

**DEPARTMENT OF ENERGY**

**NO. 1153**

**13 SEPTEMBER 2019**

**NATIONAL ENERGY REGULATOR OF SOUTH AFRICA**

**NOTICE IN TERMS OF 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 Levy on the Piped-Gas and Petroleum Pipelines Industries for 2020/21**

The National Energy Regulator of South Africa (NERSA), acting under 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 levies on the piped-gas and petroleum pipelines industries for the 2020/21 financial year. The aim is to bring the proposed levies to the attention of the stakeholders in the piped-gas and petroleum pipelines industries and invite representations to be made to the Energy Regulator within 30 days of the date of this publication. NERSA's strategic overview of the Strategic Plan and Annual Performance Plan (2020/21 – 2022/23), with the Budget (2020/21), is available on the NERSA website: [www.nersa.org.za](http://www.nersa.org.za).

The total budgets for the two specific budgets is as follows:

- Piped-gas industry: R85,234,615 (2019/20: R87,907,549)
- Petroleum pipelines industry: R77,468,256 (2019/20: R80,173,218)

The piped-gas levy for the piped-gas regulation industry will be effectively reduced by a refund of surplus funds to the value of R6,022,825 and interest and other income of R1,246,886.

The petroleum pipelines levy for the petroleum pipelines regulation industry will be effectively reduced by a refund of surplus funds to the value of R5,582,971 and interest and other income of R1,246,886.

Taking this into account, the total amount each industry will recover through levy income from the two industries is as follows

- Piped-gas industry: R77,964,905 (2019/20: R73,902,240)
- Petroleum pipelines industry: R70,638,400 (2019/20: R68,356,705)

***Proposed piped-gas levy – 2020/21***

The proposed levy to be imposed on the piped-gas industry is **42.995 c/Gj** (2019/20: 40.754 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. This levy will be paid by the person holding the title to the gas at the inlet flange. The levy shall be payable to NERSA as from 1 April 2020 to 31 March 2021, by persons concerned.

The proposed levy was determined based on an estimated volume of 181.3 million Gj per annum and the 2020/21 Annual Performance Plan and Budget requirement for the regulation of the piped-gas industry of R77,964,905 against the expenditure of R85,234,615, as indicated above.

***Proposed petroleum pipelines levy 2020/21***

The proposed levy to be imposed on the petroleum pipelines industry is **0.39734 c/litre** (2019/20: 0.39734 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. This levy 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 NERSA as from 1 April 2020 to 31 March 2021, by persons concerned.

The proposed levy was determined based on an estimated volume of 17.8 billion litres per annum and the 2020/21 Annual Performance Plan and Budget requirement for the regulation of the petroleum pipelines industry of R70,638,400 against the expenditure of R77,468,256, as indicated above.

Representations must be addressed to:

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Mr Christopher Forlee  
**CHIEF EXECUTIVE OFFICER**