

## Report on the state of Petroleum Retail Outlets in Thimphu Thromde/ Dzongkhag

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### A. Background:

The CCAA conducted inspection of Petroleum Retail Outlets (PROs) operating within Thimphu Dzongkhag from 24- 30 August, 2023. The objective of the inspection was to check their conformity and adherence to the following quality and safety parameters:

- Fuel quality (density & water content),
- Accuracy of fuel dispensed from nozzle,
- Display of Retail Selling Price (RSP) of fuel,
- Issuance of receipts (cash memo),
- Use of standards weights and measures, and
- Compliance to safety standards.

### B. Coverage:

The following PROs, operated by various distributors, were covered:

- Damchen Petroleum Distributor Private Limited (DPDPL), Changzamtog,
- Bhutan Oil Distributor (BOD), Motithang,
- Damchen Petroleum Distributor Private Limited (DPDPL), Simtokha,
- Bhutan Oil Distributor, Lungtenzampa,
- Druk Petroleum Corporation Limited (DPCL), Chubachu,
- STCBL, Ramtokto, and
- Druk Petroleum Corporation Limited (DPCL), Langdro

### C. Findings and Observation:

- The fuel density at all PROs were found within permissible range. As per standard used by the Department of Trade (DOT) the density of diesel and petrol (gasoline) should be within +/- 3 of the average density of 720 – 750 kg/m<sup>3</sup> and 810 – 845 kg/ m<sup>3</sup> respectively at 15 °C.
- The amount of water in the fuel also determines the quality of fuel. Water content in the fuel is measured by the height of water that settles at the bottom of the tank. The maximum allowable height is 8cm in any given tank. The water content of fuel at all PROs were well within the permissible limit.
- The volume of fuel dispensed through nozzles in all the PROs were found to be accurate. All were using measuring devices calibrated by the Bhutan Standards Bureau (BSB).

- All PROs are expected to have fire safety features in their premise, as prescribed in the Guidelines on Storage, Handling, and Dispensing at PROs. Fire extinguishers are required to be tested and maintenance carried out regularly in accordance with OISD-STD-142. All PROs had fire extinguishers in their premise. However, the fire extinguishers at (DPDPL), Semtokha, and BOD, Motithang had expired in terms of their validity. Further, the two fire extinguishers at DPDPL, Changzamtog and STCBL, Ramtokto did not have manufacture and expiry dates. All except the PRO (DPDPL) at Simtokha had installed the necessary dry sand buckets within the premises as is mandated by the aforementioned guideline.

#### **D. Action Taken:**

The following actions were taken to rectify the service delivery by the PROs:

- All PROs were made to drain out excess water from the reserve tanks to ensure water content does not cross the permissible limit.
- In accordance with the Guideline, the the PROs were directed to strictly adhere by the safety standard prescribed:
  - The PRO at Changzamtog and at Ramtotoko, were directed to rectify the labeling of fire extinguishers.
  - The PRO at Motithang (BOD) and at Simtokha (DPDPL) were directed to replace the fire extinguishers within one week.
  - PRO (DPDPL) at Changzamtog and Simtokha were directed to install four dry sand buckets within the premises.
- All PROs were advised to check and maintain daily density records to ensure fuel quality at all times.

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Consumer Protection and Competition Enforcement Division, CCAA

Date: September 19, 2023.