

INFORMATION NOTE

Subject: LIQUID PETROLEUM GAS TANKS DEMARCATION POINT

Number: 03/12

DIO Sec: RA Cawthorne

Date of issue:

2 March 2012

Contact if different from above Sponsor:

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Who should read this:

Top Level Budget Holders, Prime Contractors, Private Finance Initiatives, Public, Private Partnership and other traditionally procured contracts, Project Managers, Site Estate Authority Teams and Property Managers with responsibility for MOD projects and Property Management Works Services (including the legacy work of EWCs/WSMs), Coordinating Authorising Engineers, Authorising Engineers Petroleum, Authorised Persons Petroleum, Installers and Maintainers of LPG installations.

When it takes effect:

Immediately

When it is due to expire:

When advised

Document Aim:

To update addressees with regard to Safety Alert number: 03/12 Liquid Petroleum Gas Demarcation Point.

N.B. The contract for Bulk LPG is due for renewal on 1 November 2012. A further Policy Instruction will be issued to advise of any change.

Background:

1. On 18 July 2011 a change was made to the Demarcation Point for LPG Bulk contracts resulting in the MOD being exposed to risk. This change was made to contracts with Calor, Calor Northern Ireland, B.P. and Avanti Gas Ltd (formerly Shell).
2. Subsequently Safety Alert 03/12 was issued warning about MOD's exposure to risk because of the change in the demarcation point.
3. Following on from this Safety Alert, BP Gas Ltd who supply 481 of the 680 MOD tanks has indicated it is content to remain with the 'old' demarcation point (pre-contract CTLBC/1720). This will put things back the way they were from a demarcation point of view prior to 18 July 2011 for the BP supplied tanks.
4. The situation with regard to Calor, Calor Northern Ireland and Avanti Gas Ltd (formerly Shell) is yet to be resolved.
5. It should be noted that a government wide LPG supply contract is due to be let on 1 Nov 2012 which may result in a further change in the point of demarcation.

Action Required:

6. Coordinating Authorising Engineers, Authorising Engineers Petroleum, Authorised Persons Petroleum, Installers and Maintainers of LPG installations are to note the above changes to the and points of demarcation for BP LPG installation.

References:

Safety Alert 03/12: Liquid Petroleum Gas Demarcation Point.