

Adjustment of fee rates - Regulations relating to refunding of expenses in connection with regulatory supervision of resource management in the petroleum activities

Reference is made to the letter of 27 October 2017 from the Norwegian Petroleum Directorate regarding a change in the hourly rate in the Regulations relating to refunding of expenses in connection with regulatory supervision of resource management in the petroleum activities (the Refunding Regulations).

The letter states that the hourly rate for refunding of expenses pursuant to the Refunding Regulations is NOK 820 and that this rate has not been adjusted since 2009. The NPD refers to Chapter 3.2.2 of Circular R-112/15 of 7 October 2015 from the Ministry of Finance with provisions relating to State fee and duty financing, where it emerges, in part, that the payment shall not exceed the cost of producing and delivering the service, and that it should fully cover the costs associated with producing and delivering the service based on cost-effective operation.

Based on Circular R-112/15 and the NPD's calculation of costs associated with the Directorate's licence follow-up, a proposal has been made to increase the hourly rate.

The main reasons for the changes in the cost scenario are as follows:

- Price increase of about 20 per cent.
- Pension costs (including employer's contribution) were not taken into consideration in the calculation of the hourly rate in 2009. This alone amounts to a 14 per cent increase in the wage costs.

Pursuant to Section 9 of the Regulations relating to refunding of expenses in connection with regulatory supervision of resource management in the petroleum activities, the Ministry of Petroleum and Energy has determined that the hourly rate in Section 4 of the above-mentioned Regulations shall be changed from NOK 820 to NOK 1 150 with effect from 1 September 2018.