



**Licence Number: PPL.sf.F3/333/2019**

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

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

This licence is issued to

**Q4 Depot (Pty) Ltd**

*(Company Registration Number: 2013/176582/07)*

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

**95 Kiepersol Street, Delmas, Mpumalanga Province**

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 Energy Regulator.

Issued at **Pretoria** on the **6<sup>th</sup>** day of **July 2020**.

*pp Thulebona Nxumalo*

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**ADV. NOMALANGA SITHOLE  
ACTING CHIEF EXECUTIVE OFFICER  
NATIONAL ENERGY REGULATOR**

# LICENCE FOR THE OPERATION OF A PETROLEUM STORAGE FACILITY

<b>ACRONYMS/ABBREVIATIONS .....</b>	<b>3</b>
<b>CHAPTER ONE: LICENSED ACTIVITY .....</b>	<b>4</b>
1. Licensed Activity .....	4
2. Commencement and Duration of Licence.....	4
<b>CHAPTER TWO: GENERAL CONDITIONS .....</b>	<b>5</b>
3. General Conditions of Licence.....	5
4. Compliance with Conditions of Licence .....	5
5. Compliance with Legislation, Construction Codes and Standards.....	5
6. Amendment of Licence .....	5
7. Revocation of Licence .....	5
8. Changes in Details of the Licensee .....	6
9. Changes to the Facility .....	6
11. Correspondence with NERSA .....	7
<b>CHAPTER THREE: SPECIFIC CONDITIONS .....</b>	<b>8</b>
12. Participation of Historically Disadvantaged South Africans.....	8
13. Regulatory Reporting.....	8
14. Uncommitted Capacity.....	8
15. Tariffs.....	9
<b>ANNEXURE A: SITE LAYOUT.....</b>	<b>13</b>
<b>ANNEXURE B: FACILITY DETAILS.....</b>	<b>14</b>
<b>ANNEXURE C: LEGISLATION, CODES AND STANDARDS .....</b>	<b>15</b>

## 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.

## ACRONYMS/ABBREVIATIONS

**“API”** means American Petroleum Institute

**“ASME”** means American Society of Mechanical Engineers

**“IEC”** means International Electro Technical Commission.

**“l/min”** means litre metres per minute

**“m<sup>3</sup>”** means cubic metre

**“SANS”** means South African National Standards

**“ULP”** means Unleaded Petrol

**“B-BBEE”** means Broad Based Black Economic Empowerment

## CHAPTER ONE: LICENSED ACTIVITY

### 1. Licensed Activity

- 1.1 The Energy Regulator grants the Licensee a licence to operate a petroleum storage facility located at **95 Kiepersol Street, Delmas, Mpumalanga Province** (GPS coordinates 28°40'42.9"E and -26°7'44.36"S), as detailed in Table 1 of **Annexure B: Facility Details**.
- 1.2 This licence is issued to the licensee for the operation of the facility contemplated in paragraph 1.1 for the storage of petroleum products only.
- 1.3 The location and overall site layout for the facility is shown in **Annexure A: Site Layout**.
- 1.4 The details of the facility are provided in **Annexure B: Facility Details**.

### 2. Commencement and Duration of Licence

- 2.1 This licence commences on the date of issue reflected on the licence certificate.
- 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), (n), (o), (p), (r), (s), (u), (v), (w), (x), (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, Construction Codes and Standards**

- 5.1. The Licensee must comply with all applicable legislation, operational 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 Act and the Rules.
- 6.2. The Energy Regulator 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 Act and the Rules.

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

- 8.1. The Licensee must, within 30 (thirty) days of change in its control as contemplated in section 12(2) of the Competition Act, 1998 (Act No. 89 of 1998), notify the Energy Regulator 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 the Energy Regulator of such a change.

## **9. Changes to the Facility**

- 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. Changes to the facility 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.
- 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. Maintenance and Interruption of Operations**

- 10.1. The Licensee must maintain the storage facility in a fully operational condition.
- 10.2. The Licensee must notify the Energy Regulator and the Licensee's affected customers and distributors at least 48 (forty-eight) hours prior to any:
  - (a) interruptions of or changes in normal operations; or
  - (b) maintenance or repair workthat may adversely affect the delivery of petroleum products

- 10.3. Where delivery of petroleum products is adversely affected as a result of an emergency, the licensee must notify the Energy Regulator as soon as possible or within 7 (seven) days of the emergency.
- 10.4. Any maintenance or repair work done to the storage facility must be done in accordance with applicable legislation, codes and standards, including those listed in **ANNEXURE C: LEGISLATION, OPERATION CODES AND STANDARDS.**

## **11. Correspondence with NERSA**

- 11.1. All official communication with the National 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 Pipelines 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. Participation of Historically Disadvantaged South Africans**

The Licensee must:

- 12.1. comply with the Regulations regarding mechanisms to promote Historically Disadvantaged South Africans;
- 12.2. in addition to the above, submit a plan and a timeline within which the licensee will be able to meet the level 4 Broad Based Black Economic Empowerment as required by the NERSA Framework on the transformation of the energy industries with regards to ownership and equity within three (3) months of issue of this licence; and
- 12.3. on an annual basis and at the time of the anniversary of the date of issue of this licence, lodge with the Energy Regulator information regarding the participation of Historically Disadvantaged South Africans in its activities, as prescribed in the Regulations.

### **13. Regulatory Reporting**

The Licensee must comply with volume 4 of the 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 Energy Regulator from time to time.

### **14. Uncommitted Capacity**

14.1. The Licensee must:

- (a) comply with section 20(1)(n) of the Act and the regulations regarding third party access;
- (b) lodge with the Energy Regulator its allocation mechanism for uncommitted capacity within 6 (six) months of receipt of this licence;
- (c) publish its allocation mechanism for uncommitted capacity on its website and keep a copy at the storage facility to enable



potential customers to understand the procedure for obtaining access;

- (d) comply with its allocation mechanism for uncommitted capacity and, in accordance with that allocation mechanism, allow third parties to have access to uncommitted capacity in the storage facility on commercially reasonable terms;
- (e) on request by the Energy Regulator, submit any information that Energy Regulator requires to determine uncommitted capacity in the storage facility;
- (f) allow the Energy Regulator or any authorised person to have access to:
  - i. the storage facility; and
  - ii. records pertaining to the licensed activity; and
- (g) submit information regarding third party access as prescribed in the Regulations and in a format determined by Energy Regulator.

14.2. When the Licensee makes any changes to its allocation mechanism, it must lodge the amended allocation mechanism for uncommitted capacity with the Energy Regulator within 7 (seven) days of making the changes.

14.3. The amended allocation mechanism for uncommitted capacity must also be published on the Licensee's website and a copy thereof must be kept at the storage facility to enable potential customers to understand the procedure for obtaining access.

14.4. The Licensee may elect to give users access to the facility on the basis that the capacity is shared among all users in proportion to their needs.

## **15. Tariffs**

15.1. The Licensee must only charge the tariff approved by the Energy Regulator.

## **16. Non-discrimination**

- 16.1. The Licensee may not discriminate between customers or classes of customers regarding access, tariff, conditions or service except for objectively justifiable and identifiable grounds approved by the Energy Regulator.
- 16.2. In the sales or purchases of petroleum by the Licensee or by related undertakings, the Licensee must not abuse commercially sensitive information obtained from third parties.

## **17. 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.

## **18. Provision of Information to the Energy Regulator**

The Licensee must:

- 18.1. comply with the Regulations in respect of information required to be submitted to the Energy Regulator; and
- 18.2. on request from the Energy Regulator, provide all other information the Energy Regulator may require to perform its functions under the Act.

## **19. Operation and Maintenance Plans**

When the Licensee amends or makes changes to the operation and maintenance plans submitted as part of its application for this licence, the Licensee must, within 30 (thirty) days of such amendment or changes, submit the revised operation and maintenance plans to the Energy Regulator.

## **20. Emergency Plan**

The Licensee must annually submit to the Energy Regulator:

- 20.1. an emergency plan for implementation in the event of system failures, accidents and other emergencies; and

20.2. proof that it has:

- (a) trained its operating and maintenance employees with regard to the applicable portions of the plan; and
- (b) established liaison with the appropriate emergency response officials with respect to the plan.

## **21. Rehabilitation of Land**

21.1. The Licensee must comply with the Regulations regarding the rehabilitation of land on which the licensed activity is taking place.

21.2. Within three months of the date of issue of this licence, the Licensee must:

- (a) submit to the Energy Regulator an estimate of the costs of rehabilitating land used in connection with the licensed activity in Rands of the day;
- (b) submit an explanation of the basis for that estimate;
- (c) submit to the Energy Regulator, for approval, its proposed mechanism to provide financial security for the purposes of rehabilitating land used in connection with the licensed activity;
- (d) submit a short explanation of how that mechanism will work and what measures will exist to prevent such financial security from being used for other purposes;
- (e) submit a funding plan for that financial security for purposes of rehabilitating land used in connection with its licensed activity; and
- (f) submit the date on which it expects to draw down such financial security.

21.3. Thereafter, the Licensee must submit any information related to financial security for the rehabilitation of land used in connection with its licensed activity, whenever requested to do so by the Energy Regulator.

21.4. The Licensee must obtain from the Energy Regulator written approval to terminate that financial security mechanism before terminating that financial security mechanism.

## **22. Ancillary Obligations**

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

## **23. Whole Licence**

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

## **ANNEXURE A: PROPOSED PLAN LAYOUT**

*See next page for the overall site layout.*

## ANNEXURE B: FACILITY DETAILS

The details of the new tanks to be constructed are detailed in Table 1 below:

**Table 1: Tank Capacities and Allocation**

Tank No.	Tank Type	Diameter (m)	Height / Length (m)	Design Capacity (m <sup>3</sup> )	Product Type
<b>Holding 90 – 945m<sup>3</sup></b>					
T1.1	Vertical Bulk	13.0	4.0H	530	Diesel
T1.2	Horizontal	2.84	13.2L	83	ULP
T1.3	Horizontal	2.84	13.2L	83	ULP
T1.4	Horizontal	2.84	13.2L	83	ULP
T1.5	Horizontal	2.84	13.2L	83	ULP
T1.6	Horizontal	2.84	13.2L	83	ULP
<b>Holding 91 – 4 582m<sup>3</sup></b>					
T2.1	Vertical Bulk	13.0	6.0H	800	Diesel
T2.2	Vertical pencil	2.84	13.2H	83	ULP
T2.3	Vertical pencil	2.84	13.2H	83	ULP
T2.4	Vertical pencil	2.84	13.2H	83	ULP
T2.5	Vertical pencil	2.84	13.2H	83	ULP
T2.6	Vertical pencil	2.84	13.2H	83	ULP
T2.7	Horizontal	2.84	13.2L	83	Diesel
T2.8	Horizontal	2.84	13.2L	83	Diesel
T2.9	Horizontal	2.84	13.2L	83	Diesel
T2.10	Horizontal	2.84	13.2L	83	Diesel
T2.11	Horizontal	2.84	13.2L	83	Diesel
T2.12	Vertical Bulk	13.0	10.0H	1 360	Diesel
T2.13	Vertical Bulk	13.0	12.0H	1 592	Diesel
<b>Overall Capacity</b>				<b>5 527m<sup>3</sup></b>	

**Table 2: Mode of Operation**

INTAKE		DISCHARGE	
MODE	RATE (l/min)	MODE	RATE (l/min)
Road	1000	Road	1000

## **ANNEXURE C: LEGISLATION, CODES AND STANDARDS**

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

- a) SANS 10089-1: 2008 The petroleum industry part 1; Storage and distribution of petroleum products in above-ground bulk installations
- b) SANS 10105: The use and control of firefighting equipment
- c) SANS 10089-2: 2008 The petroleum industry part 2; Electrical and other installations in the distribution and marketing sector
- d) SANS 10108: 2005 The classification of hazardous locations and the selection of apparatus for use in such locations
- e) SANS 10142-1: 2008 The wiring of premises
- f) SANS 10123: 2001 The control of undesirable static electricity
- g) IEC 60331: Fire resisting characteristics of electrical cables
- h) IEC 60332: Test on electrical cables under fire conditions
- i) IEC 60529: Degrees of protection provided by enclosures
- j) IEC 60540: Test method for insulation and sheaths of electrical cables and cords
- k) IEC 61000: Electromagnetic compatibility
- l) IEC 61508: Functional safety: Safety related systems
- m) IEC 61508 Functional safety of electrical/electronic/programmable electronic safety related systems
- n) IEC 61511 Functional safety – Safety instrumented systems for the process industry sector
- o) API 6D: Pipeline valves
- p) API 14C: Manual of petroleum measurement standards
- q) API RP 520, Part 2: Guide for pressure-relieving and de-pressuring systems
- r) API RP 521: Flanged safety-relief valves
- s) API RP 551: Process measurement instrumentation
- t) API 650: Welded Steel Tanks for Oil Storage
- u) API 653: Aboveground Storage Tanks inspection, repair, alteration and reconstruction
- v) API 2350: Overfill protection for storage tanks in petroleum facilities

- w) 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
- x) 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:

- a) Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).
- b) The National Environmental Management Act, 1998 (Act No. 107 of 1998).
- c) The Environment Conservation Act, 1989 (Act No.73 of 1989).
- d) The National Water Act, 1998 (Act No. 36 of 1998).
- e) The Water Services Act, 1977 (Act No. 108 of 1977).
- f) National Environmental Management Air Quality Management Act, 2004 (Act No. 39 of 2004).
- g) The Hazardous Substances Act, 1973 (Act No. 15 of 1973).
- h) The National Health Act, 2003 (Act No. 61 of 2003).
- i) The National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977).
- j) National Rationalized Standards 048: Quality of supply standards.