REPUBLIC OF KENYA

IN THE ENERGY AND PETROLEUM REGULATORY AUTHORITY

DISPUTE NO: EPRA/PEACP/CP/4/65921123/25

CHEV ENERGIES LIMITED...PLAINTIFF

VERSUS

GASLINE SOLUTIONS LIMITED...RESPONDENT

DETERMINATION

A. BACKGROUND

1. The matter between Chev Energies Limited (Plaintiff) and Gasline Solutions Limited (Respondent) was first reported to the Authority as a Complaint via a letter dated 13th November 2025 from Chev Energies Limited and a letter dated 18th November, 2025 from Gasline Solutions Limited.
2. In a letter dated 4th December 2025, the Authority informed the parties, that the dispute would be heard and determined in accordance with the Provisions of the Energy (Complaints and Dispute Resolution) Regulations, 2012.
3. The Authority consequently advised the parties to file their responses, supporting documents and submissions via letter dated 11th December 2025.
4. The dispute relates to alleged illegal rebranding and unauthorized possession of Power Gas-branded LPG cylinders by Gasline Solutions Limited.

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B. PLAINTIFF'S CASE

5. The Plaintiff in its letter dated 13th November, 2025 claims unauthorized possession of 'Power Gas' LPG cylinders and illegal rebranding of their said cylinders to "Hashi Gas" by the Respondent herein.
6. The Plaintiff avers that it is a duly licensed LPG marketer and distributor operating under the registered trademark "Power Gas." He claims trademark infringement under the Trademarks Act (Cap. 506) which attracts criminal liability under the Penal Code and enforceable administratively by the Authority and through prosecution.
7. The Plaintiff admits that the Respondent was previously an authorized dealer of 'Power Gas' cylinders under a letter of authorization dated 29th July 2021 and expiring on the 29th July, 2022.
8. The Plaintiff states that after several confirmed cases of illegal refilling and rebranding, it proceeded to revoke the Respondent's authorization through a withdrawal letter dated 9th March, 2022 which in essence, revoked the authorization before its expiry and prohibited any further dealings in Power Gas cylinders.
9. The Plaintiff submitted that following the withdrawal, all Power Gas cylinders declared and presented by the Respondent were recollected and were fully reimbursed **Kshs. 28,495** via M-Pesa. They specified that the cylinders collected included;
    a) Twelve (12)- 6 kg cylinders (filled)
    b) One (1)- 13 kg cylinder (filled)
    c) One (1)- 3kg cylinder (empty)
10. The Plaintiff argued that the Respondent's claim that they failed to collect the Power Gas LPG cylinders in its possession was false.
11. The Plaintiff further argued that their sales records showed that only **35 pieces** of 6 kg Power Gas cylinders had been sold to the Respondent during the entire authorized dealership period.

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12. The Plaintiff avers that during an inspection conducted on the 25th October 2025, the Authority recovered 598 pieces of 6-kg cylinders, 45 pieces of 13-kg cylinders, and 3 pieces of 3-kg cylinders from the Respondent's facility.
13. The Plaintiff argued that the significant variance could not be accounted for by lawful trade. They contended that it demonstrated the Respondent's continued dealings with Power Gas cylinders after the revocation of authorization and suggested systematic hoarding, diversion, and potential illegal rebranding of their LPG cylinders.
14. The Plaintiff asserts that the Respondent did not communicate and/or declare possession of additional Power Gas cylinders beyond those submitted in March 2022.
15. The Plaintiff further asserts that on the 25th October 2025, a joint inspection involving the Directorate of Criminal Investigations (DCI) and the Authority officials confirmed that at least **61 six-kilogram** Power Gas cylinders had been illegally rebranded to "Hashi Gas."
16. The Plaintiff avers that the matter was formally reported at Webuye Police Station and the subject cylinders were detained at the said station as exhibits under **OB Number 68/24/10/2025.**
17. The Plaintiff's prayers as per the complaint letter dated 13th November, 2025 and final written submissions dated 9th January, 2026 are as follows;
    a) That the Authority takes administrative action against the Respondent in accordance with the relevant LPG Regulations.
    b) That the Authority supports the ongoing criminal proceedings by providing technical evidence and regulatory interpretation to aid investigations.
    c) That the Authority finds that the Respondent violated the LPG Regulations.
    d) That the exhibits (Power Gas cylinders) held at Webuye Police Station be returned to the Plaintiff at no extra cost.

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C. RESPONDENT'S CASE

18. The Respondent formally wrote a letter to the Authority dated 18th November, 2025 reporting a raid that was conducted at its premises by DCI Officers in Webuye accompanied by the Plaintiff's Director.
19. The Respondent confirms that it is a duly registered wholesale company, licensed by the Authority under license number [redacted] and authorized to handle Men Gas, Pro Gas, Hashi Gas, Supa Gas, Top Gas, Afri Gas, Mpishi Gas, Total Gas and Stabex cylinders.
20. The Respondent firmly asserts that the Company had no involvement in the alleged theft, unlawful acquisition, or handling of the Plaintiff's LPG cylinders. They further deny rebranding, tampering and/or dealing with the alleged stolen LPG cylinders.
21. The Respondent claims that on the 25th October 2025, they were ambushed without their knowledge and without notice and argued that if any rebranding was being done, then the raiding officers would have found them doing so during the raid.
22. The Respondent further claims that the Plaintiff's Director was aware that they were planning for the Power Gas LPG cylinders to be surrendered as per the Regulations and found it disturbing and unbelievable that the said Director would later claim that the cylinders were stolen from their facility.
23. The Respondent clarified that the 39 filled gas cylinders and 22 empty cylinders branded 'Hashi Gas', had been lawfully collected from the market. They maintained that the said cylinders had been legally filled by Topline Traders and were being returned from the market and described the allegations as incorrect and unsubstantiated.
24. The Respondent denies the alleged illegal possession, unauthorized rebranding, tampering, or mishandling of the subject LPG cylinders. They emphasized that all their operations had been conducted in compliance with the Energy (Liquefied Petroleum Gas) Regulations, 2019, the Energy Act, Cap 314 and EPRA licensing requirements including all applicable laws governing LPG operations in Kenya.

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25. The Respondent stated that they disagreed with the inspection findings and claims of stolen items, arguing that the allegations were neither independently verified nor formally communicated to them.
26. The Respondent further argued that although they allowed the inspection team on their premises in good faith, they were denied an opportunity to participate in the inspection process which they believed should have been conducted fairly and transparently.
27. The Respondent disputed the allegations that they failed to declare possession of additional LPG cylinders, arguing that the Plaintiff had also never requested for an inventory update nor engaged in consultations after withdrawal of authorization.
28. The Respondent claims that the raid/inspection at their premises raised serious concerns regarding professionalism, conflict of interest and the integrity of the process and equally reported the matter to Kitale Police Station, under **OB number 20/28/10/2025 at 0957hrs.**
29. The Respondent's prayers as per their letter dated 18th November, 2025 and formal response dated 9th January, 2026 are as follows;
    a) That the Plaintiff provides proof of the alleged illegal rebranding of the sixty-one (61) 'Hashi Gas' LPG cylinders.
    b) That the Plaintiff be directed to provide CCTV footage on the stolen cylinders.
    c) That the Plaintiff be ordered to refund the cylinder deposits and return the 61 'Hashi Gas' LPG cylinders together with the gas therein.

D. DISPUTE RESOLUTION PROCESS

30. The matter between the Plaintiff and the Respondent was first reported to the Authority as a Complaint via a letter dated 13th November 2025 from the Plaintiff and a letter dated 18th November 2025 from the Respondent.
31. In a letter dated 4th December 2025, the Authority formally informed the parties that the dispute between them would be heard and determined in accordance with the Energy (Complaints and Dispute Resolution) Regulations, 2012.

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32. The Authority subsequently advised the Parties to file their responses and supporting documents via a letter dated 11th December 2025.

33. The Plaintiff and the Respondent filed their formal responses and submissions, both dated 9th January 2026.

34. The Respondent filed a rejoinder on 15th January 2026, while the Plaintiff submitted a rebuttal and further response on 14th January 2026.

35. The Authority invited the parties for a virtual hearing on 20th January 2026 via a letter dated 13th January 2026.

36. During the above-mentioned hearing, the parties were given an opportunity to orally present their case and file further supporting documents.

E. ISSUES FOR DETERMINATION

37. Based on the facts and the evidence presented by the parties, the Authority finds that the following issues arise for determination;

a) **Whether the Respondent engaged in unlawful handling or illegal trading of Power Gas LPG cylinders.**

b) **Whether the Respondent unlawfully rebranded Power Gas LPG cylinders as "Hashi Gas".**

c) **Whether the Plaintiff is entitled to the return of the Power Gas and Hashi Gas LPG cylinders found at the Respondent's premises.**

d) **Whether the Respondent is entitled to a refund of the cylinder deposit in respect of Power Gas LPG cylinders.**

e) **Whether the Respondent is entitled to the return of Hashi LPG cylinders found at the Respondent's premises.**

F. ANALYSIS OF THE DISPUTE

a) Whether the Respondent engaged in unlawful handling or illegal trading of Power Gas LPG cylinders.

38. The Plaintiff alleges in its complaint letter dated 13th November 2025, that during the raid conducted at the Respondent's premises with the assistance of the (DCI) Webuye, the Respondent was found in possession of Power Gas LPG cylinders without valid authorization issued by the Plaintiff.
39. The Plaintiff further avers that a total of Six Hundred and Forty-Six (646) Power Gas LPG cylinders were recovered from the Respondent's premises as follows:
    a) 6 kg cylinders – 598 (empty)
    b) 13 kg cylinders – 45 (empty)
    c) 3 kg cylinders – 3 (empty)
40. Additionally, in its final written submissions dated 9th January 2026, the Plaintiff confirms that the Respondent was previously an authorized dealer of Power Gas LPG cylinders pursuant to a letter of authorization dated 29th July 2021, which was valid until 29th July 2022.
41. The Plaintiff avers that it subsequently issued the Respondent with a withdrawal letter dated 9th March 2022, which revoked the authorization prior to its expiry and prohibited the Respondent from any further dealing in Power Gas LPG cylinders.
42. The Plaintiff further alleges that the Respondent continued to engage in illegal dealings involving Power Gas LPG cylinders after the revocation and withdrawal of the authorization.
43. During the hearing of this dispute on the 20th January 2026, the Plaintiff through its representatives, informed the panel members that approximately 2,000 *'Power Gas'* branded LPG cylinders were stolen from its premises on the 24th November 2025, and slightly over 600 cylinders were traced to the Respondent's premises.
44. The Respondent does not dispute receipt of the withdrawal letter but claims to have verbally requested the Plaintiff to collect the Power Gas LPG cylinders from its premises. The Respondent, however, failed to provide the Authority with any

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evidence to substantiate that such communication occurred after the withdrawal of authorization.

45. Additionally, the Authority notes that as the brand owner, the Plaintiff did not equally provide evidence of any formal demand or follow-up communication requiring the Respondent to surrender and/or deliver all LPG cylinders in its possession following the withdrawal of authorization.

46. The Authority further notes that all the Six Hundred and Forty-Six (646) 'Power Gas' LPG cylinders recovered from the Respondent's premises were empty and no evidence was presented to show that the Respondent refilled, distributed, or offered the cylinders for sale after the withdrawal of authorization.

47. The Plaintiff's admission during the hearing that no CCTV footage was available to identify the persons responsible for the alleged theft, and the claim that their CCTV recorder was destroyed, weakens the evidentiary basis of the allegation. This information was not contained in the Plaintiff's documents and the Authority believes that the same was an afterthought on the part of the Plaintiff.

48. It is not in dispute that a business relationship previously existed between the Plaintiff and the Respondent. This is evidenced by the authorization letter issued on 29th July 2021, which authorized the Respondent to retail Power Gas branded LPG cylinders.

49. The Authority also considers the allegation that some of the Power Gas LPG cylinders recovered from the Respondent's premises formed part of a batch of cylinders allegedly stolen from the Plaintiff's premises on 24th November 2025.

50. During the hearing of this dispute on the 20th January 2026, when the panel inquired whether the Plaintiff had records of the serial numbers for the LPG cylinders allegedly stolen from their facility, the Plaintiff admitted that the records were not available. This highlights a gap in the Plaintiff's record-keeping and raising doubts as to whether the alleged theft actually occurred.

51. In the case of **Nairobi H.C Election Petition No. 10 of 2008- William Kabogo Gitau -vs- George Thuo & 2 Others,** the Honourable Justice L. Kimaru states as follows;

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"In ordinary civil cases a case may be determined in favour of a party who persuades the court that the allegations he has pleaded in his case are more likely than not to be what took place. In percentage terms, a party who is able to establish his case to a percentage of 51% as opposed to 49% of the opposing party, is said to have established his case on a balance of probabilities. He has established that it is probable than not that the allegations that he made occurred."

52. Accordingly, on a balance of probabilities the Authority finds that although the Respondent remained in possession of Power Gas LPG cylinders after the withdrawal of authorization, the evidence placed before the Authority does not demonstrate that the Respondent refilled, distributed, sold, or otherwise commercially dealt in the said cylinders after the withdrawal of authorization by the Plaintiff.
53. Consequently, the Authority finds that the Respondent did not engage in unlawful handling or illegal trading with Power Gas LPG cylinders belonging to the Plaintiff.

b) Whether the Respondent unlawfully rebranded Power Gas LPG cylinders as "Hashi Gas".

54. The Plaintiff alleges that the Respondent unlawfully rebranded Sixty-One (61) Power Gas LPG cylinders as "Hashi Gas," contrary to the applicable legal and regulatory framework governing LPG cylinder ownership and branding.
55. The Plaintiff avers that he reported the matter to Webuye Police Station where he obtained an OB number 68/24/10/2025 and informed the panel that the case is still under investigation with the LPG cylinders under the Custody of the Webuye Police Station.
56. The Respondent in its rejoinder dated 15th January, 2026 denies the allegations by the Plaintiff that it illegally rebranding Sixty-one (61) Power Gas cylinders as "Hashi Gas".

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57. It is the Respondent's position that the said allegation is unsupported by technical evidence noting that no technical verification or forensic examination has been conducted to establish illegal rebranding.

58. During the hearing of this dispute on the 20th January, 2026 the Plaintiff confirmed that he did not witness the Respondent conducting the actual rebranding of Power Gas Cylinders to Hashi Gas. Additionally, the Plaintiff has not shared with the Authority any evidence to confirm the allegation of rebranding of the power gas cylinders to Hashi Gas.

59. Upon consideration of the material placed before the Authority, no photographic, forensic, or expert evidence was adduced to demonstrate that the Respondent physically altered, repainted, or rebranded the Power Gas LPG cylinders to "Hashi Gas".

60. In light of the above, the Authority finds that the Plaintiff has not placed before the Authority sufficient evidence to confirm that the Respondent illegally rebranded sixty-one (61) Power Gas LPG cylinders to "Hashi Gas".

c) Whether the Plaintiff is entitled to the return of the Power Gas and Hashi Gas LPG cylinders found at the Respondent's premises.

61. The Plaintiff in its final written submissions dated 9th January, 2026 at page 4, is seeking that the exhibits (Power Gas Cylinders) currently being held at Webuye Police Station be returned to the Plaintiff at no extra cost.

62. During the hearing on the 20th January 2026, the Respondent through its Director, stated that he was not aware of any rebranding of the sixty-one (61) LPG cylinders and indicated that, upon removal of external safety stickers during the inspection, the cylinders were observed to bear "Power Gas" embossing on the cylinder body.

63. The Respondent claims entitlement to a refund of cylinder deposits in respect of the Power Gas LPG cylinders found at its premises.

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64. It is not in dispute that Six Hundred & Forty-Six (646) cylinders recovered at the Respondent's premises are "Power Gas Cylinders" and belonging to the Plaintiff herein.

65. In light of the foregoing and noting that ownership of Power Gas LPG cylinders vests in the Plaintiff, the Authority finds that the Plaintiff is entitled to the return of the Power Gas LPG cylinders found at the Respondent's premises, subject to return of the cylinder deposit.

66. **Regulation 37 (5)** of the Petroleum (Liquefied Petroleum Gas) (No.2) Regulations, 2025 states as follows;

"The cylinder deposit reimbursable for the permanent return of liquid petroleum gas cylinder to the brand owner or agent, shall in all cases be of the amount stated in the Sixth Schedule".

67. Therefore, in calculating the cylinder deposit payable by the Plaintiff to the Respondent, the Authority shall be guided by the sixth schedule of the Petroleum (Liquefied Petroleum Gas) (No.2) Regulations, 2025 outlined as follows;

CYLINDER CAPACITY	REFUNDABLE DEPOSIT
0.5 Kilogram	Kshs. 200
1 Kilogram	Kshs. 400
3 Kilogram	Kshs. 900
6 Kilogram	Kshs. 1,500
13 Kilogram	Kshs. 2,000

68. **Regulation 37 (3)** of the Petroleum (Liquefied Petroleum Gas) (No.2) Regulations, 2025 states as follows;

"The brand owner or his authorized distributor shall reimburse to the final consumer the amount of cylinder deposit stated in the Sixth Schedule for the permanent restitution of a portable cylinder delivered by such final consumer whether or not the person is in possession of a receipt".

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69. The Petroleum Act, Cap 308 defines a consumer as follows;

"Consumer' means any person who is supplied or entitled to be supplied with petroleum"

70. In the circumstances of this dispute, and strictly for purposes of the reimbursement of cylinder deposits under **Regulation 37(3)** of the Petroleum (Liquefied Petroleum Gas) (No. 2) Regulations, 2025, the Respondent, having previously been supplied with Power Gas LPG cylinders within a valid commercial relationship, falls within the statutory meaning of a consumer for purposes of restitution of cylinder deposits upon permanent return of the cylinders.

71. Consequently, the Authority finds that the total cylinder deposit payable to the Respondent for Power Gas LPG cylinders is **<u>Kshs. 989, 700</u>** broken down as follows;

NO	BRAND	CAPACITY	REFUNDABLE DEPOSIT	QUANTITY	TOTAL (KSHS)
1.	Power Gas	3 Kgs	Kshs. 900	3	Kshs. 2,700
2.	Power Gas	6 Kgs	Kshs. 1,500	598	Kshs. 897,000
3.	Power Gas	13 Kgs	Kshs. 2,000	45	Kshs. 90,000
				TOTAL	**Kshs. 989, 700**

72. The Authority further notes that the Respondent retained Power Gas LPG cylinders beyond the authorized period, thereby occasioning undue delay, and failed to maintain proper records of all LPG cylinder purchases in its possession. During the hearing of the dispute, the Respondent alleged that all relevant receipts were destroyed in a fire; however, no documentary or other credible evidence was tendered to substantiate this claim.

73. Additionally, the Respondent failed to provide any letters or emails evidencing communication with the Plaintiff advising them to collect the subject LPG cylinders contrary to **Specific Condition number 3** of their storage & wholesale of LPG in cylinders ([redacted]) which states as follows;

*"The licensee **<u>shall</u>** maintain records of all LPG cylinders purchased and shall be availed for inspection upon demand"*

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74. In light of the above, the Authority finds that the Respondent contravened specific condition number 3 of its storage & wholesale license ([redacted] and is hereby formally **CAUTIONED** for the said breach in accordance with the Authority's internal administrative procedures. The Respondent is further warned that any future violations will attract stricter sanctions, including fines and possible license suspension or revocation.

75. Pursuant to Section 81(5) of the Petroleum Act, Cap 308, this warning, does not indemnify the Respondent against any penalties to which it may become liable under the Law.

d) Whether the Respondent is entitled to the return of the Hashi LPG cylinders found at the Respondent's premises.

76. The Respondent in their letter dated 18th November, 2025 asserts ownership of the 'Hashi Gas' LPG cylinders found at its premises and seeks their return together with the gas contained therein.

77. The Plaintiff, on the other hand, maintains that the Sixty-One (61) LPG cylinders alleged to be 'Hashi Gas' cylinders are in fact 'Power Gas' LPG cylinders that had been illegally rebranded.

78. During the hearing of this dispute, the Respondent confirmed that upon removal of the safety stickers, the Sixty-One (61) LPG cylinders bore "Power Gas" embossing on the cylinder body.

79. The Authority notes that the allegation of illegal rebranding implicates the proprietary interests of two brand owners, namely **'Power Gas'** and **'Hashi Gas'**.

80. Considering that **'Hashi Gas'** is not a party in this dispute, and that the alleged rebranding implicates potential criminal liability under the relevant regulatory framework, the Authority is constrained from making a determination on ownership or entitlement to the Sixty-one (61) LPG cylinders at this stage.

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81. The Authority therefore finds that the proper course, is to maintain the custody of the Sixty-One (61) LPG cylinders with the Police at Webuye Police Station pending the outcome of ongoing investigations and any subsequent criminal proceedings.

G. FINAL DETERMINATION

82. The Authority has considered the Plaintiff's and the Respondent's case and hereby makes the following determination;
    a) That the Respondent did not engage in unlawful handling or illegal trading of "Power Gas" LPG cylinders.
    b) That the Plaintiff has not placed before the Authority sufficient evidence to demonstrate that the Respondent illegally rebranded sixty-one (61) Power Gas LPG cylinders to "Hashi Gas".
    c) That the Plaintiff is entitled to the return of the **Six Hundred & Forty-Six (646)** "Power Gas" LPG cylinders found at the Respondent's premises subject to payment of cylinder deposits to the Respondent.
    d) That the Plaintiff is hereby directed to refund the Respondent, cylinder deposits amounting to **Kshs. 989, 700** for the Six Hundred & Forty-Six (646) "Power Gas" LPG cylinders.
    e) That the Plaintiff shall take possession of the Six Hundred & Forty-Six (646) Power Gas LPG cylinders upon full refund of the aforementioned cylinder deposits.
    f) That the Respondent is hereby **CAUTIONED** that any future contravention of the terms and conditions of license number [redacted], the Energy Act, Cap 314 and the Petroleum Act, Cap 308 will attract appropriate legal and/or disciplinary action by the Authority.
    g) That the **Sixty-One (61)** LPG cylinders allegedly rebranded as **"Hashi Gas"** be held at Webuye Police Station, pending the outcome of the ongoing investigations and subsequent criminal proceedings.
    h) That each party is hereby directed to bear their own costs.

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i) That this determination is final and binding upon both parties.

j) That the parties are at liberty to exercise their right of appeal to this decision at the Energy and Petroleum Tribunal pursuant to the provisions of the Energy Act, Cap 314, Laws of Kenya.

DATED AT NAIROBI THIS 2nd **DAY OF** FEBRUARY **2026**

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DANIEL KIPTOO BARGORIA, MBS, OGW

DIRECTOR GENERAL