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THE PETROLEUM ACT
(CAP. 392)

THE PETROLEUM (PIPELINE OPERATIONS) RULES, 2015

(Made under section 5 (3))

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THE PETROLEUM ACT
(CAP. 392)

THE PETROLEUM (PIPELINE OPERATIONS) RULES, 2015

*(Made under section 5(3)
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PART I
PRELIMINARY PROVISIONS

Citation	1. These rules may be cited as the Petroleum (Pipeline Operations) Rules, 2014.
Application	2. These rules shall regulate the activities related to petroleum pipeline operations and related matters in Mainland Tanzania.
Interpretation	3. In these rules, unless the context otherwise requires:
Cap. 392	“Act” means the Petroleum Act; “annual fee” means a fee payable annually by a licensee as shall be prescribed by the Authority from time to time; “applicable law” means any principal law, treaty, convention, proclamation, regulation, rule, order or by-law that is customarily treated in Tanzania as having legally binding force and which is relevant to matters pertaining to the regulation of petroleum wholesale business;
Cap. 130	“approved specification” means any specification or standard in relation to a petroleum product applied by the Authority and as approved by the Tanzania Bureau of Standards pursuant to the Standards Act, or any other standards that are widely used for Good Petroleum Industry Practices;
Cap. 414	“Authority” means the Energy and Water Utilities Regulatory Authority established under the provisions of the EWURA Act;

- Cap. 191 “Council” means the National Environment Management Council established under the provisions of the Environment Management Act;
- Cap. 414 “compliance order” means an order issued by the Authority pursuant to section 39 of the EWURA Act;
- “dangerous situation” means a situation involving a petroleum product that:
- (a) endangers the safety or health of a person, or the safety of a person’s property; or
 - (b) creates an immediate risk of significant environmental harm;
- Cap. 414 “EWURA Act” means the Energy and Water Utilities Regulatory Authority Act;
- “facility” means a place constructed and meeting internationally acceptable standards, and includes pipelines, storage tanks, buildings, pumping stations, pump house and fire fighting systems in respect of which a licensed activity is carried out;
- Cap. 285 “Fair Competition Commission” means the Commission established under the provisions of the Fair Competition Act;
- “good petroleum industry practise” means any conduct related to a petroleum product intended to preserve product quality and meets generally accepted health, safety and environmental requirements;
- “incident” means:
- (a) an event that involves a leakage of a petroleum product from a storage facility;
 - (b) a spill of a petroleum product as a result of dispensing or offloading activities;
 - (c) death or personal injury occurring as a consequence of an action that is related to a licensed activity;

- (d) a fire or an event incidental thereto that results from an action that is related to a licensed activity;
- (e) an event that results in an emergency shutdown of a licensed facility; and
- (f) any other significant event that may adversely affect the conduct of a licensed activity.

“inspector” means an officer of the Authority or an agent of the Authority appointed by the Authority to perform the functions of inspection as required under the Act and applicable law;

“licence” means an authorization issued by the Authority to undertake a licensed activity;

“licensee” means the holder of a licence;

“regulated activity” means an activity necessary to operate a licensed facility and includes all activities in respect of such licensed facility and any activity reasonably required in connection with transportation of petroleum or a petroleum product by a pipeline;

“licence fee” means a fee payable by a licensee as shall be prescribed by the Authority from time to time;

“operator ” means a person who conducts a regulated activity;

“petroleum” means petroleum crude and any liquid made from petroleum crude, coal, schist, shale, tree, peat or any produce of petroleum crude and includes condensate;

“petroleum product” means an organic compound, pure or blended, which is derived from the refining or processing of petroleum crude oils, bio-fuels, or synthetic fuels and include:

- (a) asphalts, bitumen, petroleum coke and other residual product;
- (b) bunkers or heavy residual fuel oils for combustion engines or industrial heat processes, such as burners for boilers or heating furnaces;
- (c) gasoil or automotive diesel, biodiesel, industrial marine diesels or synthetic diesel;

- (d) gasoline, bionaptha or a bioethenol product;
- (e) kerosene or other similar oils for illumination or combustion applications;
- (f) lubricating oils, base oil or refined and blended finished oil;
- (g) turbo fuels for jet propulsion engines; and
- (h) other product or by-products of petroleum crude processing having a Flash Point lower than 120 degrees Celsius, and determined in a Pensky-Martens Closed Cup (PMCC) test apparatus;

“petroleum product spill” means the discharge of a petroleum product of not less than two hundred litres onto or into any land or water, or any structure or thing;

"pipeline" means all parts of physical facilities through which petroleum feedstock or petroleum products move in transportation, including, but not limited to pipes, valves, and other appurtenances attached to the pipe, metering stations, pumping stations, holders, and fabricated assemblies;

“regulated activity” means an activity necessary to operate a licensed facility and includes all activities in respect of such licensed facility and any activity reasonably required in connection with transportation of petroleum or a petroleum product by a pipeline;

“serious violation” means a breach of the requirements of occupational health, safety and environmental matters or a breach of the terms and conditions of a licence, the Act or applicable law which are of such magnitude that pose an imminent danger to lives and property;

“supervisor” means the operator or other person responsible for the management and monitoring of a licensed facility and is deemed to be authorized to:

- (a) grant an inspector access to a licensed facility, answer their questions and witness the taking of samples and the carrying out of inspections; and
- (b) identify physical defects and operational deficiencies within the licensed facility and, as

required, take decisions related to the suitability of such licensed facility for use;

Cap. 399 “Tanzania Revenue Authority” means the authority established under the provisions of the Tanzania Revenue Authority Act;

“tariff” means a written statement of rates and charges approved by the Authority for services relating to pipelines;

“tariff order” means an order issued by the Authority that sets out the applicable charges, fees, price or rate in the operation of a pipeline.

Cap. 285 “Tribunal” means the Fair Competition Tribunal established under the provisions of the Fair Competition Act; and

“vehicle” means any car, machinery, ship, truck, railway wagon, barge or other means of transporting a petroleum product.

PART II

APPLICATION FOR A CONSTRUCTION APPROVAL

Application
for
Construction
Approval

4. – (1) No person shall construct a facility without seeking and obtaining a construction approval from the Authority in a manner provided herein.

(2) Any person who intends to construct a facility shall lodge an application with the Authority by filling in the application form to be prescribed by the Authority which form shall provide:

- (a) the applicant’s name and business address, telephone and fax number and email address;
- (b) the location and complete address of the proposed licensed facility;
- (c) details of the proposed route or corridor of the pipeline;
- (d) the length of the pipeline;
- (e) the proposed maximum allowable operating pressure of the pipeline;
- (f) the proposed dates for commencement and completion of construction of the facility;

- (g) proof of land ownership and right of use for the land through which the proposed pipeline route or corridor is to be constructed;
- (h) a business plan describing the scope of the regulated activity;
- (i) financial closure of the facility;
- (j) plans and design specifications of the proposed pipeline including metering stations, aboveground and underground facilities;
- (k) a certified copy of an environmental impact assessment certificate issued by the minister responsible;
- (l) a list of personnel and proof of training and qualification;
- (m) details of any environmental impacts of the proposed pipeline and the proposed measures to eliminate or minimize those impacts ; and
- (n) any other information as shall be required by the Authority.

Application to
be
Accompanied
by a Fee

5. An application for a construction approval under rule 4 (2) shall be accompanied by a non-refundable application fee as shall be prescribed by the Authority from time to time.

Publication of
a Construction
Approval

6. – (1) An application for a construction approval received by the Authority shall be evaluated to verify its completeness and legality of information contained therein and thereafter a notice of the application shall be published in at least two newspapers of wide circulation in Tanzania one in English and another in Kiswahili with a view to soliciting comments and representations on the application.

(2) The costs of publication of notices under sub-rule (1) shall be borne by the Authority.

(3) The public shall be invited to submit comments and representations within twenty one days from the date of publication of the notice and the comments and representations shall be considered by the Authority in arriving at the decision on the application.

Grant of a
Construc-
tion Approval

7. - (1) The Authority may, upon consideration of an application for construction approval:

- (a) deny the application;
- (b) grant the application and issue a construction approval; or
- (c) refer back the application.

(2) The Authority shall, while making a decision whether to grant or deny a construction approval, consider:

- (a) the applicant's compliance with the provisions of rule 4 (2);
- (b) the applicant's compliance to land use laws; and
- (c) the applicant's compliance to health, safety and environmental requirements.

(3) The Authority may, if it is of the view that the proposed construction of a pipeline should be altered in order to provide access to third parties, inform the applicant and request the applicant to supply reasons as to why the application should not be considered subject to the imposition of such condition.

(4) The Authority shall, before issuing a construction approval under sub-rule (1) of this rule, cause it to be published in the *Government Gazette* as required by the provisions of the Act.

(5) The applicant shall, after issuance of an approval by the Authority, be notified to come and collect the approval.

(6) The Authority shall, in the event that it denies an application for a construction approval, inform the applicant of such decision in writing, including the reasons thereof.

Validity and
Duration of a
Construction
Approval

8. A construction approval issued by the Authority in rule 6 shall remain in force for such period as the Authority may allow provided that in the event the holder of the said approval fails to commence construction within twelve months from the date it was issued such construction approval shall cease to have effect.

Notice of
Commence-
ment

9. Any person with a construction approval shall issue a notice to the Authority of commencement of construction thirty days prior to the commencement of construction.

Suspension
and
Revocation of
a Construction
Approval

10. – (1) The Authority may, by notice in the *Government Gazette*, suspend or revoke a construction approval if any of the terms and conditions thereof have not been complied to.

(2) Where the Authority intends to revoke, suspend or amend a construction approval it shall, at least twenty-one days before the date of intended revocation, suspension or amendment notify the holder of such approval about the intention and the reasons thereof.

(3) Notwithstanding the provisions of sub-rule (1) and (2) of this rule the Authority may, by notice in the *Government Gazette*, withdraw or suspend a construction approval on the application or with the consent of the holder of such approval.

(4) The Authority may, by notice in the *Government Gazette*, reinstate a construction approval revoked or suspended under sub-rule (1) if satisfied that the reasons for the revocation or suspension no longer exist.

PART III
LICENSING PROCEDURES

Licensed
Activity

11. - (1) No person shall conduct a regulated activity without a licence.

(2) Any person conducting a licensed activity without a licence shall, not later than three months after coming into force of these rules, apply to the Authority for a licence in respect of such licensed activity.

(3) Any person who contravenes the provisions of sub-rules (1) and (2) of this rule commits an offence and shall be liable on conviction, to a fine of five million shillings or imprisonment for a term not exceeding two years or to both.

Power to Enter
and Close a
Facility

12. Notwithstanding the penalty prescribed under rule 11 (3), the Authority shall, in the event it determines that any person has contravened the provisions of rules 11 (1) or 11 (2) enter upon any licensed facility and close it down.

Minimum
Licensing
Requirements

13. – (1) No person shall be issued with a licence unless the application meets the necessary technical requirements which include:

- (a) possession of a pipeline that is constructed in accordance with internationally acceptable standards; and
- (b) possession of adequate skilled personnel;

(2) Notwithstanding the generality of sub-rule (1) of this rule, the Authority may issue a licence with specific conditions to be fulfilled within a prescribed time to an applicant who fails to meet some of the requirements in sub-rule (1).

Licence
Application

14. - (1) An applicant for a licence shall apply to the Authority for a licence by filling in the appropriate form prescribed by the Authority, and shall lodge such application with the Authority, together with such other documents or records as may be required by the Authority or applicable law.

(2) Notwithstanding the provision of sub-rule (1) of this rule, an application for a licence shall be accompanied by:

- (a) certified copies of the applicant's registration documents;
- (b) the particulars of the pipeline including the use to which the pipeline will be put;
- (c) a written description and map of the route of the pipeline;
- (d) if an environmental assessment study has been conducted, a certified copy of the certificate;
- (e) a business plan describing the scope of a licensed activity;
- (f) a description of the proposed tariff to be applied to the pipeline;
- (g) certified copy of tax identification number certificate;
- (h) details in respect of land ownership and layout as applicable;
- (i) a list of facilities available ;and
- (j) any other information as shall be required by the Authority.

Licence Application to be Accompanied by a Fee	15. An application for a licence shall be accompanied by a non-refundable application fee prescribed by the Authority from time to time.
Publication of a Licence Application	<p>16. – (1) A licence application received by the Authority shall be evaluated to verify its completeness and legality of information contained therein and thereafter a notice of the application shall be published in at least two newspapers of wide circulation in Tanzania one in English and another in Kiswahili with a view to soliciting comments and representations on the application.</p> <p>(2) The costs of publication of notices under sub-rule (1) shall be borne by the Authority.</p> <p>(3) The public shall be invited to submit comments and representations within twenty one days from the date of publication of the notice and the comments and representations shall be considered by the Authority in arriving at the decision on the application.</p>
Grant of a Licence	<p>17. - (1) The Authority may, upon consideration of an application for a licence:</p> <ul style="list-style-type: none">(a) deny the application;(b) grant the application and issue a licence; or(c) refer back the application. <p>(2) The Authority shall, while making a decision to grant or deny a licence, take into consideration:</p> <ul style="list-style-type: none">(a) the minimum licensing requirements set out in rule 13;(b) compliance to land ownership and land use laws;(c) any objection or representation received from the public pursuant to rule 16;(d) the applicant's record of compliance with the Act, these rules and other applicable laws;(e) economic efficiency of the facility and benefit to the public in general of the facility;(f) compliance of the facility on matters including:<ul style="list-style-type: none">(i) safety;(ii) health;

- (iii) security;
- (iv) handling of hazardous substances;
and
- (v) environment;

(g) any other matter relevant to the orderly conduct of pipeline transportation business in Tanzania.

(3) The Authority may deny issuing a licence where it determines that:

- (a) the applicant does not meet the requirements of sub-rule (2) of this rule;
- (b) the applicant's activities may not be conducted in accordance with safety, health and environment requirements; or
- (c) the applicant has violated the mandatory requirements provided under applicable law and the Act.

(4) After issuance of a licence, the applicant shall be notified to come and collect it upon payment of a licence fee and an annual fee.

(5) The Authority shall, in the event that it denies or refers back an application for a licence, inform the applicant of such decision in writing, including the reasons thereof.

Validity and
Duration of a
Licence

18. - (1) The term of a licence shall be for a period not exceeding fifteen years.

(2) A licence shall remain valid for the period stated in sub-rule (1) of this rule, unless extended or renewed in accordance to rule 19 and 23, provided, however, that the Authority may, on the written application of a licensee, extend the period for such further period as the Authority may determine.

(3) Notwithstanding the provisions of sub-rule (1) and (2) of this rule, a licence shall cease to have effect if the respective licensee fails to conduct a licensed activity within six months after issuance of the licence.

Application
for Extension
of a Licence

19. - (1) A licensee may, not less than six months before expiration of a licence term, apply to the Authority for extension of its licence.

(2) Application for extension of a licence as provided in sub-rule (1) of this rule shall be in writing by filling in an application form to be prescribed by the Authority.

(3) The Authority shall, while making a decision whether to grant or deny an application for extension of a licence, consider the applicant's compliance to applicable law and the conditions of the licence which is due to expire.

(4) The Authority shall, in the event that it denies an application for extension of a licence, inform the applicant of such decision in writing, including the reasons thereof.

Application
for Transfer of
a Licence

20. - (1) No licence shall be assigned or transferred to another person without a written approval of the Authority.

(2) Any transferee or assignee of a licence shall apply to the Authority by filling in the appropriate form prescribed by the Authority, and lodge it with the Authority, together with other documents or records as may be required by the Authority or applicable law.

(3) Notwithstanding the provisions of sub-rule (1) of this rule no application for a transfer or assignment of a licence shall be entertained by the Authority unless it is endorsed by the transferor or assignor.

(4) An application received by the Authority under sub-rule (2) of this rule shall be evaluated to verify its completeness and legality of information contained therein and thereafter a notice of the application shall be published in at least two newspapers of wide circulation in Tanzania, one in English and another in Kiswahili with a view to soliciting comments and representations on the application.

(5) The costs for publication of the notice under sub-rule (4) shall be borne by the Authority.

(6) The public shall be invited to submit comments and representations within fourteen days from the date of publication of the notice and the comments and representations

shall be considered by the Authority in arriving at the decision on the application.

(7) The Authority shall, after the expiration of the notice in sub-rule (3) of this rule, evaluate the application together with comments received (if any) and make a decision whether to grant or deny the application for transfer or assignment as the case may be.

Change of
Name

21. – (1) A licensee may change its name pursuant to the provisions of these rules and applicable law.

(2) A licensee who has changed its name shall, within thirty days after such change, notify the Authority in writing about such change, which shall be accompanied by a certificate of change in name issued by the Registrar of Companies.

Change in
Shareholding
Structure

22. - (1) Any change in shareholding structure of a licensee shall require a written approval of the Authority.

(2) A licensee, intending to change its shareholding structure shall, before applying for the change in shareholding structure to the Registrar of Companies apply for the approval to the Authority by submitting a letter to the Authority requesting for the approval.

(4) The Authority may, before approving the application for change in shareholding structure in sub-rule (2) of this rule, consult the Fair Competition Commission and the Tanzania Revenue Authority.

Application
for Renewal of
a Licence

23. – (1) A licensee may, not less than six months before expiration of a licence term, apply to the Authority for renewal of its licence.

(2) Application for renewal of a licence as provided in sub-rule (1) of this rule shall be in writing by filling in an application form to be prescribed by the Authority.

(3) The Authority shall, while making a decision whether to grant or deny an application for renewal of a licence, consider the applicant's compliance to applicable law and the conditions of the licence which is due to expire.

(4) The Authority shall, in the event that it denies an application for renewal of a licence, inform the applicant of such decision in writing, including the reasons thereof.

Suspension or
Revocation of
a Licence

24. A licence may be:

- (a) suspended by the Authority for a period of twelve months in case of a serious violation of the provisions of these rules, licence conditions, the Act or applicable law; or
- (b) revoked by the Authority if a licensee fails to remedy or desist from an act or omission constituting a serious violation within the prescribed time.

PART IV
GENERAL OBLIGATIONS OF A LICENSEE

General
Obligations of
a Licensee

25. A licensee shall at all times:

- (a) comply with:
 - (i) any applicable law;
 - (ii) these rules;
 - (iii) Orders and directions of the Authority;
 - (iv) applicable codes and standards on safety, hazardous substances, security, health and environment; and
 - (v) Good Petroleum Industry Practices;
- (b) undertake reliable and safe petroleum pipeline transportation services;
- (c) not engage in any activity that impedes or may impede either proper implementation of the licensed activity or any licensed activity of other licensees;
- (d) ensure management of the licensed activity in a manner consistent with the principles of ensuring technical expedience and the objective of

- achieving highest quality of petroleum pipeline transportation services;
- (e) operate and maintain the licensed facility;
 - (f) carry out all works related to the licensed facility in accordance with Good Petroleum Industry Practices;
 - (g) inform the Authority as soon as practicable, but in any event not more than twenty-four hours after the occurrence of a dangerous situation or incident related to its licensed activity, occurring within its licensed facility, including the steps taken or proposed to be taken to remedy such situation or to eliminate or minimize the danger arising from such situation;
 - (h) when the licensed facility is left unattended, ensure that:
 - (i) all electrical power to the storage terminal and pumping equipment is switched off; and
 - (ii) all pipelines related equipment are adequately secured to prevent unauthorized access and use;
 - (i) employ a sufficient number of qualified personnel to ensure that the conduct of its licensed activity complies with these terms and conditions;
 - (j) conduct its licensed activity in compliance with health, safety and environmental laws;
 - (k) pay applicable fees;
 - (l) submit to the Authority in a true and correct form all data and information the Authority may require;
 - (m) notify the Authority of any change of its address, name or location not later than seven days after such change;
notify the Authority for approval thirty (30) days before it installs additional facility related to its licensed activity;
 - (n) notify the Authority and its customers in writing ninety (90) days prior to a planned disruption of a licensed activity;
 - (o) ensure that any service to be provided in the course of the licensed activity shall be just and reasonable and the licensee shall not show undue discrimination against any particular person of any

- class or description as regards any aspect of any service under this licence;
- (p) accord full cooperation to the Authority during investigation or monitoring exercise over the licensed facility;
 - (q) establish and maintain records pursuant to the applicable law and orders and directions of the Authority;
 - (r) provide the Authority with full access to its records, documents, sites and assets pursuant to these rules and applicable law;
 - (s) prepare a weekly stock position of a petroleum product in a licensed facility as shall be specified in writing by the Authority;
 - (t) ensure the safe disposal of any petroleum product and waste oil;
 - (u) procure and maintain in force a valid insurance cover in respect of all liabilities that may arise from the conduct of its licensed activity;
 - (v) not keep fireworks or any other instruments or products in or near a licensed facility that might pose a risk of fire or otherwise;
 - (w) ensure that a supervisor is present at a licensed facility at all times, and in his absence any person employed or acting as an agent of a licensee at a licensed facility shall perform the duties of a supervisor;
 - (x) not abandon a licensed facility other than in accordance with the licence conditions, these rules, the Act, applicable law or directions of the Authority;
 - (y) display in a conspicuous place at a licensed facility a licence or a certified copy thereof;
 - (z) provide appropriate security system for the licensed facility;
 - (aa) not engage in any activities that disrupt or interfere with competition; and
 - (bb) as soon as practicable, but in any event not later than thirty days after it becomes aware of the fact, notify the Authority:
 - (i) if it is unable to conduct its licensed

- activity; or
- (ii) if the conduct of its licensed activity would or might lead to the breach of any of these rules or materially affect its operations.

PART V
TECHNICAL OBLIGATIONS OF A LICENSEE

26. A licensee shall at all times:

Technical
Obligations of
a Licensee

- (a) maintain the quality of petroleum or petroleum products “as is” throughout the pipeline;
- (b) ensure that the pipeline way leave is properly maintained;
- (c) submit to the Authority in the format provided by the Authority length and diameter of a pipeline or pipeline segments as the case may be, number of pumping stations, number of storage tanks, throughput design capacity, percentage pumping loss, average daily deliveries, average transportation time, the quantity transported in the previous year and such technical information as required by the Authority within thirty (30) days of issuance of the licence for an existing licensee and thereafter annually within the first thirty (30) days of each calendar year;
- (d) prepare and maintain a manual containing procedures for pipeline operation, corrosion control, integrity management, maintenance and repair; and upon request, file a copy of such manual with the Authority for review; the manual shall include provision for evaluation and mitigation of stress corrosion cracking when the pipeline has been disbonded or has non-functional external coatings;
- (e) ensure that the manual referred to in subparagraph (d) shall be updated as necessary to;
 - (i) ensure that the contents are correct; and
 - (ii) be able to demonstrate that the procedures contained in the manual are being implemented;

- (f) prepare and maintain an emergency response plan for the licensed facility in accordance with Good Petroleum Industry Practice and submit a copy to the Authority for review on request;
- (g) update the emergency response plan for the licensed facility, as necessary;
- (h) conduct training exercise in carrying out emergency response plans;
- (i) ensure that it is capable of adequately responding to spills;
- (j) maintain and submit upon request by the Authority records of all inspection conducted;
- (k) ensure that the right of way boundary is properly maintained in such a manner that:
 - (i) there is no encroachment or development near the pipeline right of way;
 - (ii) the surface condition of the right of way is properly maintained;
 - (iii) the pipeline crossing a water body is properly monitored; and
 - (iv) pipeline markers(at adequate intervals) with warning signs and emergency contact numbers are present at all places and where the pipeline crosses water course, roads or railways;
- (l) ensure that it installs warning signs:
 - (i) at each side of the crossing where a pipeline crosses a highway, road, railway or water course;
 - (ii) within the land acquired for the pipeline and facing the highway, road, railway or watercourse;
 - (iii) where the pipeline right of way adjoins the right of way of a highway, road or railway, on the common boundary of the right of way but not within the right of way of the highway, road or railway, and
 - (iv) where the pipeline is located in a ditch or unpaved area in the right of way of a highway or road, or conveying HVP product in an urban area, at intervals that will clearly and continuously mark the location of the pipeline;

- (m) install warning signs as required by subparagraph (l):
 - (i) no more than 0.3 meter from a fence line, if one exists;
 - (ii) as close to the centreline of the pipeline as possible without risking striking the pipeline;
 - (iii) so that each sign is not obscured by a bush or any other thing; and
 - (iv) as independent, free-standing structures that must not be attached to any other structures except the fencing surrounding the licensee's facilities;
- (n) maintain pipeline warning signs and replace any pipeline warning sign that becomes defaced, worn out or illegible or that is missing or destroyed regardless of the operational status of the pipeline and for all pipelines, including abandoned pipelines;
- (o) ensure that regardless of the operational status of a pipeline and for all pipelines, including abandoned pipelines, all warning signs are updated by replacing them with new signs or applying durable permanent adhesive label bearing the updated information;
- (p) ensure that if a pipeline or part of a pipeline has been removed, any existing warning signs in the area from which the pipeline or part of the pipeline has been removed is also removed.
- (q) ensure it makes an application to the Authority for approval when intending to resume the operation of a pipeline or part of a pipeline that has been discontinued, abandoned or that has not been in active flowing service within twelve (12) months;
- (r) ensure that it establishes and maintains liaison with local authorities that issue permission for excavation by third parties that could damage the pipelines;
- (s) take all necessary preventive measures to reduce pollution resulting from operating its pumping stations, treatment plants, and networks;
- (t) observe strict environmental, health, and industrial

- safety standards as required by Applicable Law;
- (u) ensure the availability of adequate fire-fighting equipment;
- (v) ensure that its petroleum products comply with the approved specifications;
- (w) not decommission its licensed facility otherwise than pursuant to these rules and applicable law;
- (x) prior to effecting any major replacement or maintenance to a licensed facility or a part thereof, notify the Authority not less than fourteen days prior to commencing such replacement or installation;
- (y) ensure that a licensed facility and related equipment are calibrated for correct measurements and are in good working condition in accordance with approved specifications and Good Petroleum Industry Practices; and
- (z) promptly notify the Authority of any apparent loss or gain of a petroleum product that is outside normal operating patterns.

PART VI
COMMERCIAL OBLIGATIONS OF A LICENSEE

Commercial
Obligations of
a Licensee

27. A licensee shall at all times:

- (a) submit to the Authority cargo movement from the date the ship docks at a port, offloading of cargo from the ship and into the storage tanks and thereafter the date of commencement of pumping;
- (b) charge to customers a tariff as approved by the Authority;
- (c) not discriminate between customers or classes of customers regarding access, tariff, conditions or service except for objectively justifiable and identifiable grounds approved by the Authority; and
- (d) print a licence number on all accounting documents employed in its licensed activity, including invoices, delivery notes and receipts.

Protection of
Lives and
Property

28. - (1) A licensee shall, while transporting, storing, keeping, handling, conveying, using or disposing of any petroleum product, take such precautions and exercise such care as may be reasonable under the circumstances in order to:

- (a) avoid endangering the safety or health of any person, or the safety of any person's property; and
- (b) prevent risk of significant environmental harm.

(2) A licensee shall dispose of a waste petroleum product in a manner and at a place intended for the safekeeping and dumping of such products pursuant to applicable law and good petroleum industry practices.

(3) A licensee shall appoint not less than one health, safety and environment officer to address and be responsible on health, safety and environment matters and obligations related to the licensed activity.

Compensation
for Loss
Suffered

29. - (1) A licensee shall be obliged to compensate any person who has suffered any injury, loss of life or property or the environment as a result of the licensed activity.

(2) Any person who has suffered injury, loss of life or property or environment as a result of a licensed activity shall first lodge a complaint with a licensee whose licensed activity has caused such loss with a view to reaching an amicable settlement.

(3) In the event no settlement is reached under sub-rule (2), the person who has suffered injury or loss may refer the matter to the Authority for decision and the Authority shall deal with such matter as if it is a complaint lodged pursuant to the provisions of the EWURA Act.

(4) For the purpose of this rule, a person includes an administrator, executor or executrix of the estate of a deceased person.

Maintenance
of Records,
Provision and
Disclosure of
Information

30. - (1) A licensee shall at all times:

- (a) keep complete and accurate records and data related to its licensed activity; and

(b) in accordance with the Authority's requirements and pursuant to its directions, promptly provide to the Authority documents, records or information related to its licensed activity.

(2) Any person who refuses to furnish information or statement as required under sub-rule (1) (b) of this rule or furnishes false information or statement to the Authority shall be liable on conviction to a fine of five million shillings.

(3) Any person who refuses to furnish information or statement as required under sub-rule (1) (b) of this rule or furnishes false information or statement to the Authority for the second time shall be liable to pay a fine of ten million shillings and shall have its licence suspended for a period of twelve months.

(4) Any person who refuses to furnish information or statement as required under sub-rule(1)(b) of this rule or furnishes false information or statement to the Authority for the third time shall have its licence revoked.

(5) Any person whose licence has been revoked pursuant to the provisions of sub-rule (3) shall not be eligible for issuance of a licence for a period of twelve months from the date of revocation.

Confidential
Information

31. - (1) Any information received by the Authority from a licensee pursuant to these rules and applicable law shall be presumed to be not confidential.

(2) A licensee shall not be entitled to withhold information from the Authority on the ground that it is confidential.

(3) A licensee may request the Authority not to circulate specific data or information that it has provided to the Authority, provided, that only the Authority shall determine that such information is confidential.

(4) The Authority shall limit or prohibit the publication of any information to the public in the event it makes a determination that such information is confidential.

PART VII
FINANCIAL PROVISIONS

Setting and
Approval of
Tariffs

32. - (1) Upon application by a licensee the Authority shall set as a condition of a licence the tariffs to be charged by a licensee in the operation of a pipeline.

(2) A tariff charged in terms of sub- rule (1):

(a) shall be:

- (i) based on a systematic methodology applicable on a consistent and comparable basis;
- (ii) fair;
- (iii) non - discriminatory;
- (iv) simple and transparent;
- (v) predictable and stable;
- (vi) such as to promote access to affordable petroleum products;
- (b) shall be effective from the date set out in the tariff order;
- (c) shall be reviewed by the Authority within the period set out in the Tariff Order; and
- (d) may be adjusted by the Authority on review.

(3) The Authority shall monitor the application of tariffs and take appropriate action when necessary to ensure that they are applied in a non-discriminatory manner and a licensee must provide the information required by the Authority in this regard.

(4) A licensee may request the Authority to review its tariff from time to time and may submit an application to the Authority in this regard.

(5) A licensee shall not charge a tariff for the licensed activity other than as set or approved by the Authority.

(6) Any person who contravenes the provisions of sub-rule (5) of this rule commits an offence and shall be liable upon conviction, to a fine of one hundred million shillings or imprisonment for a term not exceeding two years or to both.

PART VIII
ENVIRONMENTAL PROTECTION

Compliance
with
Environmental
Laws and
Standards

33. - (1) A licensee shall comply with the requirements of all applicable environmental laws and standards related to a licensed facility.

(2) Subject to applicable law a licensee shall:

- (a) carry out an environmental impact assessment before establishing a licensed facility, or making any major improvement to an existing facility;
- (b) take all necessary preventive measures to avoid pollution resulting from operating its pumping stations, treatment plants, or networks;
- (c) observe strict environmental, health, and industrial safety standards as required by applicable law; and
- (d) perform an environmental audit related to licensed activity in accordance with applicable law.

(3) For the purpose of sub-rule (2) (a) the term “major improvement” means an improvement that aims at expanding the size of the facility and increasing the number of storage tanks.

Sanctions for
Violation of
Environmental
Laws

34. In the event the Authority determines that a licensee has violated these rules or any applicable law on matters related to protection of the environment it shall take appropriate actions pursuant to provisions of the Environment Management Act and other applicable laws.

PART IX
TECHNICAL PROVISIONS

Compliance
with
Specifications
and Standards

35. - (1) A licensee shall comply with the approved specification pertaining to pipeline transportation of a petroleum product which is consistent with these rules and applicable law.

(2) A licensee shall not deviate from any approved specification without prior approval of the Authority, and the

Authority shall not grant such an approval unless it is satisfied that such deviation is for public interest and will not negatively affect public safety and the environment.

Fire
Precaution

36. - (1) A licensee shall:

- (a) ensure that any building, road, right of way, structure or plant used in connection with a licensed facility is designed, constructed, equipped and maintained:
 - (i) in such a way as to prevent fire and explosion; and
 - (ii) so as to minimize the harmful effects of fires or explosions if they occur;
- (b) ensure that personnel involved in the handling and dispensing of a petroleum product exercise caution in respect of anything that may cause fire or an explosion, and that such personnel follow applicable law on matters related to fire and explosions; and
- (c) clearly indicate by a sign a place at a licensed facility where a petroleum product is handled or stored.

(2) A licensee shall make reasonable efforts to ensure that no person throws, leaves or creates any open or naked light, spark or flame or any burning or smouldering material on a licensed facility.

(3) A licensee shall take adequate precautions to prevent the outbreak of fire when transporting or disposing of a petroleum product.

(4) A licensee shall provide adequate fire extinguishing equipment and maintain such equipment in good working condition in accordance with these rules, applicable law and standards and pursuant to directions issued by the Authority.

(5) A licensee shall:

- (a) position the equipment described in sub-rule (4) of

this rule in accessible places at a licensed facility;
and

- (b) in any event, not less than once a year, test the equipment described in sub-rule (4) of this rule pursuant to applicable law.

(7) A licensee shall establish a fire emergency plan to be employed in the event of a fire at a licensed facility that shall:

- (a) include suitable and adequate fire-fighting plan that comprises:
 - (i) the locations and types of all fire-fighting equipment; and
 - (ii) an action plan that identifies, *inter alia*, assembly points and the tasks of all employees;
- (b) include provisions for the training of employees to deal with a fire emergency situation, the records of which shall be preserved;
- (c) be provided to employees employed in or on the relevant premises; and
- (d) be made available to the Authority on request.

Control of a
Petroleum
Product Spill

37. - (1) A licensee shall, in the event of a petroleum product spill:

- (a) as soon as practicable and in any event not more than twenty four (24) hours after the occurrence of such spill, inform the Authority about such spill; and
- (b) take all necessary steps pursuant to good petroleum industry practices or otherwise as may be necessary to clean up such spill.

(2) In the event a licensee fails to comply with sub-rule (1) (b) of this rule within the period of time established by the Authority, the Authority may, by written notice, order such licensee to take such steps as the Authority may require in order to clean up a petroleum product spill at its own cost.

(3) Any licensee who fails to comply with an order of the

Authority issued pursuant to sub-rule (2) of this rule commits an offence and shall on conviction, be liable to a fine of five million shillings or to imprisonment for a term not exceeding two years or to both.

(4) Without prejudice to the provisions of sub-rules (1), (2) and (3), any person who is affected by any spill of a petroleum product and seeks redress, shall first lodge a complaint with a licensee whose licence has caused such spill with a view to reaching an amicable settlement

(5) In the event no settlement is reached under sub-rule (4), the person who is affected by the spill may lodge a complaint to the Authority for compensation from the licensee who is responsible for the spill, and the Authority shall deal with such complaint in accordance with the provisions of Part VI of the EWURA Act.

Inspection of
a Facility

38. - (1) The Authority may inspect a facility pursuant to these rules and applicable law.

(2) The Authority shall have the right of access to inspect a facility, equipment and documents, and an operator of the shall render such assistance to an inspector as may be required in the course of such inspection.

(3) Notwithstanding the generality of sub-rule (2) of this rule an inspector shall have the right and obligation to enter upon any facility for the purpose of conducting an inspection.

(4) During inspection an inspector may:

- (a) take samples of any substance or articles stored in a facility;
- (b) make copies or take extracts from any book, accounts or records kept on a licensed facility;
- (c) inspect machinery, equipment, appliances, meters, fittings and apparatus; and
- (d) inspect any vehicle that is found at a licensed facility.

Prohibited
Acts Against
Inspectors

39. - (1) A licensee shall not:

- (a) hinder or obstruct the Authority in the exercise of

any of the powers conferred upon it under these rules;

- (b) use abusive, threatening or insulting language to an employee of the Authority;
- (c) deny or fail to comply with a requirement, direction or notice of the Authority; and
- (d) when required by the Authority to answer a question, deny or fail to answer such question to the best of his knowledge, information and belief.

(2) Any person who contravenes the provision of sub-rule (1) of this rule commits an offence and shall be liable, on conviction, to a fine of ten million shillings or to imprisonment for a term not exceeding two years or both.

Decommissioning Procedure

40. – (1) A licensed facility may, subject to the provisions of this rule, be decommissioned:

- (a) after receipt of a written application for a decommissioning from a licensee;
- (b) by an order of the Authority where it is satisfied that such facility has been abandoned by its licensee for a period of not less than three months; or
- (c) by an order of the Authority that the same be decommissioned after the Authority is satisfied that the continued operation of such facility poses a danger to lives and property.

(2) A licensee seeking to decommission a licensed facility shall notify the Authority not less than thirty days prior to such decommissioning in order to enable the Authority make necessary inspections and to issue the necessary approvals.

(3) Notwithstanding any provision of these rules, a licensee shall pay all costs associated with the decommissioning of a licensed facility, whether such decommissioning has been done following the request by the licensee or by order of the Authority.

Site Restoration

41. – (1) The Authority shall, after confirming that the area where a licensed facility has been constructed has been restored to its original state by a licensee, issue a certificate of compliance to such licensee.

(2) For the purposes of sub-rule (1) of this rule “restore” means to:

- (a) return the area in which a licensed facility is located to its original and natural state as it was prior to the installation of such facility; or
- (b) render the area in which a licensed facility is located, or part thereof, compatible with its intended after-use, including:
 - (i) removing buildings, structures, plant and debris;
 - (ii) establishing compatible contours and drainage;
 - (iii) replacing top soil, re-vegetation, slope stabilization; and
 - (iv) infilling excavations.

(3) The Authority shall, before issuing a certificate of compliance under sub-rule (1), consult the Council.

PART X PENALTIES AND REMEDIAL MEASURES

Penalties and
Remedial
Measures

42. The Authority may, without prejudice to the penalties prescribed in these rules and applicable law where it determines that a licensee is in violation of these rules or applicable law:

- (a) issue a warning;
- (b) issue a Compliance Order restraining a licensee from continuing violation of these rules, licence conditions, the Act or applicable law;
- (c) restrict the conduct of a licensed activity;
- (d) order a licensee to remedy any situation as a result of such violation;
- (e) issue a partial suspension of a licence for such period the Authority may determine;
- (f) suspend a licence for such period the Authority may determine; or
- (g) revoke a licence.

PART XI

GENERAL PROVISIONS

Power to enter
and Close a
Facility

43. – (1) Notwithstanding any provision in these rules an inspector shall, with an order in writing, have the right and obligation to enter upon any licensed facility and close it down where he determines that a licensed activity is being conducted in contravention of these rules.

(2) An inspector may while discharging his obligation under sub-rule (1) of this rule seek the assistance of law enforcement institutions including the police and such institution shall provide the requested assistance to the inspector.

Transitional
Provision

44. Any person who conducts pipeline business whether licensed or not shall within twelve months after coming into force of these rules, adjust its operations and upgrade its facilities in order to comply with the provisions of these rules.

General Penalty

45. Any person who commits an offence for which no specific penalty is prescribed in these rules shall be liable on conviction to a fine of five million shillings or to imprisonment for a term not exceeding two years or both.

Penalty for a
Second or
Subsequent
Conviction

46. Any person who is convicted of a second or subsequent conviction of any offence under these rules and the Act shall without prejudice to the penalties prescribed in rule 23, be liable to a fine of not less than ten million shillings or to imprisonment for a term of not less than three years or to both.

Authority to
Supplement
Procedures as
Needed

47. Where procedures are not provided for in these rules, the Authority may do whatever is necessary and permitted by law to enable it to effectively and completely adjudicate on any matter before it.

PART XII APPEAL

Cap. 285

48. Any person who is aggrieved by a decision made by the Authority under any of these rules may lodge an appeal to the Tribunal pursuant to the provisions of the Fair Competition Act.

Dar es Salaam
....., 2014

FELIX NGAMLAGOSI,
Director General