
GOVERNMENT NOTICE

DEPARTMENT OF MINERALS AND ENERGY

No. R. 377

1 April 2008

**PETROLEUM PRODUCTS ACT, 1977
(ACT NO. 120 of 1977)****REGULATION IN RESPECT OF THE MAXIMUM REFINERY GATE
PRICE OF LIQUEFIED PETROLEUM GAS**

The Minister of Minerals and Energy has, under section 2 (1) (c) of the Petroleum Products Act, 1977 (Act No. 120 of 1977) made regulations as set out in the Schedule hereto.

SCHEDULE

1. In these regulations, any word or expression defined in the Petroleum Products Act, 1977 (Act No. 120 of 1977) shall bear the meaning so assigned to it and, unless the context otherwise indicates.
 - 1.1 "Liquefied Petroleum Gas" (hereinafter referred to as LPGas) means a mixture of certain hydrocarbons, mainly propane and butane, which are
 - (a) gases at normal ambient temperatures and pressures, the liquefaction of which is achieved by application of pressures of a few atmospheres, and
 - (b) derived from natural gas processing, crude oil refining, or from synthetic fuels production from coal.
 - 1.2 "Refinery" means a crude oil, or a natural gas processing, or a synthetic fuels production facility of the following companies:
 - 1.2.1 BP Southern Africa Pty (Ltd) (at SAPREF, Durban)
 - 1.2.2 Chevron (Pty) Ltd (at Cape Town);
 - 1.2.3 Engen Petroleum Ltd (at Durban);
 - 1.2.4 Petroleum Oil and Gas Corporation of South Africa (Pty) Ltd (at Mossel Bay);
 - 1.2.5 Sasol Oil (Pty) Ltd (at Natref, Sasolburg);
 - 1.2.6 Sasol Synfuels (Pty) Ltd (at Secunda);

- 1.2.7 Shell South Africa Energy (Pty) Ltd (at SAPREF, Durban); and
1.2.8 Total SA (Pty) Ltd (at Natref, Sasolburg).
- 1.3 “Refinery gate price” means the maximum price (excluding any inland transport cost values referred to in paragraph 4) at which a refinery shall be permitted to market those quantities of its production of LPGas which are intended for consumption within the Republic of South Africa, whether such transactions are by means of sales invoiced to another organisation or by transfer pricing between the refining division and another division of the company which owns the refinery.
- 1.4 “Working Rules to administer the Basic Price of Fuels” means the guidelines followed by CEF (Pty) Ltd to administer the monthly changes to the prices of regulated fuel (petrol, diesel and illuminating paraffin).
- 1.5 “Basic Fuels Price of 93 octane Lead Replacement Petrol” means the average monthly import parity value (also known as the Basic Price of Fuels, or BFP) of 93 octane Lead Replacement Petrol at South African ports as determined by CEF (Pty) Ltd in terms of the Working Rules to administer the Basic Price of Fuels.
2. The maximum LPGas refinery gate shall be calculated by CEF (Pty) Ltd, as follows:
(a) Determine the average Basic Fuels Price of 93 octane Lead Replacement Petrol expressed in South African cents per litre for the month preceding the price adjustment determined on the basis detailed in the Working Rules to administer the BFP
(b) Convert the BFP in (a) Rand per metric ton at a density factor of 0.75
(c) Rand value in (b) minus R74.00 per metric ton
- This resultant refinery gate price of LPGas expressed in Rand per metric ton shall also be determined and expressed in South African cents per litre by application of a deemed average density for LPGas of 0.555 (i.e. 1 litre of LPGas being equal to 0.555 kilograms).
3. The maximum refinery gate price (Rand per metric ton) determined in paragraph 2, will become effective on the first Wednesday of each month using the maximum refinery gate price calculated over the previous month.
4. It is noted that whilst this refinery gate price (which is determined on the basis of average import values at coast) will apply to all

refineries, the price of LPGas supplied from refineries situated inland [i.e. the National Petroleum Refiners (Pty) Ltd (Natref) at Sasolburg (jointly owned by Sasol Oil (Pty) Ltd and Total SA (Pty) Ltd) and Sasol Synthetic Fuels (Pty) Ltd at Secunda] may be increased by the transport cost factor equal to the cost of transporting LPGas from the coast port to the applicable inland destination or manufacturing facility.

5. The implementation of this maximum refinery gate price shall be with effect from 2 April 2008.
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