



Licence No: PPL.sf.F1/79/2007

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 Pipeline 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 pipeline distribution facility at King Shaka International Airport in Durban.

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 *9th* day of *May*..... 2008.



**CHIEF EXECUTIVE OFFICER
NATIONAL ENERGY REGULATOR**



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TABLE OF CONTENTS

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

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

Avgas Aviation gasoline (gasoline fuel for reciprocating piston aircraft engines)

Jet A-1 Jet fuel (a kerosene grade of fuel suitable for most jet engined 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 fuel storage facilities and auxiliary equipment including an internal pipeline distribution facility at the King Shaka International Airport consisting of –

- a) the main storage facility (the Receipt and Storage Depot) northeast of the airport consisting of 4 petroleum tanks, including -
 - (i) a Road Bulk Receipt Facility with two Jet A1 bridger off-loading points;
 - (ii) two (2) receipt pumps and two (2) filters capable of 2,200 litres/min flow rate
 - (iii) four (4) above ground tanks with design capacity of 1,500 m³ each to store Jet A-1 fuel;
 - (iv) a containment bund to house the storage tanks;
 - (v) a pump station consisting of 3 pumps to distribute product via the distribution pipeline system within the King Shaka International Airport at minimum pressure of 550 kPa at a total flow rate of 13,500 litres/min.
 - (vi) a bowser loading gantry consisting of a loading arm for loading Jet A-1 located at the Forward Fuel Depot (see below);
 - (vii) a Jet A-1 pipeline distribution network within the airport aprons, consisting of-
 1. two (2) main pipelines from the Receipt and Storage Depot that are-
 - diameter 400 mm (16") Class 150 design pressure capable at commencement of operation of a volume throughput of 13,500 l/min (810 m³/hr) using three pumps;

- runs 4,878 m from the storage facility to T-junction in the Fuel Forward Depot connected to a loading gantry for bowser loading;
 - and continue a further 488 m to a split located adjacent to apron Alpha;
 - designed to allow a maximum volume throughput of 27,000 l/min (1,620 m³/hr) if and after the addition of further 3 future pumps excluded from this licence;
2. the suction line is 500 mm (20") and the return line is 300 mm (12") between the pump station and the tank farm;
 3. the pipeline system network within the apron areas consists of four sections-
 - one 400 mm (16") pipeline to each of the four respective aircraft aprons namely Alpha , Bravo, Charlie and Delta;
 - Pipeline risers branch off at each aircraft stand (one per Class C aircraft and four per Class F aircraft stand);
 - pipeline risers are diameter 150 mm and are housed in the fuel pits with pit valves and couplers to connect to aircraft - details of each section are shown in **Annexure C**.
- b) a second petroleum storage facility (the Forward Fuel Depot) located next to Alpha apron consisting of two (2) petroleum tanks and with the following details-
- (i) two (2) underground tanks and dispensing pumps as follows-
 - 1 tank (23 m³) for diesel;
 - 1 tank (23 m³) for petrol;
 - 2 kerbside pumps for trucks and vehicles
- c) a third storage facility (the Avgas Storage facility) located at the Executive Aerospace Apron consisting of two (2) underground tanks and a fuel dispenser and with the following further details –

- (i) two (2) tanks of 23 m³ each to store Avgas;
- (ii) kerbside pump for fuelling small aeroplanes;

1.2 The construction of the licensed activities contemplated in paragraph 1.1 must –

- 1.2.1 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; and
- 1.2.2 be complete and ready for operation within four years of the date of issue of this licence.

2 Duration of Licence

- 2.1 The licence shall be 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), (t), (u), (v), (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

The Licensee must comply with the requirements concerning regulatory accounting as determined by the NERSA from time to time.

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 Notwithstanding 2.1 above the Licensee must commence the construction activities contemplated in paragraph 1.1 of this licence, within twelve months of the date of issue of this licence and must be completed within four years of the date of issue of this licence .
- 11.2 The Licensee must, prior to the commencement of the construction of each of the activities listed in paragraph 1.1, provide the NERSA with -
- 11.2.1 a copy of a Record of Decision by the appropriate environmental authorities for the construction activity concerned;
 - 11.2.2 the detailed final engineering design drawings for each licensed activity;
 - 11.2.3 The Licensee must notify the NERSA of the date of commencement of construction of the licensed activities, prior thereto.

12 Information for monitoring purposes

- 12.1 The Licensees must notify the NERSA of the date of commencement of construction, prior thereto.
- 12.2 The Licensees must provide the NERSA with quarterly reports on the progress of the construction activities.
- 12.3 Such reports must be submitted within seven calendar days from the last day of the calendar month.
- 12.4 The first report must be submitted within three calendar months from the date of issue of the licence.

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

12.6 Upon completion of construction, the Licensee must also provide the NERSA with the actual as-built cost of the licenced activities.

13 Construction standards

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

13.2 All construction must comply with all relevant laws and the following codes, standards and regulations including, in so far as they are applicable, but not limited to the –

- American Petroleum Institute (API) 650
- South African National Standards (SANS) 10089 – 1:2003
- South African National Standards (SANS) 10089 – 2: Part 2
- South African National Standards (SANS) 10089 – 2: Part 3
- South African Bureau of Standards (SABS) 1200A
- South African Bureau of Standards SABS 1200H
- American Standards for Mechanical Engineers (ASME) /American National Standards Institute (ANSI) B16.5
- American Standards for Mechanical Engineers (ASME) B16.9
- American Petroleum Institute (API) 2000
- American Petroleum Institute (API) Publications
- National Fire Protection Association (NFPA) 11
- American Standards for Mechanical Engineers (ASME) IX
- South African Bureau of Standards (SABS)
- National Fire Protection Association (NFPA) 15
- Hazardous Substance Act 1973, (No. 15 of 1973)

14 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.

15 Whole licence

- 15.1 This licence constitutes the entire licence and supersedes all prior understandings and agreements between the parties.
- 15.2 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 MAP & LAYOUT DRAWINGS

- Annexure A-1: New Fuel Hydrant Line Layout*
- Annexure A-2: Fuel Storage Depot Layout*
- Annexure A-3: Schematic Diagram of fuel Hydrant*
- Annexure A-4: Forward Fuel Depot Layout*
- Annexure A-5: Avgas facility layout*

ANNEXURE B: TANK DATA & CAPACITIES

- Annexure B-1: Storage Tank Details for Receipt and Storage Depot*
- Annexure B-2: Storage Tank Details for Avgas Facility*

ANNEXURE C: PIPELINE (HYDRANT) TECHNICAL DETAILS

Annexure C-1: Distribution Pipeline Schedule

Annexure C-2: Distribution Pipeline Sections Table

ANNEXURE D: ADDITIONAL DRAWINGS

Annexure D-1: Fuel Storage Depot Pipe Plan Road Receipt Facility

Annexure D-2: Fuel Storage Depot Pipe Plan into Hydrant Pump Station