

Examination of Estimates of Expenditure 2011-12
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

ENB045

Question Serial No.

1558

Head : 42 – Electrical and Mechanical Services Department
Subhead (No. & title):

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

Controlling Officer : Director of Electrical and Mechanical Services

Director of Bureau : Secretary for the Environment

Question : On the aspect of gas supply, there was a gas supply company pulled out of the central domestic liquefied petroleum gas (LPG) market in Hong Kong last year which affected the gas supply to some housing estates. Has the gas supply to these housing estates all been taken over by other supply companies? Was there a price increase as a result of this change?

Also, does the Administration have any measure to encourage more gas supply companies to operate and invest in Hong Kong? Has there been any additional resources involved?

Asked by : Hon. CHAN Hak-kan

Reply :

A gas supply company pulled out of the domestic liquefied petroleum gas (LPG) market in Hong Kong last year and ten housing estates were affected. We understand that the company has committed to maintain LPG supply to these housing estates during the transition. As at end February 2011, the LPG supply to four of the affected housing estates have already been taken over by new gas supply companies. Four more housing estates are to be taken over by new gas supply companies within the next six months. The remaining two housing estates are preparing to source new gas supply companies. The Administration has been monitoring the situation closely to ensure continuous LPG supply to the housing estates. As to the pricing of LPG supply, we understand that price adjustment of central LPG supply has been following an established mechanism. There has been no change to such mechanism due to the pulling out of a gas supply company from the market.

Any company with sufficient resources to carry out the business as a gas supply company in Hong Kong may apply to become a registered gas supply company. Last year, the Administration received two applications for becoming LPG supply companies and the applications are being processed. The Electrical and Mechanical Services Department will deploy existing resources to handle this task.

Signature



Name in block letters

Chan Hung-cheung, Stephen

Post Title

Director of Electrical and Mechanical Services

Date

14 March 2011