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**Reg. No. 945 of 4 December 1987: Regulations relating to the adjustment of licence fees, annual compensation and funds etc., pursuant to water resources legislation.**

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**Regulations relating to the adjustment of licence fees, annual compensation and funds etc., pursuant to water resources legislation.**

**I. Licence fees.**

**1. Adjustment of annual licence fees.**

Laid down pursuant to chapter VI, subsection 1, of Act No. 51 of 3 June 1983, cf. section 2, paragraph three, subsection 13, paragraph two, section 5, paragraph three, subsection 2, paragraph two, section 23, paragraph two, subsection 4, paragraph two, of Act No. 16 of 14 December 1917, cf. section 11, subsection 1, paragraph two, of Act No. 17 of 14. December 1917.

**Section 1.** Licence fees to municipalities stipulated in watercourse and electricity leasing licences shall be automatically adjusted on the first 1 January five years after the licence was granted and every five years thereafter.

In the future, the adjustments shall cover all annual licence fees irrespective of the date the licence was granted.

**Section 2.** Licence fees to the State stipulated in watercourse and electricity leasing licences granted after 16 February 1984 shall be automatically adjusted on the first 1 January five years after the licence was granted and every five years thereafter.

Pursuant to the amendment of 21 June 1974, licence fees to the State stipulated in watercourse licences granted between 21 June 1974 and 16 February 1984 shall be adjusted automatically on the first 1 January after ten years. However, licence fees to the State stipulated pursuant to section 5, subsection 2, of Act No. 16 of 14 December 1917, shall be adjusted automatically on the first 1 January after twenty years. The provisions in the first and second sentences apply unless otherwise stipulated in the individual licence.

Pursuant to the amendment of 10 April 1959, licence fees to the State stipulated in watercourse licences granted between 10 April 1959 and 20 June 1974 shall be adjusted automatically on the first 1 January after twenty years. Pursuant to the amendment of 19 June 1969, the same applies to licence fees to the State stipulated in electricity leasing licences granted in the period from 19 June 1969 to 16 February 1984.

Annual licence fees to the State stipulated in watercourse licences granted prior to 10 April 1959 and in electricity leasing licences granted prior to 19 June 1969 shall not be adjusted.

**Section 3.** Adjustments as mentioned in section 1 and section 2 shall be made by comparing the average of Statistics Norway's consumer price index (prior to 1960 the cost-of-living index) for the last year of the past period (the calculation year) with the corresponding index figure for the year the licence was granted. In special cases, the licence fee rate may be adjusted above this. Subsequent adjustments shall be based on the most recent calculation year.

**Section 4.** The Ministry of Petroleum and Energy is granted the authority to perform adjustments and undertake reviews in special cases of licence fees to the State and municipalities.

**Section 5.** (*transitional rules*)

1. For licence fees to municipalities for licences granted prior to 17 February 1979 the following applies:
  - a) Fees adjusted in the period 17 February 1979 to 16 February 1984 shall be readjusted on the first 1 January five years after the previous adjustment.
  - b) Fees having undergone a one-time adjustment as of 17 February 1984 shall be readjusted on 1 January 1989.
  - c) Other fees shall be subject to a one-time adjustment with effect from 1 January 1988. This also applies to fees adjusted after 17 February 1984 where the five-year period is reckoned from the first time the fee was due. The adjustment shall be based on the average of Statistics Norway's consumer price index (prior to 1960 the cost-of-living index) for the year the licence was granted and the average index for 1983.

The fee shall be readjusted on 1 January 1989. The adjustment shall be based on the average of Statistics Norway's consumer price index for 1983 and the average index for 1988. Subsequent adjustments shall be in accordance with section 1.

2. Licence fees to municipalities for licences granted in the period 17 February 1979 to 31 December 1982 in which terms are stipulated for adjustment after ten years shall be subject to a one-time adjustment with effect from 1 January 1988. This also applies to fees adjusted after 17 February 1984, five years after the first time the fee was due. The adjustment shall be based on the average of Statistics Norway's consumer price index for the year the licence was granted and the average index for 1987. Subsequent adjustments shall be in accordance with section 1.

## **2. Maximum and minimum rates for licence fees to the State and municipalities.**

Laid down pursuant to section 2, paragraph three, subsection 13, paragraph one, section 5, paragraph three, subsection 2 and section 23, paragraph two, subsection 4, paragraph one, of Act No. 16 of 14 December 1917 and section 11, subsection 1, paragraph one, of Act No. 17 of 14. December 1917.

**Section 6.** For licences granted pursuant to section 2, paragraph three, subsection 13, paragraph one and section 5, paragraph three, subsection 2, paragraph one, of Act No. 16 of 14 December 1917 and section 11, subsection 1, paragraph one, of Act No. 17 of 14 December 1917, the licensee shall be ordered to pay an annual fee to the State of not less than NOK 1 and as a general rule not more than NOK 10 per natural horsepower, and an annual fee to the counties and rural and urban municipalities concerned of not less than NOK 1 and as a general rule not more than NOK 30 per natural horsepower. In special cases the fee may be set higher.

For licences granted pursuant to section 23, paragraph two, subsection 4, paragraph one, of Act No. 16 of 14 December 1917, the licensee may be ordered to pay an annual fee to the State of not more than NOK 20 per kW and an annual fee to the counties and rural and urban municipalities concerned of not over NOK 30 per kW. In special cases, the fee can be set higher.

3. Payment of annual licence fees in a lump sum.

Laid down pursuant to section 2, paragraph three, subsection 13, paragraph five, section 5, paragraph three, subsection 2, paragraph five, and section 23, paragraph two, subsection 4, paragraph four, of Act No. 16 of 14 December 1917 and section 11, subsection 6, of Act No. 17 of 14 December 1917.

**Section 7.** If the annual licence fee to the State or municipalities stipulated in watercourse or electricity leasing licences, adjusted in accordance with current regulations, amounts to less than NOK 10,000, the Ministry may decide that the annual fee shall be paid in a lump sum provided that the parties due the fee and the parties subject to the fee agree.

The amount payable shall be set by adjusting the licence fee upward to the payment year and multiplying it by the conversion factor according to the following table:

The present value of NOK 1 paid in/out at the end of each year, at a discount rate of 7%.

<b>No. of years remaining in the licence period</b>	<b>Conversion factor</b>	<b>No. of years remaining in the licence period</b>	<b>Conversion factor</b>
1	0.9	30	12.4
2	1.8	31	12.5
3	2.6	32	12.6
4	3.4	33	12.8
5	4.1	34	12.9
6	4.8	35	12.9
7	5.4	36	13.0
8	6.0	37	13.1
9	6.5	38	13.2
10	7.0	39	13.3
11	7.5	40	13.3
12	7.9	41	13.4
13	8.4	42	13.5
14	8.7	43	13.5
15	9.1	44	13.6
16	9.4	45	13.6
17	9.8	46	13.7
18	10.1	47	13.7
19	10.3	48	13.7
20	10.6	49	13.8
21	10.8	50	13.8
22	11.1	51	13.8
23	11.3	52	13.9
24	11.5	53	13.9
25	11.7	54	13.9
26	11.8	55	13.9
27	12.0	56	14.0
28	12.1	57	14.0
29	12.3	58	14.0
		59	14.0

## **II. Annual compensation**

### **1. Adjustment of annual compensation.**

Laid down pursuant to VI, subsection 3, of Act No. 51 of 3 June 1983 and section 16, subsection 5, paragraph seven, of Act No. 17 of 14 December 1917 and section 133, subsection 2, paragraph two of Act No. 3 of 15 March 1940 and previous water resource legislation.

**Section 8.** Annual compensation amounts shall be adjusted automatically at the due date every five years. The adjustments shall cover all annual compensation irrespective of the date the compensation was set.

For annual compensation set pursuant to Act No. 17 of 14 December 1917 and Act No. 3 of 15 March 1940 that came due prior to 17 February 1979 and not adjusted subsequent to this date, a one-time adjustment of the compensation amounts shall be undertaken calculated from the first time the compensation came due up until 17 February 1984. These adjustments are to be made with effect from 17 February 1984. After the one-time adjustments, the compensation shall be readjusted when it comes due in 1989. Thereafter the compensation shall be adjusted in accordance with the paragraph one.

For annual compensation set pursuant to water resource legislation in force before Act No. 17 of 14 December 1917 and Act No. 3 of 15 March 1940 entered into force, a one-time adjustment of the compensation amounts shall be undertaken calculated from the first time the compensation came due up until 1988. Adjustments are to be made with effect from the due date in 1988. After the one-time adjustment, the compensation shall be adjusted in accordance with paragraph one.

**Section 9.** Adjustments as mentioned in section 8, paragraph one, shall be made by comparing the average of Statistics Norway's consumer price index for the last year of the past period (the calculation year) with the corresponding index figure for the year the compensation first came due. Subsequent adjustments shall be based on the most recent calculation year.

The one-time adjustments mentioned in section 8, paragraph two, are based on the average of Statistics Norway's consumer price index (prior to 1960 the cost-of-living index) for the year the compensation came due and the average of the consumer price index for 1983.

For the one-time adjustments mentioned in section 8, paragraph three, the following applies:

- a) Annual compensation that first came due after 1 January 1901 is based on the average of Statistics Norway's consumer price index (prior to 1914 the cost-of-living index for the City of Oslo) for the year the compensation came due and the average of the consumer price index for 1987.
- b) Annual compensation that first came due in the period from 1 January 1891 to 1 January 1901 shall first be adjusted up until 1901 with the aid of the wholesale price index (Farmand's wholesale price index) and thereafter until 1988 with the aid of the consumer price index specified under a) above.
- c) Annual compensation that first came due prior to 1 January 1891 shall be adjusted up until 1891 as the Ministry decides on the basis of data obtained on price developments during the period in question. Adjustments thereafter until 1988 shall

be made with the assistance of the wholesale price and consumer price indexes as specified in a) and b) above.

**Section 10.** The due date pursuant to section 8 and section 9 is the certification date of a legally binding appraisal. If commencement has taken place prior to this date, the initial due date shall be calculated from the commencement date.

## **2. Minimum amounts for setting annual compensation and concerning payment of previously set annual compensation in a lump sum.**

Laid down pursuant to section 16, subsection 5, paragraphs one and two of Act No. 17 of 14 December 1917 and section 133, subsection 2 and subsection 4 of Act No. 3 of 15 March 1940.

**Section 11.** If annual compensation to be set pursuant to Act No. 17 of 14 December 1917 and Act No. 82 of 24 November 2000 will amount to less than NOK 5,000 to the individual party entitled to receive compensation, the compensation shall be stipulated as a lump-sum payment.

When a party entitled to compensation or the acquiring authority under a compulsory purchase order so demands, previously set annual compensation pursuant to Act No. 17 of 14 December 1917, Act No. 3 of 15 March 1940 and Act No. 82 of 24 November 2000 amounting to less than NOK 5,000 to the individual party entitled to compensation, shall be converted to a lump-sum compensation and be paid in a lump sum.

The amount payable shall be set by adjusting the annual compensation upward to the payment year and multiplying it by 25.

### **III. Industrial development funds and other funds.**

#### **Adjustment of annual payments to industrial development funds.**

Laid down pursuant to VI, subsection 2, of Act No. 51 of 3 June 1983, cf. section 2, subsection 23, paragraph one, of Act No. 16 of 14 December 1917 and section 12, subsection 8, paragraph four and subsection 18, paragraph one, of Act No. 17 of 14 December 1917.

**Section 12.** Annual payments to an industrial development fund in watercourse licences shall be adjusted in a manner corresponding to that stipulated for annual compensation, cf. section 8 and section 9.

Payment to an industrial development fund is deemed to be due when a licence is granted.

**Section 13.** Annual payments to funds other than industrial development funds stipulated in watercourse licences granted after 16 February 1984 shall be adjusted automatically after five years.

Adjustments as mentioned in paragraph one shall be made by comparing the average of Statistics Norway's consumer price index for the last year of the past period (the

calculation year) with the corresponding index figure for the year the licence was granted. Subsequent adjustments shall be based on the most recent calculation year.

#### **IV. Entry into force.**

**Section 14.** The regulations enter into force from 1 January 1988. From that date, Regulation No. 432 concerning adjustment of annual compensation, licence fees and funds etc. issued by Royal Decree on 17 February 1984 ceases to be in force.