



Licence Number: PPL.sf.F3/19/2006

**LICENCE FOR THE OPERATION OF A PETROLEUM STORAGE FACILITY**

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

**Transnet Ltd trading as Petronet**

*(Company Registration No: 1990/000900/06)*

hereinafter referred to as 'the Licensee', only for the purpose of operation of a petroleum storage facility at:

**Corner Rustenburg & Ventersdorp Road, Tarlton, Krugersdorp, Gauteng**

The operation of the petroleum storage facility permitted under this licence is subject to the terms and conditions as contained in this licence and/or to amendments to these terms and conditions as imposed by the NERSA. These licence conditions must be adhered to.

ISSUED at Pretoria on this *29<sup>th</sup>* day of *MARCH*..... 2007.

A handwritten signature in black ink, appearing to read 'S. M. M. M.', is written over a horizontal line.

**CHIEF EXECUTIVE OFFICER  
NATIONAL ENERGY REGULATOR**





## LICENCE FOR THE OPERATION OF A PETROLEUM STORAGE FACILITY

<b>DEFINITIONS .....</b>	<b>3</b>
<b>CHAPTER ONE: LICENSED ACTIVITY .....</b>	<b>4</b>
1. Licensed Activities.....	4
2. Duration of Licence .....	4
<b>CHAPTER TWO: GENERAL CONDITIONS .....</b>	<b>5</b>
3. Amendment of Licence .....	5
4. Revocation of Licence .....	5
5. Contravention of Licence .....	5
6. Changes in the Details of the Licensee.....	5
7. Entry, Inspection and Gathering of Information.....	6
8. Participation by Historically Disadvantaged South Africans .....	6
9. Vertically Integrated Company Accounts .....	6
10. Correspondence with the NERSA .....	7
11. Provision of Information to the NERSA.....	7
<b>CHAPTER THREE: SPECIFIC CONDITIONS .....</b>	<b>9</b>
12. Commencement of activities.....	9
13. Operation and Maintenance of the Storage Facility.....	9
14. Material Changes to the Facility .....	10
15. Uncommitted Capacity .....	10
16. Submission and Approval of Tariffs.....	11
17. Security of Supply to the Market.....	11
18. Whole Licence .....	11
19. Indemnity.....	11
<b>Annexure A</b>	Overall Site Layout Maps
<b>Annexure B</b>	Tank Allocation and Capacity of the Facility
<b>Annexure C</b>	Operation Codes and Standards
<b>Annexure D</b>	Tariffs

## **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 made under the Act.

**“authorised person”** means any person holding a valid authorisation permit as contemplated in a Rule made by the NERSA in terms of section 33(3) of the Act.

**“operation and maintenance plan”** means a written plan developed by the licensee in accordance with a recognised international code of practice for the operation and maintenance of petroleum storage facilities approved by the NERSA.

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

## **CHAPTER ONE: LICENSED ACTIVITY**

### **1. Licensed Activities**

- 1.1 The NERSA grants Transnet Ltd trading as Petronet a licence to operate a petroleum storage facility at the site located at

**Petronet Tarlton  
Cnr Rustenburg & Ventersdorp Road  
Tarlton  
Krugersdorp  
Gauteng**

and as indicated on the site location map in **Annexure A**.

- 1.2 The licence is granted to the Licensee for the storage of petroleum products. The licensed storage capacity is described in **Annexure B**.
- 1.3 The Licensee must carry out the operation activities for which the licence is granted.
- 1.4 The licensee may not assign its licence to another party or person.

### **2. Duration of Licence**

- 2.1 The licence shall be valid for a period of 25 years, commencing on the date of issue, unless revoked by the NERSA in accordance with the provisions of the Act.
- 2.2 The Licensee may apply to have its licence renewed subject to the provisions of the Act and the Rules.

## **CHAPTER TWO: GENERAL CONDITIONS**

### **3. Amendment of Licence**

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

3.2 The licence conditions may be temporarily changed by the NERSA in an emergency and, where possible, in consultation with the Licensee.

### **4. Revocation of Licence**

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

### **5. Contravention of Licence**

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

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

6.1 The Licensee must notify the NERSA if the control of the Licensee, as contemplated in Section 12(2) of Competition Act (89 of 1998), changes, within thirty days of such change.

6.2 The Licensee must provide the NERSA with the details of any changes in the registered name, operating or trading name, registered address and other contact details within thirty days of such change.

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

- 7.1 The Licensee must permit any authorised person to enter and inspect any property on which the licensed activity is taking place as prescribed by Rules.
- 7.2 The Licensee must provide the authorised person conducting an inspection with health and safety equipment appropriate for that inspection.

## **8. Participation by Historically Disadvantaged South Africans**

- 8.1 The Licensee must provide annually the following information, in a format determined by the NERSA, regarding the participation of historically disadvantaged South Africans-
- a) ownership;
  - b) employment equity indicators at all levels of management;
  - c) procurement policy; and
  - d) control of the Licensee, as contemplated in section 12(2) of the Competition Act, 1998 (Act No. 89 of 1998).

## **9. Vertically Integrated Company Accounts**

- 9.1 The Licensee must keep records providing the details of all storage transactions and agreements entered into.
- 9.2 The Licensee must comply with the guidelines on Regulatory Accounts as determined by the NERSA from time to time, regarding the separation of accounts and cross-subsidisation.

9.3 The Licensee must specify its rules for the allocation of assets and liabilities, expenditure and income as well as for depreciation, unless specified by the abovementioned guidelines.

## **10. Correspondence with the NERSA**

10.1 Unless otherwise directed by the NERSA, all official communication with the NERSA must be in writing.

10.2 The Licensee must, in all correspondence with the NERSA, quote the licence number, as it appears on the licence certificate.

## **11. Provision of Information to the NERSA**

The Licensee must furnish NERSA with information, in such form and manner and at such times as NERSA may require, including, but not limited to the following;

- (a) Copies of audited annual accounting statements within three months of the end of the Licensee's financial year.
- (b) Updates of tariff structures within three months of the anniversary of the date of issue of the licence.
- (c) The Licensee must submit to the NERSA quarterly reports of third party requests for storage granted and denied, and grounds for refusal within one month of the end of the quarter .

- (d) Annual updates of health, safety and emergency plans within three months of the anniversary of the date of issue of the licence..
  
- (e) Any other information that the NERSA may require in the performance of its duties or functions under the Act, as and when requested.



## **CHAPTER THREE: SPECIFIC CONDITIONS**

### **12. Commencement of activities**

12.1 The Licensee must commence the petroleum storage activities contemplated in Chapter One, no later than 90 days after the date of issue of the licence.

### **13. Operation and Maintenance of the Storage Facility**

13.1 The Licensee must develop, maintain and submit the following facility management plans to the NERSA -

- a) an operating and maintenance plan;
- b) an emergency plan; and
- c) a decommissioning plan (when necessary).

13.2 The Licensee must operate, maintain, decommission, recommission or abandon the storage facility in accordance with the standards as listed in Annexure C.

13.3 The Licensee must develop the management plans in accordance with the applicable and relevant standards, codes and legislation as listed in Annexure C.

13.4 If any amendments or changes are made to the management plans stipulated in clause 13.1, the Licensee must resubmit the plans to the NERSA within 90 days of such occurrence.

13.5 The Licensee must submit the procedures for decommissioning, recommissioning or abandonment prior to commencement.

13.6 The Licensee shall operate, maintain and develop its storage facility in a reliable and efficient manner, with due regard to the environment and public safety.

#### **14. Material Changes to the Facility**

14.1 The Licensee must comply with sections 20(1)(j), 20(1)(o) and 20(1)(p) of the Act.

14.2 The Licensee must notify the NERSA of -

- a. any interruptions in normal operations; and
- b. maintenance or repair work that affects the operation of the facility at least forty eight hours before the commencement of work or within twenty four hours in case of an emergency.

#### **15. Uncommitted Capacity**

15.1 The Licensee must comply with section 20(1)(n) of the Act.

15.2 The Licensee must not discriminate between customers, as contemplated in section 21 of the Act.

15.3 The licensee must comply with the NERSA approved methodology for determining uncommitted capacity for the purpose of third party access.

## **16. Submission and Approval of Tariffs**

16.1 The tariffs charged by the Licensee must be in compliance with **Annexure D**.

16.2 The Licensee must submit to the NERSA a schedule of proposed tariffs and details of their calculation for approval.

16.3 The Licensee must comply with section 28(2)(a) of the Act.

## **17. Security of Supply to the Market** —

The Licensee must maintain their licensed storage facility in a fully operational condition.

## **18. Whole Licence**

18.1 This licence constitutes the entire licence and supersedes any prior understandings and agreements between the Licensee and the NERSA.

18.2 This licence is limited to the storage facility contemplated in this licence.

## **19. Indemnity**

19.1 The NERSA and its employees are not liable for any and all claims, liabilities, losses, costs, expenses (including attorney's fees) and damages, which the Licensee may suffer resulting from the licensed activity.

<b>Annexure A</b>	Overall Site Layout
<b>Annexure B</b>	Tank Allocation and Capacities
<b>Annexure C</b>	Operation Codes and Standards
<b>Annexure D</b>	Tariffs

## Annexure A: Overall Site Layout

## Annexure B: Tank Allocation and Capacity of the Facility

### Tarlton Depot

Table: Petrol & Diesel

Capacity				Overall Capacity
Petrol		Diesel		
Number of Tanks	Capacity	Number of Tanks	Capacity	
7	17,400 m <sup>3</sup>	2	11,200 m <sup>3</sup>	28,600 m <sup>3</sup>

## **Operation Codes and Standards**

## **ANNEXURE C**

NB: The list of acts below includes all regulations, rules, standards and codes prescribed under each particular act.

1. The South African Occupational Health and Safety Act (No. 85 of 1993)
2. The National Environmental Management Act [No. 107 of 1998]
3. The National Environmental Management Amendment Act [No. 8 of 2004]
4. The Environment Conservation Act, 1989
5. The Environment Conservation Amendment Act [No. 50 of 2003]
6. The National Water Act [ No. 36 of 1998]
7. The Water Services Act [No. 108 of 1977]
8. The Atmospheric Pollution Prevention Act [ No. 45 of 1965]
9. The Hazardous Substances Act [No. 15 of 1973]
10. The Health Act [ No. 63 of 1977]
11. The National Health Act [No. 61 of 2003]
12. The National Building Regulations and Building Standards Amendment Act [No. 49 OF 1995]
13. The operating standards and procedures as supplied to the NERSA by Petronet in support of the licence application.

## **Annexure D: Tariffs**

- a. The applicant must submit to the Energy Regulator for consideration and approval, a document proposing the tariff applicable to prospective users of the licence petroleum storage facility.
- b. The first such document must be submitted within six months of the granting of the licence to operate the facility.