

3 February 2022

Attention: The Chief Executive Officer  
Nomalanga Sithole  
National Energy Regulator of South Africa  
Email: [info@nersa.org.za](mailto:info@nersa.org.za)  
CC: [Phumzile.Nkosi@nersa.org.za](mailto:Phumzile.Nkosi@nersa.org.za); [publichearings@nersa.org.za](mailto:publichearings@nersa.org.za)

And to: Regulator Member for Electricity  
Mr Nhlanhla Gumede  
National Energy Regulator  
of South Africa  
Email: [nhlanhla.gumede@nersa.org.za](mailto:nhlanhla.gumede@nersa.org.za)

Dear Sir,

**KARPOWERSHIP GAS LICENCE APPLICATIONS**

**OUR REF: EN2107-027**

**YOUR REF: UNKNOWN**

1. We refer to the above and more specifically to the applications purportedly made by Karpowership ("the applications"), to operate a re-gasification facility (reference number Gala.r.F3/1735/2021), to trade in gas (reference number Gala.Tr.F1/1748/2021), to operate a gas storage facility (reference number Gala.s.F3/1739/2021), to construct a gas distribution facility (reference number Gala.d.F1/1744/2021), to operate a gas distribution facility (reference numbers Gala.d.F3/1744/2021, Gala.d.F3/1742/2021 and Gala.d.F3/1747/2021).
2. Some but not all of the above-mentioned applications were brought to the public's attention over the festive period (which we construe as mala fide), but the platforms on which this information was communicated was effectively accessible only through means of subscription to such platform or purchase of a physical copy in a limited geographical distribution area.

**ORGANISATION UNDOING TAX ABUSE NPC**

Reg No.: 2012/064213/08

**Directors:** WL Duvenage (CEO), Adv. S Fick,

**Non-Executive Directors:** W Modisapodi (Chair), P Majozi, LJJ Pauwen, F Adam, T Pillay Van Graan, Dr H Volmink

**CONTACTS:** 087 170 0639 • info@outa.co.za • www.outa.co.za

3. We became aware of adverts related to five of the applications (Gala.r.F3/1735/2021, Gala.Tr.F1/1748/2021, Gala.s.F3/1739/2021, Gala.d.F1/1744/2021 and Gala.d.F3/1744/2021) published on 23 December 2021 in the Daily Dispatch, which is coincidentally two days before Christmas. It is common cause that the vast majority of the public reclused for the December break to spend time with family and partake in the festivities. We note also that the Daily Dispatch is a regional publication. We are concerned that the National Energy Regulator of South Africa (“NERSA”) may have utilised this timeframe to solicit as little as possible public comment as to streamline the process of approving the applications before the effective date of May 2022.
4. The adverts for these five applications ran again on 24 and 28 December 2021. One of these adverts (for Gala.d.F1/1744/2021) ran again on 17 and 18 January 2022.
5. At no point in time were the applications themselves made available for public consumption during the December period.
6. The adverts published in December all stated that the full applications were available on the NERSA website on the address <https://www.nersa.org.za/piped-gas-overview/piped-gas-consultation/> However, the applications were not available on that link. As of 28 January 2022, they are still not available on that link. We also searched the NERSA website during December and early January could not find any of these applications.
7. The advert on 17 and 18 January (Gala.d.F1/1744/2021) provided a different website address for the full application: <https://www.nersa.org.za/piped-gas-overview/piped-gas-licences/> However, only three applications (Gala.d.F3/1747/2021, Gala.d.F3/1742/2021 and Gala.d.F3/1744/2021) are available on this link, and we were unable to find adverts relating to public comment process for two of these applications (Gala.d.F3/1747/2021, Gala.d.F3/1742/2021).
8. A further search of the NERSA website after 18 January turned up another 11 Karpowership applications for LNG storage licences (Gala.s.F3/1740, Gala.s.F3/1738/2021, Gala.s.F3/1739/2021), for regasification licences (Gala.r.F3/1736/2021, Gala.r.F3/1737/2021 and Gala.r.F3/1735/2021), for construction of distribution facilities (Gala.d.F1/1742/2021, Galad.F1/1746/2021 and

Gala.d.F1/1746/2021), for a gas trading licence (Gala.Tr.F1/1748/2021), for the construction of a distribution facility (no licence number provided). Not all of these applications could be linked to adverts for public comment.

9. We have noted that the applications referred to in paragraph 8 appear to have been uploaded to NERSA's website on or after 18 January 2022. We searched the website that morning and found nothing; hours later applications had been loaded.
10. We have been unable to find adverts for any of these applications in the Government Gazette, as we would have expected.
11. We note also that these applications are for facilities in different parts of the country but are of national importance and interest. We thus believe that these applications should have been clearly and coherently advertised in such a way that both those who live in the areas where facilities are planned and anyone else anywhere else in South Africa with an interest in this matter would reasonably have been able to see adverts for the full set of applications, with a clear and reasonable public consultation period which did not include the shutdown period from mid-December to mid-January.
12. In light of the above, we kindly request that you provide clarity on which applications are open for public comment, the deadline by when the public is to comment on the applications and whether such deadline has been formally gazetted.
13. We reiterate that we are disappointed in NERSA's approach to call for public participation during a period which the vast majority of citizens are oblivious to NERSA's operations.
14. As you may be aware, we made a formal objection to Karpowership's applications for generation licences for Coega, Saldanha Bay and Richards Bay on 13 August 2021. Chirs Yelland accordingly made an oral presentation on our behalf on 19 August 2021. In light of such submission, we wish to emphasise the fact that at the time of writing this letter, Karpowership has failed to meet the proposed financial closure deadline, which has now been extended to 31 March 2022. Therefore, we urge NERSA to take cognisance hereof in any subsequent (and pending) licence applications made by Karpowership.

15. We trust that you find the above in order and look forward to hearing from you.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Stefanie Fick', written over a horizontal line.

**Stefanie Fick**  
**Executive Director of the Accountability and**  
**Public Governance Division**  
**OUTA – Organisation Undoing Tax Abuse**  
Email: [stefanie.fick@outa.co.za](mailto:stefanie.fick@outa.co.za)