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## GOVERNMENT NOTICES

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### DEPARTMENT OF ENERGY

No. R. 834

23 September 2010

#### PETROLEUM PRODUCTS ACT, 1977

#### REGULATIONS REGARDING STRATEGIC STOCKS TO BE HELD BY OIL COMPANIES

The Minister of Energy intends to make the regulations in the Schedule under section 12C read with section 2(1)(g) of the Petroleum Products Act, 1977 (Act No.120 of 1977), which draft regulations is hereby published for comment.

All interested parties are hereby invited to comment in writing on the proposed regulations to the Controller of Petroleum Products by—

(a)

Post:

Department of Energy

Private Bag X 19

Arcadia,

0007,

(b) Hand delivery to: Department of Energy

Trevenna Campus

75 Mentjies Street

Building 2 A, 2<sup>nd</sup> Floor

Sunnyside

Pretoria

0002

(c) E-mail address: Jabulani.Ndlovu@energy.gov.za

Thenjiwe.Sebeya@energy.gov.za

Comments must be submitted within 30 days of the date of publication of this notice.

Comments received after the closing date may not be considered.

## SCHEDULE

### Definitions

1. In these Regulations, any word or expression to which a meaning has been assigned in the Act shall have the meaning so assigned and, unless the context otherwise indicates—

**"hold"** when used in relation to strategic stocks means procuring, maintaining and managing strategic stock volumes and **"holding"** shall be interpreted accordingly;

**"oil company"** means a manufacturer of petroleum products licensed in terms of section 2B of the Act, and responsible for holding strategic stocks;

**"storage facility"** means a separate tank, tank farm, storage site or processing complex used for the storage of petroleum products;

**"strategic stocks"** means refined petroleum products physical in nature and exclude dead stock in tanks, pipeline fills, refined products in road and rail tankers, stocks held on behalf of the armed forces, and commercial and safety stocks held by the oil industry;

**"the Act"** means the Petroleum Products Act, 1977 (Act No. 120 of 1977).

### **Purpose of Regulations**

2. The purpose of these Regulations is to specify the levels of strategic stock to be held by oil companies to ensure continuity of supply of petroleum products during major supply disruptions.

### **Scope of Regulations**

3. These Regulations apply to the following petroleum products:

- (a) Petrol (all grades);
- (b) diesel;
- (c) jet fuel;
- (d) paraffin; and
- (e) liquefied petroleum gas (LPG).

### **Stockholding**

4. An oil company must hold an equivalent of 14 days of strategic stocks for all petroleum products based on its preceding financial year's market share in storage facilities within reasonable proximity to its market.

### **Reporting**

5. (1) An oil company must, within three months of the promulgation of these Regulations, submit to the Controller of Petroleum Products a list of all storage facilities where strategic stocks are held with specific reference to—

- (a) the location of the storage facility;
- (b) the ownership of the storage facility, including the ownership of the land on which the storage facilities are situated and, in the case of shared ownership, the basis of sharing; and
- (c) the names of other oil companies sharing the same facilities.

(2) An oil company must on the first working day of each month report in writing to the Controller of Petroleum Products on the volumes of strategic stocks held at each storage facility.

(3) An oil company must give the Controller of Petroleum Products two weeks written notice of any relocation of strategic stocks to another storage facility.

#### **Contingency Plans**

6. (1) An oil company must submit its contingency plan for supply disruptions to the Controller of Petroleum Products within three months of the promulgation of these Regulations.

(2) An oil company must notify the Controller of Petroleum Products of any changes to its contingency plans, within one month of any such change.

**General**

7. Any report, record, notice, information or other correspondence that must be submitted to the Controller of Petroleum Products in terms of these Regulations, must be submitted—

(a) by registered post: Department of Energy

Private Bag X 19

Arcadia

0007, or

(b) by hand delivery: Department of Energy

Trevenna Campus

75 Mentjies Street

Building 2A, 2<sup>nd</sup> Floor

Sunnyside

Pretoria.