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Ref. NER13/5DEL – 2016/17

Mr F Mashele
Acting Municipal Manager
Victor Khanye Local Municipality
P O Box 6
DELMAS
2210

Fax: (013) 665 2913

Dear Mr Mashele

ELECTRICITY TARIFFS FOR THE PERIOD 01 JULY 2016 – 30 JUNE 2017

Your application dated 11 May 2016 refers.

The Energy Regulator at its meeting held on 14 April 2016 approved the guideline increase of 7.64% for municipalities applicable for the 2016/17 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 01 July 2016 - 30 June 2017 and approved the tariffs as follows:

Domestic Prepaid

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0 - 50 kWh)	72.36
Block 2 (51 – 350 kWh)	105.45
Block 3 (351 – 600 kWh)	132.28
Block 4 (>600kWh)	155.63

Domestic Conventional

Tariff blocks	c/kWh
Block 1 (0 - 50 kWh)	83.68
Block 2 (51 – 350 kWh)	107.38
Block 3 (351 – 600 kWh)	152.17
Block 4 (>600kWh)	178.68

Basic charge (R/month)	136.35
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Commercial Tariffs

Commercial Single Phase 70A

- o Basic charge: R 641.42/month
- o Energy charge: 139.96 c/kWh

Commercial Conventional low

- o Basic charge: R 2 877.96/month
- o Energy charge: 91.26 c/kWh
- o Demand Charge: R 170.36/kVA

Commercial Three Phase 100A

- o Basic charge: R 1 013.58/month
- o Energy charge: 126.33 c/kWh

Industrial

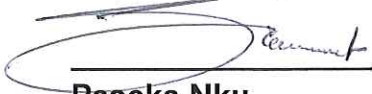
- o Basic charge: R 4 809.16/month
- o Energy charge: 91.99 c/kWh
- o Demand Charge: R 201.97/kVA

The Energy Regulator further directs that the municipality must increase its spending on repairs and maintenance in order to assist in reducing the high energy losses and maintaining a sustainable electricity supply system.

Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004) the National Energy Regulator is entrusted to perform all the functions that the National Electricity Regulator used to perform, and amongst others, to the review and approve of tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariffs without the 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 Mr Thabo Tshabalala in the Electricity Pricing and Tariffs Department on (012) 401 4725 or email thabo.tshabalala@nersa.org.za

Yours Sincerely



Paseka Nku
Acting Chief Executive Officer

Date: 23/06/2016