

GOVERNMENT NOTICE No. 667 published on 15/9/2023

THE PETROLEUM ACT,
(CAP. 392)

ORDER

(Made under section 29(2)(b))

THE PETROLEUM (COMPRESSED NATURAL GAS (CNG) MARGINS FOR MOTHER STATION, DAUGHTER STATION, ONLINE FILLING STATION, OFFLINE FILLING STATION AND END USER CAP PRICES) ORDER, 2023

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| Citation | 1. This Order may be cited as the Petroleum (Compressed Natural Gas Margins for Mother Station, Daughter Station, Online Filling Station, Offline Filling Station and End User Cap Prices) Order, 2023. |
| Interpretation | 2. In this Order, unless the context otherwise requires- |
| Cap. 414 | “Authority” or “EWURA” means the Energy and Water Utilities Regulatory Authority established under section 4 of the Energy and Water Utilities Regulatory Authority Act; |
| | “compressed natural gas (CNG)” means natural gas in the form of a mixture of hydrocarbon gases and vapours, consisting principally of methane (CH ₄) which has been compressed; |
| | “daughter station (CNG-DS)” means a CNG facility which is not connected to a natural gas pipeline and is installed with stationery cascade, mobile storage cascade, pressure reduction system (PRS), gas detectors and firefighting equipment and dispenses CNG to industrial customers; when used as a filling station the mobile or stationary cascades are connected to the booster compressor for increasing the discharge pressure for refueling of vehicles and when used for industrial or commercial purposes, Pressure Reduction System (PRS) is installed to decrease the pressure based on the user requirements; |

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“end user cap price” means the maximum price composed of all costs in the natural gas value chain up to CNG end-users as approved by the Authority and charged by licensees to their customers on services rendered;

“margin” means all necessary costs for the installation, operation, maintenance and a reasonable return on assets of the CNG facility;

“mother station (CNG-MS)” means a CNG facility which is connected to a natural gas distribution pipeline and equipped with a compressor, gas drier, stationery cascade (storage cylinders), metering system, gas detectors, firefighting equipment and refilling nozzles primarily used to fill mobile cascades, and if installed with a dispenser, can be used to refuel CNG vehicles;

“offline filling station (CNG-OFFS)” means a CNG station which is not connected to a distribution pipeline and is equipped with a booster compressor, mobile cascade, stationery cascade, dispensers, gas detectors and firefighting equipment; and

“online filling station (CNG-OLFS)” means a CNG station which is connected to a natural gas distribution pipeline and is installed with a compressor, gas drier, stationery storage cylinders, dispenser, gas detectors and firefighting equipment.

Margins and end user prices

3. The margins for compressed natural gas mother station, daughter station, online filling station, offline filling station and end user cap prices shall be as specified in the First and Second Schedules to this Order.

End user cap prices revision

4. The Compressed natural gas end user cap prices may be revised to consider changes on wellhead price or whenever the Authority deems it appropriate.

Conditions

5. The approved margins for compressed natural gas facilities and end user cap prices shall be subject to the following conditions:

- (a) all licensees involved in CNG business shall submit to EWURA actual project cost within six months after commercial operation date;
- (b) on 30th April each year, all CNG licensees shall submit to EWURA information on operation and maintenance expenses including taxes and charges paid to various Government Institutions and such information shall be submitted in editable excel

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- format and backed up with documentary evidences such as receipts;
- (c) all CNG licensees shall, on monthly basis, submit to EWURA the purchased volume and sales through official EWURA mails;
 - (d) six months after the commencement of this Order, all new licensees shall submit to EWURA a draft customer service charter related with CNG services for review and approval as per the Petroleum (Natural Gas) Customer Service Charter Guidelines of 2019; and
 - (e) when applying for pre-construction, all CNG mother station and online filling station licensees shall submit to EWURA initialed gas sales agreement before signing for approval.

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FIRST SCHEDULE

(Made under order 4)

APPROVED MARGINS FOR COMPRESSED NATURAL GAS (TZS/KG)

Type of CNG Facility	TZS/Kg
Mother Station	83
Online Station	634
Offline Station	669
Daughter Station – Industries	90

SECOND SCHEDULE

(Made under order 4)

APPROVED COMPRESSED NATURAL GAS CAP PRICES FOR SELECTED REGIONS/DISTRICTS
(TZS/KG)

Region / District	Online and Offline Station	Daughter Station - Industrial
Dar es Salaam	1,548	967
Kibaha	1,621	1,040
Mlandizi	1,668	1,086
Chalinze	1,775	1,194
Bagamoyo	1,692	1,111
Mkuranga	1,548	967
Kisarawe	1,611	1,030
Morogoro	1,950	1,368
Lindi	1,548	967
Mtwara	1,548	967

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JAMES A. MWAINYEKULE
Director General