
GENERAL NOTICES

NOTICE 1517 OF 2009

Department of Energy

DRAFT WORKING RULES TO SET THE MONTHLY MAXIMUM WHOLESALE AND RETAIL PRICE FOR LIQUEFIED PETROLEUM GAS FOR PUBLIC COMMENTS

1. I, Ms. Dipuo E Peters, Minister of Energy, hereby invite comments to be submitted to the Department on the working rules to set monthly maximum wholesale and retail price for Liquefied Petroleum.
2. Comments must be submitted in writing.
3. Comments can be hand-delivered, posted, facsimiled or e-mailed to the Department.
4. Physical address: Department of Energy
Mineralia Centre
234 Visagie Street (c/o Andries and Visagie)
Pretoria
5. Postal address: Department of Energy
Private Bag X59
Pretoria
0001
For attention of
Mr. Letladi Phaahlamohlaka, Room F402;
or
Mr. Jabulani Ndlovu, Room F415
6. Facsimile Number: (012) 317 8961
7. E-mail address: Letladi.Phaahlamohlaka@dme.gov.za
Jabulani.ndlovu@dme.gov.za
8. Comments must be submitted to the Department of Energy not later than 16h30, 07 December 2009.

DRAFT WORKING RULES TO SET THE MONTHLY MAXIMUM WHOLESALE AND RETAIL PRICES FOR LIQUEFIED PETROLEUM GAS (LPGas)

The maximum retail price for a kilogram of LPGas in each LPGas pricing zone will include the following pricing elements:

- Maximum Refinery Gate Price (MRGP) for LPGas;
- Primary transport costs (zone differential);
- Operating expenses;
- Working capital;
- Depreciation
- Final distribution costs;
- Wholesale margin; and
- Retail margin.

2. Maximum Refinery Gate Price

- 2.1 The Maximum Refinery Gate Price (MRGP) of LPGas will be determined in line with Regulation No. 1029 of 31 July 2002.
- 2.2 The MRGP of LPGas is based on the average monthly Basic Fuels Price (BFP) of 93 octane Lead Replacement Petrol (LRP). The BFP of 93 LRP is calculated in **South African cents per litre** in line with the Working Rules to administer the Basic Fuels Price.
- 2.3 The price of 93 LRP in South African cents per litre is converted to an LPGas price in South African Rands per ton as follows:
$$\text{Basic Fuels Price of 93 LRP in Rands per litre} \div 0.75 \times 1000 \text{ less } R74.00/\text{ton} = \text{Rands per ton.}$$
- 2.4 The maximum refinery gate price/kg is determined as follows:
 - $\text{Maximum refinery gate price per ton} \div 1000 = \text{Maximum refinery gate price per kg.}$

3. Primary transport cost (zone differential)

Primary transport refers to the transportation of LPGas in bulk to a cylinder-filling plant from the nearest coastal refinery. Bulk LPGas is transported by rail or road. The most cost efficient mode of transport will be used to determine the primary transport costs in each of the LPGas pricing zones and these rates will be adjusted annually from the first Wednesday in April each year and be published on the website of the Department of Energy.