CONTROLLING OFFICER'S REPLY

ENB034

(Question Serial No. 2239)

<u>Head</u>: (42) Electrical and Mechanical Services Department

Subhead (No. & title): Not Specified

Programme: (1) Energy Supply; Electrical, Gas and Nuclear Safety

<u>Controlling Officer</u>: Director of Electrical and Mechanical Services (Alfred W H SIT)

Director of Bureau: Secretary for the Environment

Question:

Regarding the filling stations for liquefied petroleum gas (LPG) vehicles, will the Electrical and Mechanical Services Department please inform this Committee of the following:

- 1. Details of the 3 LPG filling stations approved in 2019 (including their locations and number of filling nozzles);
- 2. Details of the 3 LPG filling stations planned to be approved in 2020 (including their locations, number of filling nozzles and date of commencement of operation);
- 3. While the Government has been increasing the number of LPG filling points, the 12 dedicated LPG filling stations are very popular among the LPG taxis and light buses trade because of their lower LPG prices. In order to divert the vehicles from the 12 dedicated LPG filling stations, will the Government explore whether the LPG prices at general petrol filling stations should be set with reference to those of dedicated LPG filling stations? If yes, what are the details? If no, what are the reasons?

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 38)

Reply:

1. The 3 non-dedicated LPG filling stations (non-dedicated stations) approved in 2019 are located at Kwai Chung and Sham Shui Po. Details are as follows:

Address	Number of Filling Nozzles
99 Castle Peak Road, Kwai Chung	6
698-704 Castle Peak Road, Kwai Chung	8
338 Tai Po Road, Sham Shui Po	4

2. The 3 non-dedicated stations planned to be approved in 2020 are located at Tuen Mun, Kowloon Bay and Pok Fu Lam. Details are as follows:

Address	Expected Number of Filling Nozzles	Expected Date of Commencement of Operation
San Tak Street, Area 30A, Tuen Mun	12	By mid-2020
6 Kai Fuk Road, Kowloon Bay (West Bound)	8	By mid-2021
Pokfulam Road (near Mount Davis Road)	8	By end 2020

3. Dedicated LPG filling stations (dedicated stations) were offered with land at zero premium. Under their operation contracts, the LPG ceiling prices are required to be set in accordance with the established formula stipulated in the contracts. The pricing formula was set with reference to two key elements, namely the LPG international price and operating cost. The LPG international price refers to the preceding month's LPG international price while the operating cost is adjusted on the first day of February every year based on the change in the Composite Consumer Price Index of the previous year. The dedicated stations follow this mechanism to set the LPG ceiling prices on a monthly basis.

The operators of the non-dedicated stations, who were awarded land grants through open tender, can set their own retail prices of auto-fuels, including LPG. They will in general consider a host of factors, including the LPG prices of dedicated stations, when setting their own LPG prices in order to maintain competitiveness.