



**ALLOCATION MECHANISM FOR LICENSE No:
PPL.SF.F3/130/2013**

July 2017

ALRODE DEPOT ALLOCATION MECHANISM AND REQUIREMENTS

THE ALLOCATION MECHANISM AND REQUIREMENTS FOR ACCESS FOR THE SASOL OIL ALRODE DEPOT

1. PREAMBLE

Sasol Oil (Pty) Ltd (registration number: 1981/007622/07 herein referred to as Sasol Oil) and BP Southern Africa (Pty) Ltd (registration number: 1924/002602/07 herein referred to as BP) owns and operates fuel storage depot facility situated at Alrode, Sasol Oil operates this facility under Nersa license PPL.SF.F3/130/2013, issued in 2013.

This submission is in response to the regulators letter dated 30 June 2017 regarding compliance in terms of Section 3(1) of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003), read with Rules made in terms of Section 33(3) of the Petroleum Pipelines Act and Regulations in terms of Petroleum Pipelines Act, which deals with third-party access to storage facilities.

2. BACKGROUND

The methodology to determine the capacity utilization for the depot is based on the “Theory of Constraints”.

This methodology is based on a principle that, like a chain with its weakest link, in any complex system at any point in time, there is only one aspect of that system that limits its capability. The whole system bottleneck is then defined by that particular constraint.

There are no third parties currently accommodated at the above stated licensed facility. No firm requests for accommodation have been received by the operator from any third party. Any requests for accommodation will be evaluated and processed according to the process and conditions stated in this document.

3. ALLOCATION MECHANISM

The Alrode depot was considered to consist of three systems, i.e. Inbound, Storage and Outbound systems.

3.1. ALRODE FACILITY NETWORK SYSTEM

3.1.1. Inbound System

The facility has the capacity to receive 4 (ULP93, ULP95, Diesel 50ppm and Diesel 500ppm) products handled via the Transnet Pipeline network at a rate of about 10,000 liters per minute. This is the only mode of transport of replenishing product into the depot.

3.1.2. Storage System

The facility has the following aggregate storage capacities for each of the products handled.

Product	Operating Capacity m ³
ULP 93	17 378
ULP 95	11 040
Diesel 500	4 065
Diesel 50	6 853

*Operating Capacity is tank capacity less dead and safety and stock

3.1.3. Outbound system

The Alrode depot consists of five loading bays equipped with loading arms in the following configuration

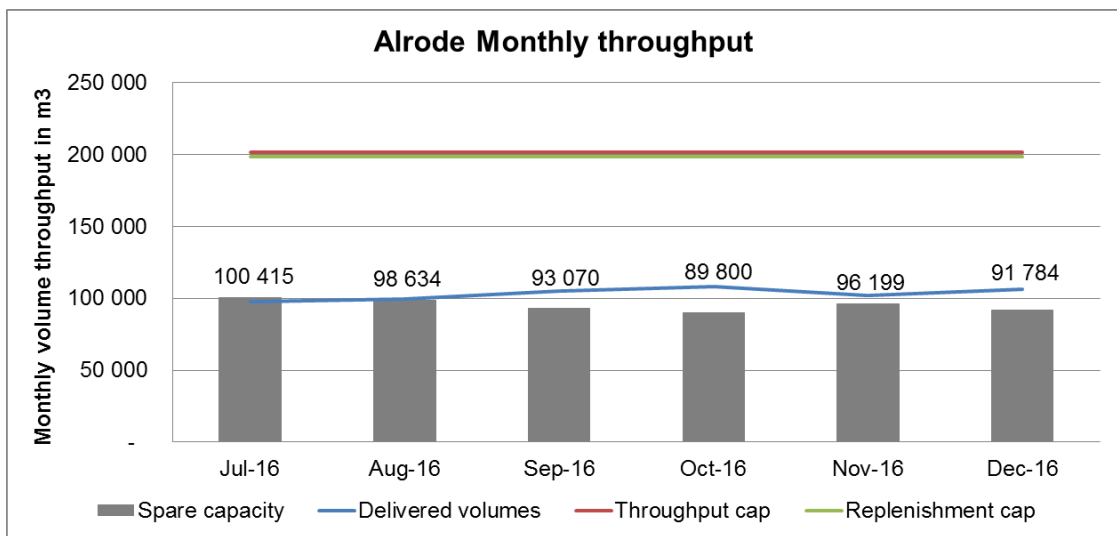
	ULP 93	ULP 95	Diesel 500	Diesel 50
Bay 1	x	x	x	x
Bay 2	x	x	x	x
Bay 3	x	x	x	x
Bay 4	x	x		x
Bay 5	x	x		

The replenishment and throughput capacity are calculated on the following basis;

- Transnet Pipelines conveyance agreement stated 1 pipeline delivery per seven day window

- No simultaneous replenishment and discharge from the same tank
- Operational hours = 22 hours/day and 6 days/week
- Vehicle load size of 40m³
- Average time to load a vehicle of 30 minutes

The following graph depicts the aggregated depot storage and throughput capacity utilization for the four fuel grades.



4. ALLOCATION OF UNCOMMITTED CAPACITY

4.1. “First come, first served” Principle

Sasol Oil will consider applications for accommodation on a first come, first served basis. This implies that all applications from a 3rd party that comply to all requirements as stipulated in this document will be approved, if there is still uncommitted available capacity.

4.2. “Use it or lose it” principle

In order to ensure the facility capacity is optimized, Sasol Oil will implement monitoring systems to ensure that tenant/s utilize capacity as set out in the agreement. A tenant that defaults on this arrangement by failing to utilize its share of allocated capacity shall forfeit it to a qualifying applicant whose requirement may not have been met due to capacity unavailability.

5. QUALITY AND TECHNICAL SPECIFICATIONS

All fuels have to meet the following specifications as set out and amended by Sasol Oil Technical Services.

Product	Petrol ,Unleaded,Automotive,Grades 93& 95		
	Units	Turbo (R93)	Turbo (R95)
Density @ 20°C	kg/m ³	700 to 750	700 to 750
Initial Boiling Point	°C	35	35
Final Boiling Point °C	°C	215 max.	215 max.
Lead Content as Pb	g/λ	0,003 max.	0,003 max.
Research Octane Number		93 min.	95 min.
Sulphur Content	% m/m	0,05	0,05
Vapour Pressure @ 37,8°C	kPa	45 to 75	45 to 75
Alcohol Content	% v/v	< 2 %	< 2 %
Ether Content	% v/v	See note below	See note below
Fuel Volatility Index		84 to 89	93 to 100

Product Properties		Diesel 500	
Property	Units	Typical	
Density @ 20°C	kg/m ³	800 to 850	
90% Volume Recovery	°C	330 to 362*	
Cetane Number		45 to 52*	
Flash Point (PMCC)	°C	55 to 70	
Cold Filter Plugging Point:	°C		
In Summer		0 to -2	
In Winter		-7 to -12	
Viscosity @ 40°C	Mm ² /s	2,2 to 3,3*	
Lubricity (HFRR)	microns	<460	
Sulphur Content	% m/m	0 to 0,05*	
Water Content	Mg/kg	180	

Product Properties		Petrol ,Unleaded Automotive ,Grades 93 & 95		
Property	Units	Lead replacement (R93)	Lead Replacement (R95)	
Density @ 20°C	kg/m ³	730 to 750	700 to 740	
Initial Boiling Point	°C	35	35	
Final Boiling Point °C	°C	210 max	210 max	
Lead Content as Pb	g/λ	0.003 max	0.003 max	
Research Octane Number		93 to 96	95 min	
Sulphur Content	% m/m	0.05	0.05	
Vapour Pressure @ 37,8°C	kPa	40 to 75	40 to 75	
Alcohol Content	% v/v	0 or 8 to 12	0	
Ether Content	% v/v	15 max	15 max	
Fuel Volatility Index		84 to 89	93 to 100	

Product Properties		Diesel 50	
Property	Units	Typical	
Density @ 20°C	kg/m ³	820	
90% Volume Recovery	°C	345	
Cetane Number		49	
Flash Point (PMCC)	°C	58	
Cold Filter Plugging Point:	°C	-7	
Viscosity @ 40°C	mm ² /s	2,3	
Lubricity (HFRR)	microns	<460	
Sulphur Content	% m/m	<0.005	
Water Content	mg/kg	100	

6. ADHERENCE TO APPLICABLE LAWS AND REGULATIONS

The third party warrants that it is and will always be in compliance with all laws and policies applicable to the distribution and handling of petroleum products, including, but not limited to, all South African Revenue Service (SARS), Department of Energy (DoE), Nersa (National Energy Regulator of South Africa) and Department of Trade and Industry (DTI) requirements.

The third party must at all times adhere to site HSEQ (Safety, Health, Environmental and Quality) rules.

7. TIMELINES FOR APPLICATIONS AND PLANNING

Third party volumes to be accommodated at the facility shall be incorporated in Sasol Oil's six month rolling plan. The request for accommodation by a third party should align to the following planning cycle;

M-6: Indication of ullage requirements and replenishment plan

M-3: Indicative receipt and dispatch plans

M-1: Firm receipt and dispatch plans for month M. The third party must supply this information to the Sasol Oil Distribution Requirement Planning team before the 20th of month M, so that the latter may collate these into daily stock rights progression and feasibility report.

The site operator will be responsible for communicating 12 months maintenance schedules that may influence capacity to all tenants. In cases of unplanned interruptions (breakdowns), the operator will communicate to all tenants immediately.

8. PROCESS FOR APPLICATION

Contact details

All applications for spare capacity allocation shall be addressed to the following:

Attention: Manager Distribution Support
Sasol Oil (Pty) Ltd
50 Katherine Street
Sandton
2146,

The applicant must provide the following information on the application:

Full name, registration number and contact details of the company.
Depot(s) and capacity per product required.

The applicant must also provide confirmation of their capacity to procure, handle and distribute petroleum products and must comply with, but not limited to, the following criteria:

- Applicants must be registered as Wholesalers of Petroleum Product as set out in the Petroleum Products Act 120 of 1977 (as amended).
- Applicants must be in a position to prove financial stability and Sasol Oil reserves the right to verify the details provided.
- Applicants must prove and provide certificates confirming their BEE status as per the Liquid Fuels Charter.
- Applicants must be willing and able to submit the information to Sasol Oil as stipulated under the License Conditions as imposed by NERSA.

Preference will be given to historically disadvantaged South Africans, who meet the criteria.

9. CUSTODY OF PETROLEUM PRODUCTS

Sasol Oil as the host, shall manage stock at the depot as such, risk for product losses shall pass from Guest to Host when the product passes the inlet valve at the depot. The volume of product received shall be measured by the mass flow meters at the depot. Dispatch quantities will also be measured via the flow meters at the gantry.

Sasol Oil shall report on the host's product movement and stock balances on a daily basis. The Guest shall sign-off on the stock movements and stock balances on a daily basis.

10. TARIFF TO BE CHARGED AT THE DEPOT

The tariff for accommodation at the facility is negotiable within the limits approved by Nersa annually. The final rate charged is dependent on factors like period of accommodation, quantum of capacity sort, special operational requirements as well as general financial terms between the parties.

11. TECHNICAL REQUIREMENTS FOR ACCESS TO STORAGE FACILITY

Transport contractors/owners delivering and/or uplifting product from a Sasol facility have to first pass a SQAS assessment. This process is meant to ensure all fleet operators have management systems in place.

The SQAS questionnaire covers the following areas Management policy (regarding SHERQ)

- Training
- Recruitment
- SHE procedures
- Safety equipment
- Emergency response
- Customer focus
- Operational instructions
- Security
- Risk Management
- Occupational Health
- Preventative Maintenance
- Environmental Protection
- Security
- Site Facilities

Vehicle Vetting Process

Individual vehicles for transporters that meet SQAS requirement will also be assessed as per the following checklist: Vehicles that meet the requirements will be issued with a Safe Loading Pass (SLP) which will be valid for a period of 12 months. The SLP is issued per unit for vehicles with trailers.

SASOL
VEHICLE/DRIVER HAZCHEM SAFETY CHECKLIST
ROAD TANKERS/ISOTAINERS/FLATBEDS

SECTION A: THE DRIVER

Is the driver in possession of a valid ID document/Passport	Yes	No	N/A
Is the driver's license valid	Yes	No	N/A
Relevant PrDP-G for Goods and D for dangerous goods (SABS0231)	Yes	No	N/A
Is the medical certificate valid (Check expiry date) (SABS0231)	Yes	No	N/A
Is the Hazchem training/Product certificate valid(Check expiry date)	Yes	No	N/A
Certificate of cleanliness/Proof of previous load where applicable (multi-loads only)	Yes	No	N/A
The correct P.P.E	Yes	No	N/A
Delivery documents	Yes	No	N/A
Is there any signs of substance abuse	Yes	No	N/A

SECTION B: THE VEHICLE

Tanker clean and no visible leaks	Yes	No	N/A
Truck tractor no oil/water leaks	Yes	No	N/A
Roadworthy certificate valid (COF)	Yes	No	N/A
Operators disc valid	Yes	No	N/A
Fire extinguishers: Hazardous products: 1 x 9 Kg on each vehicle Non-hazardous products:1 x 9Kg for truck tractor			
Extinguisher must be sealed and have a valid service date (SABS1398)	Yes	No	N/A
Mudguards and mud flaps	Yes	No	N/A
Tyres that comply with the legislation. (Thread at least 1mm over 100% of contact surface, no deep cuts, no lump or bulge, fabric or cord not exposed. (Use thread depth gauge)	Yes	No	N/A
Appropriate Hazchem labels for Hazardous products (Multi-loads only)	Yes	No	N/A
An orange warning diamond on Truck tractor (SABS0231) when transporting dangerous goods	Yes	No	N/A
Is battery cover in place	Yes	No	N/A
General items required by the Road Traffic Act			
Reflective tape	Yes	No	N/A
Lights and indicators	Yes	No	N/A
Rear chevron board	Yes	No	N/A
Fuel tank secure and undamaged	Yes	No	N/A

SECTION C: EQUIPMENT FOR FLATBEDS

Corner plates	Yes	No	N/A
Net or canvas	Yes	No	N/A
Straps	Yes	No	N/A

SECTION D: ACTIONS BEFORE DEPARTURE

Checked for leaks	Yes	No	N/A
-------------------	-----	----	-----

Hazchem and other relevant stickers are in place		Yes	No	N/A
Checked for correct Emergency numbers: Operator: Number on truck Specialist: 0800 112 890		Yes	No	N/A
Tremcard issued		Yes	No	N/A
Check G.M.V not exceeding weight as indicated on loading instruction		Yes	No	N/A
Compare seal numbers on documentation against seals		Yes	No	N/A
INSPECTED BY	NAME _____ C/ NO _____	DATE _____	TIME _____	
DRIVER	NAME _____ SIGNATURE _____			

12. Contractual Terms & conditions for payments

Contractual terms and payment processes shall be handled according to the attached draft document. This document outlines the framework for the Throughput Agreement to be entered into between Sasol Oil, as the host and a third party tenant.