

Licence Number: PPL.p.F1/156/2013

LICENCE FOR THE CONSTRUCTION OF A PETROLEUM PIPELINE

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

This licence is issued to

Total South Africa (Pty) Limited

(Company Registration No: 1954/003325/07)

hereinafter referred to as "the Licensee". This licence is granted solely for the construction of a petroleum pipeline that will connect Berths 4, 5 and 6 at Island View, Durban Harbour and Total South Africa (Pty) Ltd Lube Manufacturing Plant site in Island View.

The construction of the petroleum pipeline 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 NERSA.

Issued at Pretoria on this 4th day of **August 2014**.

Balen

CHIEF EXECUTIVE OFFICER



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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;

“commencement date” means the date contemplated in condition 2.

“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 NERSA in terms of Section 33(3) of the Act.

CHAPTER ONE: LICENSED ACTIVITY

1. Licensed Activity

- 1.1. Energy Regulator grants Total South Africa (Pty) Ltd a licence to construct an 8 inch diameter petroleum pipeline that will connect berths 4, 5 and 6 at Island View, Durban Harbour and Total South Africa (Pty) Lube Manufacturing Plant (LMP) in Island View which is approximately 1185m long with a flow rate of 100m³/hr.
- 1.2. The location and overall site layout for the facility is shown in **Annexure A: Aerial Photo of Total SA LMP proposed pipeline route.**
- 1.3. Details of the pipeline are provided in **Annexure B: Proposed Pipeline Details.**

2. Commencement and Duration of Licence

- 2.1 This licence commences on the date of issue of this licence.
- 2.2 This licence is valid for a period of 25 (twenty-five) years from the commencement date.
- 2.3 The Licensee may, in accordance with the Act and the Rules, apply for an amendment or renewal of the licence.

CHAPTER TWO: GENERAL CONDITIONS

3. General Conditions of Licence

Sections 20(1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (t), (u), (v), (w), (y), (aa) and (bb) of the Act are conditions of this licence.

4. Compliance with Conditions of Licence

The Licensee must comply with all conditions of this licence.

5. Compliance with Legislation, Operation Codes and Standards

5.1. The Licensee must comply with all applicable legislation, operation codes and standards, including those listed in **Annexure C – Legislation, Codes and Standards**.

6. Amendment of Licence

- 6.1. This licence may only be amended in accordance with the provisions of the Act and the Rules.
- 6.2. NERSA may temporarily change these licence conditions in an emergency.

7. Revocation of Licence

- 7.1. This licence may only be revoked in accordance with the provisions of the Act and the Rules.
- 7.2. Should the licensee fail to commence with the construction of the facility within the time period contemplated in condition 11.1, the licensee must within 15 calendar days of the elapse of that time period, apply to NERSA for the revocation of this licence.

8. Changes in Details of the Licensee

- 8.1. The Licensee must, within 30 (thirty) days of changes in its control as contemplated in Section 12(2) of the Competition Act, 1998 (Act No. 89 of 1998), notify NERSA of such changes.
- 8.2. The Licensee must, within 14 (fourteen) days of any change in its registered name, operating or trading name, registered address or other contact details, notify NERSA of such a change.

9. Changes to the Facilities

- 9.1. When approached by interested parties, the Licensee must negotiate for changes in the capacity of the facility to be constructed. The cost of such changes must be shared equitably between the Licensee and the party requesting the change.
- 9.2. Any changes to the 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 NERSA has amended or revoked this licence or issued a new licence.
- 9.3. Changes to the facility must be made in accordance with applicable legislation, codes and standards including those listed in **Annexure C - Legislation, Codes and Standards**.

10. Correspondence with NERSA

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

CHAPTER THREE: SPECIFIC CONDITIONS

11. Commencement and Completion of Construction

- 11.1. Construction of the facility must commence within six (6) calendar months of the date of issue of this licence.
- 11.2. The Licensee must prior to the commencement of the construction of the facility:
 - (a) provide NERSA with the final, revised engineering design drawings for the facility, if any changes took place since the licence application was submitted; and
 - (b) notify NERSA of the date on which construction will commence and provide a revised project schedule, (see **Annexure D-2 - Project Schedule**).
- 11.3. The construction of the facility must be completed and ready for operation within twenty four (24) months of the commencement of the construction date contemplated in condition 11.2(b).

12. Information for Monitoring Purposes

- 12.1. The Licensee must provide NERSA with progress reports after every six calendar months from the date of issue of the licence.
- 12.2. The reports contemplated in condition 12.1 above, must be submitted within seven (7) days from the last day of every six calendar month period.
- 12.3. 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.

12.4. 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) any negotiations contemplated in sections 20(n) and 20(1)(o) of the Act;
- (c) progress in the construction of the facility compared to the project plan schedule contained in **Annexure D-2 - Project Schedule** (where there have been changes to the project schedule, the updated project plan must be submitted with the progress report); and
- (d) proof of compliance to the conditions of the environmental authorisation issued by the relevant authority; and
- (e) any other related matter.

12.5. Upon completion of construction of the facility, the Licensee must:

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

13. Regulatory Reporting

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

14. 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.

15. Provision of Information to NERSA

The Licensee must on request from NERSA, provide all other information NERSA may require to perform its functions under the Act.

16. Ancillary Obligations

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

17. Whole Licence

This licence constitutes the whole licence issued to the Licensee in relation to the licence activity.

No variation, suspension or removal of any licence condition shall be valid unless reduced to writing and made in terms of the Act.

No any other condition, whether made orally or in writing shall apply unless contained in this licence.

ANNEXURES:

ANNEXURE A: AERIAL PHOTO OF TOTAL SA LMP PROPOSED PIPELINE ROUTE

ANNEXURE B: PROPOSED PIPELINE DETAILS

ANNEXURE C: LEGISLATION, CODES AND STANDARDS

ANNEXURE D: PROJECT SCHEDULE

Annexure D-1: Project Development Programme

Annexure D-2: Project Schedule

**ANNEXURE A: AERIAL PHOTO OF TOTAL SA LMP PROPOSED PIPELINE
ROUTE**

ANNEXURE C: Legislation, Codes and Standards

1. The Licensee must comply with all relevant codes and standards including the following submitted in its licence application:
 - a. Process Piping, ASME code for pressure Piping, B31 (ASME B31.3-2012);
 - b. The wiring of Premises, Part 1: Low-voltage Installations (SANS 10142-1:2006)(Edition 1.5);
 - c. Tank Inspection, Repair, Alteration, and Reconstruction 2009 (API standard 653);
 - d. General Machinery Regulations 1988 (GN R1521 of 5 August 1988); and
 - e. General Specification RM Lubricants (SG RM-LUB PVA 110).

2. The Licensee must also comply with all other relevant legislation, including but not limited to the following:
 - a. The National Environmental Management Act, 1998 (Act No. 107 of 1998);
 - b. The National Water Act, 1998 (Act No. 36 of 1998);
 - c. National Environmental Management Air Quality Management Act, 2004 (Act No. 39 of 2004);
 - d. The Health Act, 1977 (Act No. 63 of 1977);
 - e. The National Health Act, 2003 (Act No. 61 of 2003); and
 - f. Occupational Health and Safety Act 1993 (Act No. 85).

Annexure D1: Project Development Programme

Project Activities	Commencement date	Estimated completion date
Drawing and Approvals	04 Jul 2014	21 Nov 2014
Execution (Finalised procurement strategy and preparation of tender pack, issuing and award)	04 Jul 2014	04 Feb 2015
Commissioning (Kick of Meeting, material procurement, mechanical and electrical works)	25 Sept 2014	09 Jan 2015
Post Implementation Review (Civil & Structural, mechanical & electrical works and Testing hand over)	02 Jan 2015	01 Jun 2015

Annexure D-2: Project Schedule