Presentation Outline

- PURPOSE OF PRESENTATION
- OBJECTIVES OF PPAA
- ROLE OF DoE
- PETROLEUM COMPLIANCE, MONITORING AND ENFORCEMENT CHIEF DIRECTORATE
- TYPES OF PREVALENT NON COMPLIANCE
- CONCLUSION
PURPOSE OF THE PRESENTATION

- Share expectations
- Highlight Prohibited activities
- Promote stakeholder involvement
- Improve service delivery
OBJECTIVE OF THE PPA

- To promote transformation of South African petroleum and liquid fuels industry
- To provide or issue licences for manufacturers (refineries), wholesalers and retailers of petroleum products
- To prohibit certain actions relating to petroleum products
- To provide a room for appeal and arbitration
- Authorise the Minister of Energy to make specific regulations
THE ROLE OF DoE

- Regulatory Authority of Petroleum Industry
- Custodian of PPA/ PPAA
- Enforces compliance through PPA/ PPAA
- Reviews the Retailer and Wholesaler margins
PETROLEUM COMPLIANCE MONITORING AND ENFORCEMENT

LEGAL COMPLIANCE
➢ Provide the Controller of Petroleum Products with an advice and assistance in respect with legal matters including arbitration, access to information and other ad-hoc matters in line with PPA

COMMERCIAL AND CHARTER COMPLIANCE
➢ Promote transformation in the Petroleum Industry and monitor compliance with all commercial related matters in line with PPA

PETROLEUM INSPECTORATE
➢ Regularly monitor compliance with regards to PPA
➢ Manage fuel quality by conducting fuel sampling and testing
PETROLEUM INSPECTORATE MANDATE

The mandate is:

“To ensure Legal, Technical and Economic compliance with relevant legislation, specifications, standards and License conditions”
ROLE OF DoE INSPECTOR

- Ensure industry compliance with respect to:
  1. Labeling specifications
  2. Price Maintenance
  3. Record keeping
  4. Fuel specification and standards
  5. Licence conditions
  6. Forecourt Promotion
  7. Illegal Operation

- Consult and interact with stakeholders at regional level

- Enforce compliance w.r.t PPA
Price Maintenance

• PPA regulate Fuel Prices: Diesel Wholesale level; Retail pump price; Retail margins (fixed); Maximum retail IP price and Maximum LPG retail price.

• The petrol retail price is changed every month on the first Wednesday of the month.

• Forecourt prices vary across the country depending MDZ zones coast being the lowest.

• It is illegal for the petrol station to sell petrol per litre below/above regulated price.

Methods of payment

• A retailer must accept payment in the form of cash.

• A retailer may accept payment card.

• A notice of the type of payment card must be displayed.
PRICE DISPLAY REGULATION

Price must be displayed **digitally or manually** at the point of entrance.

- Electronic display-MONOLITH
- Manual display
CARD DISPLAY REGULATION

**A notice of type of payment must be displayed**
**If no payment card acceptable a notice to that effect need to be displayed also**
LABELLING SPECIFICATIONS

- Lettering and numbering in standard and solid font, size not less than 55 reading from left to right
- Be along side the nozzle and on the same side as the bowser indicating the price
- Petrol and diesel dispersed must be the product specified
- Metal free unleaded petrol grade (ULP) must be labelled with white lettering and numbering on the green background
- Metal containing petrol grade (LRP) must be labelled with white lettering and numbering on a red background
- Diesel must be labelled with white lettering on the black background
CORRECT LABELLING

Standard Diesel 500PPM
CORRECT LABELLING...CONT...
CORRECT LABELLING...CONT...
INCORRECT LABELLING
INCORRECT LABELLING...CONT..
INCORRECT LABELLING...CONT..
PREVALENT NON-COMPLIANCES

** Petrol product bought from a site: re-sale elsewhere : Retail is site Bound
PREVALENT NON-COMPLIANCES..CONT..

**Plastic containers not SABS authorised**
PREVALENT NON-COMPLIANCE CONT.

**Illegal selling of fuel with wrong containers results in explosions and loss of lives**
PREVALENT NON-COMPLIANCE..CONT..

** SELF-SERVICE IS PROHIBITED
**FORECOURT PROMOTION OR CONDITIONAL SELLING IS PROHIBITED**

A retailer may not offer any benefit to a consumer as a result of any sale of petroleum products (Both Diesel and Petrol)

Various reasons:
- To level the playing fields.
- Protect NTI and competitors
PREVALENT NON-COMPLIANCES..CONT..

**Dual operation is prohibited**

**Wholesaler (1500L per transaction) in Bulk**
FUEL SPECIFICATION AND STANDARDS

- NB! Fuel specifications in SA conform with SANS 1598 for petrol and SANS 342 for diesel

Permitted petrol grades
- Metal-free unleaded petrol with a minimum RON of 93, 95
- Metal-containing unleaded petrol with a minimum RON of 93, 95

Permitted diesel grades
- Standard diesel (500ppm)
- Low –sulphur diesel (50ppm)
- Low –sulphur diesel (10ppm), currently produced by Sasol
FUEL SAMPLING ON-SITE
REASONS WHY WE DO SAMPLING

• Protect consumers from Illicit Fuel additives/Mixing and Dodgy fuel,

• Protect consumers from Water Contamination and Bacterial Contamination

• Prevent costly car engine break-down problems through testing to ensure that fuel meets quality standards.

• Verifying the quality of the fuel product
PENALTIES FOR CONTRAVENTION

“Any person who is found in contravention of the Petroleum Product Amendment Act, 2003 (Act No 58, 2003) shall be guilty of an offence and liable on conviction to a fine not exceeding R1, 000 000 or imprisonment for a period of not exceeding 10 years, or to both such fine and such imprisonment.”
CONCLUSION

A licensee must at all times comply with all conditions outlined behind each original licence:

- All licences must be prominently displayed on site
- All methods of payment must be prominently displayed on site
- Forward all queries and applications to the Regional office

- Pay annual fees on anniversary date (s), DoE sends reminders
- Submit annual information on a yearly basis (due every February)
- Adjust petrol price every 1st Wednesday of each Month
Thank you!

Ke a Leboga!

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QUESTIONS ??