

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

NO. 1334

10 DECEMBER 2020

NATIONAL ENERGY REGULATOR

NOTICE IN TERMS OF SECTION 5B(3)(a)(i) OF THE ELECTRICITY ACT 41 OF 1987 and SECTION 2(3)(A) OF BOTH THE GAS REGULATOR LEVIES ACT, 2002 (NO. 75 OF 2002) AND THE PETROLEUM PIPELINES LEVIES ACT, 2004 (NO. 28 OF 2004)**Proposed Electricity licence fees and levies on the Piped-Gas and Petroleum Pipeline Industries for 2021/22 financial year**

The National Energy Regulator (NERSA), acting under section 5B(3)(a)(1) of the Electricity Act 41 of 1987 and both section 2(3)(a) of the Gas Regulator Levies Act, 2002 (Act No. 75 of 2002) and the Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004), hereby publishes the proposed licence fees that are payable by generators of electricity and levies for the piped-gas and petroleum pipeline industries for the 2021/22 financial year.

The aim is to bring the proposed licence fees and levies to the attention of the stakeholders in the licensed generators of electricity, piped-gas and petroleum pipeline industries and invite representations/comment to be made to the Energy Regulator within thirty days of the date of this publication.

The total NERSA Budgeted Expenditure amounts to R398,480,928 for 2021/22 (2020/21: R387,185,242) with the specific budgets for the three industries being as follows:

- Electricity Industry: R232,589,205 (2020/21: R224,482,368)
- Piped-Gas Industry: R86,032,095 (2020/21: R85,234,614)
- Petroleum Pipelines Industry: R79,859,629 (2020/21: R77,468,257)

The budgeted expenditure for the Energy Regulator for the 2021/22 financial year represents an increase of 2.9% from the previous year expenditure budget.

In the 2021/22 budget, the licence fees that are payable by generators of electricity will be effectively reduced by a refund of surplus funds to the value of R33,623,456 and interest and other income of R8,049,839. The piped-gas and petroleum pipelines industry levies will be reduced by a refund of surplus funds of R10,216,837 and R20,081,567 respectively and an equal share of R5,814,711 for interest and other income.

Taking this into account, the total amount that NERSA will have to recover through licence fees and levy income is R320,695,519 for 2021/22 (2020/21: R356,512,924) for the three industries being as follows:

- Electricity Industry: R190,915,910 (2020/21: R207,909,620)
- Piped-Gas Industry: R72,907,903 (2020/21: R77,964,905)
- Petroleum Pipelines Industry: R56,870,706 (2020/21: R70,638,400)

Proposed licence fees payable by licensed generators of electricity for 2021/22

The proposed licence fee payable by licensed generators of electricity is **0.09281 c/kWh** (2020/21: 0.08924 c/kWh) in respect of electricity generated for supply by licensed generators during the previous calendar year (year 2021). The licence fees shall be payable to the National Energy Regulator, as from 01 April 2021 to 31 March 2022, by the licensed generators.

The proposed licence fee was determined based on an estimated volume of 205.7 million Megawatt per annum and the 2021/22 Annual Performance Plan and Budget requirement for the regulation of the electricity industry of R190,915,910 against the expenditure of R232,589,205 as indicated above.

Proposed Piped-Gas Levy 2021/22

The proposed levy to be imposed on the piped-gas industry is **42.995 c/Gj** (2020/21: 42.995 c/Gj) in respect of the amount of gas, measured in Gigajoules, delivered by importers and producers to the inlet flanges of transmission and distribution pipelines and will be paid by the person holding the title to the gas at the inlet flange. The levy shall be payable to the National Energy Regulator, as from 01 April 2021 to 31 March 2022, by persons concerned.

The proposed levy was determined based on an estimated volume of 169.6 million Gj per annum and the 2020/22 Annual Performance Plan and Budget requirement for the regulation of the piped-gas industry of R72,907,903 against the expenditure of R86,032,095 as indicated above.

Proposed Petroleum Pipeline Levy 2021/22

The proposed levy to be imposed on the petroleum pipeline industry is **0.39734 c/litre** (2020/21: 0.397734 c/litre) in respect of the amount of petroleum, measured in litres, delivered by importers, refiners and producers to the inlet flanges of petroleum pipelines and will be paid by the person holding the title to the petroleum immediately after it has entered the inlet flange. The levy shall be payable to the National Energy Regulator, as from 01 April 2021 to 31 March 2022, by persons concerned.

The proposed levy was determined based on an estimated volume of 14.3 billion litres per annum and the 2021/22 Annual Performance Plan and Budget requirement for the regulation of the petroleum pipelines industry of R56,870,706 against the expenditure of R79,859,629 as indicated above.

Representations must be addressed to:

Ms Bulelwa Pono
Chief Financial Officer
The National Energy Regulator (NERSA)
PO Box 40343
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Enquiries to be directed to: the Chief Financial Officer, Ms. Bulelwa Pono at telephone number: 012 401 4621 or via email to: bulelwa.pono@nersa.org.za.



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Adv. Nomalanga Sithole
ACTING CHIEF EXECUTIVE OFFICER