

PUBLIC NOTICE ON THE IMPLEMENTATION PLAN FOR THE COST OF SERVICE STUDY IN THE SUPPLY OF PETROLEUM PRODUCTS(COSSOP) IN KENYA AND THE KENYA PIPELINE COMPANY(KPC) FUEL TARRIF STAKEHOLDER CONSULTATION WORKSHOPS

The Energy and Petroleum Regulatory Authority (EPRA) is established under the Energy Act, 2019, as the energy and petroleum sector regulatory Authority, with the responsibility for economic and technical regulation of electrical power, renewable energy and petroleum sub sectors. Pursuant to Section 10 (hh) of the Act, the Authority is mandated to protect consumer, investor and other stakeholder interests.

The Energy (Petroleum Pricing) Regulations 2010 provide for a framework for the setting of maximum retail prices for Premium Motor Spirit (PMS), Automotive Gas Oil (AGO) and Illuminating Kerosene (IK). The regulations provide for use of a cost plus formula that factors in the Landed Cost, Storage & Distribution Costs, Taxes & Levies and Supplier Margins.

In July 2017, EPRA commissioned a Cost of Service Study in the Supply of Petroleum Products (COSSOP) in Kenya. The objective of the study was to review the existing supply chain system and processes to identify and quantify costs while seeking ways to improve efficiency.

Further in 2016, the Authority approved the Kenya Pipeline Company (KPC) fuel tariff for a three-year tariff control period. Meanwhile, EPRA has received a tariff application from KPC for the tariff control period of 2019/20-2021/22 which precipitates a review of the same. The review is necessitated by the need to increase the export product tariff competitiveness and to leverage on the expanded pipeline capacity following the commissioning of Line V.

In accordance with Article 33 of the Constitution of Kenya (2010), the Authority will conduct national stakeholder consultation workshops with the view of sensitizing consumers, Consumer Associations, Petroleum Products dealers, National and County Governments on the implementation plan of the COSSOP study and the KPC pipeline tariff.

The stakeholder consultative hearings will take place in the below venues and dates from 8:00 a.m. to 5:00 p.m.

#	County	Venue	Date	Time
1	Nyeri	Outspan Hotel	19 th July 2019	8:00a.m to 5:00 p.m.
2	Eldoret	Noble Hotel & Conference Centre	25 th July 2019	8:00a.m to 5:00 p.m.
3	Kisumu	Acacia Premier Hotel	26 th July 2019	8:00a.m to 5:00 p.m.
4	Mombasa	Royal Court Hotel	2 nd August 2019	8:00a.m to 5:00 p.m.

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