



# **TECHNICAL INDICATOR DESCRIPTIONS**

## **2014/15 – 2016/17**

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## 1. EXECUTIVE SUMMARY

The National Energy Regulator (NERSA) is the regulatory authority established in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004) with the mandate to “undertake the functions of the National Electricity Regulator as set out in the Electricity Regulation Act, 2006 (Act No. 4 of 2006), undertake the functions of the Gas Regulator as set out in the Gas Act, 2001 (Act No. 48 of 2001), undertake the functions of the Petroleum Pipelines Regulatory Authority as set out in the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) and to perform such other functions as may be assigned to it by or under these Acts”. NERSA’s mandate is anchored on the following four primary Acts:

- National Energy Regulator Act, 2004 (Act No. 40 of 2004);
- Electricity Regulation Act, 2006 (Act No. 4 of 2006);
- Gas Act, 2001 (Act No. 48 of 2001);
- Petroleum Pipelines Act, 2003 (Act No. 60 of 2003);

The regulatory functions of NERSA, as contained in relevant legislation, are summarised as follows:

- Issuing of licences with conditions;
- Setting and/or approving tariffs and prices;
- Monitoring and enforcing compliance with licence conditions;
- Dispute resolution including mediation, arbitration and the handling of complaints;
- Gathering, storing and disseminating industry information;
- Setting of rules, guidelines and codes for the regulation of the three industries;
- Determining of conditions of supply and applicable standards;
- Consulting with government departments and other bodies with regard to industry development and regarding any matter contemplated in the three industry Acts;
- Expropriating land as necessary to meet the objectives of the relevant legislation;
- Registration; and
- Performing any activity incidental to the execution of its duties

NERSA’s mandate is further derived from written government policies and regulations developed by the Minister of Energy in terms of the Electricity Regulation Act, Gas Act and Petroleum Pipelines Act. NERSA is expected to proactively take necessary regulatory actions in anticipation of and in response to the changing circumstances in the energy industry.

NERSA derives its revenues by, amongst others, imposing prescribed levies on the regulated industries following a prescribed transparent procedure. In this regard, the following Acts govern the imposition of such levies:

- Gas Regulator Levies Act, 2002 (Act No. 75 of 2002);
- Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004); and
- Section 5B of the Electricity Act, 1987 (Act No. 41 of 1987).

Apart from the mentioned legislation that anchors NERSA’s mandate and the imposition of levies, the following facilitating and all other legislation is also applicable to NERSA’s conduct of its business:

- The Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), which specifies the accounting of NERSA as a Section 3 Public Entity;

- The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA), which determines the way that NERSA has to treat access to information; and
- The Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA), which determines just administrative action of NERSA.

On 17 March 2014, the Minister of Energy approved the NERSA Annual Performance Plan for 2014/15 – 2016/17.

After the first two quarters of the 2014/15 financial year have been completed, NERSA conducted a critical review of all key performance indicators for the 2014/15 year. During this review, a number of critical factors were taken into account while evaluating the implementation of the 2014/15 Annual Performance Plan. These factors were:

1. The adequacy of the implementation the 2014/15 Annual Performance Plan of the Energy Regulator up to the end of the second quarter;
2. Whether the original Annual Performance Plan for 2014/15 was too ambitious (are there key performance indicators that need to be removed / are there delayed targets / are there postponed targets); and
3. Whether the environment that NERSA does business in has changed. (If so, whether these changes will necessitate additional key performance indicators to be added to or removed from the Annual Performance Plan).

The result of the review was a Midterm Review Report that amended the Annual Performance Plan (2014/15 – 2016/17). On 13 February 2015, the Minister of Energy approved the amended Annual Performance Plan (2014/15 – 2016/7).

The purpose of this document is to provide technical descriptions for all the Key Performance Indicators as reflected in the approved revised NERSA Annual Performance Plan (2014/15 – 2016/17). In line with the approved Annual Performance Plan, these indicators are divided in programmes as well as in the following functional areas:

- Electricity Industry Regulation
- Piped-Gas Industry Regulation;
- Petroleum Pipelines Industry Regulation;
- Cross-Cutting; and
- Organisational.

## 2. ELECTRICITY INDUSTRY REGULATION

### 2.1. Electricity Industry Regulation Programme 1: Setting and/or approval of tariffs and prices

Indicator number	1	2
<b>Indicator title</b>	<b>% of tariff applications of all licensed distributors set and considered</b>	<b>Annually published Guidelines for Municipal tariff increases and Benchmarks</b>
<b>Short definition</b>	Municipalities submit the tariff applications which are received by the project leader. The project leader document it in a register. They get allocated to staff who evaluate them and then they go to the HOD and EM for quality checks and then it is submitted to REC or ELS (depending on delegation) for consideration	An analysis is performed, using the MYPD3 as well as the 2014/15 Municipal tariff increases and benchmarks as input and also taking into account inflation targets and others. This results in a Guidelines for Municipal tariff increases and Benchmarks that is submitted to the ELS who recommend it to the Energy Regulator for approval
<b>Purpose/Importance</b>	The implementation of this KPI is necessary for NERSA to execute its mandate in setting prices and tariffs	The Published Guidelines for Municipal tariff increases and Benchmarks for 2015/16 assists municipalities in compiling their tariff applications for 2015/16
<b>Source/collection of data</b>	Tariff Applications and D Forms; Tariff analysis schedules and Minutes of REC and ELS meetings	Reasons for Decision of MYPD3 and previous Municipal tariff increases and benchmarks; Published Guidelines for Municipal tariff increases and Benchmarks for 2014/15; and minutes of ELS and ER meetings
<b>Method of calculation</b>	(number of set and considered tariff applications / number of received tariff applications)*100	Published Guidelines for Municipal tariff increases and Benchmarks for 2015/16 - Yes / No
<b>Data limitations</b>	None	None
<b>Type of indicator</b>	Numeric / Output	Numeric / Input
<b>Calculation type</b>	Percentage - Non-cumulative	Yes / No - Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annual	Annual
<b>New indicator</b>	No	No
<b>Desired performance</b>	100% of tariff applications of all licensed distributors set and considered	Published Guidelines for Municipal tariff increases and Benchmarks for 2015/16
<b>Indicator Responsibility</b>	EM (ELR) and HOD (EPT)	EM (ELR) and HOD (EPT)

Indicator number	3	4
<b>Indicator title</b>	<b>Development and implementation of Cost of Supply study (COS) Framework to be used by municipalities in performing COS studies</b>	<b>Number of monitoring reports on the implementation of IBTs by licensed distributors in South Africa, considered</b>
<b>Short definition</b>	Research will have to be conducted on Cost of Supply. This research will be in the form of desk-top research and also empirical research through the licencees of NERSA. Once all research have been completed, a draft framework will be developed that will be considered for public consultation (by the ELS). Public consultation of the draft Framework will take place and public comments will be incorporated before the Framework is finalised. A final Framework will be submitted to the ELS for recommendation to the ER for approval. This is a multi-year process	Analysts evaluate the IBT rates and make recommendations. HOD and EM does quality checks and then it is submitted to REC or ELS (depending on delegation) for approval. On an annual basis a monitoring report on the implementation of the IBTs by licensed distributors in South Africa is considered by the relevant Subcommittee (ELS or REC depending of delegation)
<b>Purpose/Importance</b>	The implementation of this KPI will assist NERSA in the evaluation of the Cost of Supply information as submitted by electricity distributors (this is becoming an important input into tariff setting due to embedded generation)	The implementation of this KPI forms part of the setting of prices and tariffs. Moreover this will ensure that the burden on the poor is limited and will also assist in lowering the usage of electricity
<b>Source/collection of data</b>	Research information obtained	Tariff Applications and D Forms; Tariff analysis schedules and Minutes of REC and ELS meetings
<b>Method of calculation</b>	Development of Framework	number of monitoring reports per year
<b>Data limitations</b>	Availability of relevant information in the development of the Framework	Information supplied by licencees
<b>Type of indicator</b>	Numeric / Input	Numeric / Outcome
<b>Calculation type</b>	Yes / No - Non-cumulative	Numeric - cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annual	Annual
<b>New indicator</b>	Yes	Yes
<b>Desired performance</b>	Draft COS Study Framework developed by 30 March 2015	Annual report on the monitoring the implementation of IBTs by licensed distributors in South Africa eligible for IBT implementation considered by 30 November 2014
<b>Indicator Responsibility</b>	EM (ELR) and HOD (EPT)	EM (ELR) and HOD (EPT)

Indicator number	5	6
Indicator title	<b>Annually approved Free Basic Electricity Rate for Eskom</b>	<b>Number of reports on FBE offering by municipalities, considered</b>
Short definition	NERSA receives FBE reports from Eskom which contains customer statistics and consumption information. The FBE reports are analysed together with Eskom's approved IBT (1st block) rate by the project leader and team member. This is then submitted to HOD and EM for quality checks and then ELS and Energy Regulator for approval.	The information supplied by the Municipalities on the implementation of the FBE is analysed and an annual report in this regard is developed. This report is submitted to the HOD and EM for quality checking before submission to the relevant Subcommittee (REC or ELS depending on the level of delegation in the delegation matrix)
Purpose/Importance	The implementation of this KPI will ensure that the free basic electricity is implementable by municipalities as they will get their required revenue and the poor will benefit	The implementation of this KPI will ensure that the free basic electricity is implementable by municipalities as they will get their required revenue and the poor will benefit
Source/collection of data	Eskom - FBE customer statistics and consumption information; NERSA - the Approved 1 <sup>st</sup> block of The Eskom Retail Tariff; and minutes of ELS and ER	Eskom - FBE customer statistics and consumption information; NERSA - the Approved 1 <sup>st</sup> block of The Eskom Retail Tariff; and minutes of ELS and ER
Method of calculation	In line with the tariff model	number of monitoring reports per year
Data limitations	Accuracy and timeliness of information	Information supplied by licencees
Type of indicator	Numeric / Output	Numeric / Outcome
Calculation type	Percentage - Non-cumulative	Numeric – Cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Annual
New indicator	No	Yes
Desired performance	Free Basic Electricity Rate for 2014/15 approved and communicated	Annual report on Free Basic Electricity offering by municipalities considered
Indicator Responsibility	EM (ELR) and HOD (EPT)	EM (ELR) and HOD (EPT)

Indicator number	7	8
Indicator title	<b>Number of Reports on the analysis of Eskom's actual performance against the Regulator's decision of the MYPD 3, considered</b>	<b>Annually approved retail tariffs (ERTSA) of Eskom</b>
Short definition	The analysts evaluate the report based on the MYPD3 determination. A submission is then prepared for approval by the ELS and Energy Regulator	ERTSA Application by Eskom is received by the project leader and allocated to staff. Analysis on the application commences. Various meeting are held with Eskom to clarify issues and provide additional information. All reasons, facts and evidence is consolidated and the Reasons for Decision (RfD) is formulated. The RfD is submitted to the HOD and EM for quality checks prior to being submitted to the Electricity Subcommittee and Energy Regulator for approval.
Purpose/Importance	The implementation of this KPI will enable NERSA to monitor the impact of the MYPD3 on Eskom and decide on possible regulatory clearing accounts	The implementation of this KPI fits into the setting of tariffs and prices in that NERSA will determine the structural adjustments of Eskom's retail tariffs (those tariffs that Eskom used to sell electricity to other distributors, amongst others)
Source/collection of data	Eskom report on its actual performance against the MYPD3	ERTSA Application by Eskom and tariff model, Reasons for Decision and Minutes (ELS and Energy Regulator)
Method of calculation	number of reports per year	Determined by the tariff model
Data limitations	Information supplied by licencees	Accuracy and timeliness of information
Type of indicator	Numeric / Outcome	Numeric / Output
Calculation type	Numeric – Cumulative	Percentage- Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Bi-Annual	Annual
New indicator	Yes	No
Desired performance	Bi-annual reports on the analysis of Eskom's actual performance against the Regulator's decision of the MYPD 3, considered	Approved Electricity Retail Tariff Structural Adjustments (ERTSA) of Eskom for 2015/16 in line with statutory guidelines
Indicator Responsibility	EM (ELR) and HOD (EPT)	EM (ELR) and HOD (EPT)

## 2.2. Electricity Industry Regulation Programme 2: Licensing and Registration

<b>Indicator number</b>	<b>1</b>
<b>Indicator title</b>	<b>% of licence applications processed within statutory time frames (120 days from receipt of all required information)</b>
<b>Short definition</b>	Entity submits licence application. Licence application is evaluated. Licence applications are approved by the REC/ELS/ER (depending on delegation). After public hearing, the licence processor prepares a submission for approval of the application. The submission is forwarded to the HOD, EM, Full Time Regulator Member and CEO for signature and is thereafter tabled before the REC/ELS/ER (depending on the delegation) for approval.
<b>Purpose/Importance</b>	The implementation of this KPI is directly necessary in order to comply with NERSA's mandate to issue licences with conditions
<b>Source/collection of data</b>	Licence applications, Reasons for decision (RFD). The RFD documents outlines the timelines in the processing of applications and Minutes (REC/ELS/ER depending on delegation)
<b>Method of calculation</b>	$(\text{number of processed licence applications within 120 days} / \text{number of received licence applications}) * 100$
<b>Data limitations</b>	Incomplete applications
<b>Type of indicator</b>	Numeric / Output
<b>Calculation type</b>	Percentage – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly
<b>New indicator</b>	No
<b>Desired performance</b>	100% of licence applications processed within statutory time frames (120 days from receipt of all required information)
<b>Indicator Responsibility</b>	EM (ELR) and HOD (ELC)

### 2.3. Electricity Industry Regulation Programme 3: Compliance monitoring and enforcement

Indicator number	1	2
<b>Indicator title</b>	<b>Number of distribution audit reports on the state of compliance of licencees with license conditions, including consolidated audit reports considered by the relevant Subcommittee</b>	<b>Number of generation audit reports on the state of compliance of power stations with license conditions, including consolidated audit reports considered by the relevant Subcommittee</b>
<b>Short definition</b>	NERSA conducts audits on the state of distribution licencees' compliance with licence conditions and compiles an audit report based on the findings. The report is issued once comments from licencees have been incorporated	NERSA conducts audits on the state of power stations' compliance with licence conditions and compiles an audit report based on the findings. The report is issued once comments from licencees have been incorporated
<b>Purpose/Importance</b>	This KPI will ensure effective and consistent compliance monitoring throughout in the distribution sector (part of the legislative mandate and thus service delivery of NERSA)	This KPI will ensure effective and consistent compliance monitoring in the generation sector (part of the legislative mandate and thus service delivery of NERSA)
<b>Source/collection of data</b>	Compliance audit reports	Compliance audit reports
<b>Method of calculation</b>	Number of reports	Number of reports
<b>Data limitations</b>	Cooperation by licencees in providing management comments	Cooperation by licencees in providing management comments
<b>Type of indicator</b>	Numeric / Output	Numeric / Output
<b>Calculation type</b>	Number - Cumulative	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Quarterly
<b>New indicator</b>	No	No
<b>Desired performance</b>	10 distribution audit reports on the state of compliance of licensees with licence conditions, including consolidated audit reports considered by the relevant Subcommittee	6 generation audit reports on the state of compliance of power stations with licence conditions, including consolidated audit reports considered by the relevant Subcommittee
<b>Indicator Responsibility</b>	EM (ELR) and HOD (ELC)	EM (ELR) and HOD (ELC)

<b>Indicator number</b>	<b>3</b>	<b>4</b>
<b>Indicator title</b>	<b>Number of transmission audit reports on the state of compliance of Main Transmission Substations with licence conditions, including consolidated audit reports considered by the relevant Subcommittee</b>	<b>Number of progress reports on monitoring implementation of the corrective action plans by non-complying licensees considered by the relevant Subcommittee</b>
<b>Short definition</b>	NERSA conducts audits on the state of Main Transmission Substations' compliance with licence conditions and compiles an audit report based on the findings. The report is issued once comments from licensees have been incorporated	NERSA conducts audits on the state of licensees' compliance with licence conditions and compiles an audit report based on the findings. The report is issued once comments from licensees have been incorporated. Licensees then have to submit corrective action plans based on the findings in the report to NERSA. NERSA monitors the implementation of these corrective plans and report bi-annually on them
<b>Purpose/Importance</b>	This KPI will ensure effective and consistent compliance monitoring in the transmission sector (part of the legislative mandate and thus service delivery of NERSA)	This KPI will ensure monitoring of the state of implementation of corrective action plans by licensees
<b>Source/collection of data</b>	Compliance audit reports	Compliance audit reports; status reports on the implementation of corrective action plans
<b>Method of calculation</b>	Number of reports	number of reports per year
<b>Data limitations</b>	Cooperation by licensees in providing management comments	Information supplied by licensees
<b>Type of indicator</b>	Numeric / Output	Numeric / Outcome
<b>Calculation type</b>	Number - Cumulative	Numeric – Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Bi-Annual
<b>New indicator</b>	No	Yes
<b>Desired performance</b>	6 transmission audit reports on the state of compliance of Main Transmission Substations with licence conditions, including consolidated audit reports considered by the relevant Subcommittee	2 progress reports on monitoring implementation of the corrective action plans by non-complying licensees considered by the relevant Subcommittee
<b>Indicator Responsibility</b>	EM (ELR) and HOD (ELC)	EM (ELR) and HOD (ELC)

Indicator number	5	6
Indicator title	<b>Number of reports on the state of compliance in the electricity industry considered by the relevant Subcommittee for publication on the NERSA website</b>	<b>Number of audit reports on the review of the annual performance of Integrated Demand Management (IDM) considered by the Energy Regulator</b>
Short definition	NERSA conducts audits on the state of licencees' compliance with licence conditions and compiles an audit report based on the findings. The report is issued once comments from licencees have been incorporated. A report on the state of compliance is produced	The IDM needs to be audited in order to evaluate the compliance of these projects with the approved Grid Code
Purpose/Importance	This KPI will ensure the monitoring of the level of compliance of licencees with licence conditions (part of the mandate of NERSA)	The implementation of this KPI will assist in determining the level of compliance of the ISM with the South African Grid Code
Source/collection of data	Audit reports	Approved audit report that details the assessment and evaluation of IDM for compliance with the South African Grid Code
Method of calculation	number of reports per year	Number of approved audit reports
Data limitations	Information supplied by licencees	Participation by Eskom Transmission
Type of indicator	Numeric / Outcome	Numeric / Output
Calculation type	Numeric – Cumulative	Number - Cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Annual
New indicator	Yes	Yes
Desired performance	1 generation and 1 distribution annual report on the state of compliance in the electricity industry for 2013/14 considered by the relevant Subcommittee for publication on the NERSA website	One audit report on the review of the annual performance of IDM for 2013/14 considered by the Energy Regulator
Indicator Responsibility	EM (ELR) and HOD (ELC)	EM (ELR) and HOD (EIP)

<b>Indicator number</b>	<b>7</b>	<b>8</b>
<b>Indicator title</b>	<b>Number of monitoring reports on the implementation of the corrective action plan received from Eskom based on the annual audit finding</b>	<b>Number of audit reports on Eskom's Transmission Network Development projects for compliance with the South African Grid Code published on NERSA website</b>
<b>Short definition</b>	Once audit reports on the IDM 2013/14 audits have been issued, Eskom has to submit action plans to NERSA on how to address the findings from the audits.	The projects that are included in Eskom's approved Transmission Development Plan needs to be audited in order to evaluate the compliance of these projects with the approved Grid Code
<b>Purpose/Importance</b>	This KPI will ensure that Eskom implements corrective action (where necessary) (part of the legislative mandate and thus service delivery of NERSA)	The implementation of this KPI will assist in determining the level of compliance of projects in Eskom's approved Transmission Development Plan with the South African Grid Code
<b>Source/collection of data</b>	Received action plans for the IDM audit	Approved audit report that details the assessment and evaluation of projects in Eskom's approved Transmission Development Plan for compliance with the South African Grid Code
<b>Method of calculation</b>	Number of reports	Number of approved audit reports
<b>Data limitations</b>	None	Participation by Eskom Transmission
<b>Type of indicator</b>	Numeric / Outcome	Numeric / Output
<b>Calculation type</b>	Number - Cumulative	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annual	Annual
<b>New indicator</b>	Yes	No
<b>Desired performance</b>	Monitoring report on the implementation of the corrective action plan received from Eskom based on the audit finding for 2013/14 IDM performance	One Audit report on Eskom's Transmission Network Development 2013/14 projects for compliance with the South African Grid Code published on NERSA website
<b>Indicator Responsibility</b>	EM (ELR) and HOD (EIP)	EM (ELR) and HOD (EIP)

Indicator number	9	10
Indicator title	<b>Number of monitoring reports on the implementation of the corrective action plan received from Eskom based on the audit finding</b>	<b>Number of reports on the performance and progress of Renewable Energy</b>
Short definition	Once audit reports on the Transmission Development Plan audits have been issued, Eskom has to submit action plans to NERSA on how to address the findings from the audits.	NERSA needs to develop reports on the renewable energy performance and progress
Purpose/Importance	This KPI will ensure that Eskom implements corrective action (where necessary) (part of the legislative mandate and thus service delivery of NERSA)	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries
Source/collection of data	Received action plans for the Transmission Development Plan audit	Reports on the performance and progress of Renewable Energy
Method of calculation	Number of reports	Number of reports
Data limitations	None	None
Type of indicator	Numeric / Outcome	Numeric / Outcome
Calculation type	Number - Cumulative	Number - Cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Bi-annually
New indicator	Yes	No
Desired performance	Monitoring report on the implementation of the corrective action plan based on the audit finding of 2012/13 received from Eskom	Two monitoring reports on the performance and progress of Renewable Energy projects considered by the Energy Regulator for 2014/15 published
Indicator Responsibility	EM (ELR) and HOD (EIP)	EM (ELR) and HOD (EIP)

## 2.4. Electricity Industry Regulation Programme 4: Dispute resolution, including mediation, arbitration and handling of complaints

Indicator number	1	2
Indicator title	% of complaints processed within statutory timelines	Annual report on the trends regarding to and status of complaints in the electricity industry published
Short definition	From the date of application, NERSA needs to determine how long it takes to finalise a complaint	On an annual basis, NERSA will compile a report on the trends regarding to and the status of complaints in the electricity industry
Purpose/Importance	The implementation of this KPI is directly linked to NERSA's mandate of dispute resolution including mediation, arbitration and the handling of complaints	The implementation of this KPI is directly linked to NERSA's mandate of dispute resolution including mediation, arbitration and the handling of complaints
Source/collection of data	Records of complaints received	Records of complaints and disputes
Method of calculation	(number of finalised complaints within 120 days of receipt / number of received complaints)*100	Writing of a report – Yes / No
Data limitations	Participation by complainant and licencees	None
Type of indicator	Numeric / Output	Numeric / Outcome
Calculation type	Percentage – Non-cumulative	Yes / No – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Quarterly	Annual
New indicator	No	No
Desired performance	80% of complaints processed within 120 days from receipt	Annual report on the trends regarding to and status of complaints in the electricity industry published
Indicator Responsibility	EM (ELR) and HOD (ELC)	EM (ELR) and HOD (ELC)

## 2.5. Electricity Industry Regulation Programme 5: Setting of rules, guidelines and codes for the regulation of the electricity industry

Indicator number	1	2
Indicator title	% of applications from the ESI relating to fair and equitable access to electricity infrastructure <u>requiring exemptions</u> to the South African distribution and transmission grid code, considered within stated timeline	% of applications from the ESI relating to fair and equitable access to electricity infrastructure <u>requiring amendment</u> to the South African distribution and transmission grid code, considered in within stated timelines
Short definition	Exemptions to the Grid Code needs to be considered from time to time based on applications to the effect	The grid code needs to be amended from time to time based on applications to the effect.
Purpose/Importance	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries
Source/collection of data	Applications for exemptions of the grid code	Applications for amendments of the grid code
Method of calculation	(number of applications requiring exemptions completed within 90 days / number of applications for exemptions received)*100	(number of applications requiring amendments completed within 90 days / number of applications for amendments received)*100
Data limitations	None	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Percentage – Non-cumulative	Percentage – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Quarterly	Quarterly
New indicator	Yes	Yes
Desired performance	100% of applications from the ESI relating to fair and equitable access to electricity infrastructure <u>requiring exemptions</u> to the South African distribution and transmission grid code, considered within 90 days	100% of applications from the ESI relating to fair and equitable access to electricity infrastructure <u>requiring amendment</u> to the South African distribution and transmission grid code, considered in 90 days from application
Indicator Responsibility	EM (ELR) and HOD (ERR)	EM (ELR) and HOD (ERR)

### 3. PIPED-GAS INDUSTRY REGULATION

#### 3.1.Piped-Gas Industry Regulation Programme 1: Setting and/or approval of tariffs and prices

Indicator number	1a	1b
Indicator title	<b>Number of days from publishing the draft assessment of the maximum price applications, within which the maximum prices for all licencees are considered</b>	
Short definition	Application is received by EM and distributed to HOD. HOD discuss application with project team and draft letter to acknowledge application for CEO's signature. NERSA sends letter to the licensee to acknowledge receipt of application. REC considers confidentiality of certain information on application. CSM publish the application on the NERSA website. Project Team assess the application and submit draft assessment to PGS for approval. PGS approve draft assessment for publication for public comments. EM receive public comments and distribute to HOD for analysis. HOD and Project Team submit the final assessment to PGS for approval. PGS recommends approval of the final assessment to Energy Regulator.	NERSA staff conducts investigations into the implementation of the approved Maximum Prices of gas by the licencees. Once the investigations have been finalised, a report on the compliance is written. This report is checked by the HOD and EM. The report is considered by the relevant Subcommittee (PGS)
Purpose/Importance	The implementation of the maximum pricing methodology and thus the approval of the maximum prices is directly linked to NERSA's mandate of setting and approving of tariffs and prices.	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring as the investigations into the compliance with the approved maximum prices is necessary to ensure no unfair pricing to customers
Source/collection of data	Applications for maximum prices of gas, Reasons for Decision - contains timelines of consideration of application and Minutes of ER	Reasons for Decision for maximum prices of gas
Method of calculation	Number of days from date of publishing the draft assessment up to the day it has been considered	Actual number of reports in the compliance with the approved maximum prices of gas
Data limitations	Completeness and accuracy of information	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Number – Non-cumulative	Number – Cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Quarterly
New indicator	No	Yes
Desired performance	Within 120 days of the publication of the draft assessment of the maximum price application, the maximum prices for all licensees other than Sasol Gas	Four reports on licencees' compliance with the maximum prices approved

Indicator number	1a	1b
Indicator title	Number of days from publishing the draft assessment of the maximum price applications, within which the maximum prices for all licencees are considered	
	are considered	
Indicator Responsibility	EM (GAR) and HOD (GPT)	EM (GAR) and HOD (GPT)

<b>Indicator number</b>	<b>2</b>	<b>3</b>
<b>Indicator title</b>	<b>Number of days for providing a report on Sasol Gas' compliance with all pricing provisions in terms of Schedule One to the Agreement is provided</b>	<b>Number of days within which the calculation of aggregate prices of gas for each province in terms the Agreement is completed</b>
<b>Short definition</b>	Information received from Sasol Gas is reviewed and calculations are made as prescribed by Schedule One to the Agreement. Sasol Gas' information is then compared with NERSA's calculations and compliance with Schedule One is determined. A report on the compliance with the pricing provisions is prepared and submitted to PGS for consideration	Receive information from Sasol Gas and Spring Lights Gas (KZN only). Information is per customer, per volume and per province. Verify information, aggregate and calculate the aggregate prices of gas for each province. Submit the aggregate prices per province to the PGS for consideration
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring as the investigations into the pricing requirements are linked to compliance of Sasol Gas with legislation and licence conditions	The implementation of this KPI ensures that the prices charged by Sasol Gas to its customers can be evaluated for compliance
<b>Source/collection of data</b>	Report on Sasol Gas compliance with all pricing provisions in terms of Schedule One to the Agreement	Received information from Sasol Gas and Spring Lights Gas, Reasons for Decision and Minutes of PGS
<b>Method of calculation</b>	Actual number of days taken to compile the report	Actual number of days taken to compile the report
<b>Data limitations</b>	None	None
<b>Type of indicator</b>	Numeric / Output	Numeric / Output
<b>Calculation type</b>	Number – Non-cumulative	Number – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annual	Annual
<b>New indicator</b>	No	No
<b>Desired performance</b>	Within 110 days after receipt of the relevant information the 2013/14 Report on Sasol Gas compliance with all pricing and tariff provisions in terms of Schedule One to the Agreement completed	Within 110 days after receipt of the relevant information the aggregate prices of gas for 2013/14 for each province are approved
<b>Indicator Responsibility</b>	EM (GAR) and HOD (GPT)	EM (GAR) and HOD (GPT)

### 3.2. Piped-Gas Industry Regulation Programme 2: Licensing and Registration

Indicator number	1	2
Indicator title	<b>% of licence applications considered within 60 days after the end of the objection period</b>	<b>Number of days taken to consider registration applications</b>
Short definition	Entity submits licence application. Licence applications processed according to procedure manual for licensing. Licence applications are approved by the REC/PGS (depending on delegation). After public hearing, the licence processor prepares a submission for approval of the application. The submission is forwarded to the HOD, EM, Full Time Regulator Member and CEO for signature and is thereafter tabled before the REC/PGS (depending on the delegation) for approval	Entity submits registration application. Registration applications processed according to procedure manual for registration. Registration applications are approved by the REC. The registration processor prepares a submission for approval of the application. The submission is forwarded to the HOD, EM, Full Time Regulator Member and CEO for signature and is thereafter tabled before the REC for approval.
Purpose/Importance	The implementation of this KPI is linked to NERSA's mandate to Issue licences with conditions	The implementation of this KPI is linked to NERSA's mandate to register gas operations
Source/collection of data	Licence applications, Reasons for decision (RFD). The RFD documents outlines the timelines in the processing of applications and Minutes of REC / PGS (depending on delegation)	Registration applications, Reasons for decision (RFD). The RFD documents outlines the timelines in the processing of applications and Minutes of REC
Method of calculation	$(\text{Number of licence applications considered within 60 days after the end of the objection period}) / (\text{total number of applications received}) * 100$	Number of days taken to process registration applications
Data limitations	Accuracy and completeness of information	Accuracy and completeness of information
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Percentage – Non-cumulative	Number – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Annual
New indicator	No	No
Desired performance	60% of licence applications considered within 60 days after the end of the objection period	All applications for the registration of gas imports and production are processed and considered within 120 days from date of receipt.
Indicator Responsibility	EM (GAR) and HOD (GLC)	EM (GAR) and HOD (GLC)

### 3.3. Piped-Gas Industry Regulation Programme 3: Compliance monitoring and enforcement

Indicator number	1	2
<b>Indicator title</b>	<b>Number of monthly volume balance reports assessed and discrepancies investigated, annual volumes published on NERSA website</b>	<b>Number of audits conducted on the ROMPCO pipeline according to the compliance manual and non-compliance notices issued (if necessary)</b>
<b>Short definition</b>	NERSA needs to assess the volume balance reports on a monthly basis	NERSA needs to conduct audits on the ROMPCO pipeline twice a year
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring
<b>Source/collection of data</b>	Volume balance report assessment reports	Audit reports
<b>Method of calculation</b>	Number of reports	Number of reports
<b>Data limitations</b>	Accuracy and availability of information	Accuracy and availability of information
<b>Type of indicator</b>	Numeric / Output	Numeric / Output
<b>Calculation type</b>	Number - Cumulative	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Bi-annually
<b>New indicator</b>	No	No
<b>Desired performance</b>	12 monthly volume balance reports assessed and discrepancies investigated, and annual volumes published on NERSA website	2 audits conducted on the ROMPCO pipeline according to the compliance manual and non-compliance notices issued (if necessary)
<b>Indicator Responsibility</b>	EM (GAR) and HOD (GLC)	EM (GAR) and HOD (GLC)

<b>Indicator number</b>	<b>3</b>	<b>4</b>
<b>Indicator title</b>	<b>Number of inspections conducted and non-compliance notices issued (if necessary) and reported to the relevant Subcommittee</b>	<b>Number of reports on uncommitted capacity considered by the relevant Subcommittee</b>
<b>Short definition</b>	NERSA needs to inspect possible non-compliance and issue notices of non-compliance if and when necessary	In order to facilitate third party access, the uncommitted capacity in gas transmission pipelines needs to be determined
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring
<b>Source/collection of data</b>	Inspection reports	Uncommitted capacity reports
<b>Method of calculation</b>	Number of reports	Number of reports
<b>Data limitations</b>	Accuracy and availability of information	Accuracy and reliability of information
<b>Type of indicator</b>	Numeric / Output	Numeric - Input
<b>Calculation type</b>	Number - Cumulative	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Annually
<b>New indicator</b>	No	No
<b>Desired performance</b>	15 inspections conducted and non-compliance notices issued (if and when necessary) and reported to the relevant Subcommittee	One report on the availability of uncommitted capacity as received from 1 licensee, considered by the relevant Subcommittee
<b>Indicator Responsibility</b>	EM (GAR) and HOD (GLC)	EM (GAR) and HOD (GLC)

<b>Indicator number</b>	<b>5</b>
<b>Indicator title</b>	<b>Impact assessment report on the Regulatory Agreement</b>
<b>Short definition</b>	NERSA will conduct a study in order to determine the impact of the Regulatory Agreement
<b>Purpose/Importance</b>	In order to assess the effectiveness of the Regulatory Agreement that came to an end in March 2014 as well as to determine the impact of this Agreement on the piped-gas industry
<b>Source/collection of data</b>	Regulatory Agreement; information obtained from licencees and other stakeholders; research data
<b>Method of calculation</b>	Impact Assessment report – yes / no
<b>Data limitations</b>	None
<b>Type of indicator</b>	Numeric / Output
<b>Calculation type</b>	Yes / No – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Report on data collection and analysis considered by the relevant Subcommittee
<b>Indicator Responsibility</b>	EM (GAR)

### 3.4. Piped-Gas Industry Regulation Programme 4: Dispute resolution, including mediation, arbitration and handling of complaints

Indicator number	1	2
Indicator title	<b>Number of months within which complaints are investigated and considered and non-compliance notices issued</b>	<b>Number of months within which initiated investigations are conducted and considered and non-compliance notices issued</b>
Short definition	From the date of application, NERSA needs to determine how long it takes to finalise a complaint that was received	From the date of application, NERSA needs to determine how long it takes to finalise an initiated investigation by NERSA
Purpose/Importance	The implementation of this KPI is directly linked to NERSA's mandate of dispute resolution including mediation, arbitration and the handling of complaints	The implementation of this KPI is directly linked to NERSA's mandate of dispute resolution including mediation, arbitration and the handling of complaints
Source/collection of data	Records of complaints received	Records of complaints initiated
Method of calculation	Actual number of days from date of receipt of compliant to finalisation	Actual number of days from date of initiation of investigation to finalisation
Data limitations	Participation by complainant and licencees	Participation by licencees
Type of indicator	Numeric / Outcome	Numeric / Outcome
Calculation type	Number – non-cumulative	Number – non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Annual
New indicator	No	No
Desired performance	Within 12 month after receipt all complaints are investigated and considered and non-compliance notices issued where applicable	Within 12 months all initiated investigations are completed and considered, and non-compliance notices issued where applicable
Indicator Responsibility	EM (GAR) and HOD (GPT)	EM (GAR) and HOD (GPT)

### 3.5.Piped-Gas Industry Regulation Programme 5: Setting of rules, guidelines and codes for the regulation of the piped-gas industry

Indicator number	1	2
<b>Indicator title</b>	<b>Number of monitoring reports on the implementation of transmission tariffs considered by the relevant Subcommittee</b>	<b>Number of relevant guidelines / procedures / frameworks developed and considered by the relevant Subcommittee</b>
<b>Short definition</b>	Information received from the licensee is reviewed and this is compared to the approved transmission tariffs. A report on the compliance of the licensee with the transmission tariffs is prepared and submitted to PGS for consideration	In order to facilitate the accurate and relevant collection of information, it is necessary to provide industry with the necessary guidelines / procedures / frameworks
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring	The implementation of this KPI will facilitate the accurate and relevant collection of information, which is part of NERSA's mandate
<b>Source/collection of data</b>	Report on licensee's compliance with the approved transmission tariffs; approved transmission tariff and relevant Reasons for Decision	Research information obtained
<b>Method of calculation</b>	Number of reports	Number of relevant guidelines / procedures / frameworks
<b>Data limitations</b>	Accuracy and availability of information	Availability of information to develop the relevant guidelines / procedures / framework
<b>Type of indicator</b>	Numeric / Output	Numeric / Output
<b>Calculation type</b>	Number - Cumulative	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Quarterly
<b>New indicator</b>	Yes	Yes
<b>Desired performance</b>	Three monitoring reports (one for ROMPCO, one for Transnet and one for Sasol Gas) considered by the relevant Subcommittee	Three relevant guidelines / procedures / frameworks developed and considered by the relevant Subcommittee <ul style="list-style-type: none"> <li>• Guidelines on legal requirements for initiating investigations;</li> <li>• Rules of Thumb for investigation of price discrimination; and</li> <li>• Rules of Thumb for investigation of refusal to supply</li> </ul>
<b>Indicator Responsibility</b>	EM (GAR) and HOD (GPT)	EM (GAR)

### 3.6. Piped-Gas Industry Regulation Programme 6: Establishing NERSA as an efficient and effective regulator

Indicator number	1	2
Indicator title	<b>Ongoing engagements with policy makers</b>	<b>Number of stakeholder workshops and media engagements</b>
Short definition	NERSA will continuously engage with policy makers regarding the legislative framework that NERSA has to implement	Stakeholder workshops and media engagements regarding pricing and tariffs as well as licensing and compliance monitoring needs to be conducted
Purpose/Importance	To facilitate the best possible legislative framework to enable NERSA in executing its mandate	NERSA has an obligation to its stakeholders to provide information and education around its activities and mandate
Source/collection of data	Proposed amendments	Notice of workshops and media briefings
Method of calculation	Proposed amendments – Yes / no (if relevant)	Number of notices
Data limitations	If no amendment is needed, this KPI will not be relevant	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Yes / No – Non-cumulative	Number - Cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annual	Biannually
New indicator	No	No
Desired performance	Continued engagement policy makers and comment on legislative amendments where applicable	4 stakeholder workshops/ meetings and targeted media engagement.
Indicator Responsibility	EM (GAR), HOD (GLC) and HOD (GPT)	EM (GAR), HOD (GLC) and HOD (GPT)

## 4. PETROLEUM PIPELINES INDUSTRY REGULATION

### 4.1. Petroleum Pipelines Industry Regulation Programme 1: Setting and/or approval of tariffs and prices

Indicator number	1a	1b
<b>Indicator title</b>	<b>Number of months after publication of tariff applications within which pipeline tariff applications received are considered</b>	
<b>Short definition</b>	After application is received, all outstanding information has to be obtained from the applicant. Once all outstanding information has been received and all the information is correct, the REC will consider the requests for confidential treatment of certain aspects of the application. Once the confidential elements have been determined, the application is published. The application is then evaluated and public comments analysed. A draft determination is made and published, followed by a public hearing. A final recommendation is made, taking comments into consideration. The PPS recommends the final determination to the Energy Regulator for approval	After application is received, all outstanding information has to be obtained from the applicant. Once all outstanding information has been received and all the information is correct, the REC will consider the requests for confidential treatment of certain aspects of the application. Once the confidential elements have been determined, the application is published. The application is then evaluated and public comments analysed. A draft determination is made and published, followed by a public hearing. A final recommendation is made, taking comments into consideration. The PPS recommends the final determination to the Energy Regulator for approval
<b>Purpose/Importance</b>	The implementation of this KPI is necessary for NERSA to execute its mandate in setting tariffs	The implementation of this KPI is necessary for NERSA to execute its mandate in setting tariffs
<b>Source/collection of data</b>	Applications for Transnet Pipeline tariffs; Reasons for Decision on Transnet pipeline tariffs for 2014/15; and Minutes	Applications for pipeline tariffs; Reasons for Decision; and Minutes
<b>Method of calculation</b>	Actual number of months after published tariff application within which the tariff is considered	Actual number of months after published tariff application within which the tariff is considered
<b>Data limitations</b>	Accuracy, reliability and completeness of information	Accuracy, reliability and completeness of information
<b>Type of indicator</b>	Numeric / Output	Numeric / Output
<b>Calculation type</b>	Number – Non-cumulative	Number – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually	Annually
<b>New indicator</b>	No	Yes
<b>Desired performance</b>	Within 8 months after publication of the tariff application, Transnet's tariff application is considered (if received on time)	Within 6 months after publication of the tariff application, all other pipeline tariff applications received are considered
<b>Indicator Responsibility</b>	EM (PPR) and HOD (PPT)	EM (PPR) and HOD (PPT)

Indicator number	2	3
Indicator title	<b>Number of days within which received storage and loading facilities tariff applications are considered after publication of the application</b>	<b>Updated published storage tariff</b>
Short definition	After application is received, all outstanding information has to be obtained from the applicant. Once all outstanding information has been received and all the information is correct, the application is evaluated. A recommendation is made, to the relevant Subcommittee (REC or PPS depending on the level of delegation in the delegation matrix). The Subcommittee considers the recommendation	After the storage tariffs have been approved they are published on the NERSA website
Purpose/Importance	The implementation of this KPI is necessary for NERSA to execute its mandate in approving storage and loading facilities' tariffs	The implementation of this KPI is necessary for NERSA to execute its mandate in approving storage and loading facilities' tariffs
Source/collection of data	Applications for storage and loading facility tariffs; Reasons for Decision; and Minutes	Reasons for Decision; and Request for publication of tariffs on website
Method of calculation	Number of days from the date of publication of the application until the day that it is considered by the relevant authority (depending on delegation authority)	Number of days from the date of the approval of the tariff until it is published onto the NERSA website
Data limitations	NERSA is dependent on licencees to submit tariff applications – accuracy and completeness of information	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Number – Non-cumulative	Number – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annually	Annually
New indicator	No	Yes
Desired performance	Within 120 days after publication of the applications, all received storage and loading facilities tariff applications are considered	Consolidated list of storage tariffs is published on NERSA website
Indicator Responsibility	EM (PPR) and HOD (PPT)	EM (PPR) and HOD (PPT)

Indicator number	4	5
Indicator title	<b>Annual Report on benchmarking of storage tariffs</b>	<b>Updated published financial and tariff information</b>
Short definition	Identify research to be done on the benchmarking of storage tariffs. Report on the research to be discussed internally and then finalised for recommendation to the PPS	In order to ensure transparency and consistency, NERSA needs to publish financial and tariff information that is used by licencees in tariff applications
Purpose/Importance	The implementation of this KPI is necessary for NERSA to execute its mandate in approving storage and loading facilities' tariffs	The implementation of this KPI is necessary for NERSA to execute its mandate in setting pipeline and approving storage and loading facilities' tariffs
Source/collection of data	Annual Report on benchmarking of storage tariffs	Published financial and tariff information
Method of calculation	Annual Report on benchmarking of storage tariffs – yes / no	Published financial and tariff information – yes / no
Data limitations	None	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Yes / No – Non-cumulative	Yes / No – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annually	Quarterly
New indicator	No	No
Desired performance	Benchmark report on storage tariffs	Financial and tariff information published on NERSA website
Indicator Responsibility	EM (PPR) and HOD (PPT)	EM (PPR) and HOD (PPT)

## 4.2. Petroleum Pipelines Industry Regulation Programme 2: Licensing and Registration

Indicator number	1	2
Indicator title	<b>% of licences applications received decided on by the relevant Subcommittee within statutory deadlines</b>	<b>Number of reports on investigations done into suspected unlicensed activities considered by the relevant subcommittee</b>
Short definition	Applications are submitted as per the Rules gazette. Licence application is processed after being checked for adequacy as per the standard check list. Licence applications are approved by the REC/PPS (depending on delegation). After public hearing, the licence processor prepares a submission for approval of the application. The submission is forwarded to the HOD, EM, Full Time Regulator Member and CEO for signature and is thereafter tabled before the REC/PPS (depending on the delegation) for approval.	Illegal activities are identified through departmental records of licence revocations, through word from the industry or through sightings. These activities are then investigated and notified to comply with the act and apply for licences if deemed licensable. A quarterly report is produced, detailing the investigations done into suspected unlicensed activities which is submitted to the relevant Subcommittee (REC or PPS)
Purpose/Importance	The implementation of this KPI is directly necessary in order to comply with NERSA's mandate to Issue licences with conditions	The implementation of this KPI is directly necessary in order to comply with NERSA's mandate to Issue licences with conditions and to ensure that all unlicensed facilities have been appropriately licensed
Source/collection of data	Licence applications; Reasons for decision (RFD). The RFD documents outlines the timelines in the processing of applications; and Minutes	Monthly compliance report
Method of calculation	(number of decided upon licence applications within statutory deadlines / number of received licence applications)*100	Number if reports
Data limitations	Incomplete applications	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Percentage – Non-cumulative	Number – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Quarterly	Quarterly
New indicator	No	No
Desired performance	100% of licences applications received decided on by the relevant subcommittee within statutory deadlines	Four reports on investigations done into suspected unlicensed activities considered by the relevant Subcommittee
Indicator Responsibility	EM (PPR) and HOD (PLC)	EM (PPR) and HOD (PLC)

### 4.3. Petroleum Pipelines Industry Regulation Programme 3: Compliance monitoring and enforcement

Indicator number	1	2
Indicator title	Number of infrastructure utilisation reports	Number of reports on the analysis of construction status reports considered by the relevant Subcommittee
Short definition	NERSA will produce infrastructure utilisation reports in order to highlight the utilisation of infrastructure and indicate possible opportunities for 3 <sup>rd</sup> party access	NERSA has to monitor compliance to licence conditions. A report detailing the compliance of licencees to licence conditions is developed and considered by the relevant Subcommittee on a quarterly basis
Purpose/Importance	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring
Source/collection of data	Infrastructure utilisation reports	Monitoring reports
Method of calculation	Number of infrastructure utilisation reports	Number of reports
Data limitations	Accuracy of information	Accuracy of information
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Yes / No – Non-cumulative	Number – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Biannually	Quarterly
New indicator	No	No
Desired performance	6-monthly reports on status of infrastructure utilisation	Four reports on the analysis of construction status reports considered by the relevant Subcommittee
Indicator Responsibility	EM (PPR) and HOD (PLC)	EM (PPR) and HOD (PLC)

<b>Indicator number</b>	<b>3</b>	<b>4</b>
<b>Indicator title</b>	Number reports on analysis of HDSA indicators considered by the relevant Subcommittee	Number of days within which noted storage allocation mechanisms are published on NERSA website
<b>Short definition</b>	NERSA has to facilitate the entry of historically disadvantaged South Africans into the petroleum pipelines market. One way of monitoring this is to get licencees to submit their HDSA status to NERSA. A report detailing the compliance of licencees to licence conditions is developed and considered by the relevant Subcommittee on a quarterly basis	In order to ensure transparency in the industry and facilitate 3 <sup>rd</sup> party access, NERSA will publish the storage allocation mechanisms received on the NERSA website
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring – track the involvement of HDIs in the industry	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring
<b>Source/collection of data</b>	HDSA submissions	Submitted storage allocation mechanisms
<b>Method of calculation</b>	Number of reports	Number of days from which the noted storage allocation mechanisms are published on the website
<b>Data limitations</b>	Accuracy of information	Submission of storage allocation mechanisms
<b>Type of indicator</b>	Numeric / Output	Numeric / Output
<b>Calculation type</b>	Number – Non-cumulative	Number – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Annually
<b>New indicator</b>	No	No
<b>Desired performance</b>	Four reports on the analysis of HDSA indicators considered by the relevant Subcommittee	Within 14 days after consideration, all noted storage allocation mechanisms are published on NERSA website
<b>Indicator Responsibility</b>	Four reports on the analysis of construction status reports considered by the relevant Subcommittee	EM (PPR) and HOD (PLC)

<b>Indicator number</b>	<b>5</b>
<b>Indicator title</b>	<b>Annual report on all received access principles from licensees who received operation licences in the preceding year for their pipelines and loading facilities</b>
<b>Short definition</b>	NERSA will compile a report on specified licencees' implementation of pipelines and loading facilities access principles in order to facilitate 3 <sup>rd</sup> party access
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of compliance monitoring
<b>Source/collection of data</b>	Reports on licencees' implementation of the pipelines and loading facilities access principles
<b>Method of calculation</b>	Annual report produced – yes / no
<b>Data limitations</b>	Submission of the pipelines and loading facilities access principles by licencees
<b>Type of indicator</b>	Numeric / Output
<b>Calculation type</b>	Number – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Annual report on all received access principles from licensees who received operation licences in the preceding year for their pipelines and loading facilities
<b>Indicator Responsibility</b>	EM (PPR) and HOD (PLC)

#### 4.4. Petroleum Pipelines Industry Regulation Programme 4: Dispute resolution, including mediation, arbitration and handling of complaints

<b>Indicator number</b>	<b>1</b>
<b>Indicator title</b>	<b>% of complaints received investigated and concluded within 60 days</b>
<b>Short definition</b>	From the date of application, NERSA needs to determine how long it takes to finalise a complaint
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of dispute resolution including mediation, arbitration and the handling of complaints
<b>Source/collection of data</b>	Records of complaints received
<b>Method of calculation</b>	(number of finalised complaints within 60 days of receipt / number of received complaints)*100
<b>Data limitations</b>	Participation by complainant and licencees
<b>Type of indicator</b>	Numeric / Output
<b>Calculation type</b>	Percentage – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	100% of complaints received investigated and concluded within 60 days
<b>Indicator Responsibility</b>	EM (PPR) and HOD (PLC)

**4.5. Petroleum Pipelines Industry Regulation Programme 5: Setting of rules, guidelines and codes for the regulation of the electricity industry**

Indicator number	1	2
<b>Indicator title</b>	<b>Published updated rules in line with relevant legislation</b>	<b>Reviewed licensing guidelines considered by the relevant Subcommittee and published</b>
<b>Short definition</b>	NERSA has rules in line with relevant legislation. These will be reviewed and the updates will be published.	NERSA has developed licensing guidelines. These will be reviewed and the updates will be published on order to assist potential licencees in compiling their applications
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries
<b>Source/collection of data</b>	Published updated rules in line with the relevant legislation	Published reviewed licensing guidelines
<b>Method of calculation</b>	Published – Yes / no	Published – Yes / no
<b>Data limitations</b>	None	None
<b>Type of indicator</b>	Numeric / Input	Numeric / Input
<b>Calculation type</b>	Yes / No – Non-cumulative	Yes / No – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually	Annually
<b>New indicator</b>	Yes	No
<b>Desired performance</b>	Published updated Rules in terms of Petroleum Pipelines Act, if necessary	Reviewed licensing guidelines, if necessary
<b>Indicator Responsibility</b>	EM (PPR)	EM (PPR) and HOD (PPT)

<b>Indicator number</b>	<b>3</b>	<b>4</b>
<b>Indicator title</b>	<b>Published tariff guidelines for storage facilities</b>	<b>Published reviewed Frequently Asked Questions (FAQ)</b>
<b>Short definition</b>	NERSA has developed tariff guidelines for storage facilities. These will be updated and updates will be published to assist licencees who are applying for tariffs for storage facilities to compile their applications	In order to assist licencees with tariff applications, a list of Frequently Asked Questions relating to tariff applications will be published
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries
<b>Source/collection of data</b>	Published updated annual tariff guidelines for storage facilities	Published FAQ
<b>Method of calculation</b>	Published – Yes / no	Published FAQ – Yes / No
<b>Data limitations</b>	None	None
<b>Type of indicator</b>	Numeric / Input	Numeric / Input
<b>Calculation type</b>	Yes / No – Non-cumulative	Yes / No – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually	Annually
<b>New indicator</b>	No	No
<b>Desired performance</b>	Reviewed annual tariff guidelines for storage facilities and revise and publish on NERSA website if applicable	Annually reviewed FAQ published on NERSA website and revise if applicable
<b>Indicator Responsibility</b>	EM (PPR) and HOD (PPT)	EM (PPR) and HOD (PPT)

<b>Indicator number</b>	<b>5</b>
<b>Indicator title</b>	<b>Annual report on contributions towards alignment between Petroleum Pipelines Act and Petroleum Pipelines Levies Act and government policies and regulations</b>
<b>Short definition</b>	NERSA will produce an annual report on its contributions towards the amendment of all relevant legislation for the regulation of the petroleum pipelines industry to ensure alignment
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to NERSA's mandate of Setting of rules, guidelines and codes for the regulation of the three industries
<b>Source/collection of data</b>	Contribution reports
<b>Method of calculation</b>	Annual report – Yes / No
<b>Data limitations</b>	None
<b>Type of indicator</b>	Numeric / Output
<b>Calculation type</b>	Yes / No – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	Annual report on contributions towards alignment between Petroleum Pipelines Act and Petroleum Pipelines Levies Act and government policies and regulations
<b>Indicator Responsibility</b>	EM (PPR) and HOD (PLC)

#### 4.6. Petroleum Pipelines Industry Regulation Programme 6: Establishing NERSA as an efficient and effective regulator

<b>Indicator number</b>	<b>1</b>
<b>Indicator title</b>	<b>Number of reports on the inland supply forecast</b>
<b>Short definition</b>	In order to determine if there is going to be enough supply for the inland market, a forecast model has been developed
<b>Purpose/Importance</b>	The implementation of this KPI is directly linked to the mandate of NERSA (Gathering, storing and disseminating industry information)
<b>Source/collection of data</b>	Report
<b>Method of calculation</b>	Number of reports
<b>Data limitations</b>	Accuracy, availability and reliability of information
<b>Type of indicator</b>	Numeric / Output
<b>Calculation type</b>	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Biannually
<b>New indicator</b>	Yes
<b>Desired performance</b>	Biannual report on the inland supply forecast
<b>Indicator Responsibility</b>	EM (PPR) and HOD (PLC)

## 5. CROSS-CUTTING REGULATORY

### 5.1. Cross-Cutting Programme 6: Establishing NERSA as an efficient and effective regulator

Indicator number	1	2
Indicator title	Report on the impact of regulatory decisions	Publication of the NERSA Economic Regulation Journal
Short definition	NERSA will conduct a study in order to determine the impact of its decisions	NERSA will start publishing an Economic Regulation Journal from 2015/16.
Purpose/Importance	In order to ensure that NERSA takes informed decisions, the impact of the decisions taken should be considered	This will be done in order to facilitate information sharing in the area of economic regulation
Source/collection of data	Framework	NERSA Economic Journal concept and implementation plan
Method of calculation	Has the impact assessment been done – yes / no	Has the editorial board been established – yes / no
Data limitations	None	None
Type of indicator	Numeric / Output	Numeric / Output
Calculation type	Yes / No – Non-cumulative	Yes / No – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annually	Annually
New indicator	No	Yes
Desired performance	Conduct impact assessment of regulatory decisions	Establish the NERSA Economic Regulation Journal Editorial Board
Indicator Responsibility	SM (RAR)	SM (RAR)

<b>Indicator number</b>	<b>3</b>	<b>4</b>
<b>Indicator title</b>	<b>Published quarterly newsletters</b>	<b>Number of stakeholder engagement and education programmes conducted</b>
<b>Short definition</b>	On a quarterly basis, NERSA publish newsletters to all stakeholders containing information regarding the organisation and the industries being regulated	NERSA engages its stakeholders in a number of ways, including education programmes
<b>Purpose/Importance</b>	NERSA has an obligation to its stakeholders to provide information and education around its activities and mandate	NERSA has an obligation to its stakeholders to provide information and education around its activities and mandate
<b>Source/collection of data</b>	Published newsletters	Reports on stakeholder engagements and education programmes held
<b>Method of calculation</b>	Published newsletters – yes / no	Number of stakeholder engagements and education programmes held
<b>Data limitations</b>	None	None
<b>Type of indicator</b>	Numeric / Output	Numeric / Input
<b>Calculation type</b>	Yes / No – Non-cumulative	Number - Cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Quarterly
<b>New indicator</b>	No	No
<b>Desired performance</b>	Quarterly newsletters published	Undertake 30 stakeholder engagement and education programmes
<b>Indicator Responsibility</b>	EM (COS) and HOD (CSM)	EM (COS) and HOD (CSM)

<b>Indicator number</b>	<b>5</b>
<b>Indicator title</b>	<b>Approved proposals / comments on policy changes</b>
<b>Short definition</b>	If the policy maker publish any proposed draft legislation that NERSA has to implement or that has an impact on the mandate of NERSA, NERSA has to comment on the proposed draft legislation
<b>Purpose/Importance</b>	To facilitate the best possible legislative framework to enable NERSA in executing its mandate
<b>Source/collection of data</b>	Approved proposals / comments
<b>Method of calculation</b>	Approved proposals / comments – Yes / no (if relevant)
<b>Data limitations</b>	If no draft legislation is published, this KPI will not be relevant
<b>Type of indicator</b>	Numeric / Input
<b>Calculation type</b>	Yes / No – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Annual
<b>New indicator</b>	No
<b>Desired performance</b>	Approved proposals / comments on policy changes (if and when necessary)
<b>Indicator Responsibility</b>	EM (COS) and HOD (LAS)

## 6. ORGANISATIONAL

### 6.1. Organizational Programme 6: Establishing NERSA as an efficient and effective regulator

Indicator number	1	2
Indicator title	% of targets in the Annual Performance Plan met	% of organisational structure filled
Short definition	This is a calculation of the % of KPIs in the Annual Performance Plan that was carried out as planned	What percentage of the approved organisational structure has been filled
Purpose/Importance	This KPI will provide an indication of the organisational performance against planned activities in order to carry out its mandate	This KPI will determine to what extent NERSA has the human resource capacity to carry out its mandate
Source/collection of data	Fourth quarter performance report and report of performance against predetermined objectives	Human Resource reports
Method of calculation	$(\text{number of targets completed as planned} / \text{total number of targets}) * 100$	$(\text{number of filled positions} / \text{total number of positions}) * 100$
Data limitations	None	None
Type of indicator	Numeric / Output	Numeric / Input
Calculation type	Percentage – Non-cumulative	Percentage – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annually	Quarterly
New indicator	No	No
Desired performance	92% of targets met	95% of organisational structure filled
Indicator Responsibility	SM (SPM)	CHO and HOD (HR)

<b>Indicator number</b>	<b>3</b>	<b>4</b>
<b>Indicator title</b>	<b>% of staff undergoing training and development</b>	<b>Level of (%) customer satisfaction</b>
<b>Short definition</b>	To indicate what percentage of staff has underwent training and development	To determine the level of customer satisfaction with NERSA
<b>Purpose/Importance</b>	This KPI will determine to what extent the staff is being capacitated with regards to training and development to be able to do their work	This KPI will provide an indication as to the view of the stakeholders of NERSA's role and implementation of its mandate
<b>Source/collection of data</b>	Training and development register	Completed customer satisfaction questionnaires
<b>Method of calculation</b>	(number of staff undergoing training and development / total number of staff)*100	Customer satisfaction calculation model
<b>Data limitations</b>	None	Accuracy ad completes of information
<b>Type of indicator</b>	Numeric / Input	Numeric / Outcome
<b>Calculation type</b>	Percentage – Non-cumulative	Percentage – Non-cumulative
<b>Reporting cycle (quarterly, annually or at longer time intervals)</b>	Quarterly	Quarterly
<b>New indicator</b>	No	No
<b>Desired performance</b>	85% of staff undergoing training and development	77% customer satisfaction
<b>Indicator Responsibility</b>	CHO and HOD (HR)	EM (COS) and HOD (CSM)

Indicator number	5	6
Indicator title	Result of annual audit	% of creditors paid within 30 days after all relevant documentation have been received
Short definition	NERSA is audited on an annual basis by the Auditor-General	In line with Government's direction, NERSA aims to pay all its creditors within 30 days of receipt of all relevant documentation
Purpose/Importance	This KPI is a reflection of how accurately the information published in NERSA's Annual Report is a reflection of what is happening	This KPI will measure whether creditors are being paid timeously
Source/collection of data	Final Management Report from the AG	Payment transaction reports and invoices
Method of calculation	Qualified audit – yes / no	(number of creditors paid within 30 days of receipt of all relevant documentation / total number of creditors)*100
Data limitations	None	None
Type of indicator	Numeric / Outcome	Numeric / Output
Calculation type	Yes / No – Non-cumulative	Percentage – Non-cumulative
Reporting cycle (quarterly, annually or at longer time intervals)	Annually	Quarterly
New indicator	No	No
Desired performance	Unqualified audit	100% of creditors paid within 30 days after all relevant documentation have been received
Indicator Responsibility	CFO and HOD (FAD)	CFO and HOD (FAD)