

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF ENERGY

NO. 938

05 SEPTEMBER 2018

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 2019/20

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 2019/20 financial year. The aim is to bring the proposed levies to the attention of 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 (2019/20 – 2021/22) with the Budget (2019/20) is available on the NERSA website: www.nersa.org.za.

The total NERSA Budgeted Expenditure amounts to R393,613,123 for 2019/20 (2018/19: R381,867,902) with the specific budgets for the three industries being as follows:

- Electricity Industry: R225,532,356 (2018/19: R217,958,504)
- Piped-Gas Industry: R87,907,549 (2018/19: R85,865,907)
- Petroleum Pipelines Industry: R80,173,218 (2018/19: R78,043,491)

The budgeted expenditure for the Energy Regulator for the 2019/20 financial year represents an increase of 3.08% from the previous year expenditure budget.

In the 2019/20 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 R15,105,678 and interest and other income of R5,272,525. The piped-gas and petroleum pipelines industry levies will be reduced by a refund of surplus funds of R12,096,298 and R9,907,502 respectively and an equal share of R3,818,021 for interest and other income.

Taking this into account, the total amount that NERSA will have to recover through levy income is R347,413,118 for 2019/20 (2018/19: R332,164,465) for the three industries being as follows:

- Electricity Industry: R205,154,173 (2018/19: R194,487,085)
- Piped-Gas Industry: R73,902,240 (2018/19: R69,355,644)
- Petroleum Pipelines Industry: R68,356,705 (2018/19: R68,321,736)



Proposed Piped-Gas Levy 2019/20

The proposed levy to be imposed on the piped-gas industry is **40.754 c/Gj** (2018/19: 36.815 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 2019 to 31 March 2020, by persons concerned.

The proposed levy was determined based on an estimated volume of 181.3 million Gj per annum and the 2019/20 Annual Performance Plan and Budget requirement for the regulation of the piped-gas industry of R73,902,240 against the expenditure of R87,907,549 as indicated above.

Proposed Petroleum Pipeline Levy 2019/20

The proposed levy to be imposed on the petroleum pipeline industry is **0.39734 c/litre** (2018/19: 0.38689 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 2019 to 31 March 2020, by persons concerned.

The proposed levy was determined based on an estimated volume of 17.2 billion litres per annum and the 2019/20 Annual Performance Plan and Budget requirement for the regulation of the petroleum pipelines industry of R68,356,705 against the expenditure of R80,173,218 as indicated above.

Representations must be addressed to:

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Mr Christopher Forlee
CHIEF EXECUTIVE OFFICER

