

**MANDATORY REGULATORY CRITERIA FOR SETTING UP OF LPG STORAGE  
AND FILLING PLANTS**

The criteria for grant of license to LPG storage and filling plants/facilities shall cover the following areas:

**1. Licensing:**

- (a) Any company entitled by its memorandum of association or any other appropriate instrument to engage in LPG business may apply to set up LPG storage and filling facilities
- (b) A separate and site specific licence for construction of LPG storage and filling facility/plant shall be granted by the Authority, after verification of the site by OGRA's third party inspector, on a prescribed fee subject to fulfillment of the following conditions:-

- i) There shall be no other storage and filling plant within 5 KMs on either side of the road. In case there is a refinery or production field in the vicinity and more operative LPG storage and filling plants are nearby, a rational to be provided with respect to installation of more plants.

Further the Special Economic Zones (SEZ's) / Industrial Areas, Port Areas have been exempted from the above criteria however, it shall be mandatory for the Project Developers to provide NOC/ implementation agreement from the concerned SEZs, Port, Industrial Estates along with the application to the Authority for grant of construction licence in such cases.

- ii) Financial competence certificate to execute LPG works/installations/ operation of the storage and filling plant as prescribed by the Authority.
- iii) The applicant shall provide cash flow/projected cash flow statement, project feasibility, details of the technical competence ( which include details of the consultant who shall build the facility on BOT basis and also the technical competence of the staff who shall operate the plant afterwards), alongwith the application.
- iv) The LPG storage and filling plant shall not be located in residential/commercial area moreover; no residential/commercial building shall be present near the proposed site within 100 meter radius at the time of initial site inspection.
- v) NOC from DCO by the Project Developer/Applicant before start of construction activity, giving due consideration to future development near the proposed site/housing schemes or public gathering places.
- vi) An undertaking on stamp paper by the Project Developer/Applicant which include the following:
  - a. Site is not located in commercial / residential area.
  - b. Site is not disputed and is litigation free.
  - c. All applicable standards as per OGRA requirements and LPG Rules 2001 shall be followed during construction phase.

- vii) The storage and filling facilities having storage capacity of 50 Mtons or more shall be allowed to setup LPG Storage and filling plant.
  - viii) Land documents/lease documents shall be provided.
  - (c) The application for setting up LPG storage and filling facilities shall be submitted on the prescribed application form (Appendix-II of LPG Rules, 2001).
  - (d) The Authority shall initially grant the licence for construction of LPG storage and filling facilities for a period of two years, subject to satisfactory initial site inspection by OGRA's third party inspector and after fulfillment of all the requirements/criteria formulated by the Authority under the LPG (Production and Distribution) Rules, 2001.
  - (e) The licence for operation of LPG storage and filling facility/plant shall only be issued after the licensee obtain:-
    - (i) Explosive licence from the Chief Inspector of Explosives.
    - (ii) NOC from Environmental Protection Agency.
    - (iii) NOC from the respective District Authorities giving due consideration to public safety and in accordance with the requirements of clause 2(a) and 2(b) of this criteria.
    - (iv) Insurance cover against the loss and damage to the public life and property due to any operational reason, accident etc.
    - (v) The LPG storage and filling plant has been inspected and verified to meet the requirements of NFPA-58, by the Third Party Inspectors, appointed by the Authority.
  - (f) The licence for operation of storage and filling plant shall be granted for a maximum period of fifteen years subject to conformance to the prescribed safety/technical standards which shall be verified atleast once in five years by OGRA's designated 3<sup>rd</sup> party inspector(s)
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## **2. Safety/Technical Standards:**

- (a) The LPG storage and filling plants shall only be located on sites which are accessible by LPG bowzers/heavy vehicles.
- (b) The LPG storage and filling facilities can be installed at any location as per Rule 1(b) of this regulatory framework, subject to the condition that the licensee will adhere to all the requirements of National Fire Protection Association USA (NFPA-58) in order to ensure complete safety of the LPG storage and filling plants and its surroundings.
- (c) The minimum area for the installation of LPG storage and filling facilities plant shall be in accordance with NFPA-58 standard.
- (d) The installations/ Fire fighting system of LPG storage and filling facilities shall conform to the technical standards prescribed in the LPG (Production and Distribution) Rules, 2001 [National Fire Protection Association, USA (NFPA-58)].

**3. Fees:**

- (a) A non-refundable site specific processing fee as set out in Appendix VI of LPG Rules, 2001 for each LPG storage and filling facilities shall be paid by the applicant LPG Company at the time of submission of the application for setting up a LPG storage and filling facilities.
- (b) The licence fees prescribed in clauses 3(a) shall be reviewed with the approval of the Budget Committee constituted by the Federal Government under section 17 of the OGRA Ordinance, 2002, after every five years keeping in view the inflation rate as well as the budgetary requirements of the Authority.

**4. Miscellaneous:**

- (a) The storage capacity at storage and filling plants shall be at least 50 Metric Ton (min.)
- (b) All the LPG storage, filling and marketing companies, based on the storage capacity and minimum work program, shall maintain a minimum metal inventory of the cylinders. For each 10 MT/day distribution/sale of LPG, a metal inventory of 3000 domestic cylinders and 500 commercial cylinders is to be ensured before start of operation, which shall be ramped upto 8000 domestic and 1000 commercial cylinders respectively within one year, for refilling cycle of 15-20 days. The same shall be informed to the Authority. All cylinders of the inventory shall have serial Nos, date of manufacturing as well as brand name/insignia engraved on them.
- (c) The LPG storage, filling and marketing companies shall manufacture their inventory of the cylinders only from OGRA's authorized manufacturing companies of LPG equipments.
- (d) Decanting of LPG from cylinder to cylinder is prohibited and cross filling of other LPG marketing companies' cylinder is also prohibited except under hospitality arrangements which shall be intimated to the Authority within 15 days of its execution. The Authority may suspend/revoke the Licenses of the LPG Marketing Companies involved in violation of provisions of this section.
- (e) The LPG storage, filling and marketing companies shall provide details of inventory of their cylinders to OGRA before 31st December of each year confirming that the cylinders have been properly manufactured/tested as per requirement of the LPG Rules/Standards. Further, it shall be the responsibility of the LPG Marketing Companies to ensure that their LPG cylinders have been revalidated after a specific period as determined in NFPA-58.
- (f) The LPG storage, filling and marketing companies being the License holder of OGRA; would remain responsible for observance of all safety codes and standards at their Distributors' premises.

- (g) LPG shall only be received in bowzers having valid licence/certification from the Chief Inspector of Explosives/OGRA.
- (h) The Authority may, if satisfied that NFPA-58 does not adequately address any aspect in respect of use of LPG in LPG storage and filling facilities, prescribe from time to time any other standard for the purpose.

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