

Mr L Mahlaka  
**The Municipal Manager**  
Mbizana Local Municipality  
P O Box 12  
MBIZANA  
8430

Per Email: [morlocks@mbizana.org.za](mailto:morlocks@mbizana.org.za)

Dear Mr Mahlaka,

## ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2017 – 30 JUNE 2018

Your correspondence dated 9 May 2017 refers.

The Energy Regulator at its meeting held on 13 April 2017 approved the guideline increase of 1.88% for municipalities applicable for 2017/18 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2017 - 30 June 2018 and approved the tariffs as follows:

### DOMESTIC TARIFFS

- **Domestic Prepaid**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50 kWh)	86.20
Block 2 (51 – 350 kWh)	109.66
Block 3 (351 – 600 kWh)	155.38
Block 4 (>600)	183.26

- **Domestic Conventional**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50 kWh)	86.20
Block 2 (51 – 350 kWh)	109.66
Block 3 (351 – 600 kWh)	155.38
Block 4 (>600)	183.26
Basic Charge R/month	172.64

### COMMERCIAL TARIFFS

- **Commercial Prepaid & Conventional - 1Phase**

- Basic charge: R365.20/month
- Energy charge: 160.21c/kWh

- **Commercial Prepaid & Conventional - 3Phase**

- Basic charge: R679.07/month
- Energy charge: 152.72c/kWh

### INDUSTRIAL TARIFFS

- **Large Power User (>100kVA)**

- Basic Charge: R1 148.72/month
- Energy charge: 75.01c/kWh
- Demand charge: R198.44/kVA

The Energy Regulator further directs as follows:

1. That the municipality put measures in place to address the high level of losses to bring them in line with NERSA benchmarks. A detailed plan on how this would be achieved must be submitted to NERSA by 30 September 2017.
2. The municipality must start engaging with Eskom in an effort to migrate from a Nightsave Rural tariff to a less expensive tariff.

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 Maria Matlhaku in the Electricity Pricing and Tariffs Department on (012) 401 4056 or email: [maria.matlhaku@nersa.org.za](mailto:maria.matlhaku@nersa.org.za)

Yours sincerely,

  
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Chris Forlee  
**Chief Executive Officer**

Date: 2017/06/02