



**Licence Number: PPL.sf.F1/175/2014**

**LICENCE FOR THE CONSTRUCTION OF A PETROLEUM STORAGE FACILITY AND AN AUXILIARY PIPELINE**

This licence is issued by the National Energy Regulator, hereinafter referred to as “Energy Regulator”, in terms of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

This licence is issued to

**Vopak Reatile Terminal Richards Bay (Pty) Ltd**

*(Company Registration No: 2014/085310/07)*

hereinafter referred to as “the Licensee”. This licence is only for the purpose of construction of a petroleum storage facility at:

**Lot 4 and Lot 5, Terminal Richards Bay, KwaZulu - Natal**

The construction of the petroleum storage facility permitted under this licence is subject to the terms and conditions as contained in this licence and/or amendments to these conditions as imposed by the National Energy Regulator.

Issued at Pretoria on this \_\_\_\_ day of \_\_\_\_\_ **2014**.

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**CHIEF EXECUTIVE OFFICER**

**Disclaimer**

The publication of these draft licence conditions for public comment should not be construed as a decision by the Energy Regulator to grant the licence applied for. The Energy Regulator does not accept any responsibility for any loss that may be sustained as a result of reliance by any person, company/organisation on the information contained in these draft licence conditions.

# LICENCE FOR THE CONSTRUCTION OF A PETROLEUM STORAGE FACILITY AND AUXILIARY PIPELINE

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## DEFINITIONS

In these licence conditions any word or expression to which a meaning has been assigned in the Act shall have the meaning so assigned, unless the context indicates otherwise:

“**Act**” means the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) and includes Regulations;

“**authorised person**” means authorised person as defined in the Rules;

“**licensed activity**” means the activity contemplated in condition 1 of these conditions;

“**Regulations**” means Regulations made in terms of sections 33(1) and 33(2) of the Act;

“**Rules**” means Rules made by the National Energy Regulator in terms of section 33(3) of the Act.

“**LPG**” means Liquefied Petroleum Gas

## CHAPTER ONE: LICENSED ACTIVITY

### 1. Licensed Activity

1.1 The Energy Regulator grants the Licensee licence to construct:

a) a petroleum and LPG storage facility and an auxiliary equipment located at: Lot 4 and 5, Richards Bay Terminal, KwaZulu-Natal (site GPS coordinates 28°49'07" South and 32°04'10" East) and Berths 208 and 209 (GPS coordinates 28°48'22" South and 32°03'33" East) and consisting of:

- i. five mounded bullet LPG tanks, each of 7660m<sup>3</sup>;
- ii. eight clean petroleum products (CPP) fixed roof tanks;
- iii. three (3) road loading bays;
- iv. one (1) rail loading bays;
- v. single weighbridges for road and rail loading
- vi. one (1) shipping liquid line;

b) auxiliary pipelines of 2km in length to connect Berth 208 and 209 to Lot 4 and Lot 5 in Richards Bay will be constructed by Vopak Reatile Terminal Richards Bay. Pipeline size:

- Berth 208 / 209 Loading 10" – LPG (Centrifugal)
- Berth pipeline 12" – CPP (Ex ship)

1.2 The storage facility to be constructed consists of:

(a) Thirteen (13) tanks consisting of (eight(8) CPP tanks and five (5) LPG tanks which will be in one phase with a capacity of approximately 121 500m<sup>3</sup> at Richards Bay Terminal site.

(b) The facility will be constructed as follows:

<b>Phase</b>	<b>Start date</b>	<b>End date</b>
1	January 2015	August 2016

**2. Facility Details are explained below :**

2.1. This licence is issued to the Licensee for the construction of a storage facility for the storage of LPG and clean petroleum products .

2.2. The proposed layout of the storage facility and as reflected in Annexure **A – Proposed Site Layout.**

2.3. Details of the storage facility are provided in **Annexure B – Proposed Facility Details.**

**3. Duration of Licence**

2.1 This licence is valid for a period of 25 years, commencing on the date of issue.

2.2 The Licensee may, in accordance with the Act and the Rules, apply for the renewal of the licence.

## **CHAPTER TWO: GENERAL CONDITIONS**

### **4. General conditions of License**

Sections 20(1)(a),(b), (c), (d), (e), (n), (o), (p), (r), (t) (u), (v), (w) , (aa) and (bb) of the Act are conditions of this licence.

### **5. Compliance with Conditions of Licence**

The Licensee must comply with all conditions of this licence.

### **6. Compliance with Legislation, Operation Codes and Standards**

The Licensee must comply with all applicable legislation, construction codes and standards, including those listed in **Annexure C - Legislation, Construction Codes and Standards**.

### **7. Amendment of Licence**

- 7.1. This licence may only be amended in accordance with the Act and the Rules.
- 7.2. The National Energy Regulator may temporarily change these licence conditions in an emergency.

### **8. Revocation of Licence**

This licence may only be revoked in accordance with the Act and the Rules.

### **9. Changes in Details of the Licensee**

- 9.1. The Licensee must, within thirty days of changes in its control as contemplated in section 12(2) of the Competition Act, 1998 (Act No. 89 of 1998), notify the National Energy Regulator of such changes.
- 9.2. The Licensee must, within 14 days of any change in its registered name, operating or trading name, registered address and other contact details, notify the Energy Regulator of such a change.

## **10. Changes to the Storage Facility**

- 10.1. When approached by interested parties, the Licensee must negotiate for changes in the capacity of the storage facility to be constructed. The cost of such changes must be shared equitably between the Licensee and the party requesting the change.
- 10.2. Any changes to the storage facility to be constructed that, in terms of the Act, may require an amendment or revocation of this licence, or a new licence, must not be effected until the Energy Regulator has amended or revoked this licence or issued a new licence.
- 10.3. Changes to the storage facility must be made in accordance with applicable legislation, codes and standards including those listed in **Annexure C - Legislation, Construction Codes and Standards.**

## **11. Correspondence with the National Energy Regulator**

- 11.1. All official communication with the Energy Regulator must be in writing and must be addressed to the Chief Executive Officer and copied to the Regulator Member Primarily Responsible for Petroleum Pipeline Regulation.
- 11.2. The Licensee must, in all correspondence with the National Energy Regulator, quote the licence number as it appears on the licence certificate.

## **CHAPTER THREE: SPECIFIC CONDITIONS**

### **12. Commencement and Completion of Construction**

- 12.1. The Licensee must commence with the construction of the storage facility within six (6) months of the date of issue of this licence.
- 12.2. The construction of the storage facility must be completed and the storage facility must be ready for operation, within twelve (12) months of the date of issue of this licence.
- 12.3. Prior to commencement of construction of the storage facility, the Licensee must:
  - a) provide the National Energy Regulator with -
    - (i) the detailed final engineering design drawings for the storage facility; and
    - (ii) final Environmental Impact Assessment (EIA);
  - b) notify National Energy Regulator of the date on which construction will commence.

### **13. Information for Monitoring Purposes**

- 13.1. The Licensee must provide the Energy Regulator with reports on progress in the construction of the storage facility, after every six calendar months from the date of issue of the licence.
- 13.2. The reports contemplated in condition 12.1 above, must be submitted within seven (7) days from the last day of every six calendar months.
- 13.3. The first progress report must be submitted within seven (7) days of the last day of the six calendar months calculated from the date of issue of this licence.
- 13.4. The reports contemplated in condition 12.1 above must provide updates on:
  - (a) progress towards and award of all Engineering Procurement and Construction contracts;



- (b) the progress made in the acquisition of land or any right in, over or in respect of land necessary for the licensed activity, including details on all negotiations that have been concluded and that are underway, planned or stalled;
- (c) the progress made in obtaining a Record of Decision from the relevant environmental authorities for the construction of the storage facility;
- (d) any negotiations contemplated in section 20(1)(o) of the Act;
- (e) progress in the construction of the storage facility compared to the **project plan schedule** contained in **Annexure D** (where there have been changes to the project plan schedule, the updated project plan must be submitted with the progress report); and
- (f) any other related matter.

13.5. Upon completion of construction of the storage facility, the Licensee must:

- (a) provide the National Energy Regulator with:
  - (i) the as-built maps, drawings, diagrams and schedules, identifying any deviations and differences from Annexure A and B, and must provide reasons for such deviations and differences;
  - (ii) the final audited costs of construction of the storage facility; and
  - (iii) a certificate or confirmation from a competent authority certifying or confirming that the storage facility is fit for operation.

#### **14. Regulatory Reporting**

The Licensee must comply with volume 1 and volume 4 of the National Energy Regulator's Regulatory Reporting Manuals published under GN 1118 in *Government Gazette* No. 31392 of 10 September 2008, which may be amended by the National Energy Regulator from time to time.

#### **15. Entry, Inspection and Gathering of Information**

The Licensee must, in a manner prescribed by the Rules, permit any authorised person to enter and inspect any property on which the licensed activity is taking place.

## **16. Provision of Information to the National Energy Regulator**

The Licensee must on request by the National Energy Regulator, provide all other information the National Energy Regulator may require to perform its functions under the Act.

## **17. Ancillary Obligations**

The Licensee is responsible for compliance with these licence conditions regarding any work on the storage facility or services that are the subject of this licence and/or that are subcontracted to other parties.

## **18. Whole Licence**

This licence constitutes the entire licence and supersedes any prior understandings and agreements between the Licensee and the National Energy Regulator.

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## ANNEXURE B: Proposed Facility Details

### Tank Allocation and Capacities

Tank ID	Tank Type	Product Type	Design Capacity (m <sup>3</sup> )
100-01	Mounded bullet	LPG	7660
100-02	Mounded bullet	LPG	7660
100-03	Mounded bullet	LPG	7660
100-04	Mounded bullet	LPG	7660
100-05	Mounded bullet	LPG	7660
101-01	Fixed roof tank	CPP	10 400
101-02	Fixed roof tank	CPP	10 400
101-03	Fixed roof tank	CPP	10 400
101-04	Fixed roof tank	CPP	10 400
101-05	Fixed roof tank	CPP	10 400
101-06	Fixed roof tank(IFR)	CPP	10 400
101-07	Fixed roof tank(IFR)	CPP	10 400
101-08	Fixed roof tank (IFR)	CPP	10 400

## **ANNEXURE C: Legislation, Codes and Standards**

The applicant included a list of applicable regulations, operating and technical standards, codes and specifications, including:

- SANS 10089-1 Part 1 – Storage and Distribution of Petroleum Products in Above-ground bulk installations.
- SANS 1128-1 (SABS 1128-1), Fire fighting equipment - Part 1: Components of underground and above-ground hydrant systems.
- SANS 1128-2, Fire fighting equipment - Part 2: Hose couplings, connectors, and branch pipe and nozzle connections.
- SANS 1186-1, Symbolic safety signs - Part 1: Standard signs and general requirements.
- SANS 10085-1, The design, erection, use and inspection of access scaffolding - Part 1: Steel access scaffolding.
- SANS 10086-1, The installation, inspection and maintenance of equipment used in explosive atmospheres - Part 1: Installations including surface installations on mines.
- SANS 10089-2, The petroleum industry - Part 2: Electrical and other installations in the distribution and marketing sector.
- SANS 10108, The classification of hazardous locations and the selection of equipment for use in such locations.
- SANS 10121, Cathodic protection of buried and submerged structures.
- SANS 10123 (SABS 0123), The control of undesirable static electricity.
- SANS 10263 (SABS 0263), The warehousing of dangerous goods – enclosed storage areas and covered and uncovered outdoor storage yards.
- SANS 10089
- API 650
- API 610
- ISO 2858

## ANNEXURE D: Project Plan Schedule

Table D-1: Schedule Implementation storage facility:

<i>Highlights/Milestones</i>	<i>Planned End Date</i>
Financial approvals	July 2014
Basic Assessment (BA)	September 2014
Site clearance start	September 2014
Construction start (Phase 1)	January 2015
Mechanical completion	August 2016
Ready for operation	October 2016