



Republic of the Philippines
Tanggapan ng Sangguniang Panlungsod
City of Naga



ORDINANCE NO. 2003-027

AN ORDINANCE DEFINING THE DUTIES AND RESPONSIBILITIES OF RE-FILLERS, DEALERS, AND DISTRIBUTORS OR RETAILERS OF LIQUEFIED PETROLEUM GAS (LPG) WITHIN THE TERRITORIAL JURISDICTION OF THE CITY OF NAGA, IDENTIFYING THE MECHANISM FOR ENFORCEMENT THEREOF, PROVIDING PENALTIES FOR VIOLATIONS, AND FOR OTHER PURPOSES:-

Author: Hon. Mila S.D. Raquid-Arroyo
Hon. Allen L. Reondanga

Be it ordained by the Sangguniang Panlungsod of the City of Naga, in session assembled, that:

SECTION 1. - TITLE. - This Ordinance shall be known as the LPG Industry Regulation Ordinance of Naga City.

SECTION 2. - NATURE AND PURPOSE. - This Ordinance defines measures and mechanisms by which the issues and concerns relating to the LPG Industry within the territorial jurisdiction of the City of Naga will be specifically responded to for the protection of the stakeholders in this Industry, in general, and of the consuming public, in particular.

SECTION 3. - SCOPE AND COVERAGE. - This ordinance shall cover all kinds of establishments engaged in the sale, marketing, or distribution, whether on wholesale or retail, of liquefied petroleum gas within the territorial jurisdiction of the City of Naga.

SECTION 4. - DEFINITION OF TERMS. - As used in this Ordinance, and as provided for under the Implementing Rules and Regulations of Republic Act No. 8479 otherwise known as the Downstream Oil Industry Deregulation Act of 1998, the following terms shall mean:

- a. LPG - means Liquefied Petroleum Gas consisting of the commercial propane or butane gas or mixture of these two gases, with properties conforming to the specifications of the BPS, contained in a sealed cylinder and used for cooking and other similar purposes whether in the home or in commercial/industrial establishments;
- b. LPG Cylinder - refers to the portable pressure-vessel or container for LPG, conforming to the specifications set by the BPS;
- c. BPS - refers to the Bureau of Product Standard of the Department of Trade and Industry (DTI);
- d. DOE - Department of Energy
- e. MARKETER -refers to any person, natural or juridical, engaged in direct selling or distribution of LPG to consumers, whether in bulk or retail;

- f. DEALER - pertains to any person whether natural or juridical engaged in the marketing, selling or distribution of LPG through its own distribution system to retailers and to the consumers;
- g. RETAIL OUTLET - refers to any person, natural or juridical, engaged in the selling of LPG to the consumers and whose supply comes from the dealers and with a maximum floor stock of twenty (20) LPG cylinders.
- h. REFILLERS - refers to the LPG marketer who buys LPG in bulk from suppliers, refills LPG into cylinders under his own brand name or that of other LPG marketers and sells the same to his dealers, whether in bulk or in retail;
- i. SUB-DEALER - refers to any natural or juridical person engaged in marketing and direct selling of LPG products with other dealers and sells the same to the other dealers and retail outlets;
- j. IRR - is the Dept. of Energy Circular Do. 98-03-004 which specifies the rules and regulations implementing Republic Act No. 8479 otherwise known as the Downstream Oil Industry Deregulation Act of 1998;
- k. BP 33 - refers to Batas Pambansa 33 which defines and penalizes certain prohibited acts inimical to public interest and national security involving petroleum and or petroleum products;
- l. PD 1865 - refers to Presidential Decree No. 1865 which amended the BP 33;
- m. PS Mark - refers to the Product Standard Mark stamped by government product regulatory bodies to products meeting government or industry standards.
- n. TARE WEIGHT - refers to the weight of the LPG cylinder engraved on the collar expressed in kilograms indicated to the last one-tenth (0.1) of one kilogram. The marking should not be less than 2.0 cm in height;
- o. NET WEIGHT - refers to the weight of the LPG content of the cylinder when it reaches the consuming public which shall not be less than 10.7 kilograms;
- p. AUTHORIZED OR APPROPRIATE LPG SEAL - refers to DOE-approved the protective cover placed on the gas outlet of an LPG cylinder that must be broken or destroyed before the LPG can flow out of the cylinder. It shall have a distinctive design, symbol, emblem or mark, identifying the owner of the LPG cylinder;
- q. SHORTSELLING - is the qualitative or quantitative difference between the LPG actually sold, distributed or offered for distribution to the consuming public and the LPG per the standard requirement prescribed by the BPS or DOE;
- r. ADULTERATION - is the physical, purposive defacing, alteration or modification in the product packaging and/or its contents contrary to industry or government standards. LPG products not meeting the product standard specifications of the BPS or the DOE are adulterated.
- s. HOARDING - is a prohibited practice consisting of the refusal of the distributor to sell when the product is available.

SECTION 5. - REQUIREMENT FOR PROPER LPG CYLINDER LABELS AND PROHIBITION AGAINST SELLING LPG WITHOUT REQUIRED LABELS. - To ensure the quality and safety of the LPG sold to the public, the cylinder containing the LPG should bear the following information:

- a. Name of the Producer/ Manufacturer/Company
- b. Net Weight
- c. Tare Weight
- d. Sealed Valve Opening - all LPG cylinders must be provided with seal after every filling. LPG with broken seal or without seal shall not be sold nor distributed. The seal must be the type that must be broken or destroyed before the product can flow out of the cylinder. The seal must comply with the specifications of the DOE. A broken or tampered seal, or the absence of one, shall give rise to the presumption that the cylinder is underfilled.
- e. Address/ Call Number in case of complaint
- f. Distinguishing Color
- g. Distinctive Serial Number
- h. Product Standard (PS) Quality Mark for new and locally manufactured cylinders
- i. Import Commodity Clearance (ICC) Mark for imported cylinders

The sale or distribution of LPG without the labels required under this Ordinance is hereby declared prohibited. LPG cylinders not bearing the labels required under this Ordinance which are not removed, set apart or taken out from display or normally accessible to consumers shall mean that the product is for sale/distribution to consumers.

SECTION 6. - PROHIBITION AGAINST SELLING LPG WITH TAMPERED/DEFACED CYLINDER LABELS. - Any alteration, modification, tampering or erasure in the LPG cylinder labels will be met with penalties imposed under this Ordinance. To effectively protect the consuming public, the sale or distribution of LPG with tampered/defaced cylinder labels is hereby declared prohibited. LPG cylinder with tampered/defaced labels which are not removed, set apart or taken out from display or normally accessible to consumers shall mean that the product is for sale/distribution to consumers.

SECTION 7. - PROHIBITION AGAINST SELLING UNDERFILLED LPG CYLINDERS.- In the LPG Industry, only the 11 kilograms and the 50 kilograms LPG cylinders are authorized. As provided for under the Bureau of Energy Utilization (BEU) Memorandum Circular No. 85-3-348, the LPG content of the 11.0 Kilogram LPG cylinder, when it reaches the consumer, must not be more than three tenths (0.3) of one kilogram less than 11.0 kilograms. The allowable deviation in the content of the cylinder shall not exceed three-tenths (0.3) of one kilogram from the indicated net weight. A shortage of more than three-tenths (0.3) of one kilogram per cylinder shall constitute an act of underfilling.

A broken or tampered seal, or the absence of one, shall give rise to the presumption that the cylinder is underfilled.

Possession of underfilled LPG cylinders not properly so identified or taken out from the sales area accessible to the public gives rise to the presumption that the same for sale.

SECTION 8. - REQUIREMENT TO PROVIDE WEIGHING SCALE. - To provide the consumers with on-site and immediate means of confirming the quantity of the content of the LPG cylinder, all marketers, dealers, sub-dealers and retail outlets must provide a suitable and properly calibrated weighing scale. The weighing scale should be properly calibrated and duly sealed in consonance with the Revised Revenue Code of Naga City. The weighing device shall be accurate to at least one-tenth (0.1).

- 8.1. LOCATION OF THE WEIGHING SCALE. - The distributor must install the weighing scale in a conspicuous place for use by the customers, without need of request, to check/confirm the actual weight of the LPG cylinder.

SECTION 9. - PRODUCT/PRICE DISPLAY BOARD. - For the convenience of the public, distributors of LPG shall display/post a signboard outside the store premises to inform the public and the authorities that they have complied with the provisions of this Ordinance. The signboard must contain, but not limited to, the following information:

1. Name and Owner of the Store
2. Name of the company/manufacturer of the LPG offered for sale
3. Price of the LPG product variant (11-kg and 50-kg)
4. Invitation to customers to verify the weight of each LPG product variant

SECTION 10. - REQUIREMENT FOR PROVISION OF SAFETY DEVICES. - In accordance with the IRR of RA 8479, the following measures must be complied by all distributors of LPG to ensure the safety of the consumers and the general public:

- 10.1 Provision of Fire Alarms, Fire Extinguishers and Fire Suppression Devices and guides in case of LPG related accidents per revised building code of the city.
- 10.2 Provision of information materials in the form of information board, brochures and emergency information kit to prevent LPG related accidents. This enables the customer to cope in case of fires and LPG related accidents. This must be displayed at a conspicuous place and available to the public.

SECTION 11. - REQUIREMENT TO MAINTAIN LOGBOOK. - All dealers, sub-dealers, marketers, retail outlets, or distributors must keep a logbook where the weight and condition of the LPG Cylinder sold and in inventory are recorded. This logbook must be presented during the inspection to the government inspection team. The inspection report which will be made by the inspection team based on the logbook must be signed by a duly authorized representative of the establishment.

SECTION 12. - MECHANISM FOR ENFORCEMENT. - To effectively enforce the provisions of this Ordinance, the City Engineer and the Bureau of Fire Protection are hereby tasked to assist the Naga City Local Price Coordinating Council (LPCC) to monitor the implementation and compliance with the provisions of this Ordinance.

Within three (3) months from the effectivity of this Ordinance, the respective Barangay Councils of the 27 barangays of the City of Naga shall submit to the LPCC the names of the stores and the storeowners engaged in the distribution of LPG.

The LPCC, the respective Barangays Councils and Barangay People's Council -NCPCC shall jointly monitor compliance with the provisions of this ordinance in the respective barangays and make necessary recommendation to appropriate offices and agencies for the effective enforcement hereof.

SECTION 13. - PENALTIES. - Any person, natural or juridical, found to be engaged in the distribution of LPG without the necessary license from the Department of Energy shall suffer the following penalties:

First Offense	Impounding of LPG cylinders until license is secured
Second Offense	Fine of P2,000.00 and impounding of LPG Cylinders until license is secured

Third Offense	Fine of P5,000.00 and impounding of LPG Cylinders until license is secured
Fourth and subsequent offenses	Fine of P5,000.00, imprisonment for six (6) months, impounding of LPG Cylinders and revocation of business permit

SECTION 14. - PENALTIES FOR SPECIFIC VIOLATIONS. - Violations of the provisions of Section 5, 6, 7, 8, 9, 10 and 11 shall be penalized as follows:

First violation	reprimand and a fine of P2,000.00 for every count of violation
Second violation	second warning plus a fine of P3, 000.00 for every count of violation
Third and subsequent violations	fine of P5,000.00 for every count of violation, imprisonment for six (6) months, and revocation of business permit

SECTION 15. - AUTHORITY TO IMPOUND. - All LPG cylinders found to be the subject of the violation of this ordinance shall be impounded in favor of the City Government of Naga. In accordance with the IRR of PD 1865, impounding shall be applicable to the following cases of violation:

- a. Adulterated LPG product in bulk depots, retail outlets or in transit
- b. LPG cylinders found to be underfilled
- c. Violation of the prohibition on anti-hoarding
- d. LPG diverted from the buyers designated point
- e. LPG sold or transported by haulers without due license from the DOE
- f. LPG products without receipts
- g. LPG cylinders filled by filling plants without license from the DOE and/or filled in cylinders not owned by the filling plant or marketer who do not have the written authorization from the owner to use or fill the cylinder
- h. LPG without tare weight and/or seal

SECTION 16. - SEPARABILITY. - Should any portion of this ordinance be declared unconstitutional or illegal by court of competent jurisdiction, the portions not so declared shall remain in full force and effect.

SECTION 17. - REPEALING CLAUSE. - Any existing ordinances, executive orders and administrative orders or part thereof, which are inconsistent with this ordinance are repealed or modified accordingly.

SECTION 18. - EFFECTIVITY. - This ordinance shall take effect fifteen days from the date of its publication in a newspaper of general circulation in the City of Naga.

ENACTED: March 12, 2003

WE HEREBY CERTIFY to the correctness of the foregoing ordinance.

ESTEBAN R. ABONAL
City Vice Mayor & Presiding Officer

GIL A. DE LA TORRE
Board Secretary II
& Secretary Designate

APPROVED:

JESSE M. ROBREDO
City Mayor