Crude Oil) Supply for volumes ≥50,000 to 200,000 BBLs | USD 0.85 per BBL |
| 3 | Wholesale Petroleum Liquids (Crude Oil) Supply Volumes ≥200,000 BBLS | USD 0.5 per BBL |
| 4 | Wholesale Petroleum Liquids (Products) Supply | 50 Kobo per liter |

# DOMESTIC GAS AGGREGATION LICENCE

## REQUIREMENTS

Pursuant to the provisions of the Petroleum Industry Act (PIA) section 153 and 154, the Authority is mandated to grant and issue a ***qualified person*** a domestic gas aggregation licence upon approval of an application and payment of prescribed fees. The licence is valid for two (2) years from the date of grant of the licence.

## 1 GENERAL / COMPANY INFORMATION

a. Copy of Certificate of Incorporation
b. Memorandum and Articles of Association with clearly defined clauses on aggregation.
c. Company's Tax Clearance Certificate
d. Duly completed Application Form
e. Evidence of payment of applicable license and processing fees
f. Proof that the company is a not-for-profit company limited by guarantee established under
   CAMA in accordance with section 155(1) of the PIA 2021
g. Proof of technical / commercial competence – organogram in accordance with the provisions of the PIA section 155 (2)
h. List and Particulars of Shareholders
i. List and Particulars of Directors
j. Authorized Representative
k. Staff list
l. Other Supporting Documents (if any)

## 2 GENERAL / FINANCIAL REQUIREMENT

h. Evidence of payment of applicable license and processing fees
i. 3 years financial projections, to include all recurrent and capital costs
j. 3 years Audited financial statement
k. Evidence of establishment of an Escrow Account

## 3 TECHNICAL REQUIREMENT

l. Evidence of establishment of a Natural Gas Management model
m. Gas purchase order template

n. Clearly defined Standard Operating procedure for the Company
o. Compliance with the PIA and all necessary regulations and guidelines issued by the Authority

# 4 LICENSE FEES

| License Type | Proposed License Fee (N,000,000) | | Total (N,000,000) |
|---|---|---|---|
| | Statutory | Processing | |
| **Domestic Aggregator License** | 0.5 | 5 | 5.5 |

# ECONOMIC VIABILITY ASSURANCE REQUIREMENTS

The following documents are required to attest the economic viability of operators with respect to Midstream and Downstream Petroleum operations.

**NAME OF OPERATOR:**

| S/N | DOCUMENTS | SUBMITTED | REMARKS |
|---|---|---|---|
| | **GENERAL REQUIREMENTS** | | |
| 1 | Application Letter | | |
| 2 | Evidence of payment of applicable license | | |
| 3 | Company profile | | |
| 4 | Project Proposal – outlining overview of the project objectives, scope, timelines, budget and expected outcomes | | |
| 5 | Company 5-year Strategic Business Plan- providing comprehensive overview of the project revenue streams, target customers, marketing strategies, pricing and financial projections | | |
| 6 | Risk Management Plan | | |
| 7 | Cost Benefit Analysis | | |
| 8 | Economic/Financial Feasibility Studies report | | |
| 9 | Project Viability/sustainability plan | | |
| | **FINANCIAL REQUIREMENTS** | | |
| 10 | Three (3) Years audited financial Statement | | |
| 11 | Detailed breakdown of Project cost<br>a. Estimation of operating and maintenance cost<br>b. Estimation of capital Cost<br>c. IRR | | |
| 12 | Project Financing Agreement to include interest rate | | |