



**MINISTRY OF ENERGY  
REPUBLIC OF SOUTH AFRICA**

National Assembly Question: 835

**Mr L W Greyling (ID) to ask the Minister of Energy:**

- (1) Whether PetroSA follows a specified tender process in the procurement of diesel for Eskom's open cycle gas turbines; if not, why not; if so, what are the relevant details;
- (2) (a) how much diesel has PetroSA bought for Eskom in the past six months and (b) what was the average price of diesel during the specified period;
- (3) Whether trucks are kept on permanent standby to transport diesel from Cape Town to Mossel Bay; if not, why not; if so, (a) how many trucks and (b) at what monthly cost?

**REPLY**

(1) Eskom volumes were supplied as a combination of imported volumes, PetroSA GTL Refinery Production and Purchase from Cape Town Refinery (Chevron). The imported volumes went through the normal PetroSA Tender process which is followed when importing finished products, feedstock and blending components. PetroSA has a Commercial Contract with Chevron in Cape Town to supply its own customer requirements in Cape Town.

(2) (a) and (b)

Table below summarizes Eskom purchases for the period **November 2011 to April 2012:**

Month	Imported Volume (m3)			CEF Wholesale Price (R)
	Cape Town	Mossel Bay	Total Volume	
November	12,869	25,084	37,953	9.81
December	5,993	0	5,993	10.28
January	0	48,816	48,816	10.07

February	15,106	50,373	65,479	10.06
March	13,047	0	13,047	10.17
April	0	37,302	37,302	10.64
<b>Total</b>	<b>47,015</b>	<b>161,575</b>	<b>208,590</b>	

Out of the **115,000 m3** that were imported between **February 2012 and April 2012** approximately **51,000 m3** has not been lifted and currently stored at PetroSA GTL Refinery. CEF Wholesale price is the maximum published Wholesale Price for 500ppm Diesel.

- (3) No. PetroSA contracted with a Transporter (Wardens) from November 2011 to March 2012 on an emergency Spot contract basis and not on permanent basis. The contract was for the delivery of Fuel from Fuel Firing Services (FFS) to Ankerlig Open Cycle Gas Turbine which was awarded to the Transporter who had available units at the time (other 3 Transporters did not have Trucks available). The Transporter which is based in Durban moved their Trucks to Cape Town on the awarding and acceptance of the contract. The Transporter had dedicated (standing) Trucks for this operation at NO additional costs to PetroSA. In March 2012 PetroSA went on Tender requesting quotations for a Term Contract where Transporters are requested to put dedicated Trucks as requested by Eskom. The Tender has not been awarded as it is waiting for the Due Diligence process to be finalized.

In Summary, currently PetroSA is NOT contracted for Standing Trucks and therefore NOT incurring costs as a result of Transporter placing permanent Standby Trucks at the FFS 3<sup>rd</sup> Party Storage.

- (a) 4 trucks were on an emergency standby.
- (b) The Transporter has quoted a standing time cost of R7,500 per day per truck which equals R30,000 per day (for 4 Trucks). This is approximately R900 000 a month.