



Licence Number: PPL.sf.F3/3/2006

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

Varicor Nineteen (Pty) Ltd T/A BP Atlantic
(Company Registration No: 2000/026135/07)

hereinafter referred to as “the Licensee”. This licence is only for the purpose of operation of a petroleum storage facility at:

Vredendal Bulk Fuel Depot, 12 Sirkel Road, in Vredendal, Western Cape.

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 amendments to these conditions as imposed by the NERSA. The Licensee must comply with these licence conditions.

Issued at Pretoria on this 02 day of March 2009.

CHIEF EXECUTIVE OFFICER
NATIONAL ENERGY REGULATOR

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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 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.

“Regulations” means regulations made in terms of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

“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 'the Licensee' a licence to operate a petroleum storage facility at the site located at

**Vredendal Bulk Fuel Depot
12 Sirkel Road
Vredendal
Western Cape**

1.2 The site layout map of the storage facility is appended at Annexure A.

1.3 The licence is granted to the Licensee for the storage of petroleum products. The licensed storage capacity is described in Annexure B- "Tank Allocation and Capacities."

1.4 The Licensee must carry out the operation activities for which the licence is granted.

1.5 The licensee may not assign its licence to another party or person.

2. Duration of Licence

2.1 The licence is 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 General conditions of License

Section 20(1),(b), (c), (d), (e), (n), (o), (p), (r), (s), (u), (v), (w), (x), (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 Revocation of Licence

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

6 Changes in the Licensee's Particulars

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.

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

7 Correspondence with the NERSA

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

8 Regulatory Financial Reporting

- 8.1 The Licensee must comply with the requirements concerning regulatory financial reporting as determined by the NERSA from time to time.
- 8.2 The Licensee must maintain accounts and compile data for storage operation activities separate from any other accounts or data collection. These separately maintained accounts must be prepared in accordance with NERSA's prescribed regulatory financial reporting requirements.
- 8.3 The Licensee must keep records providing the details of all petroleum storage transactions and agreements entered into.

9 Non discrimination

- 9.1 Licensees may not discriminate between customers or classes of customers regarding access, tariffs, conditions or service except for objectively justifiable and identifiable grounds approved by NERSA.
- 9.2 The Licensee must provide, on request by any person holding a licence for a licensed activity issued in terms of the Act and that is connected to the storage facility with sufficient information to ensure that the transport and storage of petroleum may take place in a manner compatible with the secure and efficient operation of the interconnected system.

- 9.3 The Licensee must not, in the sales or purchases of petroleum by it or by related undertakings, abuse commercially sensitive information obtained from third parties.

10 Changes to the Facility

Changes to the activities contemplated in licence condition 1.1 that, in terms of the Act, may require an amendment of this licence, or a new licence, must not be affected until an amended or a new licence has been issued.

11 Maintenance and Interruption of Operations

- 11.1 In the event of planned maintenance or interruption of operations that will materially impact on suppliers or customers the Licensee must give those suppliers or customers and NERSA seven days advance notice thereof. Such notice must set out the planned commencement and duration of the interruption.
- 11.2 In the event of any unplanned interruption of operation expected to last more than 24 hours that will materially impact on suppliers or customers the Licensee must notify those suppliers or customers and NERSA immediately.
- 11.3 Any notice contemplated in this section must be in writing.
- 11.4 Any such maintenance or repair work must be done in accordance with the standards listed in Annexure C.

12 Participation by Historically Disadvantaged South Africans

The Licensee must comply with the Regulations regarding the mechanisms to promote historically disadvantaged South Africans and provide the Energy Regulator with the information required by the Regulations.

13 Entry, Inspection and Gathering of Information

The Licensee must permit any authorised person, at all reasonable times, to enter and inspect any property on which the licensed activity is taking place as prescribed by Rule.

14 Provision of Information

- 14.1 The Licensee must furnish the NERSA with any information in such form and manner and at such times as the NERSA may require in the performance of its duties or functions under the Act.
- 14.2 In addition the Licensee must furnish the NERSA with the following information, in such form and manner as the NERSA may require;
- 14.3 information required to be submitted to the NERSA in accordance with the Regulations;
- 14.4 annual updates of emergency plans within three months of the anniversary of the date of issue of the licence.

15 Ancillary Obligations

The Licensee is responsible for compliance with these licence conditions regardless of it having sub-contracted or in any other way authorised another person to discharge any responsibility the Licensee has arising from these licence conditions.

CHAPTER THREE: SPECIFIC CONDITIONS

16 Commencement of activities

The Licensee must carry out the petroleum storage activities contemplated in Chapter One.

17 Operation and Maintenance of the Storage Facility

- 17.1 The Licensee must maintain the licensed storage facility in a fully operational condition.
- 17.2 The Licensee must upon commencement of this licence, 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 where applicable.
- 17.3 The Licensee must operate, maintain, decommission, recommission or abandon the storage facility in accordance with the standards as listed in Annexure C.
- 17.4 The Licensee must develop its management plans in accordance with the applicable and relevant standards, codes and legislation as listed in Annexure C.
- 17.5 If any amendments or changes are made to the management plans contemplated in clause 16.1, the Licensee must resubmit the plans to the NERSA within 90 days of such occurrence.
- 17.6 The Licensee must submit to the NERSA procedures for the decommissioning, recommissioning or abandonment prior to the commencement of such procedures.

17.7 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.

18 Third Party Access to Uncommitted Capacity

18.1 The Licensee must comply with section 20(1)(n) of the Act and the Regulations regarding third party access.

18.2 The Licensee must comply with the allocation mechanism it is required to submit to the Energy Regulator in accordance with the Regulations.

18.3 The information that must be provided in terms of the Regulations regarding third party access must be submitted in a format determined by the Energy Regulator.

18.4 The Licensee must comply with its allocation mechanism when that mechanism has been approved by the Energy Regulator.

19 Submission and Approval of Tariffs

19.1 The Licensee's tariff proposals must comply with section 28(2)(a) and 28(3) of the Act.

19.2 The Licensee must comply with tariffs approved by the Energy Regulator.

20 Whole Licence

This licence shall constitute the entire licence and supersedes all prior understandings and agreements between the Licensee and the NERSA.

ANNEXURE A: Overall Site Layout

ANNEXURE B: Tank Allocation and Capacities

The tank details of the facility is summarised in a table below, showing the relevant tank ID, product type and capacity.

Facilities Area	Product	Total No. Tanks	Capacity (m ³)	% Tanks	% Volume
Atlantic Vrededal	Petrol	0	0	0	0
	Diesel	3	84	100	100
	Illumination Kerosone	0	0	0	0
		3	84	100	100

ANNEXURE C: Legislation, Codes and Standards

The Licensee must comply with the following list of applicable regulations, operating and technical standards, codes and specifications:

- HSE Standard Manual
- Product Safety Data Sheet
- Emergency Plan
- Tariff Procedure
- Organogram

Annexure D: Tariffs