

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

NO. 4129

1 December 2023

NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

NOTICE IN TERMS OF SECTION 5B(3)(a)(i) OF THE ELECTRICITY ACT, 1987 (ACT NO. 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, as well as Levies on the Piped-Gas and Petroleum Pipeline Industries, for the 2024/25 financial year**

The National Energy Regulator of South Africa (NERSA), acting under section 5B(3)(a)(1) of the Electricity Act, 1987 (Act No. 41 of 1987) and section 2(3)(a) of both 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, as well as the levies on the piped-gas and petroleum pipeline industries, for the 2024/25 financial year.

The aim is to bring the proposed licence fees and levies to the attention of the stakeholders in the licensed generators of the electricity, piped-gas and petroleum pipeline industries and invite representations to be made to the Energy Regulator within 30 days of the date of this publication.

The total NERSA Budgeted Expenditure amounts to R485,254,460 for 2024/25 (2023/24: R446,035,926) with the specific budgets for the three industries being as follows:

- Electricity Industry: R283,800,422 (2023/24: R259,157,478)
- Piped-Gas Industry: R105,182,696 (2023/24: R97,084,405)
- Petroleum Pipelines Industry: R96,271,342 (2023/24: R89,794,043)

The budgeted expenditure for the Energy Regulator for the 2024/25 financial year represents an increase of 8.8% from the previous year's expenditure budget.

In the 2024/25 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 R46,500,770 (2023/24: R32,428,428) and interest and other income of R6,538,719. The piped-gas and petroleum pipelines industry levies will be reduced by a refund of surplus funds of R14,953,482 (2023/24: R17,791,406) and R25,715,013 (2023/24: R20,006,831) respectively, and an equal share of R4,684,244 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 R386,862,232 for 2024/25 (2023/24: R364,104,952) for the three industries, as follows:

- Electricity Industry: R230,760,934 (2023/24: R219,911,150)
- Piped-Gas Industry: R87,887,092 (2023/24: R76,849,794)
- Petroleum Pipelines Industry: R68,214,207 (2023/24: R67,344,007)

Proposed licence fee payable by licensed generators of electricity for 2024/25

The proposed licence fee payable by licensed generators of electricity is **0.11524c/kWh** (2023/24: 0.10477c/kWh) in respect of electricity generated for supply by licensed generators during the previous calendar year (year 2024). The licence fees shall be payable to the National Energy Regulator, as from 1 April 2024 to 31 March 2025, by the licensed generators.

The proposed licence fee was determined based on an estimated volume of 200.2 million Megawatt per annum and the 2024/25 Annual Performance Plan and Budget requirement for the regulation of the electricity industry of R230,760,934 against the expenditure of R283,800,934 as indicated above.

Proposed Piped-Gas Levy 2024/25

The proposed levy to be imposed on the piped-gas industry is **48.308 c/Gj** (2023/24: 45.789 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 2024 to 31 March 2025, by persons concerned.

The proposed levy was determined based on an estimated volume of 181.9 million Gj per annum and the 2024/25 Annual Performance Plan and Budget requirement for the regulation of the piped-gas industry of R87,887,092 against the expenditure of R105,182,696, as indicated above.

Proposed Petroleum Pipeline Levy 2024/25

The proposed levy to be imposed on the petroleum pipelines industry is **0.43596 c/litre** (2023/24: 0.41323 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 2024 to 31 March 2025, by persons concerned.

The proposed levy was determined based on an estimated volume of 15.6 billion litres per annum and the 2024/25 Annual Performance Plan and Budget requirement for the regulation of the petroleum pipelines industry of R68,214,207 against the expenditure of R96,271,342, as indicated above.

Representations must be addressed to:

Ms Bulelwa Pono
Chief Financial Officer
The National Energy Regulator of South Africa (NERSA)
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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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CHIEF EXECUTIVE OFFICER (NERSA)