



**MINISTRY OF ENERGY  
REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY QUESTION 570**

**Mr J F Smalle (DA) to ask the Minister of Energy:**

- 1) Whether municipalities have licence agreements with the National Energy Regulator of South Africa (Nersa); if not, what is the position in this regard; if so, how often are these agreements reviewed;
- 2) whether and (a) Government departments and (b) municipalities have transgressed any of the Nersa regulations; if so, (i) which (aa) departments and (bb) municipalities, (ii) what sections of the regulations were transgressed in the 2010-11 financial year and (c) what corrective measures has she taken in each case? NW663E

**Reply**

- 1) Yes, if the licences issued to the individual municipalities those licenses are permanent and they can be amended from time to time depending on the regulatory assessment or requirements.
- 2) All municipalities that distribute electricity have to obtain a license from the regulator. In the terms and conditions of the license, there are provisions that deal with transgression. The Department of Energy is mandated to develop and implement policies and NERSA is an independent body mandated to regulate the industry and implement the Departmental policies. NERSA issues periodic reports annually to the Minister of Energy, as per normal procedures regarding audits and intervention.

According to NERSA's annual report for 2010/11 "A total of 179 municipal tariff applications were received, analysed, reviewed and approved, with 11 of these requesting a review of the initial decision. A total of 10 licensees were not accounted because applications were not received, of which 2 are private distributors who only supply electricity for own use." The Department has regular engagements with NERSA to improve any abnormalities in the regulations and policies.