

Mr G H Akharwaray
The Municipal Manager
Sol Plaatjie Municipality
Private Bag X 5030
KIMBERLY
6600

Per Email: GAKharwaray@solplaatjie.org.za

Dear Mr Akharwaray,

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

Your correspondence dated 28 April 2017 refers.

The Energy Regulator at its meeting held on the 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 (Houses, churches, schools, halls and charities)

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50 kWh)	125.10
Block 2 (51 – 350 kWh)	171.51
Block 3 (351 – 600 kWh)	185.56
Block 4 (>600 kWh)	196.81

Public Benefit Activities and Schools

- Energy Charge: 176.25c/kWh

Commercial Tariffs

Commercial Conventional and Prepaid

- Energy charge: 206.68c/kWh

Industrial Tariffs

Large Power Users

Time-of-use Tariff

- Basic charge: R3 229.34/month
- Network access charge: R42.47/kVA
- Demand charge: R125.28/kVA

Energy charges:

Low Season

- Peak: 177.20c/kWh
- Standard: 94.50c/kWh
- Off-peak: 80.00c/kWh

High Season

- Peak: 368.11c/kWh
- Standard: 125.58c/kWh
- Off-peak: 90.02c/kWh

The Energy Regulator further directs that:

- the municipality must improve its efficiencies by addressing the high energy losses instead of increasing the tariffs;
- provide NERSA with a progress report on the reduction of energy losses on a quarterly basis commencing on 30 September 2017;
- the municipality must undertake a cost of supply study with a view to restructure all their tariffs in terms of structure and levels to be finalized by 2018/19;
- the municipality is instructed to restructure the domestic tariff structure and levels. All domestic customers are charged the same rate; there is no provision for different rates for indigents;
- there is only one single rate for commercial customers, the municipality must restructure this tariff category to introduce a basic charge and lower the energy rates; and
- the municipality must introduce of a three part tariff that has basic, energy and demand charges is recommended for industrial customers.

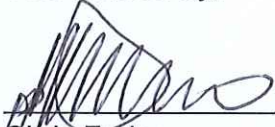
Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004) the National Energy Regulator is entrusted to perform all the functions that the National Electricity

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 important that provision is made, in your future planning/budget cycle, for enough 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 Lehuma Masike in the Electricity Pricing and Tariffs Department on (012) 401 4724 or email lehuma.masike@nersa.org.za

Yours sincerely,



Chris Forlee

Chief Executive Officer

Date: 02/06/2017