

Licence Number: PPL.sf.F1/192/2014

**COMBINED LICENCE FOR THE CONSTRUCTION OF A PETROLEUM STORAGE FACILITY AND PETROLEUM PIPELINES**

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

**Island View Storage Richards Bay (Pty) Ltd**

**trading as Bidvest Tank Terminal RB**

*(Company Registration No: 1970/007028/07)*

hereinafter referred to as "the Licensee". This licence is only for the purpose of construction of :

a) a petroleum storage facility located at:

**Lots 3 and 4 South Dunes, Richards Bay Terminal, KwaZulu-Natal**

b) 3 petroleum pipelines:

**for the transportation of diesel and kerosene connecting the storage facility to berths 208 and 209**

The construction of the petroleum storage facility and petroleum pipelines 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 17<sup>th</sup> day of **March 2015**.

  
**Mr. Paseka Nku**  
**ACTING CHIEF EXECUTIVE OFFICER**  
**NATIONAL ENERGY REGULATOR**



**COMBINED LICENCE FOR THE CONSTRUCTION OF A STORAGE FACILITY AND  
PETROLEUM PIPELINES**

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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'** mean Regulations made in terms of sections 33(1) and 33(2) of the Act.

**'Rules'** mean Rules made by the National Energy Regulator in terms of section 33(3) of the Act.

## CHAPTER ONE: LICENSED ACTIVITY

### 1. Licensed Activity

1.1 The Energy Regulator grants the Licensee a licence to construct:

- a) A petroleum storage facility located at: Lot 3 and 4, Richards Bay Terminal, KwaZulu-Natal (site GPS coordinates 28°49'13" South and 32°03'40" East) consisting of:
  - i. four (4) vertical above ground tanks with a combined storage capacity of 45 872 m<sup>3</sup>;
  - ii. two (2) road loading bays;
  - iii. sixteen (16) rail loading bays; and
  - iv. auxiliary infrastructure including sampling facilities, fire-fighting system, and a drainage system
  
- b) Three (3) petroleum pipelines to transport diesel and kerosene from the existing berths 208 and 209 to the storage facility.

herein referred to as "**the facilities**".

1.2 The project schedule is attached as **Annexure D- Project Schedule**.

### 2. Facility Details

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

2.2. The proposed location of the storage facility and existing pipeline route is 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**

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

3.2 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 Licence**

Sections 20(1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (n), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (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 (30) 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 Facilities**

- 10.1. When approached by interested parties, the Licensee may negotiate for changes in the capacity of the facilities 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 facilities 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 facilities 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 facilities within six (6) months of the date of issue of this licence.
- 12.2. The construction of the facilities must be completed and the storage facility must be ready for operation within eighteen (18) months of the date of issue of this licence.
- 12.3. Prior to commencement of construction of the facilities, the Licensee must provide the National Energy Regulator with:
  - (i) the detailed final engineering design drawings for the storage facility, and
  - (ii) the date on which construction will commence and provide the revised project schedule, if applicable.

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

- 13.1. The Licensee must provide the Energy Regulator with reports on progress in the construction of the facilities after every six (6) calendar months from the date of issue of the licence.
- 13.2. The reports contemplated in condition 13.1 above must be submitted within seven (7) days from the last day of every six (6) calendar months.
- 13.3. The first progress report must be submitted within seven (7) days of the last day of the six (6) calendar months calculated from the date of issue of this licence.
- 13.4. The reports contemplated in condition 13.1 above must provide updates on:



- (a) progress towards the awarding of all Engineering Procurement and Construction contracts;
- (b) any negotiations contemplated in section 20(1)(o) of the Act;
- (c) progress in the construction of the facilities compared to the **project 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
- (d) any other related matter.

13.5. Upon completion of construction of the facilities, the Licensee must provide the National Energy Regulator with:

- (a) the as-built maps, drawings, diagrams and schedules, identifying any deviations and differences from Annexure A, B and D, and must provide reasons for such deviations and differences;
- (b) the final audited costs of construction of the facilities; and
- (c) a certificate or confirmation from a competent authority certifying or confirming that the facilities are 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**

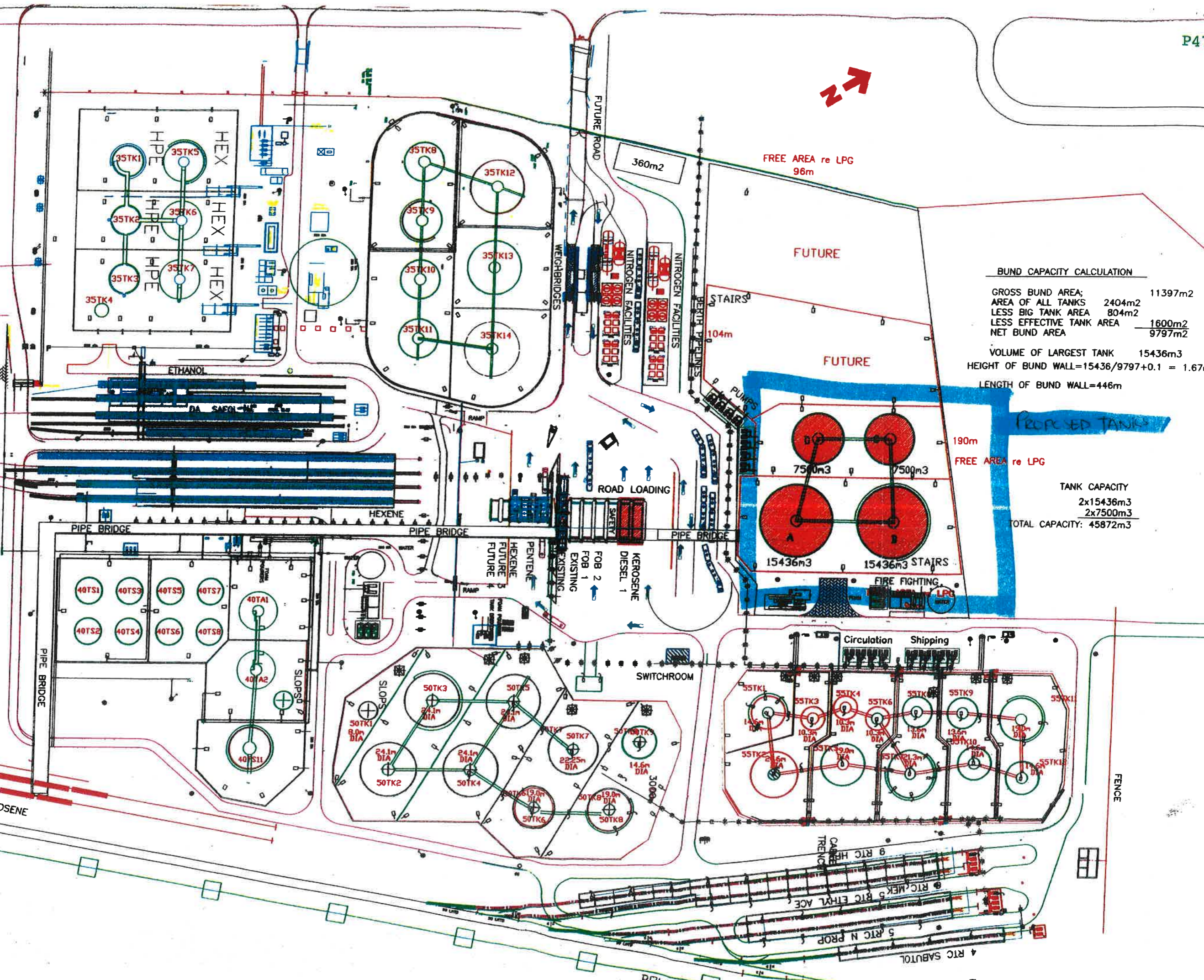
The Licensee is responsible for compliance with these licence conditions regarding any work on the facilities or services that are the subject of this licence and/or that are subcontracted to other parties.

**18. Whole Licence**

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

**ANNEXURE A: Proposed Site Layout**

B



FREE AREA re LPG  
96m

360m<sup>2</sup>

FUTURE

STAIRS

104m

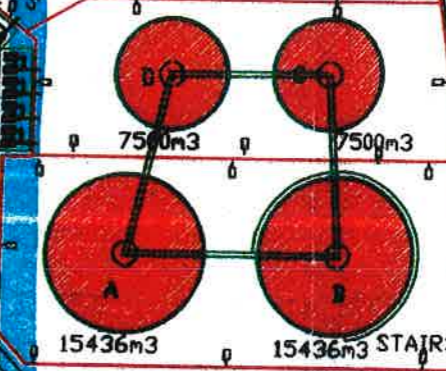
FUTURE

**BUND CAPACITY CALCULATION**

GROSS BUND AREA;	11397m <sup>2</sup>
AREA OF ALL TANKS	2404m <sup>2</sup>
LESS BIG TANK AREA	804m <sup>2</sup>
LESS EFFECTIVE TANK AREA	1600m <sup>2</sup>
NET BUND AREA	9797m <sup>2</sup>
VOLUME OF LARGEST TANK	15436m <sup>3</sup>
HEIGHT OF BUND WALL=15436/9797+0.1 =	1.67m
LENGTH OF BUND WALL=	446m

PROPOSED TANKS

190m  
FREE AREA re LPG



**TANK CAPACITY**

2x15436m <sup>3</sup>
2x7500m <sup>3</sup>
TOTAL CAPACITY: 45872m <sup>3</sup>

RAIL LOADING FOR DIESEL AND KEROSENE

BOUNDARY

FENCE

4 RTC SABUTOL

5 RTC N PROP

5 RTC MEK 5 RTC ETHYL ACE

9 RTC HPE

CABLE TRENCH

FIRE FIGHTING

STAIRS

15436m<sup>3</sup>

15436m<sup>3</sup>

7500m<sup>3</sup>

7500m<sup>3</sup>

PUMPS

ROAD LOADING

SAFETY

FOB 2

FOB 1

EXISTING

EXISTING

ROSENE

DIESEL

HEXENE

PENTENE

FUTURE

FUTURE

HEXENE

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## ANNEXURE B: Proposed Facility Details

**Table 1: Tank Allocation and Capacities**

Tank ID	Tank Type	Product Type	Design Capacity (m <sup>3</sup> )
A	Vertical, above ground	Diesel	15 436
B	Vertical, above ground	Diesel	15 436
C	Vertical, above ground	Kerosene	7 500
D	Vertical, above ground	Kerosene	7 500
<b>Total capacity</b>			<b>45 872</b>

**Table 2: Pipeline Details**

Pipeline Details			
Pipeline	Diameter (inch)	Length (km)	Rate (m <sup>3</sup> /h)
1	10	2.3	520
2	12	2.3	820
3	16	2.3	1500

**Table 3: Mode of operation**

Intake		Discharge	
Mode	Rate (m <sup>3</sup> /h)	Mode	Rate (m <sup>3</sup> /h)
10 inch pipeline	520	Road tanker	150
12 inch pipeline	820	Rail	60
16 inch pipeline	1500		

## ANNEXURE C: Legislation, Codes and Standards

The Licensee must comply with all relevant codes and standards including the following submitted in its licence application

- SANS 10089-1: 2008 The petroleum industry part 1; Storage and distribution of petroleum products in above-ground bulk installations.
- SANS 10105: The use and control of fire fighting equipment.
- SANS 10089-2: 2008 The petroleum industry part 2; Electrical and other installations in the distribution and marketing sector.
- SANS 10108: 2005 The classification of hazardous locations and the selection of apparatus for use in such locations.
- SANS 10142-1: 2008 The wiring of premises.
- SANS 10123: 2001 The control of undesirable static electricity.
- IEC 60331: Fire resisting characteristics of electrical cables
- IEC 60332: Test on electrical cables under fire conditions
- IEC 60529: Degrees of protection provided by enclosures
- IEC 60540: Test method for insulation and sheaths of electrical cables and cords
- IEC 61000: Electromagnetic compatibility
- IEC 61508: Functional safety: Safety related systems
- IEC 61508 Functional safety of electrical/electronic/programmable electronic safety related systems.
- IEC 61511 Functional safety – Safety instrumented systems for the process industry sector.
- API 6D: Pipeline valves
- API 14C: Manual of petroleum measurement standards
- API RP 520, Part 2: Guide for pressure-relieving and de-pressuring systems
- API RP 521: Flanged safety-relief valves
- API RP 551: Process measurement instrumentation
- API 650 Welded Steel Tanks for Oil Storage.

- API 653 Aboveground Storage Tanks inspection, repair, alteration and reconstruction.
- BS EN 14015 Specification for the Design and Manufacture of Site Built, Vertical, Cylindrical, Flat-bottomed, Aboveground, Welded, Steel Tanks for the Storage of Liquids at Ambient Temperature and Above.
- EEMUA publication number. 159 Users guide to the inspection, maintenance and repair of aboveground vertical cylindrical steel storage tanks.

The Licensee must also comply with all other relevant legislation, including but not limited to the following:

- Occupational Health and Safety Act, 1993 (No. 85 of 1993).
- The National Environmental Management Act, 1998 (No. 107 of 1998).
- The Environment Conservation Act, 1989 (Act No.73 of 1989).
- The National Water Act, 1998 (No. 36 of 1998).
- The Water Services Act, 1977 (No. 108 of 1977).
- National Environmental Management Air Quality Management Act, 2004 (No. 39 of 2004).
- The Hazardous Substances Act, 1973 (No. 15 of 1973)
- The National Health Act, 2003 (No. 61 of 2003).
- The National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977).
- National Ports Act, 2005 (Act No. 12 of 2005).
- National Key Points Act, 1980 (Act No. 102 of 1980).
- NRS Quality of supply standards.
- Transnet National Ports Authority: Instructions governing the lease of sites for the reception, storage, handling and distribution of petroleum and chemical products (Revised August 2002).

## ANNEXURE D: Project Schedule

Project schedule<sup>1</sup>

Activity	Date
Site Establishment	March 2015
Commissioning of tanks	May 2016

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<sup>1</sup> The more detailed project plan is confidential