



**Licence No: PPL.sf.F1/81/2008**

**LICENCE FOR THE CONSTRUCTION OF PETROLEUM STORAGE FACILITIES AND AUXILIARY EQUIPMENT**

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

This licence is issued to

**AIRPORTS COMPANY SOUTH AFRICA LIMITED trading as ACSA**

*(Company Registration No: 1993/004149/06)*

hereinafter referred to as "the Licensee". This licence is only for the purpose of construction of petroleum storage facilities and auxiliary equipment including an internal distribution pipeline at OR Tambo International Airport in Johannesburg.

The construction of the petroleum facilities 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 NERSA. These licence conditions must be adhered to.

ISSUED at Pretoria on this the **19<sup>th</sup>** day of **January 2009**.

  
\_\_\_\_\_  
**CHIEF EXECUTIVE OFFICER**  
**NATIONAL ENERGY REGULATOR**



## LICENCE FOR THE CONSTRUCTION OF PETROLEUM STORAGE FACILITIES AND AUXILIARY EQUIPMENT

### TABLE OF CONTENTS

	<b>Page</b>
<b>DEFINITIONS .....</b>	<b>3</b>
<b>CHAPTER ONE: LICENSED ACTIVITY .....</b>	<b>4</b>
1 Licensed Activities .....	4
2 Duration of Licence .....	5
<b>CHAPTER TWO: GENERAL CONDITIONS .....</b>	<b>6</b>
3 General conditions of licence .....	6
4 Amendment of Licence.....	6
5 Compliance with Conditions of Licence.....	6
6 Revocation of Licence .....	6
7 Changes in Licensee particulars .....	6
8 Correspondence with the NERSA .....	7
9 Accounts.....	7
10 Entry, Inspection and Gathering of Information .....	7
<b>CHAPTER THREE: SPECIFIC CONDITIONS .....</b>	<b>8</b>
11 Commencement of Activities .....	8
12 Adherence to the schedule.....	9
13 Information for monitoring .....	9
14 Construction standards .....	10
15 Ancillary Obligations .....	10
16 Whole licence .....	10

### ANNEXURES

ANNEXURE A: SITE-LAYOUT, MAPS AND DRAWINGS

ANNEXURE B: FACILITY DETAILS

ANNEXURE C: OR TAMBO INTL. AIRPORT DEVELOPMENT PROGRAM

ANNEXURE D: STANDARDS AND CODES

## **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 and -

**“authorised person”** means any person holding a valid authorisation permit as defined by Rule.

**“licensed activities”** means the activities contemplated in paragraph 1.1 of this licence.

**“Rules”** means Rules made by NERSA in terms of section 33(3) of the Act and Rule has a corresponding meaning.

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

## **ACRONYMS**

**Jet A-1** Jet fuel (a kerosene grade of fuel suitable for most jet engine aircraft).

# **CHAPTER ONE: LICENSED ACTIVITY**

## **1 Licensed Activities**

1.1 The NERSA grants **Airports Company South Africa Limited, trading as ACSA**, a licence to construct petroleum storage facilities and auxiliary equipment including an internal distribution pipeline at OR Tambo International Airport in Johannesburg as follows:

- a) Phase 1:
  - (i) three (3) above ground tanks with design capacity of 6,350 m<sup>3</sup> each and tank identity numbers 12, 13 & 14 and further detailed in **Annexure B-1**;
- b) Phase 2:
  - (i) two (2) above ground tanks with design capacity of 12,000 m<sup>3</sup> each and tank identity numbers 15 & 16 and further detailed in **Annexure B-1**;
- c) Phase 3:
  - (i) a fuel pipeline from existing pump station to existing aircraft stands with the routing shown in **Annexure A-1** and further detailed in **Annexure B-2**;
- d) Phase 4:
  - (i) a fuel pipeline and new pump station to new aircraft stands, tied into the existing fuel pipe system with the routing shown in **Annexure A-1** and further detailed in **Annexure B-2**;
- e) Phase 5:
  - (i) one (1) above ground tank with design capacity of 12,000 m<sup>3</sup> and tank identity number 17 and further detailed in **Annexure B-1**;
- f) Phase 6:
  - (i) one (1) above ground tank with design capacity of 12,000 m<sup>3</sup> and tank identity number 18 and further detailed in **Annexure B-1**;
- g) Phase 7:

- (i) one (1) above ground tank with design capacity of 12,000 m<sup>3</sup> and tank identity number 19 and further detailed in **Annexure B-1**;
- h) Phase 8:
  - (i) one (1) above ground tank with design capacity of 12,000 m<sup>3</sup> and tank identity number 20 and further detailed in **Annexure B-1**;
- i) Phase 9:
  - (i) one (1) above ground tank with design capacity of 12,000 m<sup>3</sup> and tank identity number 21 and further detailed in **Annexure B-1**; and
- j) Phase 10:
  - (i) one (1) above ground tank with design capacity of 12,000 m<sup>3</sup> and tank identity number 22 and further detailed in **Annexure B-1**.

## **2 Duration of Licence**

- 2.1 The licence is valid for a period of 25 years, commencing on the date of issue of the licence, unless revoked.
- 2.2 The expiry of the period of validity of this licence does not prevent the NERSA from acting against the Licensee for any breach of licence which may have occurred during the period of operation of the licence.

## **CHAPTER TWO: GENERAL CONDITIONS**

### **3 General conditions of licence**

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

### **4 Amendment of Licence**

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

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

The Licensee must at all times comply with the conditions of this licence, the Act and the Rules.

### **6 Revocation of Licence**

This licence may be revoked by the NERSA in accordance with the provisions of the Act and the Rules.

### **7 Changes in Licensee particulars**

7.1 The Licensee must notify the NERSA if the control of the Licensee, as contemplated in section 12(2) of Competition Act, 1998 (Act No. 89 of 1998), changes, within thirty days of such change.

7.2 The Licensee must at all times provide the NERSA with the details of any changes in its registered name, operating or trading name, registered address and other contact details.

7.3 The notifications contemplated in this section must be provided within 14 days of the event giving rise to them.

## **8 Correspondence with the NERSA**

- 8.1 All official communication with the NERSA must be in writing, unless directed otherwise by the NERSA.
- 8.2 The Licensee must, in all correspondence with the NERSA, quote the licence reference number, as it appears on the licence certificate.

## **9 Accounts**

- 9.1 The Licensee must comply with NERSA's Regulatory Reporting requirements as amended from time to time.
- 9.2 The Licensee must maintain separate accounts and compile data for storage operation activities separate from any other accounts or data collection.
- 9.3 The Licensee must keep records providing the details of all petroleum storage transactions and agreements entered into.
- 9.4 The Licensee must specify in writing rules for the actual allocation of assets and liabilities, expenditure and income as well as for depreciation, unless otherwise prescribed by NERSA in the Regulatory Reporting Manuals.

## **10 Entry, Inspection and Gathering of Information**

The Licensee must permit any authorised person, at all reasonable times, to enter any property on which the licensed activity is taking place or will take place and inspect any facility, equipment, machinery, book, account and/or other documents and gather any information in accordance with the Act and the Rules.

## **CHAPTER THREE: SPECIFIC CONDITIONS**

### **11 Commencement of Activities**

11.1 The construction of Phase 1 of the licensed activities contemplated in paragraph 1.1 must :-

11.1.1 commence within six (6) months of date of the date of issue of this licence or of receiving a positive Record of Decision from the environmental authorities, whichever is the latter;

11.1.2 be complete and ready for operation within two years of the commencement of construction; and

11.1.3 commence after the Licensee has notified NERSA in writing of the commencement date.

11.2 The construction of Phases 2 to 10 of the licensed activities contemplated in paragraph 1.1 must :-

11.2.1 commence within six (6) months of the commencement date in the development schedule in **Annexure C** or of receiving a positive Record of Decision from the environmental authorities, whichever is the latter;

11.2.2 be complete and ready for operation by the completion date in the development schedule in **Annexure C**; and

11.2.3 commence only after the Licensee has notified NERSA in writing of the commencement date.

11.3 The Licensee must, prior to the commencement of the construction of each of the activities listed in paragraph 1.1, provide the NERSA with –

11.3.1 A copy of a Record of Decision by the appropriate environmental authorities for the construction activity concerned; and

11.3.2 the detailed final engineering design for each licensed activity.



## **12 Adherence to the schedule**

12.1 The Licensee must adhere to the construction schedule in **Annexure C**.

12.2 Any proposed deviations from that schedule must be submitted to NERSA for consideration and approval.

12.3 Failure to adhere to clauses 12.1 and 12.2 might lead to revocation of the licence.

## **13 Information for monitoring**

13.1 The Licensee must notify the NERSA of the date of commencement of each phase of construction, prior to commencement of construction.

13.2 The Licensee must provide the NERSA with quarterly reports on the progress of each phase of the construction activities. The first quarter begins on the date that construction commences for each phase.

13.3 Such quarterly reports must be submitted within seven calendar days of the end of the quarter concerned.

13.4 Upon completion of construction of each phase, the Licensee must provide the NERSA with the as-built maps, drawings, diagrams and schedules, and identify any deviations and differences from **Annexure A to D** for each phase, and the reasons for such deviations and differences.

13.5 Upon completion of construction of each phase, the Licensee must also provide the NERSA with the actual as-built cost of the licensed activities

## **14 Construction standards**

14.1 All construction work must be performed in conformity with the maps, drawings and schedules in **Annexure A to D**.

14.2 All construction must comply with all relevant laws and the following codes, standards and regulations.

## **15 Ancillary Obligations**

The Licensee is responsible for compliance with these licence conditions regarding any work, services or activities carried out under this licence by the Licensee and/or subcontracted parties.

## **16 Whole licence**

16.1 This licence constitutes the entire licence and supersedes all prior understandings and agreements between the parties.

16.2 This licence must not be construed as creating or granting any right to the Licensee to install any petroleum pipeline or storage facilities other than those contemplated in paragraph 1.1 of this licence without the express written consent of the NERSA.

## **ANNEXURES**

### **ANNEXURE A: SITE-LAYOUT, MAPS AND DRAWINGS**

**Annexure A-1:** Aerial Layout of OR Tambo International Airport

**Annexure A-2:** Preliminary Site-layout with Coordinates

**Annexure A-3:** Process Flow Diagram I

**Annexure A-4:** Process Flow Diagram II

### **ANNEXURE B: FACILITY DETAILS**

### **ANNEXURE C: OR TAMBO INTL. AIRPORT DEVELOPMENT PROGRAM**

### **ANNEXURE D: STANDARDS AND CODES**

## ANNEXURE B: FACILITY DETAILS

### Annexure B-1: Storage Tanks

Phase	Tank ID (#)	Tank Type	Product	Diameter (m)	Height (m)	Design Capacity (m <sup>3</sup> )
1	12	Vertical steel tank; fixed roof and free vent with a steel bund	Jet A-1	24	14	6 350
	13	Vertical steel tank; fixed roof and free vent with a steel bund	Jet A-1	24	14	6 350
	14	Vertical steel tank; fixed roof and free vent with a steel bund	Jet A-1	24	14	6 350
2	15	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
	16	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
5	17	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
6	18	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
7	19	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
8	20	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
9	21	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000
10	22	Vertical steel tank; fixed roof, free vent with a concrete bund,	Jet A-1	33	14	12 000

### Annexure B-2: Distribution pipelines

Phase	Description	Diameter [mm]	Length [m]
3	Fuel pipeline from existing pump station to existing aircraft stands; will replace the existing main feeder pipelines (Red lines) - see Annexure A-1 for route	610	Total length approximately 17,631
4	Fuel pipeline and new pump set to new aircraft stands, tied into the existing fuel pipe system. Double pipeline system (Blue lines) - see Annexure A-1 for route	610	Total length approximately 27,000

## ANNEXURE C: OR TAMBO INTL. AIRPORT DEVELOPMENT PROGRAM

Phase	Description	Tank Identity Number	Planned Commencement	Planned Completion
1	3 x 6 350 m <sup>3</sup> tanks	12,13,14	October 2008	January 2010
2	2 x 12 000 m <sup>3</sup> tanks	15,16	2010	2012
3	Fuel pipeline from existing pump station to existing aircraft stands	-	2012	2014
4	Fuel pipeline and new pump station to new aircraft stands, tied into the existing fuel pipe system.	-	2012	2014
5	1 x 12 000 m <sup>3</sup> tank	17	2013	2014
6	1 x 12 000 m <sup>3</sup> tank	18	2015	2016
7	1 x 12 000 m <sup>3</sup> tank	19	2017	2018
8	1 x 12 000 m <sup>3</sup> tank	20	2018	2019
9	1 x 12 000 m <sup>3</sup> tank	21	2020	2021
10	1 x 12 000 m <sup>3</sup> tank	22	2022	2023

## ANNEXURE D: STANDARDS & CODES

1. The facility design will comply to:
  - Occupational Health and Safety Act,1985 (Act No. 85 of 1993);
  - Major Hazard Installations (MHI) Regulations made in terms of the Occupational Health and Safety Act);
  - Local Authority Regulations and by-laws;
  - Local Fire-Office Regulations; and
  - All other statutory requirements which may be applicable but not specifically mentioned above.
  
2. Further, a list of applicable regulations, design, equipment, operating and technical standards, codes and specifications, which amongst others include:
  - American Pipeline Institute (API) 650: "Welded Steel Tanks for Oil Storage";
  - South African National Standards (SANS) 10089-1 :2003: Part 1: "Storage and distribution of Petroleum Products in aboveground bulk installation";
  - SANS 10089-1 :2003: Part 2: Electrical Installation in the distribution and marketing sector;
  - SANS 10089-1 :2003: Part 3: Storage and distribution of Petroleum Products in Underground bulk installation tanks;
  - South African Bureau of Standards (SABS) 1200A : General;
  - SABS 1200H : Structural Steelwork;
  - SABS 1200HC: Corrosion Protection of Structural Steelwork;
  - American Standards for Mechanical Engineers (ASME) IX: "Welding Qualifications";
  - ASME/ANSI B16.5: "Pipe Flanges and Flanged Fittings";
  - ASME B16.9: "Factory made Wrought Steel Butt Welding Fittings";
  - API 2000: "Venting Atmospheric and Low Pressure Storage Tanks";
  - API Publications 2030: "Application of Fixed Water Spray Systems for Fire Protection in the Petroleum Industry" (Latest Edition);
  - National Fire Protection Association (NFPA) 15: "Standard for Water Spray Fixed System for Fire Protection (Latest Edition)";
  - NFPA 11: "Standard for Low Expansion Foam Hazardous Substances Act (Latest Edition)";
  - API 1540: API/IP Recommended Practice Design, Construction, Operation and Maintenance of Aviation Fuel Facilities;
  - API 1584: API/IP Recommended Practice for four inch Aviation Hydrant System Components and Arrangement;
  - JIG 10: "Guidelines for Aviation Fuel Quality Control and Operating Procedures for joint into Plane Fueling Service"; and
  - any other statutory requirement which may be applicable but not specifically mentioned above.