

# **MPUMALANGA PETROLEUM CC**

## **ALLOCATION MECHANISM FOR THIRD PARTY ACCESS TO PETROLEUM STORAGE FACILITIES**

**BETHAL – PPL.sf.F3/99/2010**  
**BELFAST – PPL.sf.F3/98/2010**  
**ERMELO – PPL.sf.F3/96/2010**  
**NELSPRUIT – PPL.sf.F3/2/2006**

## **1. Tariff schedule**

- a) The tariff proposal were submitted to NERSA on 25 February 2011 for approval. We are awaiting their decision and will include the approved tariff in the allocation mechanism once received.
- b) Tariffs charged will be inclusive of Value Added Tax (VAT).

## 2. Contractual terms and conditions for use

### i) Storage capacity scheduling and planning

- a) Three months advance notice is required for indicative order planning purposes. Storage capacity will only be made available to third parties if it is not taken up by our own storage requirements.
- b) Firm order planning - Seven working days notice is required before confirmation of order.
  - Petroleum product will only be received at our depots during the time periods stated in section D below. No exceptions will be made. We require 24 hours notice of the exact date and time on which product will arrive at the relevant depot.
  - Product can only be accepted via road transport at all four our depots.
  - Product can only be shipped via road transport from all four our depots.
  - Product that arrive earlier or later than planned/agreed upon will stay on the delivery vehicle until such time that it can be accommodated into storage during normal operating hours as stated in section D below.
  - Petroleum can be delivered and received in the following quantum's:
    - Bethal depot: Receive = 700 lt/min – Deliver = 450 lt/min
    - Belfast depot: Receive = 400 lt/min – Deliver = 450 lt/min
    - Ermelo depot: Receive = 350 lt/min – Deliver = 90 lt/min
    - Nelspruit depot: Receive = 350 lt/min – Deliver = 50 lt/min
  - All documentation must be done in both paper and electronic format, e.g. orders to be e-mailed and hard copies send with the truck.
  - Delivery and dispatch schedules must be strictly adhered to too ensure the smooth running of the daily activities of our storage facilities.
  - Petroleum can only be stored at any of our four facilities from the 7<sup>th</sup> of each month until the 21<sup>st</sup> of each month. Petroleum must be stored at the facility at the exact quantity and period applied for in the application. No deviations or non-compliance with the time period will be allowed and transgressors will be liable to penalties up to double the daily tariff as approved by NERSA. Further more, the Company reserves the right to hire in tankers to remove the product from storage and charge the lessee with the cost thereof.
  - Delays in anticipated petroleum receipt will be managed according to section B above. Over night parking is available for

the delivery vehicle should it arrive outside of normal operating hours. Delays in anticipated petroleum dispatch will be managed according to the relevant contingency at the time, e.g. hiring of a generator if there is a power outage during loading of product. Section B above also applies.

- c) 24 Hours notice is required before product is picked up from the facilities. All the product must be picked up as per the daily pick-up schedules agreed upon between Mpumalanga Petroleum CC and the lessee of the storage capacity.
- d) Product will only be accepted at our facilities during normal operating hours and no exceptions will be made. The Depot Supervisor at the relevant depot must be present during loading and off-loading of product into and out of storage to ensure compliance with all the relevant procedures.
  - Bethal Depot: 07H30 to 16H30 – Monday to Friday
  - Belfast Depot: 08H00 to 17H00 – Monday to Friday
  - Ermelo Depot: 07H30 to 16H30 – Monday to Friday
  - Nelspruit Depot: 07H30 to 16H30 – Monday to Friday

## ii) Volume to be stored

- Bethal – 76 000 lt capacity per day in equivalents of 38 000 lt. Notice must be taken of the conditions in section 2(i)(b) above.
- Belfast – No current storage available.
- Ermelo – No current storage available.
- Nelspruit – No current storage available.

### Metering Process:

- a) Bethal – LC bulk meters are used for the off loading of fuel into storage.  
Belfast – Currently no metering function to facilitate 3<sup>rd</sup> party storage.  
Ermelo - Currently no metering function to facilitate 3<sup>rd</sup> party storage.  
Nelspruit - Currently no metering function to facilitate 3<sup>rd</sup> party storage.
- b) Bethal – Calibration certificates attached.  
Belfast, Ermelo, Nelspruit - Currently no metering function to facilitate 3<sup>rd</sup> party storage.
- c) Bethal – Meter record cards will be used in the meters. Volumes are mechanically recorded onto the meter record card for quantity control purposes.  
Belfast, Ermelo, Nelspruit - Currently no metering function to facilitate 3<sup>rd</sup> party storage.

### Third Party liability with respect to:

- a) Unpumpables or dead stock is the property of Mpumalanga Petroleum CC. The 3<sup>rd</sup> party will be able to load the exact quantity that they have pumped into storage.
- b) Any losses or gains in depot operations are the liability of Mpumalanga Petroleum CC. A 3<sup>rd</sup> party will not have the right to any gains due to depot operations.

Petroleum will be measured and reported at a temperature of 20 degrees Celsius and at a density of .820. The relevant SANS Standards will apply to all temperature and density measurements.

Any differences in temperature and density will be the responsibility of Mpumalanga Petroleum CC. The 3<sup>rd</sup> party will have access to the exact volume pumped through our meters into storage. A 3<sup>rd</sup> party will not have any claim to gains or losses due to fluctuations in temperature or density.

### **iii) Petroleum type and quality control**

The following standards are applicable to the petroleum quality that all 3<sup>rd</sup> parties must adhere to:

- a) All the applicable South African National Standards (SANS) including SANS 342.
- b) All the Oil Industry Petroleum Exchange Standards (OIPES).
- c) Any other Industry or National Standards that might apply to Mpumalanga Petroleum CC's operational requirements for storage facilities.

Samples will be obtained from each compartment of the 3<sup>rd</sup> party vehicle for quality testing. Analysis of all samples will be done according to SANS 342 specifications. Testing will be done by Bioservices CC or any other SANAS approved laboratory preferred by Mpumalanga Petroleum CC. Samples will be kept for 30 days after the 3<sup>rd</sup> party's petroleum has left our storage facility.

Product contained in slops during the off-loading process of a 3<sup>rd</sup> party vehicle will be the responsibility and property of the 3<sup>rd</sup> party. The 3<sup>rd</sup> party will be responsible for the cleanup and removal of spilled product and cleanup materials for any spillages resulting from malfunction of the 3<sup>rd</sup> party vehicle equipment or leakages there from. The 3<sup>rd</sup> party will also be responsible for the cost of the cleanup and must use an accredited environmental cleanup agent.

#### **iv) Custody of petroleum**

Petroleum from a 3<sup>rd</sup> party will have passed into the custody of Mpumalanga Petroleum CC once the total volume has been pumped into storage. Petroleum will pass out of the custody of Mpumalanga Petroleum CC once the total volume has been loaded onto the 3<sup>rd</sup> party vehicle. All of the above will be done through our metering system to ensure quantity compliance.

All orders must be e-mailed, faxed and confirmed by telephone. The transporter must present the original order document when delivering or collecting the product from the depot. Mpumalanga Petroleum CC must be provided with a list of transporters, vehicles and drivers from the 3<sup>rd</sup> party. We will require certified copies of the identity documents from the drivers of the 3<sup>rd</sup> party vehicles as well as certified copies of the registration documents of the vehicles of the transporters. Mpumalanga Petroleum CC reserves the right to refuse to load or off load a 3<sup>rd</sup> party vehicle if we cannot establish the authenticity of any order or transporter.

The following remedial actions will be taken if there is a loss of or deterioration in petroleum quality during the storage licensee's period of custody:

- a) Mpumalanga Petroleum CC will be responsible to replace the quantity of 3<sup>rd</sup> party product lost due to incorrect operation of equipment; or
- b) Due to leakage, faulty equipment or faulty maintenance of any equipment that is owned by Mpumalanga Petroleum CC at the time of loss or deterioration; or
- c) Mpumalanga Petroleum CC will be responsible to replace 3<sup>rd</sup> party product lost due to theft or fire only if Mpumalanga Petroleum CC was negligent in providing the necessary fire safety and security measures. The 3<sup>rd</sup> party is responsible for their own theft and fire insurance to cover the full amount of product stored.

#### **v) Amendments to documentation**

Once an order for storage or dispatch has been received by Mpumalanga Petroleum CC, no amendments will be allowed to any documentation. Absolutely no changes will be allowed to documentation after a delivery has been discharged into our storage facility.

Due to the fact that no changes to documentation will be allowed, there will be no impact on tariffs. If there is a technical problem with the vehicle or illness of the driver specified on the order, and changes must be made due to safety reasons, Mpumalanga Petroleum CC may charge an administration fee to affect any changes to the documentation.



### **3. Contractual Terms and conditions for payment**

- a) The invoice format will state the 3<sup>rd</sup> party address and details, product name, quantity, tariff, number or days of storage and total amount owing to Mpumalanga Petroleum CC. The details of Mpumalanga Petroleum CC will also be displayed on the invoice. The invoice will be a valid tax invoice in compliance with SARS requirements.
- b) The invoice will be issued once the order from the 3<sup>rd</sup> party is received and the quantity and number of storage days have been confirmed.
- c) Payment must be made upfront on the same day of receipt of the invoice. Mpumalanga Petroleum CC will only accept receipt of product into storage when the payment has been confirmed by our Bank.
- d) Payment must be made by electronic transfer or Internet payment only. No cash, cheques or any other method of payment will be accepted.
- e) Payment for storage will be upfront with no exceptions made.

It is the responsibility of the 3<sup>rd</sup> party to arrange their own cover for insurance, liability and other costs.

A 3<sup>rd</sup> party seeking to utilize the storage facilities of Mpumalanga Petroleum CC must provide written proof that it is registered as a Wholesaler of Petroleum Products as required by the Petroleum Products Act, 1977 (Act No. 120 of 1977) as amended or possess a valid license issued by the Department of Energy (DOE).

A contract will be set up between a 3<sup>rd</sup> party seeking storage and Mpumalanga Petroleum CC. A template of the contract will be attached to the allocation mechanism once the tariff has been approved by Nersa.

#### 4. Technical requirements for access to the storage facility

The following technical requirements must be complied with:

- a) The vehicle delivering or collecting product to or from the storage facility must comply with – SANS 10231:2010; SANS 10187-8:2006; SANS 1518:2008; National Road Traffic Act No. 93 of 1996; National Road Traffic Act Regulations; BP fleet vetting protocols to obtain a safe loading pass; Any other local or National standards required by law not stated above.
- b) The driver delivering or collecting product to or from the storage facility must comply with – National Road Traffic Act No. 93 of 1996; National Road Traffic Act Regulations; SANS 10231:2010; Hazardous Substances Act, 1973; Be trained in the handling of Dangerous Goods; Have a valid Hazchem certificate; Be in possession of a valid and correct license code and PrDP for the class of vehicle he is driving. Have a valid medical certificate. Be trained at a Department of Transport approved training body. Received Mpumalanga Petroleum CC's Safe Working Procedure training in the loading and off loading of a bulk vehicle at a storage depot; Any other local or National standards required by law not stated above.
- c) Other requirements – SANS 10232-1:2007; SANS 10232-3:2007; SANS 10232-4:2004; SANS 10228:2010; Hazardous Substances Act, 1973; Occupational Health and Safety Act 85 of 1993; National Road Traffic Act No 93 of 1996; Mpumalanga Petroleum CC's Safe Operating Procedures; Any other local or National standards required by law not stated above.

Drivers must provide proof of training done in accordance with the law on the transportation of dangerous goods. Training must be done by a training body approved by the Department of Transport. This training is a requirement by law.

Driver training required by Mpumalanga Petroleum CC:

- Valid medical certificate
- Valid code EC license with PrDP
- Dangerous Goods training on Unit Standard 123259: Comply with Legal Documentation; Apply Safety Standards; Fire Fighting and Protective Equipment.
- The driver must be in possession of the National Certificate in Professional Driving: Convey Dangerous Goods: in terms of chapter VIII – Regulation 280 of the National Road Traffic Act 93 of 1996.
- Task Procedure – Vehicle filling at a bulk depot
- Task Procedure – Bulk depot delivery
- Fatigue Management
- Hijack Awareness training
- Defensive Driving – Theory and Practical

- Spill Reduction Intervention

The driver must sign an indemnity and agreement to abide by the rules and regulations of the relevant depot before entering the storage facility.

## 5. Process to be followed by third parties when requesting access

- a) Applications must be done in writing on a letter head of the 3<sup>rd</sup> party applying for storage.
- b) The application must include the volume, period of storage and the grade of fuel to be stored.
- c) Mpumalanga Petroleum CC require certified copies of the following documents for their records:
  - Wholesale License
  - Certificate of Registration
  - Close Corporation – CK1
  - Company – Certificate of Incorporation
  - Trust – Trust Master's Certificate
  - Sole Trader – Copy of identity document
  - Identity Document
  - Vat Registration Document
- d) Documents required for vetting and screening purposes – Certified copies of:
  - Wholesale License
  - Certificate of Registration
  - Close Corporation – CK1
  - Company – Certificate of Incorporation
  - Trust – Trust Master's Certificate
  - Sole Trader – Copy of identity document
  - Identity Document
  - Vat Registration Document
- e) The Operations Manager  
Mpumalanga Petroleum CC  
P.O. Box 115  
Passenger Street  
Bethal  
2310  
Tel: 017 – 647 6443  
Fax: 017 – 647 4207  
E-mail: [mary@bpmpumalanga.co.za](mailto:mary@bpmpumalanga.co.za)
- f) Correspondence can be done via e-mail, fax, registered mail or telephone.
- g) Applications will be answered within 21 days of receipt thereof.

Mpumalanga Petroleum CC reserves the right to make changes to this document from time to time as procedures and circumstances change.

**VERIFICATION CERTIFICATE**  
Section 5.10.2 of SANS 10378:2005

LTF0066

**Liquid Flow Meters**

6 Langkloof Street, Alrode South, Alberton

Name of client M.P. Mzumalanga Serial no of this certificate WJSD057

Address Methu/ Doreet

**Identification of the method used.**

Enter the verification method used and its PROC no. here Proc 2 Liquid meter with out PPL

**Description and identification of measuring instruments verified**

Fleet number/equipment number Pump Back Not Tank location of instrument As Above

Meter identity and details	Meter A	Meter B	Meter C
Serial number of meter	514116	/	/
Make of meter & model	LC 15		
Make of register & model	Veeder Root		
Totalizer reading after tests	37860371		
Totalizer reading before tests	37852285		
Amount delivered total	8086		

Delete Meter B and Meter C if not applicable, by means of diagonal line across block.

**Description of Verification Standard/s utilized**

The measuring standard used is traceable to the national standards via the stated calibration certificate.

VO confirms that a visual inspection of below mentioned verification equipment was carried out prior to use to affirm fit for use. Tick

**a) Volumetric standard/s**

Standard measure: serial no LEM 0627 calibration cert. no ECS/10/153 measuring capacity 2000 litre

Calibration date 29/10/2020 Own equipment  Loan equipment used

**b) Instruments for auxiliary measurements**

Hydrometer/s: serial no/s M/S Thermometer/s serial no/s -

Calibration certificate no M/S Calibration date - Own equipment used

**Statement**

The measuring instrument/s was/were tested and found to comply in all respects with the requirements of the Trade Metrology Act, 1973 (Act 77 of 1973) and may be used for a prescribed purpose as intended by the Act.

Verification officer name W.J. Doshoff Signature [Signature]

Seal ID no WJD/1 Date of verification 18/03/2021

Expiry date of this verification certificate 10/03/2022

Verification certificate ends

VERIFICATION CERTIFICATE



Section 5.10.2 of SANAS 10378:2005

LIQUID FLOW METERS cc

LTF 0066

6Langkloof Street Alrode South

Name of client B.P. Mpumalanga Serial no of this certificate W.J.S.053

Address Methal Denas

Identification of the method used.

Enter the verification method used and its PROC no here Proc 2 Liquid  
meter without A.T.C.

Description and identification of measuring instruments verified.

Planet no: Pump Back Meter No 13 Location of instruments As Above

Meter identity and details	Meter A	Meter B	Meter C
Serial number of meter	51412	/	/
Make of meter & model	LC 15		
Make of register & model	Doelers		
Totalizer reading after test	22292665		
Totalizer reading before test	22284712		
Amount delivered TOTAL	7953		

DELETE METER B & C IF NOT APPLICABLE, BY MEANS OF DIAGONAL LINE ACROSS BLOCK

Description of Verification Standard/s utilized

The measuring standard used is traceable to the national standards via the stated calibration certificate.

VO confirmation that a visual inspection of below mentioned verification equipment was carried out prior to use to affirm fit to use Tick

a) Volumetric standard/s

Standard measure: Serial no LFM 062 T Calibration cert no FCS/10/153 measuring capacity 2000 litre

Calibration date 29/10/2010 Own equipment  Loan equipment used

b) Instruments for auxiliary measurements

Hydrometer/serial no: N/A Thermometer/s serial no: -

Calibration certificate no: N/A Calibration date: - Own equipment used: -

Statement

The measuring instrument/s was/were tested and found to comply in all respects with the requirements of the Trade Metrology Act, 1973 (Act 77 of 1973) and may be used for a prescribed purpose as intended by the Act.

Verification officer name: W.J. Boskamp Signature: [Signature]

Seal No: W.J.S. Date of verification: 10/03/2011

Expiry date of this certificate: 10/03/2014