



31 October 2023

MEDIA STATEMENT

ENERGY REGULATOR DECISIONS OF MEETING NUMBER 266 OF 26 OCTOBER 2023

The National Energy Regulator of South Africa (NERSA) announced that the Energy Regulator, at its meeting held on 26 October 2023, has made the following decisions under the piped-gas industry:

1. Sasol Gas (Pty) Ltd.'s amendment application for approval of maximum gas price for the period 1 July 2022 to 30 June 2023

The Energy Regulator did not approve Sasol Gas (Pty) Ltd.'s amendment application for the maximum price for the period 1 July 2022 until 30 June 2023 (2022/23 financial year).

The implication of the above decision is that Sasol Gas (Pty) Ltd may apply for a clawback mechanism to recover costs that may have been legitimately incurred during the 2022/23 financial year. The clawback application serves as a recognised legal procedure through which Sasol Gas (Pty) Ltd. can seek to recover or adjust its costs relating to cost increases not catered for in the 2022/23 financial year.

2. Sasol Gas (Pty) Ltd.'s application for the maximum price of gas for the period 1 July 2023 to 30 June 2024

The Energy Regulator approved Sasol Gas (Pty) Ltd.'s application for the maximum price of gas for the period 1 July 2023 to 30 June 2024 as follows:

- 2.1 The maximum price of R74.54/GJ for the period 1 October 2023 to 31 December 2023.
- 2.2 The maximum price of R78.23 for the period 1 July 2023 to 30 September 2023.
- 2.3 The maximum price be adjusted quarterly with a one-month lag in its implementation until 30 June 2024, as prescribed in the methodology.
- 2.4 The approved maximum price excludes the value-added tax (VAT).

Regulator Members:

Mr T Bukula (Chairperson) Ms Z Mpungose (Deputy Chairperson) *Adv NP Sithole (Chief Executive Officer)
*Mr N Gumede *Ms N Maseti *Mr MW Mkhize Ms T Semane Mr FK Sibanda Ms PN Sibiya
*Full-Time Regulator Members

- 2.5 The date of the Energy Regulator’s decision on this matter becomes the effective date of the maximum price for monitoring purposes, and the maximum price will remain effective until the date of approval of another maximum price by the Energy Regulator.
- 2.6 The licensee is required to apply for the next maximum price four months before the expiry of the currently approved maximum price.

NERSA approved that a reseller adjustment of no less than 5% be provided to all resellers of gas to ensure differentiation between maximum prices to resellers of gas and end-user customers. This is intended to allow resellers to achieve a reasonable margin on their trading activities while enabling them to compete for and offer more competitive prices to customers.

NERSA’s decision implies that the maximum price level and margins approved for Sasol Gas (Pty) Ltd. are fair and reasonable and will not compromise the competitiveness of gas prices in South Africa. As such, these maximum prices and margins comply with NERSA’s Methodology to Approve Maximum Prices of Gas in South Africa and the Gas Act, 2001 (Act No. 48 of 2001) (‘the Gas Act’).

3. Sasol Gas (Pty) Ltd.’s application for multi-year transmission tariffs for the period 1 July 2023 to 30 June 2025

The Energy Regulator approved Sasol Gas (Pty) Ltd.’s application for multi-year transmission tariffs for the period 1 July 2023 to 30 June 2025 as follows:

- 3.1 Sasol Gas’ multi-year transmission tariffs for the period 1 July 2023 to 30 June 2025 are as indicated in Table 1 below.

Table 1: Sasol Gas’ multi-year transmission tariffs for the period 1 July 2023 to 30 June 2025

Zone	Period	Approved Tariff
1	2023/24	R7.02/GJ
2	2023/24	R24.89/GJ
3	2023/24	R6.58/GJ
Zone	Period	Approved Tariff
1	2024/25	R6.93/GJ
2	2024/25	R25.51/GJ
3	2024/25	R7.00/GJ

- 3.2 The approved tariffs are maximum tariffs exclusive of VAT.
- 3.3 Discounts are allowed and must be applied in accordance with the non-discrimination provisions of section 22 of the Gas Act.
- 3.4 The approved tariffs exclude VAT.
- 3.5. The approved tariffs will remain in force until the date the Energy Regulator approves other tariffs.

4. Transnet's application for multi-year transmission tariffs for the 2023/24, 2024/25, and 2025/26 tariff years

The Energy Regulator approved Transnet's application for multi-year transmission tariffs for the 2023/24, 2024/25 and 2025/26 tariff years as follows:

4.1 Transnet's transmission multi-year tariffs for the 2023/24, 2024/25 and 2025/26 tariff years are as indicated in Table 2 below.

Table 2: Transnet's transmission tariffs for the period 1 April 2023 to 31 March 2026

Period	Applicable Tariff
2023/24	R8.53/GJ
2024/25	R9.13/GJ
2025/26	R8.12/GJ

4.2 The approved tariffs are maximum tariffs exclusive of VAT.

4.3 Discounts are allowed and must be applied in accordance with the non-discrimination provisions of section 22 of the Gas Act.

4.4 The approved tariffs will remain in force until the date the Energy Regulator approves other tariffs.

The detailed decisions and reasons for decision document regarding the above decisions will be available on the NERSA website at www.nersa.org.za in due course.

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