

DEPARTMENT OF ENERGY

PETROLEUM PIPELINE, 2003

**DRAFT AMENDMENT REGULATIONS IN TERMS OF THE PETROLEUM PIPELINES
ACT, 2003 (Act No. 60 of 2003)**

The Minister of Energy, has, in terms of section 33 (1) of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) made the regulations in the Schedule.

Definitions

1. In these regulations “the Regulations” means the regulations published under Government Notice No. R. 30905 of 4 April 2008.

Amendment of Regulation 1 of the Regulations

2. Regulation 1 of the Regulations is hereby amended-
 - (a) by the insertion after the definition of “environment” of the following definition:
“**land**” means land on which the licenced petroleum pipeline, petroleum storage facility or petroleum loading facility is situated”
 - (b) by the insertion after the definition of “Act” of the following definition:
“ **the Rules**” means the Rules made by the Energy Regulator in terms of Section 33(3) of the Petroleum Pipeline act, 2003 (Act No. 60 of 2003)”

Amendment of Regulation 4 of the Regulations

Setting of tariffs for petroleum pipelines

3. Regulation 4 of the Regulations is hereby amended by-
 - (1) the deletion of subregulation (6) (c),
 - (2) the substitution for subregulation (6) (e) of the following subregulation:
“(6) The allowed revenue to be derived from tariffs contemplated in subregulation (2) must include-
 - (a) reasonable real return on the regulatory asset base which should be determined by the Energy Regulator in accordance with the methodology prescribed in terms of Section 28 (2) (a) of the Act”.
 - (3) the insertion after subregulation (7) (c), of the following subregulation:
(d) fairly reflect the investment in the regulatory asset base.
 - (4) the deletion of subregulation (8), and

- (5) the substitution for subregulation (9) of the following subregulation:
- “(8) The Authority must as appropriate:
- (a) for a period of the remaining term of the licence, and
 - (b) at the end of period contemplated in sub-regulation (a), or any other time if the need arises, conduct a comprehensive tariff setting exercise in the manner contemplated in sub-regulation (2) of the Regulation.

Amendment of Regulation 9 of the Regulations

4. Regulation 9 of the Regulations is hereby amended by-

- (1) the substitution for subregulation (1) of the following subregulation:
- (1) “A licensee must inform the Energy Regulator in writing when it applies to the relevant environmental authority for an environmental impact assessment for the termination of and/or abandonment of the licensed activity in accordance with the National Environmental Management Act, 1998 (Act No. 107 of 1998). Licensees must, not less than six months prior to termination, relinquishment or abandonment of licensed activities, submit to the Authority”.
- (2) by the deletion of subregulation (2) (a)(b) and (c)
- (3) by the deletion of subregulation (3)
- (4) the substitution for subregulation (4) of the following subregulation:
- “(4) The Authority must require the licensee to provide financial security or make arrangements as may be acceptable to the Authority for purposes of rehabilitating land used in connection with a licensed activity”

- (5) the substitution for subregulation (8) of the following subregulation:

“(8) The Authority must not, before it is in receipt of a certificate from an independent consultant competent to conduct environmental impact assessments in accordance with the provisions of the National Environmental Management Act, 1998 (Act No. 107 of 1998), stating that the site has been rehabilitated, revoke the licence of the activity mentioned in (1) above”.