

# **PETROLEUM EQUALISATION FUND (MANAGEMENT) BOARD**

**HEAD OFFICE:** AP PLAZA, ADETOKUNBO ADEMOLA  
CRESCENT, WUSE II, ABUJA.

## **SERVICE DELIVERY CHARTER**

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# **INTRODUCTION**

## **HISTORICAL BACKGROUND**

The Petroleum Equalisation fund Management Board is a scheduled Parastatal of the Ministry of Petroleum Resources ,established by Decree No.9 of 1975 (as amended by Decree No. 32 of 1989 ), mainly to administer Uniform Prices of Petroleum products through out the country . This is achieved by reimbursing a marketer's transportation differentials for petroleum products movement from depots to their sales outlets (filling station), in order to ensure that products are sold at uniform pump price throughout the country. The source of the Fund is from principally the net surplus revenue recovered from Oil Marketing Companies.

It has an Operational Office in Lagos, five (5) Zonal Offices as well as twenty-two (22) Depot Offices located at the 21 NNPC Depots and Marketers' storage facilities at Apapa and Ibafo. It is headed by the Executive Secretary who is the Chief Administrative Officer, responsible for the day to day operations of the fund.

In 1979, Government, conscious of the fact that petroleum products supply did not reach the remotest parts of the country encouraged Major Marketers to open filling stations in those areas.

The purpose of this Charter is to explain what we do, how we provide effective and efficient services and our commitment to all Stakeholders and customers. It also welcomes feedback as a means of assessing our performance and meeting expectations.

## **MISSION STATEMENT**

The Management and Staff of the Petroleum Equalisation Fund (Management) Board are pleased to present our Service Delivery Charter. There shall, be, for the purpose of administering the fund in accordance with the provisions of this Act, a body to be known as the Petroleum Equalization Fund Management Board (hereafter in this Act referred to as the “the fund”).

The legislative Charter of the Board as provided by Decree No.9 of 1975 as amended by Decree No. 32 of 1989 (now Chapter 352) of the Laws of the Federation 1990)

The Petroleum Equalisation Fund (management) Board is committed to equalize the transportation differentials in white products marketing and a Uniform Prices of Petroleum Products obtains in the country and stakeholders are promptly and fairly treated in the process.

The PEF(M)B as a good corporate organization would strive to dutifully implement all government directives, especially in ensuring transparency, probity and accountability.

It would collaborate with all Stakeholders in ensuring prompt settlement of Marketers claims to enhance the distribution of petroleum products to make them available at reasonable costs nation-wide.

In addition to its primary functions, the Board would, with its new computerization structure, strive to build a data/information bank for accurate data on the level of lifting and distribution of petroleum products throughout the federation.

## **VISION:**

To become an efficient, technology-driven, stakeholder-oriented and proactive partner in facilitating the transportation and distribution of Petroleum Products nation-wide by the year 2020 .The Petroleum Equalisation Fund (Management) Board values and promotes high ethical standards of a responsible public service organization, and it's specifically committed to: Transparency, Efficiency, Responsiveness and Integrity.

## **SERVICE PROVISION AND DELIVERY**

### **WHAT WE DO:**

In broad terms, the Board performs two (2) basic functions, namely:

- ( i ) The Administration of price equalization scheme to ensure the sustenance of Government Policy of Uniform Pump Prices for petroleum products nation- wide;
  
- ( ii ) The administration of bridging payment scheme to complement the Nigeria National Petroleum Companies pipeline distribution network of petroleum products to all the depot areas nation-wide, during breakdown/maintenance of local refineries and or pipeline breaks/vandalisation.

### **PRICE FOR SERVICES**

#### **THE EQUALISATION SCHEME:**

- I. The consumer pays the in – build transportation cost of N2.30kobo per litre irrespective of where the product is purchased. The amount is not static because of government policy.
  
- II. Transportation cost is related in distance traveled between the points of lifting the products (Depots) and the points of sale (filling stations)

- III. The marketer serves as an agent of the PEF (M) B in collecting the allowances build – into the price structure, and transfers same to the Board for equalization or bridging purposes. The allowance collected for bridging is N1.87Kobo. This also changes from time to time.

**BRIDGING FUND SCHEME:**

Bridging is the movement of petroleum products by long distance road haulage (i.e above 450 kilometres) from a depot/refinery to another depot experiencing scarcity.

Bridging is resorted to only when there is a pipelines break or where the refinery feeding the depot(s) experiencing products scarcity is shut for Turn Around Maintenance (TAM)

**PENALTY FOR NON PAYMENT OF ALLOWANCE:**

- (1) The Board shall from time to time, by notice served by registered post on the oil marketing company concerned, specify the date on which any net surplus revenue due from that oil marketing company shall be paid to the Board.
- (2) If any sum is not paid within twenty-one days of the specified date, a sum equal to ten per centum of the amount on unpaid shall be added for each month or part of a month after the date on which payment should have been done.
- (3) The Board may, if it thinks fit, remit in whole or in part any penalty imposed under this section.

## **OFFENCES AND PENALTY:**

- (1) Any person who fails to comply with any requirement made by the Secretary under section 10 of this Act, shall be guilty of an offence and liable on conviction to a fine of N50,000.
- (2) Any person who-
  - (a) Knowingly or recklessly furnishes in pursuance of any requirement made under section 10 of this Act, any return or other information which is false in any material; or
  - (b) Willfully makes a false entry in any record required to be produced under that section with intent to deceive, or makes use of any such entry which he knows to be false, shall be guilty of an offence and liable on conviction to a fine of N50,000 or to imprisonment for five years.
- (3) Where an offence under this Act by a body corporate is proved to have been committed with the consent or connivance of, or to be attributed to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate (or any person purporting to act any such capacity) he as well as the body corporate shall be deemed to be guilty of the offence and may be proceeded against and punished accordingly.

### **THOSE WE SERVE:**

1. Staff of Petroleum Equalisation Fund (management) Board
2. Independent oil marketing companies



3. Major oil marketing companies
4. Stakeholders of oil industries
5. Government organizations
6. Third-party
7. General public.

### **OUR STANDARD AND TARGET**

- Our staff must be at the depots to sight products and stamp marketers documents at all times during official working hours.
- Collection of NTA and issuing of receipts for same to marketers on daily basis.
- Collection and acknowledgement of marketers Claims within 24hours
- Claims to be scrutinized by the depot staff and forwarded to the head office within 5 working days.
- All Claims received at the depots for processing will be ready for payment to marketers at the depot within 37 working days.

### **OUR EXPECTATIONS FROM THOSE WE SERVE**

- Bridged products must be delivered within stipulated time limit (presently set at 10days).

- Marketers to report any breakdown of vehicle immediately to Petroleum Equalisation Fund (management) Board receiving depots within the stipulated time limit (48hours).
- Marketers should make all necessary payments to Petroleum Equalisation Fund (Management) Board and depot owners. There should therefore be evidence of such payments including National Transportation Average (NTA) allowance.
- Evidence of delivery of correct volume of products lifted.
- There must be evidence of Petroleum Equalisation Fund (management) Board loading and receiving depot stamps and signatures.
- There must be evidence of stamps and signatures of other agencies at the receiving depot especially Pipeline Products Marketing Company (PPMC) and Department of Petroleum Resources (DPR.)
- Orderly presentation of Claims in the following way:
  1. Application on original letter headed paper indicating type of Claim with amount being Claimed and duly signed.
  2. Each meter ticket from Pipeline Products Marketing Company depots should have the following attachments (a) Receipt for product payment. (b) DO5 (c) Bridging approval from

Pipeline Products Marketing Company (d) Bridging Note also from Company.

- Out return report on original letter headed paper duly signed by the particular station manager confirming that products and volume were actually delivered to that station.
- Submission of Daily products distribution schedule.
- Evidence of payment of National Transportation Average allowance by marketers who are in the contribution zones.
- Marketers making Bridging /NTA or Interdistrict/ NTA Claims should present them in different files but must be submitted at the same time.
- Depot and Petroleum Products Marketers Association and Major Marketer have to submit detailed and correct addresses of destination of all lifted products.
- Claims must be submitted regularly but not later than 6 months from the date of delivery.
- All Independent Petroleum Marketers Association of Nigeria (IPMAN) Claims must be submitted through our depot representatives.

- Any Marketers that attempts to supply misleading information or engage in unwholesome activities etc shall be sanctioned in accordance with the extant rules of the Boards enabling Act.

## **MAJOR OIL/DEPOT AND PETROLEUM PRODUCTS MARKETERS ASSOCIATION**

- All reconciled Claims of Major marketers are to be paid within 7 working days subject to availability of funds.
- Major/DAPPMA marketers to submit information and data concerning all local lifting's for the purpose of National Transportation Allowance.
- Major/DAPPMA to provide timely statistics /documents on a monthly basis to avoid delays in reconciliation of Claims and Contributions.
- Majors/ DAPPMA to provide detailed and accurate information on products directly imported by them to enable us collect Bridging allowance.
- Majors to send their reconciliation officers to PEF not later than 7 days on receipt of such invitation.
- Majors are to sign and return reconciliation certificates within 7 days of receipt.

## **STAKEHOLDERS PARTICIPATION**

### **PIPELINE AND PRODUCTS MARKETING COMPANY (PPMC.)**

- In order to ensure that PEF meets its obligations of reimbursing marketers, PPMC is required to remit, on monthly basis, PEF Bridging allowance product collected from marketers in respect of all white products.
- Create a conducive working environment for our Depot staff at all its depots.
- Avail to the Board and our staff any relevant information/data required for our operation.
- PPMC depot managers are to cooperate with PEF in the area of collection of our NTA Allowance.
- To confirm by stamping and signing all freight documents of loaded and received products.
- Make available to our staff daily distribution list/schedule.
- Issue Bridging Approvals and Bridging Notes from their depots.

- Continued Participation of PPMC staff in the Bridging and NTA/Interdistrict joint Claims verification committees.

### **DEPARTMENT OF PETROLEUM RESOURCES (DPR)**

- Make available all relevant data and operational information on marketers.
- To confirm products lifted and received at the depots by stamping and signing Freight documents.
- To submit the list of licensed filling stations and their locations. They should also make available to the Board on regular basis updated data of newly registered outlets.
- To ensure that products are not diverted but are sold at properly designated stations.
- Ensure that products are sold at approved rates.

### **NATIONAL ASSOCIATION OF RAODS TRANSPORT OWNERS**

#### **(NARTO)**

- Only Federal Roads Safety Commission (FRSC) number plates would be acceptable for products transportation.

- All tankers must carry very bold inscriptions of their number plates on both sides of the truck.
- To allow PEF staff verify the Chassis/Engine number of vehicles whenever there is doubt.
- To report to PEF management, any absentee PEF staff at the depot.

**PETROLEUM PRODUCTS PRICING AND REGULATORY AGENCY**  
**(PPPRA)**

- To immediately make available to PEF any price changes in for of templates.
- To always demand the proof of payment of PEF Allowances (Bridging and NTA) as a condition for reimbursement under the PSF Scheme.

**DEPOT AND PETROLEUM PRODUCTS MARKETERS ASSOCIATION,**  
**INDEPENDENT MARKETERS ASSOCIATION OF NIGERIA, MAJOR**  
**OIL MARKETERS ASSOCIATION OF NIGERIA, NATIONAL**  
**ASSOCIATION OF ROADS TRANSPORT OWNERS**  
**(DAPPMA/IPMAN/MOMAN/NARTO)**

- As major stakeholders marketers committees are expected to cooperate with PEF in safeguarding the fund from abuse by their members.

**OUR ADDITIONAL COMMITMENT:**

The Board would sustain its efforts at promoting Stakeholder participation, through the following on-going and new avenues:

- (i) Quarterly Stakeholders Forum with Independent, Major Marketers, DAPPMA, other Marketers and NARTO involved in the movement of products.
- (ii) Adequate liaison with DPR, PPMC, PPPRA and the Ministry of Petroleum Resources in monitoring and addressing trends in downstream sector, and
- (iii) Conducting opinion surveys which encourage public involvement in gauging perception of the Board's operations.



## **PERFORMANCE TARGETS**

- (i) Monthly payment of reimbursement to Marketers.
- (ii) Quarterly performance report on all reimbursements.
- (iii) Yearly performance analysis of corporate/staff productivity.

### **MONITORING TARGETS:**

- (i) Ensure payment of reimbursement to marketers within 37 working days.
- (i) Quarterly visits to depot offices by Zonal Coordinators to assess the level of compliance on the standard rule.
- (ii) Monthly operational meetings by unit head to evaluate performance.
- (iii) Quarterly reports from Zonal and depots offices on performance.
- (iv) Annual general operations meeting.
- (v) Periodic Stakeholders Forum for assessing targets and improvements in service delivery.

### **2. STANDARDS:**

- (i) Timeliness in payment of reimbursements.
- ii) Accurate record keeping and prompt up-dating mechanisms.

## **FEEDBACK MECHANISM:**

The PEF(M)B would gauge public and Stakeholders perception of its performance through the following means:-

- (i) Stakeholders consultations/meetings with Marketers and other players in the downstream sector of the petroleum industry.
- (ii) Responses to quarterly survey of marketers, transporters, unions, staff and the public on the effects of the Board's operations.
- (iii) Reports from Staff at the 21 depots, Major Marketers, PPPRA, NNPC, NIPCO and DAPPMA facilities on operations perception of the Board's performances.
- (iv) Returns through opinion/suggestion boxes and reactions to publications in the in-house news Magazine of the Board.

## **OBLIGATIONS**

**MANAGEMENT:** To become an efficient, technology – driven, stakeholder – oriented and pro-active partner in facilitating the transportation and distribution of petroleum products nation – wide.

Also in discharging its functions, the Board shall provide a conducive work environment. Staff and Stakeholders shall respect the right of all Nigerians to quality service which would engender development.

**STAFF:** They are expected to exhibit high level of dedication to their job, hard work, honesty and transparency.

**CUSTOMERS:** Marketers are expected to submit genuine claims for reimbursement and should be within the agreed period of six months to enable the board keep to its set objectives.

On the part of third-party, a company must be registered with the board. Contractors should operate based on the contractual agreement entered into with the board. They are expected to provide quality service.

**NIGERIAN PUBLIC:** Prompt, reasonable, honest and transparent in making any demands on us or in benefiting from any of the service(s) we provide.

## **LIMITATION AND CONSTRAINTS**

- No authority to give Bridging approval, but reimburse marketers for bridged products
- Central Bank of Nigeria's policy/processes as it affects payment of claims and third party payments.
- Checkmating the activities of marketers. Surveillance and control/ pricing control.
- Non payment of Bridging and NTA allowance by marketers as at when due.
- Delays in remittance of Bridging allowance due to reconciliation process between the Board and PPMC.
- Lack of up to date of reconciliation of Major Marketers lifting's and activities as at when due.

## COMPLAINTS/REDRESSAL MECHANISM

- All complaints at the first instance be taken up at IPMAN depot level.
- If marketer is not satisfied such complaints should be reported to the **Nodal Officer** (H. A. Ribadu – 09 5239085/6 Ext: 222) Via the Executive Secretary
- Any case not sorted out at the IPMAN level may then be addressed directly to the Executive secretary of PEF.
- Complaints by Major/DAPPMA marketers should, at first instance, be addressed to PEF Lagos office.
- If a Major/DAPPMA marketer is not satisfied, such marketer may then complain directly to the Executive Secretary of PEF; attention: The Nodal Officer.
- Since each of our stakeholders has a representative at our Board level, it is expected that complaints not resolved by PEF management will be taken to the Board.

**Telephone Numbers:**

Executive Secretary	09-5238132
General Manager (Operations)	09-5236776, 08055460098
Manager (Lagos office)	01-2624386, 8152838, 8117415, 08036161409
Zonal Managers (NWO)	09- 5239085-6 Ext 105
Zonal Managers (NEO)	09- 5239085-6 Ext 220
Zonal Managers (SWO)	09- 5239085-6 Ext 217
Zonal Managers (SSO)	09- 5239085-6 Ext 223

## **GRIEVANCE REDRESS MECHANISM:**

The Board welcomes feedback in form of complaints, comments, suggestions and criticisms. Such could be forwarded through any of the suggestion boxes in our offices at the 21 depots nation-wide or our national Headquarters: **Nodal Officer** (H. A. Ribadu – 09 5239085/6 Ext: 222)

AP Plaza, Adetokunbo Ademola Crescent,  
Wuse II,  
P.M.B. 450, Garki G.P.O.  
Abuja

Comments could also be forwarded to the Board through e-mail, letters, fax, by telephone or our website as follows:-

Telephone:

Abuja: (09) 5239085/86  
(09) 5232409

Fax: (09) 5238132

Lagos: Plot 7, Balarabe Musa Crescent,  
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