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Ref. NER13/5DEL - /2015/16

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 2015 – 30 JUNE 2016

Your application dated 19 May 2015 refers.

The Energy Regulator at its meeting held on 29 January 2015 approved the guideline increase of 12.20% for municipalities applicable for 2015/16 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 01 July 2015 – 30 June 2016 and approved the tariffs as follows:

Domestic Tariffs

- Domestic Prepaid

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0 - 50 kWh)	67.88
Block 2 (51 – 350 kWh)	98.00
Block 3 (351 – 600 kWh)	122.89
Block 4 (>600kWh)	144.58

- **Domestic Conventional**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0 – 50 kWh)	78.50
Block 2 (51 – 350 kWh)	99.80
Block 3 (351 – 600 kWh)	141.37
Block 4 (>600kWh)	166.00

- Basic charge: R126.67/month

Commercial Tariffs

- **Commercial Conventional (Single phase 70A)**

- Basic charge: R595.90/month
- Energy charge: 130.03c/kWh

- **Commercial Conventional - Low**

- Basic charge: R2699.78/month
- Energy charge: 85.61/kWh
- Demand Charge: R159.81/kVA

- **Commercial Conventional (Three phase 70A)**

- Basic charge: R941.64/month
- Energy charge: 117.36c/kWh

Industrial Tariffs

- Basic charge: R4467.82/month
- Energy charge: 85.46c/kWh
- Demand Charge: R187.63/KVA

The Energy Regulator further directs that the municipality's budget for repairs and maintenance must be increased to 6% of revenue generated from electricity sales in order to ensure a sustainable electricity supply system.

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 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: 11/1/2015