

Government of Pakistan
Ministry of Energy (Petroleum Division)
Directorate General of Liquefied Gases

Subject: **Announcement of Policy Guidelines for Installation of LPG Air-Mix Plants in Private Sector**

Being cognizant of the acute shortages of domestic natural gas supply and increasing gas demand, Government announced following policy guidelines which will lead to liberalisation of gas sector and encourages the private sector to invest in LPG Air-Mix Plants under deregulated pricing regime.

- i) The private sector will be free to set up LPG AMP on commercial considerations at their own costs and liabilities subject to meeting OGRA's licensing and operational requirements. The LPG supply preference or dedication mentioned in clause 3.1.1 and 3.6.7 of LPG Policy 2016 will not be applicable on LPG AMP developed by private sector. However, LPG AMP may be entitled to purchase LPG in Bulk at Producer's Price notified by OGRA, from time to time.
- ii) Tariff for LPG AMP, developed and operated by private sector, will be deregulated.
- iii) The status of LPG-Air Mix Plant Licensee shall be the same as that of LPG Storage, Filling and Distribution Plant and that they shall also be entitled to import LPG governed by the prevalent Trade Policy and any other applicable Policies/ Law/ Rule or instructions/ directives of the Federal Government.
- iv) The LPG AMP licensee/ Developer/ Owner of society shall not prohibit the consumers/suppliers for switching to alternate competing fuels supplied by any third party (be it of piped natural gas or LPG cylinders, another LPG Air mix Plants, Virtual LNG project etc.).
- v) The LPG AMP licensee of such plant will notify monthly tariff for information of consumers and also submit detail of monthly tariff to OGRA latest by 10th of every month.
- vi) OGRA will ensure that the LPG AMP licensee may not take any measures to prevent marketing of LPG Cylinders in the area where LPG Air Mix is supplied.
- vii) The complaints resolution in respect of the pipeline network for the distribution of LPG and its metering to the households shall be done by OGRA as being done in Natural Gas Sector.

It is expected that the above policy initiative will help in reducing gas sector circular debt, no gas losses, zero subsidy, prevent deforestation besides, it will provide secure, sustainable and affordable cleaner fuel to domestic, commercial and industrial consumers of the country.