

DEPARTMENT OF MINERAL RESOURCES AND ENERGY

NO. 2813

2 December 2022

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 2023/24 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 2023/24 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 R446,035,926 for 2023/24 (2022/23: R410,449,569) with the specific budgets for the three industries being as follows:

- Electricity Industry: R259,157,478 (2022/23: R239,774,392)
- Piped-Gas Industry: R97,084,405 (2022/23: R88,300,707)
- Petroleum Pipelines Industry: R89,794,043 (2022/23: R82,374,470)

The budgeted expenditure for the Energy Regulator for the 2023/24 financial year represents an increase of 8.7% from the previous year's expenditure budget.

The total budgeted expenditure for the 2023/24 financial year has been reduced by refunds, accumulated in previous financial years, amounting to R70,226,665 (2022/23: R73,429,934) as follows:

- Electricity Industry: R32,428,428 (2022/23: R35,701,786)
- Piped-Gas Industry: R17,791,406 (2022/23: R15,045,528)
- Petroleum Pipelines Industry: R20,006,831 (2022/23: R22,682,620)

The licence fees that are payable by generators of electricity will be effectively reduced by interest and other income of R6,817,899. The piped-gas and petroleum pipelines levies will be reduced by an equal share of R4,886,410.

Taking this into account, the total amount that NERSA will have to recover through licence fees and levy income is R364,104,952 for 2023/24 (2022/23: R330,807,953) for the three industries, as follows:

- Electricity Industry: R219,911,150 (2022/23: R200,427,910)
- Piped-Gas Industry: R76,849,794 (2022/23: R71,971,726)
- Petroleum Pipelines Industry: R67,344,007 (2022/23: R58,408,397)

Proposed licence fee payable by licensed generators of electricity for 2023/24

The proposed licence fee payable by licensed generators of electricity is **0.10477c/kWh** (2022/23: 0.09837c/kWh) in respect of electricity generated for supply by licensed generators during the previous calendar year (year 2023). The licence fees shall be payable to NERSA, as from 1 April 2023 to 31 March 2024, by the licensed generators.

The proposed licence fee was determined based on an estimated volume of 209.9 million Megawatt per annum and the 2023/24 Annual Performance Plan and Budget requirement for the regulation of the electricity industry of R219,911,150 against the expenditure of R259,157,478, as indicated above.

Proposed Piped-Gas Levy 2023/24

The proposed levy to be imposed on the piped-gas industry is **45.789c/Gj** (2022/23: 42.995c/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 NERSA, as from 1 April 2023 to 31 March 2024, by the relevant persons.

The proposed levy was determined based on an estimated volume of 167.8 million Gj per annum and the 2023/24 Annual Performance Plan and Budget requirement for the regulation of the piped-gas industry of R76,849,794 against the expenditure of R97,084,405, as indicated above.

Proposed Petroleum Pipeline Levy 2023/24

The proposed levy to be imposed on the petroleum pipelines industry is **0.41323c/litre** (2022/23: 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 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 NERSA, as from 1 April 2023 to 31 March 2024, by the relevant persons.

The proposed levy was determined based on an estimated volume of 16.3 billion litres per annum and the 2023/24 Annual Performance Plan and Budget requirement for the regulation of the petroleum pipelines industry of R67,344,007 against the expenditure of R89,794,043, 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 are to be directed at: the Chief Financial Officer, Ms Bulelwa Pono, at telephone number: 012 401 4621 or via email to: bulelwa.pono@nersa.org.za.



Adv. Nomalanga Sithole
CHIEF EXECUTIVE OFFICER (NERSA)