

**Competition Commission Inquiry into the  
Domestic Bulk LPG market**

**Schedule to Howard Kerr’s letter of 19 April 2006**

**Inaccuracies and omissions in the Competition Commission’s Proposed  
Final Report**

<b>Paragraph</b>	<b>Page</b>	<b>Calor’s comments</b>
13	7	The use of the term “existing safety management framework” is used here within the wrong context. The phrase “Safety management” (properly used) means what a supplier practices. In order to comply with the legal or safety framework under which it has to run its business.
2.10	15	The last sentence is incorrect. The HSE do carry out individual site inspections at Calor’s COMAH sites. What the HSE do not do is carry out individual inspections at domestic premises unless something has happened which would cause the HSE to respond.
2.12	16	There is no reference to the fact that Calor’s safety management system under the current arrangements covers the design, procurement and quality control of fittings, or that it also covers the provision of emergency response and the associated training and auditing of the call centre staff and contractors engaged in responding to such emergencies.
4.48	49	Under the current arrangements the incoming supplier is not replacing the existing tank “with an essentially similar tank”. The tank is exchanged with a new or refurbished tank containing new tank fittings; they are not second – hand as they would be under tank transfer.
5.26	82	It should be made clear in this paragraph that the contractors used by Calor work strictly to Calor’s procedures and their work is audited by Calor. Their work is to Calor’s specification and is under Calor’s complete control.
5.29	84	In relation to the last line of this paragraph, we have previously commented that the provisions of the PSSR do not provide for a complete history of the tank and its fittings.
<b>Appendices</b>		
<b>Appendix B</b>		
3	B1	The statement here is incorrect. Propane, propylene etc are pure chemical compounds but the commercial quality propane and butane which Calor markets under BS4250 is a mixture of these chemical hydrocarbons together with traces of other similar gases.
7	B2	A stenching agent is not added during production. It is added separately prior to distribution at the refinery or at the supplier’s

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		terminal or filling plant.
<u>Appendix C</u>		
3	C3	We do not believe that this statement is correct. A large percentage of the LPG consumed in the UK, we believe 60%, is produced from natural sources i.e. extracted from gas/oil rather than refined.
Table 1	C7	This table is incorrect. Calor has no refinery/terminal at Teeside. This could be Huntsman's but it is certainly not Calor's.
<u>Appendix D</u>		
		[excised]
10	D7	The term "safety management framework" is used incorrectly in relation to the UK LPG Industry. Safety management is what a supplier operates not the industry. The government, regulatory authorities and industry provides the legal and safety framework subject to which the suppliers have to run their business. Suppliers individually develop their own specific safety management system in order to comply with these external requirements. Calor's safety management system also covers training, auditing, reviewing, communication etc. In short, what is said here is extremely limited.
19	D12	The reference to LPG CoP 1 should be Cop 1 part 3 and the current version states that the PSSR do not apply to domestic bulk LPG tanks. Whilst we note that the opinion of the HSE has now changed and will be reflected in a future update to LPGA CoP 1 Part 3, this is currently not the case nor has it been stated previously.
20 (a)	D13	The reference to "...equipment installed since 1999", should be to "... equipment installed since May 2002."
47	D25	The reference to "only a limited number of valves and fittings configurations" is incorrect. There are hundreds of variations in both tank type and its design as well as in that of all the tank fittings, regulators etc.. Similarly, the reference to "for sometime tanks have been built to well recognised specifications" is also incorrect. The legal requirement for CE marking of tanks under the PER only became effective from May 2002. Under this legislation only safety critical equipment

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		such as the PRV is covered and there is no requirement to CE mark other individual tank fittings. Also, British Standards covering the design of many of the tanks fittings have been recently introduced.
49	D27	See our comments against paragraph 5.26 (page 82) above.
50	D27	There is no reference to the supplier's duties under the GSIUR, in particular to the provision of 24/7 emergency cover.
57	D31	The PSSR requires people to be competent. They do not lay down the specific requirements for competency and reference here to accreditation by SAFED and UKAS are only two examples. [excised].
61	D32	There is no mention in this paragraph of how a domestic customer who owns the tank would address the important issue of emergency cover.
67	D34	See our comments against paragraph 5.29 (page 84) above.
76	D39	In itself the WSOE will not provide information needed to ensure that a tank is safe – documents must be produced that demonstrate the tank has been maintained in accordance with the WSOE.
<u>Annex 1 – Review of UK regulations governing the health and safety for supply of bulk LPG for domestic use</u>		
Footnote	D50	In relation to Regulation 9, the LPG CoP does not specify, it <u>recommends</u> examination intervals.
3.2	D66	Whilst bulk LPG tanks may be within the definition, individual tank fittings are certainly not, with the exception of the safety critical PRV device.
3.3	D66	The date given here in relation to the PER is misleading. Whilst the PER may have come in to force on 29 November 1999, there was a transitional period and they were not implemented until May 2002.
<u>Annex 2 – Standardisation issues</u>		
1	D82	The statement that the main suppliers believe there are no significant technical or compatibility issues is incorrect. Calor is a major supplier and, as stated at the beginning of the sentence, pointed out that there were significant differences. [excised]
12	D87	The comment that COP 1 part 1 recommends British

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		<p>Standards for vessels and fittings is misleading.</p> <p>COP 1 Part 1 has always referred to the latest BS standards for tanks but this Part of the CoP is principally addressing the requirements for storage vessels at operational and industrial sites. For instance it has also always referred to BS5351 and BS6755 for ball valves, but the ball valves are subject to these standards only where the connection sizes exceed 1.25" which is not applicable to domestic bulk installations. In fact, there is an allowed exception for multivalves on tanks up to 9,000 litres water capacity i.e. approximately 4.5 tonnes. Therefore in practice, ball valves are not used on domestic tanks within the scope of the Competition Commission's inquiry.</p> <p>Before the CoP 1 Part 1 2004 edition, requirements for valves were included in section 3. There were no specific standards referred to, although CoP 1 did refer to CoP 15 Part 1 for relief valves. However, it was the responsibility of the supplier to ensure that the valves and fittings met the requirements of the CoP through procurement of suitable fittings.</p> <p>Only in the 2004 edition of CoP 20 was reference made to BS EN 13175 (Tank Valves) and BS EN 13799 (Float Gauges). This is because these standards were introduced after 2002.</p>
Footnote	D87	<p>The dates of these standards which would clearly show that they have only been introduced in the past two to three years have been omitted.</p> <p>As mentioned above, only in the 2004 edition of CoP 20 was reference made to BS EN 13175 (Tank Valves) and BS EN 13799 (Float Gauges). This is because these standards were introduced after 2002.</p> <p>BS EN 13175: 2003: Specification and testing for Liquefied Petroleum Gas (LPG) tank valves and fittings.</p> <p>BS EN 13799:2002: Contents gauges for LPG tanks.</p>

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		<p>CoP 15 part 1 1998 is the current version. This lays out the requirements for LPG tank relief valves and accessories. Subsequent to this two EN standards have been produced which. These are:</p> <p>BS EN 14071: 2004: Pressure relief valves for LPG tanks. Ancillary equipment.</p> <p>BS EN 14129: 2004: Pressure relief valves for LPG tanks.</p>
28	D92	<p>The reference to “..until 1<sup>st</sup> January 1997 to install” is incorrect. The requirement was that from that date UPSO/OPSO should be installed and the law cannot be applied retrospectively. Therefore there are likely to be installations without such protection features.</p>
31	D93	<p>The examination frequencies are <u>recommended</u>.</p>
<u>Appendix G</u>		
Table 5	G13	<p>Steps 7 and 8 in Table 5 are inaccurate. The incoming supplier should not move the tank before pumping the gas over because it would contravene CoP 26 if it did so. The incoming supplier would actually pump the gas into another tank, move the tanks and then pump the gas over.</p>