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# Press Statement

## ERB takes action against 6 erring licensees

**Wednesday, 13<sup>th</sup> July 2016**

The Energy Regulation Board (ERB) has fined three licensees and severely warned three others for breach of license conditions.

At its 2<sup>nd</sup> Regulatory meeting on 15<sup>th</sup> June 2016, the Board resolved to fine SGC Investment Limited K48, 000, Engen Petroleum Zambia Limited K24, 000 and Kobil Zambia Limited K16, 800, for various breaches of their license conditions. Ravasia Petroleum Limited, Lake Petroleum Limited and Oasis Oil Zambia Limited got away with severe warnings from the regulator.

SGC was penalised for off-loading fuel at its Broadway filling station in Ndola using a foreign tanker contrary to Quality Control and Monitoring Guidelines which stipulate that imported products should be offloaded at a bulk depot and be re-certified before delivery to a filling station. In addition, SGC denied an ERB inspector access to documents for the said consignment contrary to the Energy Regulation Act and Retail of Petroleum Products license conditions. Consequently, SGC was fined a total of K48, 000 with regard to the two offences.

Engen was fined for failing to report fuel contamination at its Cross Roads filling station in Lusaka within the stipulated 24-hour period during which 10 vehicles were sold contaminated fuel. The 10 motorists have since been compensated by Engen. To ensure the OMC promptly reports incidents to the ERB its staff will be trained and familiarised with licence requirements. Engen admitted that its fuel tanks were contaminated by rain water following a heavy downpour, but claimed that the incident was not reported to the regulator because it happened at a weekend. The incident was brought to the ERB's attention by a complainant who reported the matter.

Kobil was penalised for failing to provide ancillary services such as water, clean sanitation, functioning air compressors and fire extinguishers at some of its sites. In addition, the Oil Marketing Company (OMC) lacked a system to ensure safety and health at its filling stations. Kobil's fine was also influenced by the OMC's laxity in addressing anomalies many of which were long outstanding.

Similarly, Ravasia and Oasis did not have safety and health systems at their filling stations. However, Ravasia confirmed with the ERB that all anomalies had been rectified at its filling station on Chachacha road, while Oasis equally reported and confirmed remedial action had been effected at its Sinda site, while works were progressing at the Chipata filling station.

Penalties on erring licensees were slapped following enforcement hearings conducted in the first quarter of 2016.

All licensed companies operating in the energy sector are hereby strongly advised to familiarise themselves with ERB license conditions and standards to ensure compliance.

Members of the public are encouraged to continue reporting any anomalies relating to energy products and services, to the regulator on Toll Free Line 8484.



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