

4 August 2022

MEDIA STATEMENT

NERSA ALERTED TO CONCERNS ABOUT EXCESSIVE GAS PRICE INCREASES

The National Energy Regulator of South Africa (NERSA) today announced that it has been alerted to the concerns regarding the imminent excessive increases in gas prices that have been announced by one of its licensees. NERSA stated that it did not approve such increases.

In March 2021, the Energy Regulator approved the maximum gas prices for the licensee to charge and ensured that the margin was kept at a reasonable level. The maximum price envisaged by the Methodology to Approve Maximum Price of Gas in South Africa ('the Methodology') is well below R100 per gigajoule, from which the licensee was expected to discount in line with objective differences stipulated in section 22 of the Gas Act, 2001 (Act No. 48 of 2001).

The recent unprecedented surge in international gas prices inadvertently affected the South African gas prices. In this regard, NERSA has embarked on a process of reviewing and refining the current Methodology to protect the gas industry in South Africa, and a decision will be made in due course.

NERSA does not expect licensees to exploit the current international gas price crisis to the detriment of consumers and the industry. Therefore, NERSA will investigate any possible unreasonable or excessive pricing cases, and further collaborate with other administrative bodies that have concurrent jurisdiction on this matter.

The Full-Time Regulator Member Responsible for Piped-Gas Regulation, Ms Nomfundo Maseti, said 'NERSA will also consider other avenues available to make sure that the previous Energy Regulator decision taken before the international energy crisis is not inimical to the South African consumers and the gas industry.'

End.

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