NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

Decision and Reasons for Decision (RfD)

In the matter regarding the

Municipal Tariff Application for the 2026/27 Financial Year

By

Mafube Local Municipality

THE DECISION

At its meeting held on 6 May 2026, the Regulator Executive Committee (REC) considered the Mafube Local Municipality's tariff application. Based on the facts and evidence presented, the REC approved the tariff increases for the 2026/27 financial year, as set out below.

1. to approve the tariffs that are based on the cost of study (COS) study, as recommended in the tariff analysis section, for implementation by the municipality with effect from 1 July 2026; and
2. that the municipality must submit a report accounting for all the costs identified in its COS study to enable the National Energy Regulator of South Africa to perform its independent verification or audit process by 31 January 2027.

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ABBREVIATIONS AND ACRONYMS

COS	Cost of Supply
D-form	Distribution form
ERTSA	Eskom Retail Tariff Structural Adjustments
FBE	Free Basic Electricity
IBT	Inclining Block Tariff
IPP	Independent Power Producer
LM	Local Municipality
MFMA	Municipal Finance Management Act
NERA	National Electricity Regulation Act
NERSA	National Energy Regulator of South Africa
OPEX	Operating Expenditure

1. INTRODUCTION

1.1. The National Energy Regulator of South Africa (NERSA) receives and considers tariff applications on a yearly basis, in accordance with the mandate of the Energy Regulator to regulate prices and tariffs. Municipal tariffs must be approved by the Energy Regulator to be implemented on 1 July of each financial year.

1.2. The Mafube Local Municipality (Mafube LM) has a population of 57 574, and the rest of the socio-economic information is listed in Table 1 below. The licensee provides 50 kWh Free Basic Electricity (FBE) to 2 616 indigent customers.

Table 1: Customer statistics (data obtained from 2024/25 D-forms)

	2024/25		
Customer categories	**MWh**	**% MWh**	**Customer numbers**
Domestic (Prepaid)	20 153	31%	12 778
Domestic (Conventional)	2 502	4%	287
Manufacturing	30 204	46%	30
Commercial (Prepaid)	101	0%	44
Commercial (Conventional)	6 260	10%	271
Street Lighting	769	1%	
Own Use	49	0%	1
Sold to Other Departments	4 507	7%	4
Other Consumers	971	1%	43
TOTAL	**65 516**	**100%**	**13 458**
Free Basic Electricity	**684**	**3,02%**	**2 516**

1.3. NERSA received the Mafube Local Municipality's tariff application and its cost of supply (COS) study on 31 March 2026. The municipality indicated that it had consulted affected stakeholders and that its Council approved the proposed tariff increases. Proof of consultation was submitted.

1.4. NERSA followed the notice and comment consultation process. The Mafube LM's tariff application was published on 31 March 2026 on the NERSA website,

on social media platforms and in national and local newspapers to solicit written comments from affected parties.

1.5. NERSA's decision was made on 6 May 2026, considering the written comments received from the affected stakeholders and the analysis performed by NERSA.

2. LEGAL AND REGULATORY FRAMEWORK

2.1. Background

2.1.1. The approval of municipal electricity tariffs constitutes a core regulatory function of the Energy Regulator and must be exercised in accordance with the applicable legislative framework, national policy directives and court orders. The principal legal instruments governing the exercise of this regulatory authority include the National Energy Regulator Act, 2004 (Act No. 40 of 2004) (NERA), the Electricity Regulation Act, 2006 (Act No. 4 of 2006) as amended ('the ERA'), the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA) and the Electricity Pricing Policy for the South African Electricity Supply Industry, 2008 (EPP).

2.1.2. The approval of municipal electricity tariffs follows the Eskom Multi-Year Price Determination and Eskom Retail Tariff and Structural Adjustment decision and is undertaken annually to align with the municipal budgeting process contemplated in the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2.1.3. In addition, the municipal tariff approval process has recently been the subject of judicial scrutiny in the High Court of South Africa (Gauteng Division, Pretoria) in AfriForum NPC v National Energy Regulator of South Africa and Others (Case No. 2025/137620), which resulted in structural directives governing the timing and conduct of NERSA's tariff approval process.

2.1.4. This section provides the legal and policy context within which the Energy Regulator evaluated and determined the municipal electricity tariff application for the 2026/27 municipal financial year.

2.2. NERSA's Statutory Mandate

2.2.1. NERSA is established as a juristic person in terms of section 3 of NERA. In terms of section 4 of NERA, the Energy Regulator, as the decision-making body, must regulate the electricity industry and execute the functions set out in the ERA. The electricity regulatory mandate of the Energy Regulator is therefore primarily governed by the ERA. Section 3 of the ERA particularly provides that the Energy Regulator is the custodian and enforcer of the national electricity regulatory framework and exercises regulatory authority over activities regulated under the ERA.

2.2.2. In particular:

a) section 4(a)(i) of the ERA provides that the Energy Regulator must consider applications for licences and may issue licences subject to conditions;
b) section 4(a)(ii) of the ERA provides that the Energy Regulator must regulate prices and tariffs; and
c) section 14(1)(d) of the ERA authorises the Energy Regulator to impose licence conditions relating to the setting or approval of prices, charges, rates and tariffs charged by licensees.

2.2.3. Municipalities distributing electricity do so under electricity distribution licences issued by the Energy Regulator and are therefore subject to the tariff approval framework established under the ERA.

2.3. Tariff Determination Principles under the ERA

2.3.1. When determining or approving electricity tariffs, the Energy Regulator must apply the principles contained in section 15(1) of the ERA.

2.3.2. Section 15(1) provides that the Energy Regulator:

a) must enable an efficient licensee to recover the full cost of the licensed activity;
b) must allow for a reasonable return commensurate with the risk of the licensed activity;
c) may provide incentives for continued improvement of technical and economic efficiency;
d) must avoid undue discrimination between customer categories;
e) may permit cross-subsidies of tariffs to certain classes of customers; and
f) may have regard to the need to ensure security of supply, diversity of supply and the promotion of renewable energy.

2.3.3. These statutory requirements form the core legal principles guiding the determination of electricity tariffs within the South African electricity supply industry.

2.4. Administrative Law Requirements

2.4.1. The approval of municipal electricity tariffs constitutes administrative action as defined in section 1 of the PAJA. Accordingly, the Energy Regulator must ensure that its tariff determinations are lawful, reasonable and procedurally fair as required by sections 3 and 6 of PAJA. Procedural fairness requires that affected parties and the public be afforded a reasonable opportunity to make representations before a final decision is taken.

2.4.2. Therefore, public participation processes conducted by the Energy Regulator form an essential component of the municipal tariff approval process and are intended to ensure transparency, accountability and fairness in regulatory decision-making.

2.5. Policy Framework: Electricity Pricing Policy (2008)

2.5.1. In addition to the statutory framework, the Energy Regulator must have regard to the EPP. The EPP establishes national policy principles for electricity tariff setting, including cost reflectivity, transparency, economic efficiency and equity.

2.5.2. Policy Position 1 of the EPP provides that the revenue requirement for a regulated licensee must be set at a level that covers the full cost of production, including a reasonable risk-adjusted margin or return on appropriate asset values.

2.5.3. Policy Position 2 states that electricity tariffs must reflect the efficient cost of rendering electricity services accurately and that the average level of tariffs must be set to recover the approved revenue requirement.

2.6. Cost of Supply Studies

2.6.1. The EPP recognises that cost-reflective tariff structures require a sound understanding of the underlying cost drivers associated with electricity distribution.

2.6.2. Paragraph 8.1 of the EPP notes that COS methodologies have historically not been consistently applied across the electricity distribution industry.

2.6.3. Policy Position 23 requires electricity distributors to undertake COS studies at least every five years, or when significant structural changes occur in the customer base or cost structure.

2.6.4. Such studies must be conducted in accordance with the methodology approved by NERSA and must accompany tariff structure applications submitted to the Energy Regulator.

2.7. Judicial Oversight of the Tariff Approval Process

2.7.1. The municipal tariff approval process administered by NERSA was the subject of litigation in AfriForum NPC v National Energy Regulator of South Africa and Others (Case No. 2025/137620) before the High Court of South Africa, Gauteng Division, Pretoria.

2.7.2. In its final judgment delivered on 4 December 2025, the Court held that NERSA's public participation process relating to the 2025/26 municipal tariff approvals did not comply with the procedural requirements of section 4 of PAJA and was therefore unlawful.

2.7.3. However, recognising the potentially disruptive consequences of setting aside tariff determinations already implemented by municipalities, the Court declined to invalidate the tariffs. Instead, to assist in the timeous and lawful approval of municipal tariffs, the Court issued a structural interdict regulating the municipal tariff approval process going forward.

2.7.4. NERSA subsequently launched a variation application seeking to vary the timelines set by the Court on 4 December 2025 in light of practical difficulties that arose in relation to NERSA's compliance with the Court order. The Court,

having heard NERSA's application, granted the variation application in respect of the fixed deadlines for the 2026/27 municipal tariff approvals.

2.8. Court-Directed Timelines

2.8.1. The timelines below are applicable in respect of the 2026/27 municipal tariff approvals:

a) Written notice of bulk tariffs must be communicated by 6 March 2026.
b) Municipal tariff applications must be submitted by 31 March 2026.
c) Public participation processes must be concluded by 21 April 2026.
d) NERSA decisions must be published by 11 May 2026.

2.8.2. Municipal tariff approvals from 2027/28 must comply with the following timelines:

a) Written notice of bulk electricity tariffs must be communicated by 31 January each year.
b) Municipal tariff applications must be submitted to NERSA by 20 March each year.
c) Municipal tariffs and the tariff reasons for decision documents must be approved and published by 5 May of each year.

2.9. Conclusion

2.9.1. The determination of municipal electricity tariffs by the Energy Regulator must therefore be undertaken within a comprehensive regulatory framework consisting of the NERA, ERA, PAJA, EPP and the binding judicial directives issued by the High Court in AfriForum NPC v NERSA (Case No. 2025/137620).

2.9.2. The reasons that follow in this reasons for decision document demonstrate how the Energy Regulator complied with the legislative, policy and judicial framework in determining the municipal electricity tariff for the 2026/27 municipal financial year.

3. FINANCIAL AND TECHNICAL PERFORMANCE

3.1. In evaluating the financial and technical performance of Mafube LM, the assessment relied on the 2024/25 Distribution forms (D-forms) submitted as part of the licensee's tariff application. The information contained in the D-forms was verified against the supporting source documents provided by the municipality, including the trial balance and annual financial statements. As a result, the data captured in the D-forms is considered reliable for the purposes of the tariff analysis.

3.2. Mafube LM's electricity business operated without a surplus in the 2024/25 financial year, declining from a surplus of 0.56% in the 2023/24 financial year. The deficit was primarily driven by increased expenditure, mainly attributable to interest charged by Eskom, as well as higher repairs and maintenance costs and rising energy losses.

3.3. Table 2 below reflects Mafube LM's performance indicators. The municipality's energy losses decreased to 6.06% in the 2024/25 financial year, from 6.56% in the 2023/24 financial year. Total energy purchases and sales have remained relatively stable over the period under review, indicating consistent operational activity within the municipality. Energy losses have also been contained within a narrow band of approximately 5% to 7% since the 2013/14 financial year, reflecting a stable loss profile.

Table 2: Performance indicators

Performance Indicators: Obtained from the D-Form		
Indicators	**2023/24**	**2024/25**
Percentage Surplus (Deficit)	**0,56%**	**0,00%**
Percentage Energy Losses	**6,56**	**6,06**

3.4. Based on the information provided by the municipality, the financial performance of the electricity department shows signs of improvement. However, its financial (surplus) indicators remain below the generally acceptable range of 10% to 20%, indicating that the level of financial sustainability is still constrained.

4. DETERMINATION OF MAFUBE LM'S TARIFFS BASED ON THE COS STUDY

Analysis of Cost Data

4.1 The Mafube Local Municipality submitted its COS study, which supported the implementation of tariffs approved in the 2024/25 financial year. The municipality's COS study included all requirements of NERSA's approved COS Framework (i.e. revenue requirement, cost functionalisation, cost classification, cost allocation and rate setting).

4.2 Section 18.7 of the October 2023 NERSA-approved Cost of Supply Framework states that:

> *An adjustment index will be issued to licensees to allow them to submit the tariff applications, which will be used to determine the costs that must increase with CPI, purchase costs, and other OPEX. Where annual plans, such as repairs and maintenance, and CAPEX plans, have been assessed and approved by NERSA, these can be adjusted based on that.*

4.3 In line with section 18.7 mentioned above, Table 4 below was developed, and the definition of the columns is as follows:

i. Column 1 is the actual 2023/24 licensee's performance and is sourced from the D-forms that are based on the audited annual statements.

ii. Column 2 is for the 2024/25 revenues and electricity volume that are the base for the 2025/26 tariffs. The figures were tested for reasonableness (since at the time of the approval, the figures were estimates) when the Energy Regulator considered and approved the

2025/26 COS base tariffs. Once the financial year ends, the actual figures will be verified using the audited statements.

iii. Column 3 is for the licensee's submitted 2025/26 budgeted figures to be tested for reasonableness for determining tariffs for the control period under review.

iv. Column 4 is for NERSA's recommended adjustments after considering the reasons, facts and evidence the licensee provided to motivate or justify the budgeted figures.

v. Column 5 is for NERSA's recommended amounts that sum up to allowable revenues the licensee must recover in the 2025/26 financial year (FY).

4.4 In determining the tariff adjustment applicable for FY2026/27, the licensee submitted its cost data based on budgeted operating expenditure and associated revenue requirements, in line with NERSA's methodology. The total allowable revenue requirement submitted amounts to R249.58 million for the 2026/27 tariff review period. No adjustment to energy losses has been made, as the reported losses fall within acceptable limits.

4.5 The submitted revenue requirement reflects an increase of 8.27% compared to the previous financial year. While the proposed tariff adjustment is expected to provide limited relief towards operational cost recovery, it does not fully mitigate the impact of historical under-recovery and may constrain the municipality's ability to achieve adequate financial sustainability going forward.

Table 3: Municipality's revenue requirement

Energy balance	Unit	Actual FY 2024/25 Costs	FY2025/26 Tariffs Costs per submitted COS	FY2026/27 budgeted Costs as per the Licensee
Sales	kWh	65 516 190	65 516 190	65 516 190
Eskom bulk purchases	kWh	57 860 606	56 779 705	56 779 705
Independent Power Producers Conventional	kWh		-	-
Independent Power Producers Renewable Energy	kWh	11 883 490	12 964 391	12 964 391
Self Generation	kWh		-	-
Other			-	-
Total Energy Requirements	**kWh**	**69 744 096**	**69 744 096**	**69 744 096**
Total Losses	kWh	4 227 905	4 227 906	4 227 906
Technical losses	kWh	4 227 905	4 227 906	4 227 906
Non-technical losses	kWh	0	0	0
Allowed losses	%	**6,06%**	**6,06%**	**6,06%**
Total Energy losses	%	6,06%	6,06%	6,06%
Cost drivers				
Energy purchases from Eskom	Rand	119 510 003	137 616 190	150 056 694
other energy purchases		15 409 003	19 354 429	20 949 234
total energy purchases		**134 919 006**	**156 970 619**	**171 005 928**
Cost of technical losses	Rand	8 178 825	9 515 601	10 366 425
Non-Technical Losses		-	0	0
Other energy purchases	Rand			
Capital expenditure	Rand	863 153	1 588 000	1 683 280
Operational expenditure (incl. Depreciati	**Rand**	**76 925 446**	**79 968 729**	**85 098 464**
General & Other	0	51 936 635	53 657 748	56 989 894
Salaries and allowances	Rand	8 340 485	8 840 914	9 389 935
Materials and supplies	Rand	3 361 801	3 513 082	3 731 244
Contracted Services	Rand	8 241 384	8 612 246	9 147 066
Salaries, wages and allowances (exclu. Repairs and	Rand	5 030 544	5 256 918	5 583 373
Payments to consultants (operational work)	Rand	16 469 827	16 469 827	17 492 603
Eskom debts interest	Rand			
Other creditors' interest		1 460 224	1 525 934	1 620 695
Depreciation	Rand	9 032 370	9 438 827	10 024 978
NMD exceedance penatlies	Rand	0	0	0
Shared OPEX	Rand	24 988 811	26 310 981	28 108 570
Bad debts (Allowance for Impairment)	Rand	1 032 877	1 032 877	1 126 249
FBE paid to Eskom	Rand			
Charges from other Municipal Departments	Rand			
General expenses		**23 955 934**	**25 278 104**	**26 982 321**
1. Fuel and Subsistence & Transport & Freight	Rand	1 297 165	1 355 537	1 439 580
2. Rentals and leases	Rand	1 329 010	1 388 816	1 474 923
3. Vending Commission & Bank administration/Com	Rand	3 121 349	3 264 810	3 467 228
4. Technology and software cost directly related to bulk of ele		12 442 563	13 002 478	13 808 632
5. Training, cash in transit, legal & external audit fees		1 381 256	1 443 413	1 532 905
6. Royalties	Rand	4 384 591	4 823 050	5 259 054
Total Expediture before surplus		220 023 277	246 454 949	266 470 816
Surplus	Rand			
Total Expenditure Including Surplus		220 023 277	246 454 949	266 470 816
Other revenues	Rand	**-14 316 846**	**-15 937 512**	**-16 893 763**
Reconnection fees	Rand	15 600	17 366	18 408
New connections	Rand	309 021	344 002	364 642
Free Basic Electricity (Equitable share)	Rand	0	0	0
Other non-supply based income	Rand	1 326 141	1 476 260	1 564 836
Interest received on outstanding debtors accounts	Rand	9 466 965	10 538 625	11 170 943
Bad Debt Recovered	Rand	3 199 119	3 561 259	3 774 935
	Rand		0	
	Rand			
	Rand		0	0
Total Allowable Revenue	**Rand**	**205 706 431**	**230 517 437**	**249 577 054**
increase required				***8,27%***

Sources: Approved Revenue (FY2024/25) and Budget (FY2025/26)

4.1. It is important to test the efficiency and prudency of the costs in the 2025/26 financial year since this is the most recently considered revenue in support of the approved tariffs during this period. This forms the basis on which costs for the 2026/27 financial year have been projected using assumptions to calculate revenue requirements for that year.

4.2. Furthermore, NERSA has verified all expense items included in the revenue requirements to ensure that they relate only to the electricity function of the licensee. In instances where expenses are deemed inflated or unjustified, these have been adjusted accordingly and expanded below.

Bulk Purchases

4.6 Bulk electricity purchases remain the primary cost driver for the municipality, accounting for more than 60% of total expenditure over the period under review. The cost of bulk energy has increased significantly from R134.92 million in 2024/25 to R171.01 million in 2026/27, representing a cumulative increase of approximately 26.7%. This increase has occurred despite relatively stable energy volumes, indicating that the upward cost pressure is largely driven by external tariff adjustments, particularly from Eskom, rather than changes in consumption.

4.7 In this context, the proposed 8.27% increase in allowable revenue for FY2026/27 is largely attributable to the escalation in bulk electricity purchase costs. The adjustment is therefore considered to be primarily cost-reflective, aimed at enabling the municipality to recover prudently incurred input costs. However, while the increase provides some relief, it remains moderate relative to the magnitude of bulk cost increases and is unlikely to fully address underlying financial sustainability challenges, including historical under-recovery and the absence of adequate surplus margins.

4.8 The Eskom bills were analysed, and there are no notified maximum demand (NMD) exceedance penalties charged. Furthermore, the municipality did not include an Eskom interest charge on the outstanding account.

Operating Expenditure (Including Depreciation)

4.9 Operating expenditure, including depreciation, reflects a moderate and controlled growth trajectory over the period under review. The declining proportion of OPEX relative to total costs indicates that the municipality's cost structure is increasingly driven by bulk electricity purchases rather than operational inefficiencies.

4.10 OPEX as a proportion of total costs shows a declining trend over the period under review, decreasing from 35.0% in FY2024/25 to 32.5% in FY2025/26 and further to 31.9% in FY2026/27.

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Table 4: Schedule of tariffs

1. Domestic Conventional: Single-Phase Time-of-Use Tariffs			2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Recommended % Increase	2026/27 Recommended Tariffs
Summer							
Basic Charge		R / month	203,08		220,00		220,00
Energy Charge	Peak	R / kWh	3,3461		3,6248		3,6248
Energy Charge	Standard	R / kWh	2,7783		2,8098		2,8098
Energy Charge	Off Peak	R / kWh	2,1508	8,39%	2,5300	8,39%	2,5300
Winter							
Basic Charge		R / month	203,08		220,00		220,00
Energy Charge	Peak	R / kWh	7,5016		8,1265		8,1265
Energy Charge	Standard	R / kWh	3,5256		3,6193		3,6193
Energy Charge	Off Peak	R / kWh	2,3305		2,7246		2,7246

2. Domestic Conventional: Three-Phase Time-of-Use Tariffs			2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Approved % Increase	2026/27 Approved Tariffs
Summer							
Basic Charge		R / month	544,91		590,30		590,30
Energy Charge	Peak	R / kWh	2,9865		3,3463		3,3463
Energy Charge	Standard	R / kWh	2,4849		2,4919		2,4919
Energy Charge	Off Peak	R / kWh	1,9236	9,48%	2,2839	9,48%	2,2839
Winter							
Basic Charge		R / month	544,91		590,30		590,30
Energy Charge	Peak	R / kWh	6,7090		7,6354		7,6354
Energy Charge	Standard	R / kWh	3,1532		3,2159		3,2159
Energy Charge	Off Peak	R / kWh	2,0843		2,4579		2,4579

3. Bulk Domestic Conventional: Three-Phase Time-of-Use Tariffs			2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Approved % Increase	2026/27 Approved Tariffs
Summer							
Basic Charge		R / month	1015,46		1100,05		1100,05
Energy Charge	Peak	R / kWh	3,3394		3,6176		3,6176
Energy Charge	Standard	R / kWh	2,7784		2,8099		2,8099
Energy Charge	Off Peak	R / kWh	2,1509	7,60%	2,5301	7,60%	2,5301
Winter							
Basic Charge		R / month	1015,46		1100,05		1100,05
Energy Charge	Peak	R / kWh	7,5016		8,1265		8,1265
Energy Charge	Standard	R / kWh	3,5258		3,6195		3,6195
Energy Charge	Off Peak	R / kWh	2,3305		2,7246		2,7246

4 & 5	**Domestic Prepaid: Single- and Three-Phase Flat Rate Tariffs**							
All Year				**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Energy Charge		0 – 100 kWh	R / kWh	2,4133	8,33%	2,6144	8,33%	2,6144
Energy Charge		101 - 250 kWh	R / kWh	3,1032		3,3617		3,3617
Energy Charge		> 250 kWh	R / kWh	4,3511		4,7136		4,7136
6 & 7 Domestic Prepaid: Single- and Three-Phase Time-of-Use Tariffs				**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Summer					9,27%		9,27%	
Energy Charge		Peak	R / kWh	3,5449		3,8401		3,8401
Energy Charge		Standard	R / kWh	2,9220		2,9655		2,9655
Energy Charge		Off Peak	R / kWh	2,5629		2,9763		2,9763
Winter								
Energy Charge		Peak	R / kWh	7,5447		8,1732		8,1732
Energy Charge		Standard	R / kWh	3,7364		3,8476		3,8476
Energy Charge		Off Peak	R / kWh	2,7066		3,1320		3,1320

8 Business & General: Single-Phase Time-of-Use Tariffs, < 80 A			2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Approved % Increase	2026/27 Approved Tariffs
Summer							
Basic Charge		R / month	1064,47		1153,14		1153,14
Energy Charge	Peak	R / kWh	4,0059		4,3396		4,3396
Energy Charge	Standard	R / kWh	3,0630		3,1182		3,1182
Energy Charge	Off Peak	R / kWh	2,8718	7,57%	3,3110	7,57%	3,3110
Winter							
Basic Charge		R / month	1064,47		1153,14		1153,14
Energy Charge	Peak	R / kWh	7,5852		8,2170		8,2170
Energy Charge	Standard	R / kWh	3,5097		3,6020		3,6020
Energy Charge	Off Peak	R / kWh	2,9946		3,4441		3,4441
9 Business & General: Three-Phase Time-of-Use Tariffs, < 80 A			**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Summer							
Basic Charge		R / month	1623,26		1758,48		1758,48
Energy Charge	Peak	R / kWh	3,8296		4,1486		4,1486
Energy Charge	Standard	R / kWh	2,9281		2,9720		2,9720
Energy Charge	Off Peak	R / kWh	2,7455	7,98%	3,1742	7,98%	3,1742
Winter							
Basic Charge		R / month	1623,26		1758,48		1758,48
Energy Charge	Peak	R / kWh	7,2513		7,8554		7,8554
Energy Charge	Standard	R / kWh	3,3551		3,4346		3,4346
Energy Charge	Off Peak	R / kWh	2,8629		3,3013		3,3013

10, 11 & 12 Business & General: Prepaid, Single- & Three-Phase Time-of-Use Tariffs, < 80 A			2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Approved % Increase	2026/27 Approved Tariffs
Summer							
Energy Charge	Peak	R / kWh	4,8743		5,2804		5,2804
Energy Charge	Standard	R / kWh	4,1533		4,2993		4,2993
Energy Charge	Off Peak	R / kWh	3,3746	8,57%	3,8557	8,57%	3,8557
Winter							
Energy Charge	Peak	R / kWh	9,2297		9,9985		9,9985
Energy Charge	Standard	R / kWh	4,7591		4,9556		4,9556
Energy Charge	Off Peak	R / kWh	3,5187		4,0118		4,0118
13 Large Power Users: Time-of-Use Tariffs			**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Summer							
Basic Charge		R / month	5942,10		6392,51		6392,51
Energy Charge	Peak	R / kWh	3,4882		3,7526		3,7526
Energy Charge	Standard	R / kWh	2,4694		2,4566		2,4566
Energy Charge	Off Peak	R / kWh	2,2498		2,6203		2,6203
Demand Charge		R / kVA	108,66		117,71		117,71
Network Access Charge		R / kVA	74,70	8,16%	80,93	8,16%	80,93
Winter							
Basic Charge		R / month	5942,10		6392,51		6392,51
Energy Charge	Peak	R / kWh	7,6788		8,2609		8,2609
Energy Charge	Standard	R / kWh	2,8268		2,8411		2,8411
Energy Charge	Off Peak	R / kWh	2,4073		2,7898		2,7898
Demand Charge		R / kVA	108,66		117,71		117,71
Network Access Charge		R / kVA	74,70		80,93		80,93

14 & 18 Municipal and Public Schools: Single- and Three-Phase Flat Rate Tariffs for Street Lights Only, All Year			2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Approved % Increase	2026/27 Approved Tariffs
Energy Charge		R / kWh	3,3693	8,33%	3,6499	8,33%	3,6499
15 % 19 Municipal and Public Schools: Single- & Three-Phase Time-of-Use Tariffs			**2025/2026 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Summer							
Energy Charge	Peak	R / kWh	3,7446		4,0566		4,0566
Energy Charge	Standard	R / kWh	3,1748		3,2393		3,2393
Energy Charge	Off Peak	R / kWh	2,5758	8,76%	2,9904	8,76%	2,9904
Winter							
Energy Charge	Peak	R / kWh	7,0553		7,6430		7,6430
Energy Charge	Standard	R / kWh	3,6360		3,7389		3,7389
Energy Charge	Off Peak	R / kWh	2,7135		3,1395		3,1395
16 & 20							
16 & 20 Municipal and Public Schools: Prepaid, Single- & Three-Phase Flat Rate Tariffs, All Year			**2025/26 approved tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Energy Charge		R / kWh	3,3693	8,33%	3,6499	8,33%	3,6499

17 & 21								
17 & 21 Municipal and Public Schools: Prepaid, Single and Three Phase, Time of Use Tariff				**2025/2026 Approved**	**2026/2027 Proposed % Increase**	**2026/2027 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Summer								
Energy Charge		Peak	R / kWh	3,7446		4,0566		4,0566
Energy Charge		Standard	R / kWh	3,1748		3,2393		3,2393
Energy Charge		Off Peak	R / kWh	2,5758	8,64%	2,9904	8,64%	2,9904
Winter								
Energy Charge		Peak	R / kWh	7,0553		7,6430		7,6430
Energy Charge		Standard	R / kWh	3,6360		3,7389		3,7389
Energy Charge		Off Peak	R / kWh	2,7135		3,1395		3,1395
22 Export Energy for SSEGs				**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**2026/27 Approved % Increase**	**2026/27 Approved Tariffs**
Summer								
Energy Charge		Peak	R / kWh	2,1084		2,2821		2,2821
Energy Charge		Standard	R / kWh	1,1854		1,2830		1,2830
Energy Charge		Off Peak	R / kWh	0,8468	8,24%	0,9165	8,24%	0,9165
Winter								
Energy Charge		Peak	R / kWh	5,0804		5,4989		5,4989
Energy Charge		Standard	R / kWh	1,2701		1,3747		1,3747
Energy Charge		Off Peak	R / kWh	0,8468		0,9165		0,9165

23 Agriculture: Time-of-Use Tariffs < 100 kVA				2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	2026/27 Approved % Increase	2026/27 Approved Tariffs
Summer								
Basic Charge			R / month	1623,26		1758,47		1758,47
Energy Charge		Peak	R / kWh	2,7223		3,6810		3,6810
Energy Charge		Standard	R / kWh	1,8735		2,0157		2,0157
Energy Charge		Off Peak	R / kWh	1,1890		1,8781		1,8781
Demand Charge			R / kVA	108,65		117,70		117,70
Network Access Charge			R / kVA	74,6982	28,08%	80,92	28,08%	80,92
Winter								
Basic Charge			R / month	1 623,26		1758,47		1758,47
Energy Charge		Peak	R / kWh	6,5987		8,3990		8,3990
Energy Charge		Standard	R / kWh	1,6496		2,1501		2,1501
Energy Charge		Off Peak	R / kWh	1,0998		1,8781		1,8781
Demand Charge			R / kVA	108,65		117,70		117,70
Network Access Charge			R / kVA	74,70		80,92		80,92

8. CONFIDENTIALITY

None.

9. CONCLUSION

On a conspectus of the facts and evidence presented to the REC, it is appropriate to approve the Mafube LM's tariff application for the 2026/27 financial year.

End.