GOVERNMENT NOTICE

DEPARTMENT OF MINERAL AND ENERGY

No. R. 26 16 January 2009

ELECTRICITY REGULATION ACT, 2006

ELECTRICITY REGULATIONS ON
DEVIAITION FROM SET OR APPROVED TARIFF

I, BUYELWA B SONJICA, Minister of Minerals and Energy HEREBY under section
15(3) of the Electricity Regulation Act, 2006 (Act No 4 of 2006), after consultation
with the regulator, make the regulations in the Schedule.
SCHEDULE

1 DEFINITIONS

In these Regulations, any word or expression to which a meaning has been assigned in the Act, shall have the meaning so assigned and, unless the context otherwise indicates –

"annual national baseline electricity consumption" means the total electricity sales in terawatt-hours during the period October 2006 to September 2007:

(a) of the end-users of all licensees; and

(b) the electricity sales to all licensees' customers who are located beyond the boundaries of the Republic of South Africa,

"national savings target" means a percentage reduction of the annual national baseline electricity consumption, to achieve a sufficient margin between the demand for electricity and the supply of electricity.

"sector" means classes of customers or customer categories or groupings of customers as determined by the Minister.

"sector savings target" means the savings target percentage applicable to sectors and/or individuals and/or customers and/or end-users to achieve the national savings target.

Prescribed circumstances

2. (a) The national savings target shall for each year for a period of 5(five) years calculated from the date of promulgation of these regulations be 10(ten) percent of the annual national baseline electricity consumption subject to the annual review by the Minister.
(b) The regulator may approve a deviation from the set or approved tariffs as contemplated by section 15 (3) of the Act under the following circumstances, inline with the prescribed rules:

(i) When the electricity demand is higher and is threatening the sustainability of the electricity supply industry;

(ii) When the national savings target of at least 10 percent is not achieved; or

(iii) When the sector saving target as may be determined by the Minister after consultation with the stakeholders is not being achieved;