



# **GUIDLINES ON LICENSING LPG CYLINDERS SMART METER TECHNOLOGY PROVIDERS**

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## Citation

These Regulations may be cited as the Guidelines on Licensing LPG Cylinders Smart Meter Technology Providers, 2025.

## Definition of Terms

In these guidelines, unless the context otherwise requires, the following words shall have the meaning as defined:

"Approved person"	Has the same meaning assigned to it in the Occupational Safety and Health Act (Cap.514)
"Authorised Distributor"	means a person licensed by the Authority to Wholesale LPG in Cylinders and has been appointed by a brand owner as his agent.
"Authority"	means the Energy and Petroleum Regulatory Authority established under Section 9 of the Energy Act;
"brand caretaker"	means a licensee appointed by the Authority to operate the cylinders of a distressed brand owner;
"brand owner"	means a person who is the registered owner of a cylinder;
"consumer"	has the meaning assigned to it in the Act.
"Energy Act"	means the Energy Act 2019;
"Kenya Standard"	means the specification or code of practice provided under the Standards Act;
"licensee"	means a person who is a holder of a licence issued under these Regulations;
"liquefied petroleum gas or LPG"	means has the meaning assigned to it in the Act;
"NITA"	means the National Industrial Training Authority;
"Online portal"	Means a web-based platform developed by the authority for the purpose of providing access for licencees to submit data and apply for licences and permit
"Petroleum Act"	means the Petroleum Act No. 2 of 2019
"Smart meter"	A volumetric measurement apparatus that has inbuilt logic, memory and wireless communication capabilities

### **List of Acronyms**

BETA	Bottom-Up Economic Transformation Agenda
EHS	Environmental Health And Safety
EPRA	Energy and Petroleum Regulatory Authority
GPS	Global Positioning System
KEBS	Kenya Bureau of Standards
LPG	Liquefied petroleum gas

## **1 Introduction**

In an era characterized by technological advancement and increasing emphasis on customer convenience, safety and efficiency, the integration of smart technologies with traditional fuel sources has gained significant traction especially in the Kenya market. At the forefront of these advancements is the LPG cylinder smart meter technology, an innovation designed to give the customer greater purchase convenience, augment safety, optimize usage, and revolutionize the management and monitoring of LPG.

The current government administration's Bottom-Up Economic Transformation Plan 2022-2027 (also known as the Bottom-Up Economic Transformation Agenda (BETA), envisages to enhance LPG penetration and increase LPG per capita consumption from the current 7.5 kg per year to 15 kg per year. The affordability of LPG as a fuel in household is key to achieve this strategic objective.

The sale of LPG through the LPG cylinder smart meter model was first introduced in Kenya in 2019. The adoption of the technology has since been recommendable with several companies exploring the market feasibility through proof of concept approval from the Authority. The feedback on the uptake of the technology has been positive necessitating the development of a framework to facilitate the operation and full adoption of the technology. This framework guides the licensing of sale of LPG through the LPG smart meter model, consumer protection considerations, smart meter safety and environmental health and safety (EHS) requirements.

## **2 Purpose**

The purpose of this guideline is;

- a) To enhance the adoption of sale of LPG through the LPG cylinder smart meter model;
- b) To enhance safe use of LPG by promoting adoption of relevant Kenya Standards in the LPG value chain;

- c) To facilitate collection of energy data as provided for in Section 10 of the Energy Act, 2019; and
- d) To incorporate environmental health and safety (EHS) measures in the smart meter LPG distribution chain.

### **3 Scope**

These guidelines shall apply to sale of LPG through the LPG cylinder smart meters and investors, consumers and stakeholders.

### **4 Guidelines**

#### **4.1 Sale of LPG in cylinders through the Smart Meter Model**

- 1. A person intending to sale LPG in cylinders through the smart meter model shall make an application for a licence to the Authority in the prescribed manner.
- 2. The application in (1) above shall be submitted electronically together with the documents specified in the Appendix II, such additional documentation as the Authority may require.

#### **4.2 Licence Renewal**

- 3. An application for renewal of an operation licence shall be made at least thirty days prior to the expiry of the licence.
- 4. The application in (7) shall be submitted together with the documents set out in the Appendix II.

#### **4.3 LPG Cylinder Smart Meter**

- 5. The brand owner shall ensure that the smart meter installed on a cylinder shall;
  - i. Have a type approval from the KEBS;
  - ii. Have a meter screen or other display available to the consumer to display the credit and/or mass balance;
  - iii. Have a gas shut-off valve that is rated for LPG and is suitable for use in Zone 2 hazardous areas according to KS IEC 60079-10-1 or any other applicable standard as guided by Kenya Bureau of Standards;

- iv. Have a battery that is used in accordance with the requirements of the Atex regulations for Zone 2 explosion proof equipment by the intrinsic safety protection method;
  - v. Be designed and certified by an accredited third party for use in Zone 2 hazardous areas in accordance with KS IEC 60079-10-1 or any other applicable standard as guided by Kenya Bureau of Standards;
  - vi. Calibrated within the period specified by the manufacturer. The calibration shall be done by use of the manufacturers' calibration testing procedures;
  - vii. Meet the meter requirements as per the KS 2968: 2022 (*Meter for dispensing liquefied petroleum gas (LPG) from cylinder — Specification or any other applicable standard as guided by Kenya Bureau of Standards*);
  - viii. Have power supply other than batteries that complies with applicable safety requirements.;
  - ix. Be designed with environmental protection measures to minimize emissions and enhance safe disposal of waste components; and
  - x. Be Global Positioning System (GPS) enabled
6. The liability of the smart meter shall be on the cylinder brand owner.

#### **4.4 Brand owner obligations to end user;**

7. The brand owner shall;
- i. Ensure the LPG cylinders, smart meters, and any associated equipment (such as regulators and valves) meet the requisite safety standards as guided by KEBS.
  - ii. Ensure that the end user has full disclosure of the price build including the Unit price of LPG product, Unit price of capital items amortized and included as part of product cost, Transport costs, Applicable taxes and levies per unit; and Discounts if any.
  - iii. Ensure the end user has access to pricing mechanism when and as requested with clear pricing and accessible information on the quantity dispensed and associated charges, facilitated by smart meter data and an invoicing system.
  - iv. Ensure that the customer service charter is made readily available and accessible to all end users. Customer service charter shall address among others;
    - a) Timely Response to Inquiries
    - b) Accessible Communication Channels
    - c) Transparency of Information
    - d) Resolution of complaints

e) Customer Feedback Mechanism

**4.5 Accidents/incidents reporting and investigation**

8. A licensee shall within forty-eight (48) hours notify the Authority in writing of any accident causing: -
  - i. loss of life or personal injury;
  - ii. damage to property or the environment; or
  - iii. an explosion, spill or fire
9. The information to be submitted to the Authority in notification above shall include the following: -
  - i. name of the owner and premises involved;
  - ii. date and time of the incident or accident;
  - iii. location and geographical spread of the incident or accident;
  - iv. number of injuries and/or fatalities if any;
  - v. scale of environmental damage if any;
  - vi. own- and third-party property damage if any; and
  - vii. description of events leading to and the most probable cause of the incident and accident.
10. The Authority may commission its own investigation.

**4.6 Information on Liquefied Petroleum Gas (LPG)**

11. A licensee shall submit to the Authority the pricing model as and when the Authority may request.
12. A licensee shall submit to the Authority the following information in the form and manner prescribed by the Authority by the tenth (10th) day of the month: -
  - i. quantity and unit cost of LPG smart meters imported or procured locally in a calendar quarter;
  - ii. quantity of LPG sales in cylinders for each calendar month; and
  - iii. any other information as may be prescribed by the Authority.
13. The form for submission of above statistics is provided in appendix I.

**4.7 Environment, Health and Safety (EHS)**



14. Licensees shall comply with all environmental, health, and safety regulations to prevent harm to individuals and the environment.
15. Proper disposal of LPG-related waste and hazardous materials is mandatory.
16. Measures shall be in place to prevent LPG leaks, spills, and air pollution.
17. Workers must be provided with appropriate protective equipment and safety training.
18. Emergency response plans must be in place for incidents such as gas leaks or fires.
19. Compliance with the Environmental Management and Coordination Act (EMCA) and occupational health regulations is required.
20. Regular EHS audits and risk assessments shall be conducted to ensure continued compliance.

#### **4.8 Filling of liquefied petroleum gas**

The filling of LPG cylinders intended for sale through the smart meter model must comply with the requirements set forth in the Petroleum (Liquefied Petroleum Gas) Regulations, 2019, as well as any future amendments or reviews to these regulations.

#### **5 Complaints and Dispute Resolution**

Any complaints involving or between; licensees, brand owner, consumers and other relevant entities shall as far as possible be solved amicably. In case the involved parties do not reach an amicable solution, the complaint shall be escalated to the Authority.

#### **6 Register of Licencees and Projects**

The Authority shall maintain and publish on its website a register of approved licensees under this framework.

#### **7 Transition**

A person engaged in sale of LPG in cylinder through the smart meter model business before publication of this framework shall be required to comply within one year of publication.

#### **8 Review**

This framework shall be reviewed every three years from the date of publication or on need basis.

## Appendices

### Appendix I: Forms for licence application and statistics reporting

#### A. Form I: Application form for sale of LPG in cylinder through the smart meter model

*(A separate application form must be completed in respect of each separate business establishment)*

1. Application Type: *(tick as appropriate)*
  - a. ☐ New Application
  - b. ☐ Renewal Application
2. Name of business/applicant: \_\_\_\_\_
3. Details of applicant
  - (a) Income Tax Person & Identification  
Number(s): \_\_\_\_\_
  - (b) Business/applicant KRA pin: \_\_\_\_\_
  - (c) Postal address: \_\_\_\_\_
  - (d) Email Address: \_\_\_\_\_
  - (e) Telephone/Mobile Number: \_\_\_\_\_
  - (f) Business registration details (Date of Registration, Registration Number) \_\_\_\_\_
  - (g) Proposed location of the business premises:
    - i. Plot No: \_\_\_\_\_
    - ii. Building Name: \_\_\_\_\_
    - iii. Street/Market: \_\_\_\_\_
    - iv. Town/District: \_\_\_\_\_
    - v. County: \_\_\_\_\_
4. Location: -Longitude: \_\_\_\_\_ Latitude: \_\_\_\_\_
5. Details of proprietors or partners owning business or directors/shareholders of the company, as the case may be:

Name No.	Nationality	No of shares	Passport/ ID
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

*(Any additional information should be submitted on a separate sheet of paper)*

6. Attach the certified copies of documents as per set criteria for the Licence as application set in this guidelines

## B. Form II: LPG statistics reporting form

FORM 6: LPG STATISTICS REPORT				
<i>To be completed for each LPG import during the reporting period</i>				
1.	Cylinder Brand			
2.	Total No. of New Cylinders introduced into the market	Size_____ No._____		
	i.	Locally manufactured	Size_____No._____	Size____Unit cost (Kshs)____
	ii.	Imported	Size____No._____	Size____Unit cost (Kshs)____
3.	Total No. of New smart meters introduced to the market			
	iii.	Locally sourced	No._____	Unit cost (Kshs)____
	iv.	Imported	No._____	Unit cost (Kshs)____
4.	Total LPG Sales in Cylinders	Quantity (Mt)_____		

\*All new smart meters introduced to the market data must be accompanied by;

- i. A valid calibration certificate for the smart meter(s) from the Department of Weights and Measures;
- ii. ATEX certification for the smart meter;
- iii. Certificate of conformity to KS2968: 2022: - meter for dispensing liquefied petroleum gas (LPG) from cylinder — Specification

## **Appendix II: Requirements for licence application**

### **A. Retail of LPG in Cylinders Via Smart Meters-New application**

1. Certificate of Incorporation / Business Registration Certificate;
2. CR12 from the Registrar of companies (should not be older than 1 year at the time of submission of the application. Further, if a Limited company appears as part of the shareholders, provide the company's CR12 plus all the Directors' IDs);
3. Legible Copies of Identification Documents (IDs/Passports for all the directors);
4. Valid Work Permits Class "G" or "D" for all foreign directors working in Kenya (Foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given Powers of Attorney by a foreign director should provide a copy of their identification document);
5. A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority;
6. A valid Single Business Permit for the premises of operation from the respective County Government;
7. Proof of ownership of at least 5,000 cylinders of either 0.5,1,3,6 or 13kg or a written authority for distributorship of a particular brand from a licensed LPG cylinder brand owner;
8. A valid Fire Clearance Certificate for the premises from the respective County Government;
9. A valid calibration certificate for the smart meter from the Department of Weights and Measures or any firm accredited by the Kenya Accreditation Service (KENAS) to perform calibration of smart meters;
10. ATEX certification for the smart meter;
11. Certificate of conformity to KS2968: 2022: - meter for dispensing liquefied petroleum gas (LPG) from cylinder — Specification;
12. Customer service charter; and
13. Customer complaints handling procedure.

### **B. Retail of LPG in Cylinders Via Smart Meters-Renewal application**

1. CR12 from the Registrar of companies (should not be older than 1 year at the time of submission of the application. Further, if a Limited company appears as part of the shareholders, provide the company's CR12 plus all the Directors' IDs);
2. Legible Copies of Identification Documents (IDs/Passports for all the directors);

3. Valid Work Permits Class “G” or “D” for all foreign directors working in Kenya (Foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given Powers of Attorney by a foreign director should provide a copy of their identification document);
4. A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority;
5. A valid Single Business Permit for the premises of operation from the respective County Government;
6. Proof of ownership of at least 5,000 cylinders of either 0.5,1,3,6 or 13kg or a written authority for distributorship of a particular brand from a licensed LPG cylinder brand owner;
7. A valid Fire Clearance Certificate for the premises from the respective County Government;
8. Valid calibration certificate for the smart meter from the Department of Weights and Measures;
9. Customer service charter; and
10. Customer complaints handling procedure.