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Article Content

Title：	Natural Gas Enterprise Act CH
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Chapter 1 General Provisions

Article 1 The Natural Gas Enterprise Act (henceforth the Act) is instituted to advance further development of natural gas enterprises, protect rights and interests of consumers, and ensure the public interest.

Article 2 The “Competent Authorities” stated in this Act are the Ministry of Economic Affairs (the “MOEA”) as the central level, municipal governments hence on municipal level, and the county (city) governments hence on county (city) level. (henceforth the AUTHORITIVE structure)

Article 3 Definitions of terms used in the Act:
1. “Natural Gas”: Refers to gas that are mixtures of hydrocarbon compounds originating from below ground level containing no less than eighty percent of methane.
2. “Natural Gas Enterprise”: Refers to the enterprises engaged in the production of NG, importation of NG, and public natural gas utilities. (henceforth the ENTERPRISES)
3. “Natural Gas Production Enterprise”: Refers to enterprises producing natural gas to supply public natural gas utilities, industrial sectors, power plants, cogeneration system or transportation sectors, etc. (henceforth the PRODUCER)
4. “Natural Gas Import Enterprise”: Refers to enterprises importing liquefied natural gas to supply public natural gas utilities, industrial sectors, power plants, cogeneration system or transportation sectors, etc. (henceforth the IMPORTER)
5. Natural gas utility enterprise: Refers to enterprises which supply natural gas to households, commercial sectors, and service businesses via natural gas conduit network. (henceforth the UTILITY)
6. Public natural gas conduits installation enterprise: Refers to enterprises which undertake the installation of gas conduits for natural gas utility enterprises and users, and also the conduit safety and maintenance. (henceforth the CONDUIT INSTALLER)
7. Transmission and storage Facilities: Refers to following

Facilities installed by natural gas enterprises for provisions: (FACILITIES)
(1)Storage Facilities: Refers to FACILITIES for natural gas stora spherical type tanks and tube type tanks (henceforth the STORAGE)
(2)Transmission and distribution Facilities: Refers to transmissi booster stations, regulator stations, and other relevant equipmen the production or provision sources (henceforth the TRANSMISSION)
(3) Blending Facilities: Refers to FACILITIES for blending air or gases to adjust heating value the natural gas provided. (hencefor
(4)Regasification Facilities: Refers to FACILITIES for purpose as into gaseous state. (henceforth the REGASFIER)
(5)Unloading Facilities: Refers to FACILITIES for the unloading o receiving terminals. (henceforth the TERMINAL)

Chapter 2 Registration and Permission

Article 4 The organization of ENTERPRISE for natural gas should be a company limited by shares incorporated pursuant and in accordance with the Company Act.
Those bodies without the Republic of China (Taiwan) nationality shall not be the founders, directors, or supervisors of an ENTERPRISE.

Article 5 ENTERPRISES in operation should Submit an application form with the following documents to the central competent authorities for registration:
1. Corporate registration documents.
2. Map of Plant location.
3. Installation capacity per annum and projects for production or treatment.
4. Documentation for qualified inspections for FACILITIES
5. Layout and capacities of FACILITIES.
6. Leasing contractors should provide proof as evidence to show if the Processing plant and/or FACILITIES are leased.
IMPORTER should Submit an application form with the following documents to the central competent authorities for registration:
1. Corporate registration certificate.
2. Location of TERMINALS and its projected carrying/handling capacity.
3. Import and supply plans.
4. Documentation for qualifying inspections of FACILITIES.
5. Layout and capacities of FACILITIES.
6. Leasing contractors should provide proof as evidence to show if the FACILITIES are leased.

Article 6 For establishment as a UTILITY provider, the applicant must Submit an application form with the following documents to the AUTHORITIES of the municipal government or the county (city)

governments for their annotation and review and forward to the ce
authorities for permission:
1. Business planning and scheduling
2. TRANSMISSION and STORAGE layout plans.
3. Drawings of pipeline installation plans provided as of 1/10,00
4. Gas supplying regional map as of 1/10,000 scale.
Following items should be stated clearly in the application form
the preceding Section:
1. Name of the Enterprise, Location and business address
2. Name of the party in charge, date of birth in YY/MM/DD, reside
and Personal Identification documents.
Following items should be stated clearly in the Business planning
Section 1, Sub-Section 1:
1. Capital
2. Natural gas procuring project
3. Supplying areas.
4. Capacity of gas supply.
5. The number of regional supplying households, the amount of gas
alongside with calculation bases of each gas supply area.
6. Gas supply starting date of each gas supply area.
7. Items for transmission, storage equipment and total investment
8. Projections of operational revenues, expenses and financial pr
9. Transmission and storage equipment maintenance project.
10. Outcome analysis and risk assessment.

Article 7 AUTHORITIES of the municipal governments or the county (city) governments should publicize the application of UTILITY establishments prescribed in the preceding Section upon the receiving of it; the publication period is 30 days. The publication must specify that those who apply for establishment in the same gas supply region should Submit their applications within the publication period prescribed in the preceding Article, at the same time paying the deposit, and Submit the documents prescribed in the preceding Article within 60 days after the publication has expired.
Upon the receiving the application prescribed in the preceding Section, the AUTHORITIE must conduct a review, provide a written report, and notify the central competent authorities along with original application form and relevant documents for review.
The amount or method of payment, conditions of reimbursement and confiscating of the deposit prescribed in Section 1 would be validated by the central competent authorities.

Article 8 The division of gas supply areas of natural gas utility enterprises should be on the basis of a district in the case of municipalities, and the basis of districts or townships in the case of counties (cities), adjustments made by the central

competent authorities for the following reasons are exceptions:
1. Alteration of the administrative district.
2. Economic effectiveness.
3. The original operator fails to provide sufficient natural gas approved gas supply areas. Also if failing to expand equipment or corrective measures before the deadline set by the authorities.
4. Other special needs.
Natural gas utility enterprises may not supply gas beyond their g without permission from the central competent authorities.

Article 9 Natural gas utility enterprises should do the following procedures after obtaining the establishment permit:
1. Corporate registration: complete corporate registration within 4 months after the date of obtaining the establishment permit.
2. Installing transmission and storage equipment: starting construction within 1 year from the date of obtaining the establishment permit.
3. Applying for gas supply operations: Submit application for gas supply operation within 3 years of obtaining the establishment permit.
Those unable to abide by deadlines prescribed in the preceding Section with due reasons may apply for an extension. The extension period of Sub-Section 1, Sub-Section 2, and Sub-Section 3 of the preceding Section should not exceed 2 months, 6 months, and 1 year respectively and should be limited to once per application. Nevertheless, delay days not attributed to the natural gas utility enterprise would be deducted from the calculation of the extension period.
The application of extensions prescribed in the preceding Section should be commented by authorities of the municipal government or the county (city) governments before notifying the central competent authorities for approval.
The central competent authorities would revoke the establishment permit of those failing to apply for corporate registration, installing transmission and storage equipment, or Submit gas supply operation application before the deadline prescribed in the Section 1 and 2.

Article 10 When natural gas utility enterprises apply for gas supply operations, they must attach the following documents in the application for the approval of central competent authorities for gas supply business licenses via authorities of the municipal government or the county (city) governments:
1. Corporate registration documents.
2. Identification documents of the responsible party.
3. Certificate of paid-in capital.

4. Transmission and storage equipment, location qualification doc
inspection.
5. Three copies of the map of gas supply areas.
6. The map of transmission and storage equipment location.
7. Gas supply starting date.
Documentation prescribed in Sub-Section 4 of the preceding Sectio
processed according to following prescriptions:
1. The Public natural gas utilities shall obtain the qualificatio
of equipment and location showing to be in accordance to labor sa
and fire safety-regarding statutes and regulations from the relev
2. When there is equipment and location other than that prescribe
preceding Sub-Sections, natural gas utility enterprises must obta
documentation of inspection from authorities of the municipal gov
county (city) governments after consulting with relevant authorit
inspection institutions approved by the authorities.
The qualifications, conditions, approving procedures, approval re
relevant items of civil inspection institutions prescribed in Sub
the preceding Section would be provided by the central competent
When deciding to issue gas supply business licenses to natural ga
enterprises, the Central competent authorities should take into a
the pipelines of the applicant will pass through any primary stre
implicated gas supply area.

Article 11 The gas supply business license prescribed in Section 1 of the preceding Article should clearly state following items:
1. The name of the enterprise and where the primary branch office is located.
2. Responsible party.
3. Paid-in capital amount.
4. Supplying areas.
When any of the items stated in the license prescribed in the preceding Section has been altered, natural gas utility enterprises must attach relevant documents in the application from for gas suppler business license renewal to the Central competent authorities via authorities of the municipal government or the county (city) governments.

Article 12 When the documents attached in the application for establishment permit or gas supplier business license if the applications are not complete, the authorities would ask the natural gas utility enterprise to complete the make-up procedure before a specified date. If the applicant has not completed the application before the deadline set by the authorities, its application would be rejected.

Chapter 3 Equipment and Safety

Article 13

Material, testing, installation, and other safety regulations-regarding affairs of natural gas enterprise’s transmission and storage equipment must meet national standards or relevant regulations; in cases where there isn’t any national standard or relevant regulation; standards recognized by other progressive countries approved by central competent authorities will apply.
Natural gas enterprises should institute disaster prevention measures–including devices on the transmission and storage equipment in accordance to the prescriptions provided by the authorities.
Natural gas utility enterprises must install regional gas supply system with immediate blockage devices on the transmission and storage equipment.
The installation location of natural gas enterprise’s storage, mixing, gasification, and unloading equipment should abide by geological safety regulations.
The regulations of scope, items, and procedures of progressive countries provided in Section 1 as well as installation method, maintenance and other prescriptions prescribed in Section 2 would be stipulated by the central authorities.

Article 14 Natural gas utility enterprises must hire a certain number of full-time qualified pipeline-installation staff to take charge of pipeline constructions and relevant safety maintenance affairs.
The qualification, number, hiring or replacement, and other relevant affairs of qualified natural gas pipeline-installation staff will be prescribed in the preceding Section and reviewed by the central competent authorities.

Article 15 Before expanding or replacing primary transmission and storage equipment, natural gas utility enterprises should apply for approval via authorities of the municipal government or the county (city) governments to the central authorities. The preceding paragraph does not apply to any temporary expansion or replacements due to disaster, damage, or urgent accidents.
In the case of exceptions mentioned in the preceding Section, natural gas utility enterprise should report measures already taken via authorities of the municipal government or the county (city) governments to the central competent authorities within 1 month of the occurrence from the date of the disaster, damage, or accident.
The central competent authorities may commission items prescribed in the preceding 2 Sections to approve or take into record for account when regarding it as necessary to the authorities of the municipal government or the county (city) governments.

Article 16 When transmission and storage equipment has risk of causing disasters, natural gas enterprises should immediately take necessary precautions or improving measures.
When a fire accident or other disasters occur near transmission

and storage equipment, natural gas enterprises should assign tech
take preventive measures also posting clear signs around the site
enterprises may also stop partial or entire gas supply, or demoli
and storage equipment that would pose hazard.

Article 17 When disasters, urgent accidents or circumstances prescribed in the preceding Article occur, natural gas enterprises should report to the authorities of note.
The regulations regarding reported criteria, deadlines, forms, procedures, and other relevant items prescribed in the preceding Section should be in accordance with the central competent authorities.

Article 18 Natural gas utility enterprises should inspect conduct-pipe among the meters and user’s devices or compliances, hence when receiving the user’s application for gas supply, and thus starting the supply after making sure there is no safety concern.
Natural gas utility enterprises should stipulate the inspection methods and procedures prescribed in the preceding Section, including the items, methods, standards, and other relevant items, and report via authorities of the municipal government or the county (city) governments to the central authorities; the reported ruling also applies when public natural gas utilities are revised or the any items mentioned.

Article 19 Natural gas supplied by natural gas enterprises should meet national standards.
Natural gas supplied by natural gas utility enterprises should add odorous Substance for purposes of sniff recognition. Items and contents of the added odorous Substance should be periodically reported to the authorities of the municipal government or the county (city) governments.
The report forms, items, contents, and expiring date of odorous Substances prescribed in the preceding Section should be promulgated by the central competent authorities

Article 20 Before operation, natural gas utility pipeline-installation enterprises should apply for licenses from authorities of the municipal government or the county (city) governments.
Natural gas utility pipeline-installation enterprises should hire a certain number of full-time qualified natural gas pipeline-installation staff.
The regulations of licensed application, revision, withdrawal and revocation, requirements, procedures, and business scope of voluntary or statutory business suspensions, qualifications, number, hiring or replacement of qualified staffs and other prescribed items of natural gas utility pipeline-installation

enterprises should be in accordance with the standards set by the authorities.

Chapter 4 Land

Article 21 When natural gas enterprises have to procure or rent land for the installation of transmission and storage equipment other than gas transmission equipment, they may report to authorities of the municipal government or the county (city) governments and ask for their reconciliation with other relevant authorities.

Article 22 When natural gas enterprises require the use of roads, rivers, ditches, bridges, embankments, woodlands, green spaces, parks, or other lands, facilities that are designated for public use, or public land and any overpass or underpass for the installation of transmission or storage equipment, they should obtain prior approval from relevant authorities; natural gas enterprises may also report to authorities of the municipal government or the county (city) governments of where the equipment is located and require assistance for any conciliation; if necessary, natural gas enterprises may also require help from the central authorities.

Article 23 When natural gas utility enterprises regard it as necessary, they may install pipelines around the outer edge of lands not of their own or buildings by notifying the owner or user in written form in advance; the owner or user may apply to the authorities of the municipal government or the county (city) governments for conciliation if she (he) does not agree to the installation; if the conciliation fails, natural gas utility enterprises may still install the pipelines after getting the approval from authorities of the municipal government or the county (city) governments and notifying the owner or user in written form 7 days before starting installation.
The notification prescribed in the preceding Section may be replaced by public notice if natural gas enterprises encounter severe difficulties regarding notifications prior sent in written form.
The installation of pipelines prescribed in Section 1 should be conducted on lands where damage is least possible and in the most caution, providing repair or compensation when necessary.

Article 24 When the owner or user of lands or buildings on which pipelines installed by natural gas utility enterprises prescribed in the preceding Article finds it necessary to modify the usage of lands or to expand existing limits , she (he) may ask the natural gas utility enterprise to relocate the pipelines; the expenses of relocating pipelines are shared under mutual

agreement; if both parties fail to reach an agreement, they may a
authorities of the municipal government or the county (city) gove
mediation; if the mediation fails, they may further the issue via
procedures.

Article 25 Natural gas utility enterprises may enter into or use other lands or buildings when they find it necessary for pipeline installation, inspection, or maintenance with a 7-day prior written notice to the owner or user. However, when any form of disaster, damage, or urgent accidents occurs, the preceding paragraph does not apply.
Natural gas utility enterprises using lands or buildings according to the preceding Section may not destroy the terrain or geomorphology and construct any fixtures; hence they should compensate those who receive damage due to entering or usage of their lands or buildings; if there are any disagreement regarding the compensation project, natural gas utility enterprises should receive approval from authorities of the municipal government or the county (city) governments before executing their compensation.

Article 26 Gas transmission pipelines should be installed underground in principle; if natural gas enterprises find it necessary to install the pipelines on or over the ground, they should take in account regarding the transportation, irrigation, agriculture, landscape, or other relevant affairs on ground usage and safety of lands at the same time.

Article 27 Being recognized by the central competent authorities as necessarily required to install or maintain pipelines for supplying gas to natural gas utility enterprises, natural gas production or import enterprises may apply Article 23 to the preceding Article.

Chapter 5 Management

Article 28 Natural gas utility enterprises should contract with their suppliers, prescribing mutual obligations, gas supply calorific value, pressure, supply amount, metering point, pricing methods, and other items abided by both parties.
If necessary, the authorities may ask natural gas utility enterprises to offer the content of contract prescribed in the preceding Section.

Article 29 Natural gas utility enterprises should refer items regarding their services in the Articles of Operation and receive the approval from authorities of the municipal government or the county (city) governments before carrying them into effect.
Authorities of the municipal government or the county (city)

governments should report their approval with relevant data to th
competent authorities; when the Articles of Operation are revised
paragraphs apply as of note.
Items which have to be prescribed in the Articles of Operation al
Articles of Operation should be reviewed by the central authoriti
Natural gas utility enterprises should publicly notify their Arti
Operation approved by authorities of the municipal government or
(city) governments, also have them published on local newspapers
the day they are carried into effect, and making them available a
premises for the users to inspect; when the Articles of Operation
the preceding paragraphs apply.
When there are social, economic changes, and when the items presc
Articles of Operation are obviously no longer appropriate, thus o
realization of public interest, damaging the user’s right or inte
obliviously unfair, the authorities may notify natural gas utilit
revise the Articles of Operation within a limited period.

Article 30 Without due reasons, natural gas utility enterprises may not refuse claims to supply natural gas in their gas supply areas.

Article 31 Natural gas production or import enterprises should maintain a steady gas supply, and store sufficient supply amounts to meet their user’s demands.
Natural gas production or import enterprises should store a minimum defined days of tank capacity on their own.
The tank capacity prescribed in the preceding Section should be reviewed by the central competent authorities.

Article 32 The sell price calculation of natural gas production or import enterprise’s supply should be approved by the central competent authorities.
Before the approval is prescribed in the preceding Section, the central competent authorities should invite scholars, experts, civil groups such as consumer protection organizations and hold a review panel to review the sell price calculation method, and launch a hearing according to the Administrative Procedure Act if necessary.
When the sell price is approved according to Section 1 alters, the enterprises should publicly notify in advance and report to the central competent authorities 3 days prior the date of price alteration; if the calculations of sell price is unreasonable, the central competent authorities may order the enterprises to make proper adjustment.
The price calculation methods, cost structure, sale price, and relevant data of natural gas production or import enterprise’s supply should be kept for 5 years; the central competent authorities may inspect or ask for to offer items prescribed in the preceding paragraph if necessary therefore enterprises

should not evade, obstruct, or decline.
Natural gas production or import enterprises with other business should establish separate accounting systems to calculate assets, costs, profits and losses respectively.

Article 33 Natural gas utility enterprises may supply natural gas to other sectors, yet should not affect the stable supply of gas to families, commercial businesses, and service sectors at the same time.
In the above case, the natural gas utility enterprise should summit to the authorities of the municipal government or the county (city) governments with the following documents, and a notification shall be transited to the central competent authority for reference.
1. Name of the users.
2. Daily peak loaded volumes.
3. Transmission and storage equipment in use.
In case of supplying natural gas to the user according to Section 1, natural gas utility enterprises should establish accounting items which calculate the profit and loss respectively, and may not perform cross subsidies or cross complements.

Article 34 For selling natural gas to families, commercial and service sector businesses, the natural gas utility enterprises shall calculate the sales prices and basic fees in accordance with the calculated regulations, and summit to the authorities of the municipal government or the county (city) governments with the relevant documents. The applications shall be transited to the central competent authority and obtained the approval from the authority before in force. Any adjustment of sales prices and/or basic fees should be processed following the above procedures.
The central competent authority has the right to order the natural gas utility enterprises to reexam the gas sales prices and/or basic fees in a time period, and following the preceding procedures to obtain the central competent authority’s approval.
The calculated regulations including the components of sales prices and basic fees, the calculating formula, the reviewing time period and the supporting data shall be ruled by the central competent authority. If necessary, the central competent authority should hold a review panel in accordance with the Section 2 of Article 32 to assist in reviewing the calculated regulations.
Before the central competent authority approve the gas sales prices and basic fees based on the section 1, it should hold a review panel in accordance with the Section 2 of Article 32 to assist in reviewing the calculations.

When the gas purchasing cost fluctuates, natural gas utility ente synchronously adjust their natural gas sale price according to th fluctuated cost, and report to authorities of the municipal gover county (city) governments within 7 days from the date of adjustme of the municipal government or the county (city) governments shou central competent authorities when they receive the report.

Article 35 Natural gas utility enterprises may charge fees from the users when they install natural gas pipeline equipment for families, commercial businesses and service sectors; natural gas utility enterprises should charge fees according to fee charging regulations and report to the central competent authorities via authorities of the municipal government or the county (city) governments.
Authorities of the municipal government or the county (city) governments should announce the name lists of qualified natural gas pipeline installation enterprises for users to choose from in the commission of in-building pipeline equipment installations.
Natural gas utility enterprises may not start supplying natural gas unless they complete inspections on the equipment installed by natural gas pipeline installation enterprises.
Fee charging regulation prescribes in Section 1 should be reviewed by the central competent authorities.

Article 36 In order to secure consumers' household safety, the central competent authorities should formulate natural gas utility enterprises' for promoting projects of computerized gas metering systems and carry out the project year by year, the computerized gas metering system should be included with functions of auto shut-down for earthquakes or below set supply pressure, linking capability, remote reading, and so on.

Article 37 Natural gas utility enterprises should maintain normal full-day gas supply; if natural gas utility enterprises encounter forces majeure or urgent accidents and regard it as necessary to suspend entire or partial gas supply over 8 hours, they should obtain approval from the central competent authorities in advance and notify their users 3 days before the date of suspension; if the gas supply suspension lasts over 7 days, natural gas utility enterprises should obtain approval from the authorities of the municipal government or the county (city) governments, and report to the central competent authorities.
When the natural gas utility enterprises suspend the gas supply due to forces majeure or urgent accidents prescribed in the preceding Section, they should report to the local government within 3 days from the date which accidents have occurred.

Article 38 When natural gas utility enterprises enlarge or replace their primary transmission and storage equipment after starting gas supply and operation, they should attach certificates prescribed in Article 10, Section 1, Sub-Section 4 after completion and reporting to the central competent authorities via authorities of the municipal government or the county (city) governments.

Article 39 When a natural gas utility enterprise merges with other businesses, all merging parties should clearly state business names, responsible persons, location of the primary branch office, paid-in capital amount, and gas supplying areas after merging in the application form, and attach merging operation projects as well as relevant documentation to request approval from the central competent authorities , and carry out the merging projects according to relevant statutes and regulations.

Article 40 When a natural gas utility operates other businesses at the same time, it should seek approval from the central competent authorities via authorities of the municipal government or the county (city) governments, and may not affect gas supply operations.
When a natural gas utility enterprise operates other businesses at the same time, it should establish an accounting system which calculates assets, revenues, costs, profits and losses respectively.

Article 41 The amount of paid-in capital of natural gas utility enterprises should not be lower than 35% of the original acquiring cost of current transmission and storage equipment. If a natural gas utility enterprise’s amount of paid-in capital is lower than the preceding amount, the paid-in capital should be increased within 3 months from the date when the fact happens.
Before natural gas utility enterprises alter their paid-in capital, they should Submit the project and request for approval from the central competent authorities via authorities of the municipal government or the county (city) governments and run the alteration procedures according to relevant statutes and regulations.
The authorities may ask for explanations of the project prescribed in the preceding Section or send staff to inspect; Public natural gas utilities may not evade, obstruct, or decline the authorities’ request for explanation or inspection.
The forms and items of the project prescribed in Section 2 should be reviewed by the central competent authorities.

Article 42 Natural gas utility enterprises’ reinvestment of other businesses may not affect their normal operation of gas supply; natural gas utility enterprises reinvesting on other businesses

should report the investment items and amount to and ask for appr
central competent authorities via authorities of the municipal go
county (city) governments prior to any reinvestment project comin

Article 43 Natural gas utility enterprises should establish accounting system according to Accounting Standards and Regulations and stimulate Accounting Procedures Manual and report to the central competent authorities via authorities of the municipal government or the county (city) governments; when the Manual is revised, the preceding paragraph applies.
The Accounting Standards and Regulations prescribed in the preceding Section should be stimulated by the central competent authorities.
Natural gas utility enterprises should send accounting statements periodically to authorities of the municipal government or the county (city) governments and central competent authorities respectively according to accounting processing regulation prescribed in Section 1.
The central or authorities of the municipal government or the county (city) governments may ask natural gas utility enterprises to explain or send staff to inspect accounting statements prescribed in the preceding Section when they regard it as necessary, and natural gas utility enterprises may not evade, obstruct, or decline.

Article 44 Natural gas enterprises have an obligation to insure public liability insurance；the insurance coverage should be decided by central competent authorities after conferring with the Financial Supervisory Commission according to the categories and business scale of the natural gas enterprise.

Chapter 6 Supervision

Article 45 In the event of a natural gas shortage or great fluctuation in prices that might affect the steady supply of domestic natural gas or national security, the central competent authorities may carry out regulatory measures that are mandatory regarding natural gas supply and sell price.
The conditions, timing, procedures, applying object, scope, content and methods of the regulatory measures prescribed in the preceding Section should be reviewed by the central competent authorities.

Article 46 Natural gas utility enterprises should review gas supply projects yearly, stating the growth of users, amount of gas supplied, length of pipelines installed, gas supply region, and other relevant data, and ask for approval from the central competent authorities via authorities of the municipal

government or the county (city) governments, and carry out the pr conscientiously; the authorities may inspect the gas supply proje regard it as necessary.
The content, forms, Submit deadlines, and other relevant items sh notified by the central competent authorities.

Article 47 Natural gas enterprises should establish a transmission and storage geographical information management system based on relevant data of transmission and storage equipment, updating the data within the system properly, and periodically sending the data to the authorities of the municipal government or the county (city) governments or central competent authorities ; therefore authorities of all levels may be notified, hence natural gas enterprises should update the data within a limited period when they regard it as necessary.
The forms, items, authorities to receive data and the deadlines of geographical information system data prescribed in the preceding Section should be reviewed by the central competent authorities.

Article 48 Natural gas utility enterprises should periodically inspect the pipelines of families, commercial businesses, and service sectors, and state the results. If the result does not meet the requirements, they should notify the users to apply correcting measures by a specified deadline; the preceding paragraphs apply either if the user requests natural gas utility enterprises to run the inspection.
When the user declines the inspection prescribed in the preceding Section, and natural gas utility enterprises find it posing safety concerns, natural gas utility enterprises may forcibly run the inspection with staff from relevant authorities after the approval of authorities of the municipal government or the county (city) governments.
Entities other than that of the natural gas utility enterprises may not run the inspection prescribed in Section 1. However, public natural gas utilities may commission natural gas pipeline installation enterprises to run the inspection.
Staffs running the inspection prescribed in Section 1 and staffs commissioned to run the inspection prescribed in the preceding Section should initiatively show their identification when running inspections of this type.
The items, periods, operating methods, billing items, and price calculation items of inspection prescribed in Section 1 should be stated clearly on the operating rules of natural gas utility enterprises after approved by the Central competent authorities via authorities of the municipal government or the county (city) governments. However, natural gas utility enterprises may not

charge families when running periodical inspections.
When running these inspections prescribed in Section 1, Public na utilities may not promote or sell any form of goods.

Article 49 Natural gas enterprises should periodically inspect gas transmission pipelines self-installed by enterprises of industry, electricity, cogeneration systems or transportation users, and state the result; if the result does not meet the requirements, natural gas enterprises should notify the users to take improvement measures.
Items, periods, price calculating methods, and operation rules of periodical inspections should be approved by the Central competent authorities via authorities of the municipal government or the county (city) governments.

Article 50 Natural gas enterprises should run periodical inspections on their transmission and storage equipment on their own, record the results, and preserve them for 5 years for the authorities to inspect.
Natural gas enterprises should report their periodical inspection items and operating rules prescribed in the preceding Section to the central authorities; the preceding paragraph applies when natural gas enterprises revise their inspection items or operating rules.
The Central competent authorities should inspect transmission and storage equipment of natural gas production or import enterprises, and authorities of the municipal government or county (city) governments should inspect transmission and storage equipment of natural gas utility enterprises at least once a year; the authorities may inspect randomly if they deemed it as necessary.
The authorities may delegate or commission checking businesses prescribed in the preceding Section to Subordinates or other agencies.
Natural gas enterprises may not evade, obstruct, or decline the inspections prescribed in Section 1 and 3.

Article 51 When natural gas enterprises find that their gas transmission pipelines are eroded or showing any signs that pose safety concerns, they should replace them at once.
The authorities may assign staff or commission professional institutions to inspect the gas transmission pipelines of natural gas enterprises; and the enterprises may not evade, obstruct, or decline.
Natural gas enterprises should draft their gas transmission pipelines inspection and replacement projects for the next year before October 31th of every year, and report to the Central

competent authorities via authorities of the municipal government (city) governments.

Article 52 The central competent authorities may request natural gas enterprises for explanation their business operations and financial balance, hence assigning various staff , commission professionals and/or professional institute to inspect actual operational proceedings and collect relevant data when they regard it as necessary; the enterprises concerned may not evade, obstruct, or refuse.

Article 53 Natural gas enterprises should report the supply amount, user categories, household numbers monthly, and the balance of payments as well as profits and losses every six months to the central competent authorities.
The report items, forms, periods, and other obligations prescribed in the preceding Section should be reviewed by the central competent authorities.

Article 54 Natural gas utility enterprise should set aside the reserve fund for gas transmission pipeline replacement and deposit it in a special account created in financial institutions; natural gas utility enterprise should report the special account and the name of the financial institution where the account was created to authorities of the municipal government or the county (city) governments; authorities of the municipal government or the county (city) governments should refer natural gas utility enterprise’s preceding and report to the central competent authorities .
The method, ratio, and condition for use of the reserve fund for gas transmission pipeline replacement set aside according to the preceding Section should be reviewed by the central competent authorities.

Article 55 If a natural gas utility enterprise has operational difficulty due to poor management or insufficient amounts of transmission and storage equipment, which could lead to its incapability of maintain a sufficient full-day normal gas supply prescribed in Article 37, Section 1, authorities of the municipal government or the county (city) governments should ask natural gas utility enterprise to take improvement measures within a limited period. If the natural gas utility enterprise is unwilling or unable to improve effectively to the standard, authorities of the municipal government or the county (city) governments may report to the central competent authorities and suggest to replace responsible personnel or revoke their gas supply operation license; the central competent authorities may coordinate other

natural gas utility enterprises to take over in advance when they necessary.

Chapter 7 Penalty

Article 55-1 Anyone who engages in stealing, damaging, or using other unlawful means to jeopardize the proper functioning of unloading facilities, storage facilities, regasification facilities, blending facilities, high pressure transmission and distribution facilities, or dispatching centers related to Natural Gas Import Enterprises shall be sentenced to imprisonment for a term of not less than 1 years and not more than 7 years, and may also be fined up to NT$ 10,000,000.

Those who commit the offenses specified in the preceding paragraph with the intent to harm national security or social stability shall be sentenced to imprisonment for a term of not less than 3 years and not more than 10 years, and may also be fined up to NT$ 50,000,000.

If the offenses specified in the preceding two paragraphs result in disasters, the punishment shall be increased by half; if the offenses result in death, the offender shall be sentenced to life imprisonment or imprisonment for a term of not less than 7 years, and may also be fined up to NT$ 100,000,000; if the offenses result in serious injury, the offender shall be sentenced to imprisonment for a term of not less than 5 years and not more than 12 years, and may also be fined up to NT$ 80,000,000.

Attempted offenses under paragraph 1 and 2 shall be subject to punishment.

Article 55-2 Anyone who, by any of the following methods, jeopardizes the proper functioning of the core information and communication system of the facilities specified in paragraph 1 of the preceding article shall be subject to imprisonment for a term of not less than 1 years and not more than 7 years, and may also be fined up to NT$ 10,000,000:

Unjustifiably intrude into others’ computer or related equipment by entering others’ account username and password, cracking computer security measures, or exploiting computer system vulnerabilities.

Unjustifiably interferes with others’ computer or related equipment by using computer programs or other electromagnetic methods.

Unjustifiably obtains, deletes, or alters electromagnetic records of others’ computer or related equipment.

Producing computer programs specifically intended for committing the offenses specified in the preceding paragraph and providing such programs to oneself or others for committing the offenses

specified in the preceding paragraph shall be subject to the same
Those who commit the offenses specified in the preceding two para
intent to harm national security or social stability shall be sen
imprisonment for a term of not less than 3 years and not more tha
may also be fined up to NT$ 50,000,000.
If the offenses specified in the preceding three paragraphs resul
the punishment shall be increased by half; if the offenses result
offender shall be sentenced to life imprisonment or imprisonment
not less than 7 years, and may also be fined up to NT$ 100,000,00
offenses result in serious injury, the offender shall be sentence
imprisonment for a term of not less than 5 years and not more tha
may also be fined up to NT$ 80,000,000.
Attempted offenses under paragraph 1 to 3 shall be subject to pun

Article 56 Any party who endangers public safety by causing natural gas leakages would be sentenced to imprisonment for not more than 5 years, short-term detention; in lieu thereof, or in addition thereto, a fine between NT$ 500,000 and 1,000,000.
If the offense charged in the preceding Section results in death, the offender would be sentenced to life imprisonment or imprisonment for more than 7 years; in addition thereto, a fine not more than NT$ 10,000,000; if the offence charged in the preceding Section results in serious physical injury, the offender would be sentenced to imprisonment between 3 and 10 years; in addition thereto, a fine not more than NT$ 5,000,000 will be prescribed.
Any party who negligently committed an offence specified in Section 1 would be sentenced to imprisonment for not more than 2 years, short-term detention; in lieu thereof, or in addition thereto, a fine between NT$ 200,000 and 400,000.
Any of the responsible persons, agents, employees, or other parties of the legal individuals who commit crimes indicated in the preceding 3 Sections when performing duties would be punished respectively; and the legal individual itself will also be Subjected to the fine prescribed in the preceding Sections.

Article 57 One who does not hold a gas supply license according to Article 10, Section 1 but arbitrarily operates any sort of businesses of natural gas utility enterprises would be fined between NT$ 3,000,000 and 15,000,000 and ordered to cease the gas supply.

Article 58 A natural gas utility enterprise violating Article 8, Section 2 and arbitrarily supplying gas beyond the gas supply areas would be fined between NT$ 600,000 and 3,000,000, and would be ordered to take improving measures within a limited period. Any natural gas utility enterprise failing to comply by the deadline will be fined until satisfactory improving measures are taken. If the offense is of a serious nature, the authorities may also

forcibly demolish transmission and storage equipment beyond the g

Article 58-1 A natural gas utility enterprise violating Article 30 and refusing claims to supply natural gas in the gas supply areas without due reasons would be fined between NT$ 600,000 and 3,000,000, and would be ordered to take improving measures within a limited period. Any natural gas enterprise failing to comply by the deadline will be fined until satisfactory improving measures are taken. If the offense is of a serious nature, the authorities may also revoke the establishment permit and gas supply license when a natural gas utility enterprise commits the offense.

Article 59 Any of the following offenses by a natural gas enterprise will result in a fine between NT$ 500,000 and 2,500,000 and ordered to take improving measures within a limited period. Any natural gas enterprise failing to comply by the deadline will be fined until satisfactory improving measures are taken. If the offense is of a serious nature, the authorities may also revoke the establishment permit and gas supply license when a natural gas utility enterprise commits the offense:
1. Supplying natural gas which does not meet national standards in violation of Article 19, Section 1.
2. Not abiding by Article 28, Section 2 to offer data regarding the contract content.
3. Not abiding by Article 31 in keeping steady gas supply.
4. Not abiding by Article 32, Section 1 to request the authorities' approval for price calculation, or not abiding by Section 3 to adjust according to the central competent authorities'order.
5. Not abiding by Article 33, Section 2 in reporting to the authority.
6. Not abiding by Article34, Section 1 and arbitrarily adjusting the sale price or basic fees.
7. Not abiding by Article 34, Section 2 to request the authorities' approval for price calculation.
8. Not abiding by Article 41, Section 1 to increase the paid-in capital amount before the deadline.
9. Not abiding by Article 44, to insure public liability insurance or to meet the requirements of insurance coverage.
10. Violating the regulatory measures taken according to Article 45.

Article 60 Any of the following offenses by a natural gas enterprise will result in a fine between NT$ 300,000 and 1,500,000 and be ordered to take improving measures within a limited period. Any natural gas enterprises failing to comply by the deadline will be fined until satisfactory improving measures are taken. If the

offense is of a serious nature, the authorities may also revoke t
permit and gas supply license when a natural gas utility enterpri
the offense:
1. Not abiding by Article 13, Section 2 to install disaster preve
2. Not abiding by Article 13, Section 3 to install regional gas s
with immediate severing devices on the transmission and storage e
3. Not abiding by Article 16, Section 1 to take immediately neces
improving measures.
4. Failing to inspect the pipelines and ensuring their safety bef
of gas supply in violation of Article 18, Section 1.
5. Failing to report the items and density of added odorous Subst
violation of Article 19, Section 2, or the density of added odoro
lower than the reported.
6. Not abiding by Article 32, Section 4 to preserve or offer data
obstruct, or decline the inspection from the authorities.
7. Not abiding by Article 35, Section 1 to charge pipeline equipm
according to fee charging regulations.
8. Evading, obstructing, or declining the inspection in violation
Section 2.

Article 61 Any of the following offenses by a natural gas enterprise will result in a fine between NT$ 200,000 and 1,000,000 and ordered to take improving measures within a limited period. Any natural gas enterprise failing to comply by the deadline will be fined until satisfactory improving actions are taken. If the offense is of a serious nature, the authorities may also revoke the establishment permit and gas supply license when a natural gas utility enterprise commits the offense:
1. Failing to hire a certain number of full-time pipe-installation professional staff in violation of Article 14, Section 1.
2. Failing to report to the authorities in violation of Article 17, Section 1, or failing to report according to the deadlines, forms, or procedures prescribed in Article 17, Section 2.
3. Evading, obstructing, or declining explanations or inspections in violation of Article 41, Section 3, Article 43, Section 4, Article 50, Section 5, or Article 52.
4. Failing to review a gas supply project, and obtaining the authorities' approval before the deadline, or to carry out the projects conscientiously in violation of Article 46, Section 1.
5. Not abiding by Article 50, Section 1 to run periodical inspections on their own, record or to preserve the results.
6. Not abiding by Article 51, Section 1 to replace obsolete gas-transmission pipelines.
7. Not abiding by Article 54, Section 1 to create a special account, or set aside the reserve for gas transmission pipeline replacement in full amount.

Article 62 Any of the following offenses by a natural gas enterprise will result in a fine between NT$ 100,000 and 500,000 and be ordered to take improving measures within a limited period. Any natural gas enterprise failing to comply by the deadline will be fined until satisfactory improving measures are taken:
1. Not abiding Article 5 to register before doing business.
2. Failing to apply for issuance of a new business license in violation of Article 11, Section 2.
3. Failing to obtain approval from the authorities in violation of Article 15, Section 1, Article 35, Section 1, Article 40, Section 1, Article 41, Section 2, Article 42, Article 48, Section 5, or Article 49, Section 2.
4. Failing to report to the authorities in violation of Article 15, Section 2, Article 34, Section 3, Article 38, Article 43, Section 1, Article 50, Section 2, Article 51, Section 3, or Article 54, Section 1.
5. Failing to Submit operational rules to and obtain the approval from authorities of the municipal government or the county (city) governments in violation of Article 29, Section 1, or failing to revise the operating rules before the deadline specified by the authorities in violation of Section 4.
6. Failing to publicly notify or report to the Central competent authorities in time would be in violation of Article 32, Section 3.
7. Failing to obtain approval from or report to the authorities or notify the users is in violation of Article 37.
8. Failing to establish transmission and storage geographical information management system or update data in time is in violation of Article 13, Section 4 or Article 47, Section 1.
9. Failing to inspect periodically or state the results is in violation of Article 48, Section 1 or Article 49, Section 1.
10. Failing to report is in violation of Article 53, Section 1.

Article 63 One who does not obtain a license according to Article 20, Section 1 and arbitrarily operates businesses of a natural gas utility pipeline installation enterprise would be fined between NT$ 300,000 and 1,500,000; the preceding paragraph applies to one who does not abide by the business suspension order from the authorities either.
One who fails to hire a certain number of full-time natural gas pipeline installation professional staff would be fined between NT$ 30,000 and 150,000 and ordered to take improving measures by a specified deadline. Any natural gas enterprise failing to comply by the deadline will be fined until satisfactory improving measures are taken.

Article 64

A natural gas utility whose business license has been revoked according to Article 55 and Article 59 to 61，would be notified regarding the cancellation of the license; The central competent authorities would cancel the license directly if the previous license fails to be canceled.

Chapter 8 Supplementary Provisions

Article 65 The central competent authorities coordinates the other natural gas utility enterprises to take over the business of the original natural gas utility enterprise whose business license has been revoked according to Article 55 and Article 59 to 61. Transmission and storage facilities owned by the original utility would be on a pay base compensation to provide a constant supply of gas continuously.

Article 66 A natural gas utility enterprise who intends to expand its gas supply region, Article 6 to 12 would be applied.

Article 67 Any operation of a natural gas enterprise already underway before this Act comes into effect, who was not in compliance with any provision of this Act, must be brought into compliance with this Act within 1 year from the date this Act comes into effect.

Article 68 Any operation of businesses of a natural gas utility enterprise underway holding coal-gas business licenses according to other regulations before this Act comes into effect should apply for a temporary gas supply business license within 1 year after the date this Act comes into effect. One who fails to apply for a temporary license or meet licensing conditions would have the original coal-gas business licenses revoked by the central competent authorities through a public notification. Any party who continues to supply gas after the coal-gas business license is revoked would be punished according to Article 57.
A natural gas utility enterprise obtaining the temporary gas supply business license according to the preceding Section must apply for a gas supply permit from the central competent authorities 2 years after the end date of 1 year period noted in Section 1. One who fails to obtain the permit by the dateline would have its temporary gas supply business license revoked upon the date of the period noted in Section 1, and it’s gas supply areas taken over by other natural gas utility enterprises under coordination from the central authorities’. Transmission and storage equipment owned by the original utility enterprise would be kept in use and used to supply gas on a paid basis as compensation.

Article 69 Safety technicians hired by natural gas utility enterprises or full-time technicians hired by natural gas utility pipeline

installation enterprises before this Act comes into effect may ob
qualifications of natural gas pipeline installation professionals
special technician skills certification test held by the central
certification authorities.
Safety technicians or full-time technicians hired under the prece
qualified under Article 14, Section 2 or Article 20, Section 3 ma
by the original enterprises to process businesses regarding gas s
installation and relevant safety maintenance 5 years after the da
comes into effect.
The regulation of special skill certification prescribed in Secti
reviewed by the central competent authorities after conferring wi
skill certification authorities.

Article 70 Article 4 regarding organization types of an enterprise, and Article 6 to 12 regarding the permit of an enterprise, Article 13 to 19 regarding equipment safety of an enterprise, Article 21 to 27 regarding lands of an enterprise, Article 28 to 30 and Article 33 to 35, Article 37 to 44 regarding the enterprises management, Article 45 to 55 regarding the supervision of an enterprise, and Article 65 to 69 can be applied to via enterprises who supply propane - air mixture fuel gas for natural gas appliances in certain area and/or districts where the gas provider’s transmission and storage facilities have not been installed.
Violating regulations mentioned in the preceding paragraph would be punished according to Article 56 to 64.

Article 71 Portions regarding gas and natural gas enterprises prescribed in the Act on the Supervision of Privately-Own Public Utilities and Energy Management Law should not apply upon since the date this Act comes into effect.

Article 72 This Act shall come into force on the date of promulgation.