

Data Sources for the Implementation of the Methodology to Approve Maximum Prices of Piped-Gas in South Africa

In order to provide certainty and predictability, the following data source will be used as input in calculating maximum price of piped-gas energy. Licensees are also allowed to propose other sources not listed below. However, before accepting these sources, the Energy Regulator will follow a transparent stakeholder consultation process before determining the suitability (or lack thereof) of any additional new sources of data.

Table 1: data sources to be used in calculating the maximum prices of gas

Variable Element	Source of data
a) Price of Thermal Coal	International Monetary Fund (IMF) - 'Actual Market Prices for Non-Fuel and Fuel Commodities' (Richards Bay Terminal, Thermal Coal-Free on Board price) Converted to R/GJ www.imf.org/external/np/res/commod/index.asp
b) Price of diesel	South African Department of Energy: - 'Basic Fuel Price (BFP) for Diesel' ¹ Quoted in SA cents/litre converted to R/GJ www.energy.gov.za
c) Price of electricity	Eskom average tariff approved by the Energy Regulator, cents per kWh, converted to R/GJ www.nersa.org.za
d) Price of HFO	United Kingdom Department of Energy and Climate Change. Converted to R/GJ http://decc.gov.uk/en/content/cms/statistics/publications/prices/prices.aspx
e) LPG	South African Department of Energy:

¹ The BFP, quoted in South African cents/litre

Variable Element	Source of data
	-'Maximum Refinery Gate Price' for LPG' Converted to R/GJ www.energy.gov.za or www.cefgroup.co.za
f) Weighting for the energy indicator (Wn)	South African Department of Energy: -'Digest of South African Energy Statistics' -'Energy Balances' www.energy.gov.za
g) Inputs for Weighted Average Cost of Capital (WACC) for Trading Margin	Approved Data Sources for Tariff Guidelines published on NERSA website
h) Financial information to determine piped-gas trading service margin of a licensee	As prescribed by the Regulatory Reporting Manuals Volume 3
i) Exchange rates	South African Reserve Bank - Historical exchange rates, monthly mean www.resbank.co.za/Research/Statistics/Pages/MonthlyReleaseOfSelectedData.aspx

Table 2 below provides the prices for each energy indicator. These prices will be updated on a quarterly basis, based on the availability of information from the prescribed data sources.

Table 2: Prices of the Energy Indicators from January 2011 to December 2011.

Period	Thermal Coal (USD/Tonne)	Electricity (c/kWh)	LPG (c/litre)	Diesel (c/litre)	Heavy Fuel Oil (HFO) (GBP) (c/litre)		
					HFO before tax	HFO Tax (GBP)	HFO Final Price (c/litre)
January 2011	120.40	41.47	326.81	471.63	530.00	104.94	425.06
February 2011	120.40	41.47	286.77	501.63	530.00	104.94	425.06
March 2011	120.40	41.47	307.40	565.63	530.00	104.94	425.06
April 2011	121.20	52.15	307.40	610.63	586.30	104.94	481.36
May 2011	121.20	52.15	326.81	626.63	586.30	104.94	481.36
June 2011	121.20	52.15	344.47	588.63	586.30	104.94	481.36
July 2011	116.70	52.15	374.17	577.63	582.70	104.94	477.76
August 2011	116.70	52.15	395.70	592.63	582.70	104.94	477.76
September 2011	116.70	52.15	418.10	592.63	582.70	104.94	477.76
October 2011	106.90	52.15	413.77	627.63			
November 2011	106.90	52.15	395.79	663.63			
December 2011	106.90	52.15	412.23	702.63			
Average Price	116.30	49.48	359.12	593.46			461.39