

**ABSTRACT**

*Beginning in 2014, the Indonesian people made anxious by the rise and fall of prices of LPG 12 kg in a week. January 1, 2014, PT. Pertamina (Persero) raise the price of LPG 12 kg of 68%, based on the proposed CPC for the loss of 7.7 T in the years 2011-2012. The price increase by PT. Pertamina (Persero) is based on the action in corporate regulation No. EMR. 26 in 2009. January 7, 2014, the President announced that LPG prices go back down, and only increased by about 10%. Policies taken by the government based on Government Regulation No. 30 of 2009. Changes in prices that occurred twice this caused huge losses for consumers, especially LPG agencies. Thus, it is interesting to know the limits of the authority of PT. Pertamina (Persero), and Government in setting the price of LPG 12 kg. Moreover, analyzing the action of PT. Pertamina (Persero) in the 12 kg LPG pricing from the perspective of competition law.*

*Minister of Energy and Mineral Resources Regulation 26 of 2009, contrary to the other rules on it or referred to the principle of superiority derogat Legi inferiori Lex. So the regulation is ruled by laws and government regulation on it, namely Law No. 22 of 2001, the Constitutional Court decision. 002/PUU-1/2004, Government Regulation No. 30 Year 2009, which stipulates that the pricing is determined by the government because LPG is a livelihood of many people. Indication of unfair competition by PT. Pertamina (Persero) were analyzed using the Rule of Reason. Based analisis, PT. Pertamina (Persero) is a state-owned company, based on Law No. 5 of 1999 is allowed to conduct a monopoly, so it can not be otherwise violate fair competition.*

*Keyword: LPG, PT.Pertamina, Government, 2014*