

**For discussion  
on 27 June 2016**

**Legislative Council Panel on Economic Development**

**Centralised Liquefied Petroleum Gas Supply for Public Housing**

**PURPOSE**

This paper aims to respond to Members' concerns relating to the supply of centralised Liquefied Petroleum Gas (LPG) in public housing estates under the Hong Kong Housing Authority (HA).

**ARRANGEMENTS FOR THE ADOPTION OF CENTRALISED LPG SUPPLY IN PUBLIC HOUSING ESTATES**

2. Since additional land is required for accommodating centralised LPG supply facilities within individual public housing developments, HA generally adopted Towngas supply for its public housing developments as far as practicable. For those housing developments in remote areas or where Towngas supply is not available at the time of construction, HA will invite relevant LPG suppliers to provide centralised LPG supply through open tenders. HA stipulates in the centralised LPG supply tender documents that, LPG suppliers are required to build and maintain the LPG compound and associated gas pipes as well as to supply and distribute LPG to users. Generally, the contract period of the first LPG supply contract for public housing developments is 15 years. In the selection of tenders, HA will take into account the supplier's past experience and performance, their design, maintenance and repair, staff resources, facilities, customer service and offered premium<sup>1</sup>, etc. As required by the LPG supply contracts, the suppliers cannot restrict users in the public housing estates to the use of piped central LPG supply only. Other forms of fuels, such as portable bottled LPG from any source, could be used as the users see fit. Besides, the LPG supply contracts also stipulate that the suppliers shall

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<sup>1</sup> LPG suppliers would pay or charge HA a premium depending on the estimated commercial interests they could obtain in providing the service.

not levy any charges higher than that in the prevailing private market.

## **ARRANGEMENTS FOR RENEWAL OF CONTRACTS WITH LPG SUPPLIERS FOR PUBLIC HOUSING ESTATES**

3. At present, there are 15 estates<sup>2</sup> installed with centralised LPG supply system under HA's management. After the first contract is awarded to the LPG supplier, HA will regularly monitor the performance of the LPG supplier on various aspects, including sufficient staffing, supervision, management coordination, customer service, maintenance and repair, etc. Residents' views on the supplier's services will also be obtained through the Estate Management Advisory Committee. According to the current policy and on the premise of a safe and stable gas supply to the tenants, HA will arrange with the supplier for renewal of the contract upon expiry for a term of 10 years, provided that the performance of the LPG supplier was satisfactory during the contract period. This renewal arrangement instead of re-tendering will prevent temporary suspension of service and possible disturbance to the users, including the need for users to sign a new service agreement, payment of deposit or even replacement of appliances, etc., that may be brought about by a change of supplier. This policy has been implemented for many years and HA is now looking into the latest market situation and the experience in private housing developments, with a view to considering whether any changes should be made to the policy.

4. Members are invited to note the situation of the supply of centralised LPG for public housing under HA.

**Transport and Housing Bureau  
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<sup>2</sup> Including Butterfly Estate, Choi Yuen Estate, Kam Peng Estate, Kwong Fuk Estate, Lung Tin Estate, Ngan Wan Estate, Oi Man Estate, On Ting Estate, Sam Shing Estate, Shui Pin Wai Estate, Tai Yuen Estate, Wah Fu (II) Estate, Wu King Estate, Yau Oi Estate and Nga Ning Court.