

# NERSA PRESENTATION



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# Presentation Outline

- Introduction
- Vision and Mission
- Values
- Regulatory Principles
- NERSA Mandate
- Regulatory Functions
- Mandate for Dispute Resolution Unit
- Core functions
- Principles and activities
- Case Management System
- Challenges
- Conclusion

# INTRODUCTION

- The National Energy Regulator of South Africa (NERSA), a Schedule 3A Public Finance Management Act, 1999 (Act No. 1 of 1999) Public Entity was established on 1 October 2005 in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004) to regulate:
  - Electricity industry (Electricity Regulation Act, 2006 (Act No. 4 of 2006))
  - Piped-Gas industry (Gas Act, 2001 (Act No. 48 of 2001))
  - Petroleum Pipelines industry (Petroleum Pipelines Act, 2003 (Act No. 60 of 2003))

# **VISION AND MISSION, VALUES AND REGULATORY PRINCIPLES**

## **VISION**

***‘To be a recognised world-class leader in energy regulation’***

## **MISSION**

***‘To regulate the energy industry in accordance with government laws and policies, standards and international best practices in support of sustainable development’***

# VALUES

- Passion
- Spirit of Partnership
- Excellence
- Innovation
- Integrity
- Responsibility
- Professionalism
- Pride

# REGULATORY PRINCIPLES

- Transparency
- Neutrality
- Consistency and Predictability
- Independence
- Accountability
- Integrity
- Efficiency

# **NERSA MANDATE (1)**

NERSA's mandate is anchored in:

- 4 Primary Acts:
  - National Energy Regulator Act, 2004 (Act No. 40 of 2004)
  - Electricity Regulation Act, 2006 (Act No. 4 of 2006)
  - Gas Act, 2001 (Act No. 48 of 2001)
  - Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)
- 3 Levies Acts:
  - Gas Regulator Levies Act, 2002 (Act No. 75 of 2002)
  - Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004)
  - Section 5B of the Electricity Act, 1987 (Act No. 41 of 1987)



## **NERSA MANDATE (2)**

- **3 Facilitating Acts:**
  - Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)
  - Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)
  - Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA)

## REGULATORY FUNCTIONS

Electricity Regulation	Petroleum Pipelines Regulation	Piped Gas Regulation
<b>Licensing :</b> Generation, Transmission , Distribution, Import & Export, and Trading	<b>Licensing :</b> Petroleum pipelines Operation, Construction, Storage and Loading	<b>Licensing:</b> Piped gas Construction, Conversion, Operation and Trading
<b>Tariffs and Price :</b> Setting or approval	<b>Tariffs and Price:</b> Setting or approval	<b>Tariffs and Price:</b> Approve maximum prices, Monitor/Approve and if necessary regulate tariffs
Setting of Licence conditions and Standards	Setting of Licence conditions and Standards	Setting of Licence conditions and Standards
Monitoring, Compliance and Dispute Resolution	Monitoring, Compliance and Dispute Resolution	Monitoring, Compliance and Dispute Resolution
Issuing Rules	Issuing Rules	Issuing Rules

# Mandate for Dispute Resolution

Section 30 (1) (c) of the Electricity Regulation Act, No. 4 of 2006 (ERA) mandates the Regulator “to Intervene in disputes between suppliers and their respective customers and between suppliers themselves ... or any other matter in respect of which a licensee or its customer requests the Regulator to act as mediator”.

# **Mission of the Dispute Resolution Unit**

To promote excellent service delivery in the ESI by facilitating timeous resolution of complaints, entrenching good working relationships between suppliers and customers and advocating for the protection of interests of both customers and suppliers.

# Core Functions

- Promote effective and efficient service delivery in the ESI.
- To facilitate the resolution of complaints received from customers and suppliers.
- Advocate for the protection of needs and interests of customers and suppliers.
- Identify and address gaps that impact on the regulation of customer service in the energy industry.

## Core Functions (Continue)

- Monitor quality of service rendered by licensees and liaise with Compliance Audit Team if need be. For example, if too many complaints are received from City Power regarding frequent power interruptions – the Audit Team will be made aware.

# Principles and Activities

- To protect consumers through effective investigations of complaints in the industry.
- Investigation of complaints and unfair practices that do not comply with existing legislation.
- Identifying need for the development of appropriate service standards i.e. NRS047 ...
- Ensure the balancing of interests of both parties.

# Call Centre

- Screen calls and direct them accordingly.
- Electricity related complaints also screened i.e. tariff related enquiries are handled by them.
- Complaints which require investigation are directed to the Dispute Resolution Team.
- The process begins – complaint recorded, allocated to the Team member, liaise with the utility ...(see Schematic Workflow Process)



# Case Management System

- Upon allocation of a complaint
- Officer captures the complaint in the system
- Complaints are resolved within 120 days
- Once captured, the system starts counting.
- In the process of sourcing another system – more proactive one – will issue acknowledgment notifications, will continuously update the customer where the process is.

# Connection with utilities

- NERSA official will contact the respective utility (licensee) in pursuit of getting the matter resolved.
- Schedule a meeting with the utility and customer if the matter cannot be resolved by telephone and emails.
- For example – under billing, 5 digits instead of 6
- How complaints are resolved structure ...

# Challenges

- Licensees continue to be uncooperative.
- Enforcement of compliance on Resellers/ Traders of electricity remains a challenge due to the ERA's being silent on how they should be regulated.
- Un-implementable punitive measures continue to disservice the Unit, Department and the organisation at large.

## CONCLUSION

- In executing its regulatory mandate the Energy Regulator:
  - endeavours to balance the interests of regulated entities and end consumers;
  - acts within its governing legislation and published government policy.
  - takes into account its regulatory principles.
  - ensures that it contributes towards national goals.
- NERSA recognizes the need for regional coordination and integration to support socio-economic development in the region.

# Thank You

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