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Ref: NER/D/MP 324: 2020/21

Mr M.D Ngwenya
Municipal manager
Nkomazi Municipality
Malelane
Private Bag X101
1320

Per E-mail: dan.ngwenya@nkomazi.gov.za; dan.ngwenya01@gmail.com
Cc: Themba.mashabane@nkomazi.gov.za

Dear Mr Ngwenya

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2020– 30 JUNE 2021

Your application dated 06 June 2020 refers.

The Energy Regulator at its meeting held on 14 May 2020 approved the guideline increase of 6.22% for municipalities applicable for 2020/21 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2020 - 30 June 2021 and approved the tariffs as follows:

1.1 DOMESTIC PREPAID

- Energy charge: 188.30 c/kWh

1.2 DOMESTIC CONVENTIONAL

- Basic charge: R 177.40 /month
- Energy charge: 161.89 c/kWh



Regulator Members: Mr JRD Modise (Chairperson) Ms MMD Nkomo (Deputy Chairperson) *Mr C Forlee (Chief Executive Officer)
Mr Y Adam *Mr N Gumede *Ms N Maseti *Mr MW Mkhize Mr FK Sibanda
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

2.1 COMMERCIAL SINGLE PHASE

- Basic charge: R566.86 /month
- Energy charge: 188.15 c/kWh

2.2 COMMERCIAL CONSUMERS-THREE PHASE

- Basic charge: R 978.20 /month
- Energy charge: 175.70 c/kWh

3.INDUSTRIAL CUSTOMERS-TOWN

- Basic charge: R 1 495.64 /month
- Energy charge: 116.11 c/kWh
- Demand charge: R 227.73 /kVA

4.DEPARTMENTAL

- Energy charge: 175.78 c/kWh

The Energy Regulator further directs as follows:

- the municipality must submit to NERSA a report on Specific, Measurable, Achievable, Realistic and Time bound (S-M-A-R-T) energy losses reduction plan which will ensure that energy losses are reduced to the benchmarks. An appropriate budget needs to be allocated and spent in support of this. The implementation of this plan, together with its budget must be monitored on a quarterly basis and report to NERSA bi-annually commencing 30 September 2020.
- the municipality's expenditure for R&M to be increased to 6% as per the NERSA guidelines.

Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004), National Energy Regulator is entrusted to perform all the functions that the National Electricity Regulator used to perform, and amongst others, to review and approve tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariffs without approval of the Energy Regulator is a contravention of the license conditions issued to you.



It is therefore important that provision is made in your planning / budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration.

Should you have any enquiries please do not hesitate to contact Ms Tabisa Nkopo (012) 401 4660 or email: tabisa.nkopo@nersa.org.za.

Yours Sincerely,



Nomalanga Sithole
Acting Chief Executive Officer

Date: 09/07/2020