

GUIDANCE NOTE ON DECC'S LICENSING EXPLORATION AND DEVELOPMENT CHARGES REGIME

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Introduction

From 17th June 2013 The Gas and Petroleum (Consents) Charges Regulations 2013 come into effect. These Regulations can be viewed here:

<http://www.legislation.gov.uk/ukxi/2013/1138/contents/made>

This will mean DECC will be charging fees for consents issued under Petroleum Licences, Offshore methane gas and carbon dioxide storage licences and for Pipeline Works Authorisations, issued under Part III of the Petroleum Act 1998.

These charges will support the costs of Departmental functions rather than the whole cost being borne by the taxpayer. This will also help DECC to continue to provide good levels of service in these days of constrained public expenditure allocations. In line with HM Treasury guidance, DECC will not be seeking to make a profit from these charges but only to recover its costs in carrying out these functions.

What services will we charge for?

Category A Services

- Approval of an onshore or offshore Field Development Plan (referred to in the Regulations as a development and production programme), including approval to revisions and addenda
- Approval of an offshore Gas Storage Development Plan (referred to in the Regulations as “a development plan”) including approval to revisions and addenda
- Approval of an offshore carbon dioxide Storage Permit (referred to in the Regulations as “a carbon dioxide storage proposal”) including approval to revisions and addenda
- A Pipeline Works Authorisation and variations thereto (including Holder User Operator or Owner)
- A deposit consent (referred to in the Regulations as “a pipeline deposit proposal”).

The charge for the above services is determined by a formula set out in the Regulation which is £500 per day times the number of days; and the number of officers involved in the approval.

An invoice for payment will be issued by post after a calculation of the above has been made using time sheets that Consenting Teams will maintain whilst progressing such consents and authorisations.

For information on how the payment will be requested from you for Category A services please refer to **Annex A** of this Guidance.

Category B Services

This category of consents has pre-calculated “off the shelf” charges set in Regulations and is payable at the point of application via the Energy Portal using a credit card or by opting to make a BACS or CHAPS payment transfer.

Drilling consents

The Wells Operations and Notifications System (WONS) allows petroleum licence operators to apply to DECC for consent to drill both onshore and offshore wells and

conduct nominated operations on these wells. The WONS system also allows the operator to notify DECC of various events during the drilling of the well.

Charges will be levied on the following applications:

- Full Initial Drilling (Exploration or Appraisal Well) (not provisional applications)
- Full Initial Drilling (Development Well) (not provisional applications)
- Geological Sidetrack
- Completion
- Re-Completion
- Suspend Well Long Term
- Continue Long Term Suspensions
- Re-Enter Long Term Suspended Well
- Abandonments

WONS Fees

Consent type	One off fee
To drill a new well	£647
To drill a sidetrack	£532
To complete a well	£506
To suspend a well	£532
To re-enter a well subject to a well suspension	£506
To abandon a well	£506

Licence changes

Each category of change attracts a specified charge rate and each instance of the change included in an application will attract the nominated charge.

The changes and the related fees are:

Consent type	One off fee
Change of licensee	£252
Change of the beneficiary of a petroleum field or subarea	£252
Change of the operator of a petroleum field or subarea	£900
Resubmissions	£252

A straightforward application requiring minimal review and IT processing functions will attract a lower charge than a more complex application with a substantial number of changes that requires greater scrutiny and IT processing functions.

Certain changes are currently exempt from charges:

- relinquishments/surrenders
- licence ends
- sub area shape changes
- adding / removing a field
- licence administrator change
- data confirmations
- data corrections

A fixed charge will apply for a re-issue of consent regardless of the number of operations involved.

Charges for applications that are subsequently withdrawn will not be refunded as DECC will have already utilised staff time and IT costs involved in processing the original application.

If an application is returned to industry by DECC for amendment, the following charges will apply:

- any new added operations will be charged for
- any deleted operations will not be refunded.

Applications submitted before 17th June 2013 will not attract any charges.

Production/Flaring /Vent consents

Charges will be made for the following submissions to obtain a new consent (i.e. attracting a new consent reference number).

- Production consents
- Flare consents
- Vent consents

In addition a charge will be made for an application by the operator to vary / revise a consent already issued.

- Any updates to an application already made before 17th June 2013, which is already the subject of a review and for which consent has not yet been issued will not be charged for.
- A consent re-issue initiated by DECC will not occur a charge, even if the application is subsequently passed to industry for modification.

Consent type	One off fee
Get petroleum from a licensed area (Production consent)	£994
Variation of a consent to get petroleum from a licensed area	£994
Flare or vent petroleum	£714
Variation of a consent to flare or vent petroleum	£714

For information on the screen shots that you will be taken through when being requested to pay please refer to **Annex B of this Guidance**.

Category C Service

Consent type	One off fee
Methodology proposed for the measurement of petroleum (PON6 approval)	£920
Extended Well Tests (These are not applied for though the Energy Portal)	£994

These approvals have a pre calculated “off the shelf” charge set in the Regulations and are charged for by an invoice issued in the post or by e-mail.

For information on how the payment will be requested from you for this category of services, please refer to **Annex C** of this Guidance

ANNEX A

For Category A services how is the payment requested and how will the company pay?

When the Consent Team are ready to issue a consent or authorisation they will ask you to request (an e-mail will suffice) that DECC determines the charge you will be required to pay.

The Consent Team from their time sheet records will calculate that fee at £500 per day times the number of days; and the number of officers involved in the approval process.

Once this charge calculation has been made, LED's Finance Unit will arrange for the Departments finance service provider to issue (by post or by e-mail) an invoice for settlement.

The invoice will contain

- *Amount of the charge, in pounds sterling.*
- *How the amount was calculated e.g. days spent and number of officers involved.*
- *Basic description of the purpose of the payment, e.g. "FDP approval of the xxx Field".*
- *Bank details for DECC where settlement can be made*
- *An invoice reference number for you to quote when making your payment which will be essential for DECC matching against the consent/authorisation you have requested.*

Repayments to you

If for any reason the Department decides to make a refund in part or in full, then the following will apply:

- If you have not already paid the invoice, a credit note will be issued to your company against the invoice issued in error.
- If you have already paid the invoice, a BACS payment will be made. You will be asked by DECC to provide details of the bank account into which the payment should be made, as follows:
 - Name of Bank
 - Sort Code

- Branch of Bank
- Account Name
- Account Number

It is important that these bank details are provided on your company letter headed paper as our Department's finance service provider will not make payment otherwise.

For questions on an Invoice, or credit note you have received, please contact:

Darrell Sime

LED's Finance Unit

Tel: 0300 068 6051

E-mail Darrell.sime@decc.gsi.gov.uk

ANNEX B

For Category B services how is the payment requested and how will my company pay?

The charges for these services have been pre-calculated and are contained in the Regulations, and have been incorporated in the Energy Portal payment facility. Payment will be requested when an application is made. You can elect to pay immediately by credit card using the “World-Pay” system or make payment at a later date using CHAPS or BACS.

DECC would prefer payment is made using the “World-Pay” method - this reduces our administration effort, but a consent will not be held up pending payment or DECC receiving confirmation of a BACS or CHAPS payment.

Once application on the Energy Portal (including PEARS) is made the following payment screens will appear:

Payment

This section holds payment details for your application. Once payment has been completed, a unique reference will be assigned. Please note this in for future reference and any communication with the Department.

Industry Ref Guidance:
Application Ref Not Yet Assigned

Invoice Summary

Invoice Ref: EDUCL2DCPR/PEARS/E
Description: PEARS Application Fee

Item Ref	Description	Quantity	Subtotal
1	Subarea Beneficiary Change	2	GBP 4000.00
2	License Change	1	GBP 2000.00
	Total		GBP 6000.00

[Display Invoice](#)

[Same Payment](#) [Alternative Payment Method](#)

Card Billing Details

Please provide billing details relating to your payment card.

*Name [Use my details](#)

Address [Search for address](#)

*Postcode

*Email Address

Telephone No

Remember Details

Cards accepted:

Contact us:
EDU
3 Whitehall Place
London
SW1A 2HD
whisp@dec.gov.uk

Submit for payment

Clicking 'Pay Now' will transfer you to an external server for payment processing.

[Pay Now](#) [Resume Payment Later](#) [Cancel This Payment](#)

payments powered by

If you need to view/print the Payment Request (Invoice), you can click on the ‘Display Invoice’ link). This will display the Payment Request in a PDF format.

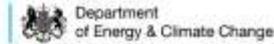
Invoice Summary

Invoice Ref: EDUCL2/DCPR/PEARS/2
Description: PEARS Application Fee

Item Ref.	Description	Quantity	Subtotal
1	Subarea Beneficiary Change	2	GBP 4000.00
2	Licensee Change	1	GBP 2000.00
	Total		GBP 6000.00

[View Invoice](#)

Request for Payment



Request for Payment Number EDUCL2/DCPR/PEARS/2
Request for Payment Date 28th February 2013

For the attention of the Licensee:		From: (Charging Point)	
Company Address	DEMO OIL LTD 3 WHITEHALL PLACE LONDON SW1A 2AW	Contact Address	EDU 3 Whitehall Place London SW1A 2HD
		Telephone	0300 068 5738
		Fax	
		Email	ukop@decc.gsi.gov.uk

Please provide payment for the following items:

Item Ref.	Description	Unit Price	VAT Amount	Total Cost
1	Subarea Beneficiary Change	GBP 2000.00	GBP 0.00	GBP 4000.00
2	Licensee Change	GBP 2000.00	GBP 0.00	GBP 2000.00
			TOTAL CHARGE:	GBP 6000.00

Vat registration no. N/A - Out of Scope

When you are ready to pay for your application you will need to select a Payment Method. You can choose either 'Card Payment' which allows you to pay using a credit card through our 'WorldPay' system) or you can select 'Alternative Payment Method' which allows you to arrange a 'BACS or CHAPS' payment.

[Card Payment](#)

[Alternative Payment Method](#)

1.1 WorldPay Payments

If you are using WorldPay as your payment method you will need to enter your card billing details. If you click on 'Use my details' it will import the details that are held against your Portal Account. When searching for your company address click on the 'Search for address' link.



Once you have entered your post code click on the 'Search' button).



Once your search results have returned, you need to click on the relevant address link).



Once all your details have been entered you need to click on the 'Pay Now' button (.



You will now be directed to the WorldPay system).

Please wait, redirecting...

You are currently being redirected to the WorldPay payment system.

[Click here if you are not automatically redirected.](#)

You will now need to select your Card Type by clicking on the relevant card icon.

WorldPay
 Help FAQs Security

Secure Payment Page

TEST MODE - This is not a live transaction.
 Please review your purchase details, then select a payment method to continue.

Select language English

Department of Energy and Climate Change (EDULCS Test Database)
 Description: PEARS Application Fee
 Amount: £6,000.00

Select your payment method

Diners
 MasterCard
 Visa
 Amex
 Maestro
 JCB

Cancel

payments powered by **WorldPay** For help with your payment visit the: [WorldPay Help](#).

You are now required to enter your card details and then click on the 'Make Payment' tick icon (Error! Reference source not found.).

WorldPay
 Help FAQs Security

Secure Payment Page

TEST MODE - This is not a live transaction.

Select language English

Department of Energy and Climate Change (EDULCS Test Database)
 Payment method: MasterCard
 Description: PEARS Application Fee
 Amount: £6,000.00

Card details

* Indicates a required field

* Card number

Security Code

* Expiry date

* Cardholder's name: APP MANAGER INDUSTRY

Cardholder details

Billing address: 3 WHITEHALL PLACE LONDON SW1A 2AW
 Postcode/ZIP code: SW1A 2AW
 Country: United Kingdom
 Telephone: +44 (0)1224 000 0000
 Fax:
 Email address: ukop@decc.gsi.gov.uk

Start again
 Make payment
 Cancel

You will now receive a message stating that your payment has been submitted for processing.



The image shows the WorldPay 'Secure Payment Page'. At the top left is the WorldPay logo. Below it are links for 'Help', 'FAQs', and 'Security'. On the left is a large padlock icon. To the right of the padlock, the text reads: 'Secure Payment Page', 'Your payment has been submitted for processing. Please wait for the result. If you do not receive a result in a few moments, please select continue.' At the bottom right is a 'Continue' button with a circular arrow icon.

You will now receive a payment status informing you if your payment has been successful or not. You now need to click on the 'Return to the portal' button.

Payment received, thank you

This was not a live transaction. No money has changed hands.

Thank you, your payment was successful.

Merchant's reference: **EDUCL2/DCPR/FEARS/2/1**

WorldPay Transaction ID: **141342029**

[Return to the portal](#)

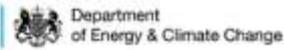
You can now see the payment details as well as being able to view both the 'Payment Request (Invoice)' and 'Receipt' by clicking on the relevant button).



The image shows two sections of a payment notification page. The top section is titled 'Submission Notification' and contains an information icon, the text 'Your application has been successfully submitted to DECC and is awaiting approval. Please note your application reference number below, this is for future reference and any communication with the Department.', 'Industry Ref Guidance', and 'Application Ref LAN/2013/51'. The bottom section is titled 'Transaction Result' and contains 'Thank you for your payment.', 'Dir Ref EDUCL2DCPRFEARS2', 'WorldPay Ref 141342029', 'Status Completed - 28-Feb-2013 11:59:29', and 'Amount 5000 (GBP)'. At the bottom of the 'Transaction Result' section are two buttons: 'Display Invoice' and 'Display Receipt', both of which are highlighted with a red box.

An example of a receipt is show below).

Payment Receipt



Request for Payment Number EDUCL2/DCPR/PEARS/2
Request for Payment Date 28th February 2013
Paid/Received Date 28th February 2013

For the attention of the Licensee:		From: (Charging Point)	
Company Address	DEMO OIL LTD 3 WHITEHALL PLACE LONDON SW1A 2AW	Contact Address	EDU 3 Whitehall Place London SW1A 2HD 0300 068 5738
		Telephone	
		Fax	
		Email	ukop@decc.gsi.gov.uk

Payment has been provided for the following items:

Item Ref.	Description	Unit Price	VAT Amount	Total Cost
1	Subarea Beneficiary Change	GBP 2000.00	GBP 0.00	GBP 4000.00
2	Licensee Change	GBP 2000.00	GBP 0.00	GBP 2000.00
			TOTAL CHARGE:	GBP 6000.00

Vat registration no. N/A - Out of Scope

Payment Details

Payment Method(s):	Electronic payment via WorldPay
Payment Reference:	141342029
Amount Received:	GBP 6000.00
Date Paid/Received:	28th February 2013

Payment received, with thanks

1.2 BACS/CHAPS Payments

If you are using an alternative payment method, you will need to enter 'Payment' and 'Bank' details. You will also be required to enter a 'Security Code' from the 'Security Image' provided.

Once you have entered this information you need to click on the 'Submit Alternative Payment' button.

Card Payment
Alternative Payment Method

Payment Information

Receiving credits in sterling in the UK

BACS & CHAPS (GBP 10,000+)

Bank Address: Citibank, 25 Canada Square, Canary Wharf, London.
 Sort Code: 083300
 Account No: 12460131
 Account Name: GBS Re DECC Vote Account

Receiving credits from Overseas

Swift

Bank: CBank London
 BIC: CITIGB33
 IBAN: GB09CITI08330012460131
 Beneficiary Reference: GBS Re DECC Vote Account

Alternative Payment Details

Please note the following information about alternative payments:

- To ensure these funds are received immediately, we recommend that you use a payment card (click on the 'Card Payment' tab above).
- By declaring that you are using an alternative payment method (by clicking 'Submit Alternative Payment') you are agreeing to arrange payment yourself and will no longer be given the opportunity to make an online card payment. **Please note:** Using this method may cause delays while we wait to receive your payment.
- When making your payment, if possible, please use your invoice reference 'EDUCL2DCRPEARSIT' as the payment reference. This will help us to identify the source of the payment when it is received.

Please provide details relating to your preferred payment method:

*Payment Method: Select: One

*Payment Instruction Date:

*Expected Clear Date:

*Bank Name:

*Bank Address:

*Payment Contact Name:

*Payment Contact Telephone:

*Payment Contact Email:

Submit

By filling out the security check below, you are confirming that the details provided are correct to the best of your knowledge.

Security Image: 

[The image is unreadable, give me a new one](#)

*Enter Security Code:

Clicking "Submit Alternative Payment" will send us your intended payment method and details.

Submit Alternative Payment

Cancel This Payment

You will now see your payment details.

Submission Notification

Your application has been successfully submitted to DECC and is awaiting approval. Please note your application reference number below, this is for Mass reference and any communication with the Department.

Industry Ref: Invoice Payment: test
 Application Ref: LAA20131071

Payment Details

When making your payment, if possible, please use your invoice reference 'EDUCL2DCRPEARSIT' as the payment reference. This will help us to identify the source of the payment when it is received.

A payment has been pledged (and is currently awaiting reconciliation) with the following details:

- Payment Method: Same Day Bank Transfer
- Payment Instruction Date: 28 FEB 2013
- Expected Clear Date: 13 APR 2013
- Bank Name: Test Bank
- Bank Address: 123 Test Street
- Payment Contact Name: John Smith
- Payment Contact Telephone: 0207 111 2222
- Payment Contact Email: john@testbank.com

What additional help can I get when making payment through the Energy Portal?

For technical issues in processing payments (i.e. not policy or consent issues) please call the Energy Portal help desk on 0300 068 5793.

ANNEX C

For Category C services how is the payment requested and how will my company pay?

After you have been issued with your Metering approval or Extended Well Test the relevant Team will ask for LED's Finance Unit to arrange for the Departments finance service provider to issue you with an invoice (by post or e-mail) for settlement.

The invoice will contain:-

- *Amount of the charge, in pounds sterling.*
- *Basic description of the purpose of the payment, e.g. "PON 6 approval for the xxx field*
- *Bank details for DECC where settlement can be made*
- *An invoice reference number for you to quote when making your payment which will be essential for DECC matching against the consent/authorisation you have requested.*

Repayments to you

If for some reason it is decided to make a refund to you the following will apply:

- If you have not already paid the invoice, a credit note will be issued to your company against the invoice issued in error.
- If you have already paid the invoice, a BACS payment will be made to your company and you will be asked by DECC to provide the bank account into which the payment should be made, as follows:
 - Name of Bank
 - Sort Code
 - Branch of Bank
 - Account Name
 - Account Number

It is important that these bank details are provided on your company letter headed paper as our Departments finance service provider will not make payment otherwise.

For questions on an Invoice, or credit note, you have received please contact:

Darrell Sime

LED's Finance Unit

Tel: 0300 068 6051

E-mail Darrell.sime@decc.gsi.gov.uk