
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF ENERGY**NO. 823****11 SEPTEMBER 2015****NATIONAL ENERGY REGULATOR****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 Pipeline Industries for 2016/17**

The National Energy Regulator (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 pipeline industries for the 2016/17 financial year. This notice serves to inform the stakeholders in the piped-gas and petroleum pipeline industries and invite representations to be made to the Energy Regulator within thirty days of the date of this publication. NERSA's strategic overview of the Strategic Plan and Annual Performance Plan (2016/17 – 2018/19) with Budget (2016/17) is available on the NERSA website: www.nersa.org.za.

The total NERSA Expenditure Budget amounts to R319,119,058 for 2016/17 (2015/16: R332,171,072) with the specific budgets for the three industries being as follows:

- Electricity Industry: R181,658,741 (2015/16: R189,111,563)
- Piped-Gas Industry: R67,868,087 (2015/16: R69,453,555)
- Petroleum Pipelines Industry: R69,592,500 (2015/16: R73,605,924)

The expenditure budget for 2016/17 represents a decrease of 3.93% compared to the expenditure budget for the Energy Regulator for the financial year 2015/16.

In the 2016/17 budget, the license fees payable by the licensed generators for the electricity regulation industry will be effectively reduced by a refund of surplus funds to the value of R11,063,734 and interest and other income of R4,384,611. The piped-gas and petroleum pipelines industry levies will be reduced by a refund of surplus funds of R10,334,701 and R1,223,504 respectively and an equal share of R3,175,064 for interest and other income.

Taking this into account, the total amount that NERSA will have to recover through levy income is R288,937,445 for 2016/17 (2015/16: R308,944,776) for the three industries, distributed as follows:

- Electricity Industry: R166,210,126 (2015/16: R179,665,887)
- Piped-Gas Industry: R55,945,854 (2015/16: R57,701,785)
- Petroleum Pipelines Industry: R66,781,465 (2015/16: R71,577,104)

Proposed Piped-Gas Levy 2016/17

The proposed levy to be imposed on the piped-gas industry is **30.359 c/Gj** (2015/16: 32.730 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 2016 until 31 March 2017, by persons concerned.

The proposed levy was determined based on an estimated volume of **184.3 million Gj** per annum and the 2016/17 Annual Performance Plan and Budget requirement, for the regulation of the piped-gas industry, of **R55,945,854** against the expenditure of **R67,868,087** as documented above.

Proposed Petroleum Pipeline Levy 2016/17

The proposed levy to be imposed on the petroleum pipeline industry is **0.39595 c/litre** (2015/16: 0.43380 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 2016 until 31 March 2017, by persons concerned.

The proposed levy was determined based on an estimated volume of **16.9 billion** litres per annum and the 2016/17 Annual Performance Plan and Budget requirement, for the regulation of the petroleum pipelines industry, of **R66,781,465** against the expenditure of **R69,592,500** as documented above.

Representations must be addressed to:

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Mr Paseka Nku
ACTING CHIEF EXECUTIVE OFFICER