

Petroleum Retail Outlets in Thimphu

Consumer Protection & Competition Enforcement Division (CPCED), CCAA



1. Background

To ascertain fuel from the PROs are accurately dispensed, inspection was conducted during the first two weeks of August, 2024 of all PROs in Thimphu. The inspection also covered assessment of fuel quality (density and water content), validity of calibration for measuring and dispensing equipment, compliance to safety measures, display of prices and whether cash memos are being issued.

All the seven outlets (listed below) operating in Thromde and Dzongkhags were inspected.

- PRO (BOD), Lungtenzampa
- PRO (DPDPL), Semtokha
- PRO (DPDPL), Changzamtog
- PRO (DPCL), Chubachu

- PRO (DPCL), Langdro
- PRO (STCBL), Ramtokto
- PRO (BOD), Motithang

2. Findings & Observations

2.1. Pumps and nozzles (Accuracy of fuel dispensed)

- There was a total of 24 pumps [11 for Motor Spirit (MS), 13 for High-Speed Diesel (HSD)] at the seven PRO.
- Out of these, 7 pumps consisting of 17 nozzles were non-operational due to non-connection to the underground storage tank or technical issues.
- Of the 73 nozzles (from the 17 functional pumps), 8 nozzles were defunct, 11 were uncalibrated, 3 failed to meet the BSB tolerance level while the rest were fully functional and within the permissible range of 0.5% ($\pm 0.5\% = 25\text{ml}$) [Annexure 1].

2.2. Fuel Quality (Density and water content)

- The density of MS and HSD at all 7 PROs was within the permissible range ($\pm 3 \text{ kg/m}^3$).
- Water content in the storage tanks were all within maximum acceptable limit (8cm) at all PROs.

2.3. Calibration and Equipment

- Except for PRO (DPDPL) located at Semtokha, measuring devices such as hydrometers, thermometers and cylinders at all other PROs did not have valid calibrations.
- At PRO (DPCL) located at Langdro, the hydrometer was non-functional and the weighing balance to weight LPG cylinder was uncalibrated.
- The PRO (DPDPL) located at Changzamtog did not have a hydrometer. Further, the lid of the HSD underground tank was also missing.
- The 5L brass measuring jar at PRO (STCBL) located at Ramtokto was due for calibration.

2.4. Compliance to Safety Standards

- The Consumer Safety Board at PRO (DPDPL) at Changzamtog was faded and illegible.
- The fire extinguishers at PRO (DPDPL) at Changzamtog and PRO (DPCL) at Langdro were past expiration date; while the extinguisher at PRO (DPCL) at Chubachu was reaching expiration date.
- There was no back-up sand stock at PRO (DPDPL) located at Changzamtog

2.5. Display of Retail Selling Price of the Fuel and LPG and Issuance of cash memo

- All 7 PROs displayed Retail Selling Prices of fuels and LPG prominently at their premises.
- All PRO had pre-printed purchase receipt/ cash memo available for issuance upon customer demand.

3. Action Taken & Recommendations

- Sale of fuel from the failed nozzles at PRO (BOD) Motithang, PRO (DPDPL), Semtokha and PRO (STCBL) at Ramtokto were stopped immediately till they get it repaired and calibrated by the BSB.
 - PRO (DPCL), Chubachu, PRO (DPDPL), Semtokha and PRO (BOD), Motithang were directed to stop using uncalibrated nozzles, till they get it calibrated by the BSB.
 - All PROs that carried un-calibrated measuring devices (Hydrometers, Thermometers and Measuring cylinders) were directed to get them calibrated immediately.
 - PRO (DPCL) Langdro and PRO (DPDPL), Changzamtog were directed to replace hydrometers immediately.
 - PRO (DPDPL) at Changzamtog was directed to replace the Consumer Safety Board and ensure adequate stock of back-up sand.
 - PRO (DPCL), Langdro, PRO (DPDPL), Changzamtog and PRO (DPCL), Chubachu were directed to replace expired extinguishers immediately.
 - PRO (DPDPL) at Changzamtok was directed to replace the lid of HSD underground tank immediately.
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