

PRESS STATEMENT ON LPG EXPANSION

Following a National policy by the Federal Government on gas, aggressively encouraged by the Ministry of Petroleum Resources, MOMAN members invested in LPG skids in various retail outlets across the Country, keying into the expansion agenda of the Government to deepen the use of LPG in Nigeria. This policy was also supported by the top echelon of the petroleum industry. MOMAN, in support of the deepening and spread of the use of gas, went all out to invest in skids and installed this equipment in key locations in Nigeria.

In a policy reversal, a deadline for the removal of LPG skids from retail outlets or conversion to LPG auto dispensing was recently given. This policy reversal unduly penalizes companies that have kept faith with the articulated Government policy and have invested heavily in equipment, technical resources and researched, developed and deployed safety processes to implement the policy in a safe and sustainable business model. LPG is an important source of energy for lighting and cooking for many Nigerians and is growing rapidly as the preferred product. We believe that LPG skids on retail forecourts are a good addition to enable the Nigerian customer easy access to gas. Installed LPG skids need to adhere to all local regulations in terms of manufacturing and installation. Integrity checks can be done before and during operation by regulatory agencies.

To safely operate an LPG skid in a retail outlet, the following safety guidelines must be adhered to:

- The expected allowable LPG storage capacity is between 1 tonne to 5 tonnes.
- At least 1,300 square meters of land size is required for any retail outlet to accommodate an LPG add-on.
- The add-on must not have adverse impact on the operations of the retail-outlets.
- There must be physical demarcation (Wire mesh, wire fence, bollards, etc) separating the skid from the retail outlet. Only trained and authorized operators should have access to the demarcated area.
- There must be a minimum distance of 5 meters from underground fuel storage tanks.
- All LPG vessel storage tanks intended for retail-outlet must be skid-mounted and of a maximum capacity of 5 metric tons.
- All skid mounted LPG bottles/dispensing units must not be containerized in the LPG standalone skid.
- The minimum separation distances for above ground tanks from a building boundary or fixed source of ignition to the tank is 5 meters and between each storage tank 1 meter.
- Safety audit must be carried-out annually by a DPR accredited company before renewal of operating licence. Assets integrity checks and general monitoring to ensure safety compliance is important.

MOMAN wholeheartedly supports the increase of gas use in the Country. We believe that LPG skids in stations should be encouraged to bring the product closer to the grassroots. LPG skids in retail outlets are a safe and economic way of dispensing gas to the Nigerian customer but emphasis must be placed on adherence to safety distances. This would encourage ease of product refill especially to customers who want to retain their cylinders. The use of LPG skids in retail outlets will help expand the market and continue to provide employment for Nigerians.

MOMAN requests a revisit of this policy direction, considering the amount of investment already sunk into skids mounted in retail outlets.

