



NOTICE OF THE ENERGY REGULATOR WORKSHOP ON THE MAXIMUM PRICE OF GAS

The National Energy Regulator of South Africa (NERSA) is a regulatory authority established as a juristic person in terms of section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004). NERSA's mandate is to regulate the electricity, piped-gas and petroleum pipelines industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Gas Act, 2001 (Act No. 48 of 2001) and the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

Background

Sasol Gas (Pty) Ltd ('Sasol Gas') recently advised NERSA and its customers that, due to a decline in the gas volumes supplied under the Production Purchase Agreement (PPA) from the Pande and Temane gas fields in Mozambique, it secured supplementary natural gas volumes from the fields licensed under the Production Sharing Agreement (PSA). The supplementary gas volumes have been flowing through the gas transmission pipeline from Mozambique to South Africa since July 2024. The South African gas stakeholders expressed concerns regarding a substantial gas price increase as a result of the introduction of the PSA gas. The price increase was implemented in the third quarter of the 2025 financial year (Q3 FY25), effective from 1 January 2025 to 31 March 2025. Subsequently, the gas industry stakeholders raised numerous issues regarding consultations on price increases, predictability and compliance with the regulatory rules.

Purpose of the workshop

In view of this price adjustment by Sasol Gas, NERSA has deemed it proper to engage stakeholders, through a workshop, to discuss certain issues pertinent to the price increase and to obtain the industry's view on this development. Accordingly, NERSA invites all stakeholders to attend a workshop to discuss the following:

- 1) Clarification on the supply of the supplementary natural gas volumes sourced from the gas fields under the Production Sharing Agreement

- 2) Sasol Gas' methodology for allocating gas volumes between Sasol South Africa, Sasol Gas' internal customers, and external customers
- 3) Measures in place to ensure that external customers are treated fairly in terms of pricing when supplementary and additional gas tranches become available
- 4) The process followed in determining the price increase and its implementation.
- 5) Clarification on the Energy Regulator's role in terms of the current pricing concerns.

The details of the workshop are as follows:

Date: 28 February 2025
Venue: Virtual Meeting (Microsoft Teams)
Time: 9:30 – 13:00

Members of the public who wish to attend the workshop must submit their request by 16:30 on Monday, 24 February 2025 to:

Telephone no: 012 401 4660
Fax no: 012 401 4771
Email address: gpt@nersa.org.za