NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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Decision and Reasons for Decision (RfD)

In the matter regarding the

Municipal Tariff Application for the 2026/27 Financial Year (FY)

By

Amahlathi Local Municipality

THE DECISION

At its meeting held on 11 May 2026, the Regulator Executive Committee (REC) considered Amahlathi 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 in section 8 of the Reasons for Decision (RfD) document.

Based on the information submitted and the analysis conducted, the REC decided:

1. to approve the tariffs based on the Cost of Supply (COS) study as recommended in the tariff analysis section for implementation by the municipality with effect from 1 July 2026;
2. to note the COS study submitted by the municipality;
3. that the municipality must submit a report accounting for all the costs that have been noted in its COS study, to enable the National Energy Regulator of South Africa (NERSA) to perform its independent verification/audit process by 31 January 2027;
4. that the municipality must submit quarterly progress reports on the efficiency improvement measures taken to reduce high energy losses and deficits to enable NERSA to monitor the implementation thereof by 30 September 2026; and
5. that the municipality must ring-fence the surplus amount to ensure that it is utilised solely for the electricity business and that appropriate accountability is maintained in respect of the use of those funds.

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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
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), in accordance with its statutory mandate, regulates electricity prices and tariffs and assesses tariff applications submitted by licensees on an annual basis. As part of this process, municipal electricity tariffs must be approved by NERSA prior to implementation, which typically takes effect on 1 July of each financial year.

1.2. Amahlathi Local Municipality is located in the Eastern Cape and has a total of 7 428 electricity customers. The municipality is largely made up of manufacturing customers, which contribute 54.83% of the total electricity sales.

1.3. The municipality provides 50 kWh of Free Basic Electricity (FBE) per month to registered indigent customers, in line with national policy objectives to ensure access to basic energy services for low-income households. The details regarding customer statistics are highlighted in

1.4. Table 1 below.

Table 1: Customer Statistics (Data obtained from the latest D-forms – 2024/25)

CUSTOMER STATISTICS (OBTAINED FROM 2024-25 DISTRIBUTION FORMS)			
Consumer Classification	**Sales (KWh)**	**%KWh**	**Number of Consumers**
Domestic (Prepaid)	5 808 901	26,37%	6 996
Domestic (Conventional)	408 231	1,85%	81
Agriculture	58 173	0,26%	1
Manufacturing / Industrial	12 077 739	54,83%	121
Commercial (Prepaid)	352 789	1,60%	91
Commercial (Conventional)	2 829 629	12,85%	117
Streetlighting	372 560	1,69%	
Municipal Consumption	119 138	0,54%	21
TOTAL SALES	**22 027 160**	**100%**	**7 428**
Free Basic Electricity (FBE)	**314 684**	**5,06%**	**1708**

1.5. NERSA received Amahlathi's tariff application together with its existing Cost of Supply (COS) study on 31 March 2026.

1.6. Amahlathi is applying for an average price increase of 9.01% for the 2026/27FY.

1.7. NERSA followed the notice and comment consultation process and published Amahlathi's tariff application on the NERSA website on 31 March 2026, as well as on its various social media platforms and in local and national newspapers to solicit written comments from affected parties by 21 April 2026.

1.8. NERSA's decision was made on 11 May 2026, considering the written comments received from affected stakeholders and the analysis conducted by NERSA.

2. LEGAL AND REGULATORY FRAMEWORK

Background

2.1. The approval of municipal electricity tariffs constitutes a core regulatory function of NERSA 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 ('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').

2.2. 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 in order to align with the municipal budgeting process contemplated in the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2.3. 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.

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

NERSA's Statutory Mandate

2.5. NERSA is established as a juristic person in terms of section 3 of the NERA. In terms of section 4 of the 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.

2.6. 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.

2.7. 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.

Tariff Determination Principles under the ERA

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

2.9. 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.

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

Administrative Law Requirements

2.11. The approval of municipal electricity tariffs constitutes administrative action as defined in section 1 of the PAJA. Accordingly, NERSA 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.

2.12. NERSA's public participation processes therefore form an essential component of the municipal tariff approval process and are intended to ensure transparency, accountability and fairness in regulatory decision-making.

Policy Framework: Electricity Pricing Policy (2008)

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

2.14. 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.

2.15. 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.

Cost of Supply Studies

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

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

2.18. Policy position 23 therefore 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.

2.19. Such studies must be conducted in accordance with the NERSA-approved methodology and must accompany tariff structure applications submitted to NERSA.

Judicial Oversight of the Tariff Approval Process

2.20. 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.

2.21. 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.

2.22. 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.

2.23. NERSA subsequently launched a variation application, which sought to vary the timelines that had been set by the Court on 4 December 2025, considering the practical difficulties that arose as it relates 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.

Court-Directed Timelines

2.24. The following timelines are applicable in respect of the 2026/27 municipal tariff approvals:
   a) Written notice of bulk tariffs 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) The publication of NERSA decisions by 11 May 2026.

2.25. 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 tariff approvals and the tariff reasons for decision document must be approved and published by 5 May of each year.

Conclusion

2.26. NERSA's determination of municipal electricity tariffs 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).

2.27. The reasons that follow in this Reasons for Decision document demonstrate how NERSA complied with the legislative, policy and judicial framework in determining the municipal electricity tariff for the 2026/27 financial year.

3. FINANCIAL AND TECHNICAL PERFORMANCE

3.1. In assessing the financial and technical performance, NERSA relied on the 2024/25 financial year's Distribution forms (D-forms) information provided in analysing the licensee's tariff application. The D-form information was validated by NERSA against the relevant source documents submitted by the municipality (i.e. the trial balance/annual financial statements). Hence, the information provided on the D-forms is considered reasonable for the analysis of the tariffs.

3.2. The municipality operated at a 6.50% deficit for the 2024/25 financial year, demonstrating an improvement from the previous financial year (2023/24: 22.23% deficit). This is primarily attributable to a reduction in material losses. Total revenue and total expenditure increased by 19% and 4%, respectively. Bulk purchases and finance costs account for 88% of total expenditure. The municipality does not service its Eskom account efficiently, as demonstrated by high costs relating to fruitless expenditure (interest).

3.3. The municipality recorded an 80.02% collection rate and is not up to date with its Eskom account. However, they have a payment arrangement plan with Eskom to pay a monthly fee (R200 000) to service historic debt.

Table 2: Performance Indicators

PERFORMANCE INDICATORS: OBTAINED FROM D-FORMS		
INDICATORS	**2024-25FY (Actuals)**	**2023-24 FY (Approved)**
Percentage Surplus (Deficit)	-6,50%	-22,23%
Percentage Energy Losses	19,98%	35,81%

3.4. Table 3 below provides a revenue impact analysis under two energy loss scenarios: actual (19.98%) and when reduced to 12% and 6%.

Table 3: Energy Losses vs Revenue Impact Analysis

	D-Form Input	Energy Loss@12%	Energy Loss@6%
Average Selling Price	215,16		
Sales kWh	22 027 160,00	24 224 663,76	25 876 345,38
Purchases kWh	27 528 027,00	27 528 027,00	27 528 027,00
Losses kWh	5 500 867,00	3 303 363,24	1 651 681,62
Losses percentage	**19,98%**	**12,00%**	**6,00%**
Additional Energy (kWh)		2 197 503,76	3 849 185,38
Additional Revenue (Rands)		4 728 149,09	8 281 907,26
	D-Form Input	Energy Loss@12%	Energy Loss@6%
Total Revenue (Rands)	R 67 303 291,00	R 72 031 440,09	R 75 585 198,26
Total Expenses (Rands)	R 71 676 156,00	R 71 676 156,00	R 71 676 156,00
Net Profit (Loss)	R -4 372 865,00	R 355 284,09	R 3 909 042,26
Percentage Surplus/Deficit	**-6,50%**	**0,49%**	**5,17%**

3.5. Based on the sensitivity analysis scenario, if the municipality were to reduce its energy losses to 12%, it would realise an additional revenue of R4.728m. A

further reduction to 6% would provide additional revenue of R8.281m, which is expected to strengthen the sustainability and effectiveness of the implemented loss-reduction measures.

4. DETERMINATION OF AMAHLATHI LM'S TARIFFS BASED ON THE EXISTING COST OF SUPPLY STUDY

4.1. The licensee submitted its existing COS study, which supports the tariff application for the 2026/27 financial year. The licensee's COS study was inclusive of all the requirements of NERSA's approved COS Framework (i.e. revenue requirement, costs functionalisation, costs classification, costs allocation and rate setting.

4.2. Policy position 23 states that:
"Electricity distributors shall undertake COS studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done according to the approved NERSA standard to reflect changing costs and customer behaviour. The cost-of-service methodology used to derive tariffs must accompany applications to the regulator for changes to tariff structures".

4.3. 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".

4.4. 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 2024/25 licensee performance and is sourced from the D-forms that are based on the audited annual statements.
II. Column 2 is for the 2025/26 revenues and electricity volume that are the base for 2026/27 tariffs. The figures were tested for reasonableness (since at the time of the approval, the figures were estimates) when NERSA considered and approved the 2026/27 cost of supply 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 FY2026/27 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/justify the budgeted figures.
V. Column 5 is for NERSA's recommended amounts that sum up to the allowable revenues the licensee must recover in FY2026/27

4.5. The Total Allowable Revenue of R99.514 million is for the 2025/26 tariff review period and is the basis from which the tariffs were approved by NERSA, as shown in Table 4 below.

4.6. The COS study is applicable for five years; however, municipalities must reflect the adjustments on their cost drivers for FY2026/27. NERSA used the budgeted figures submitted by the licensee to check the reasonableness as well as the licensee's current operational requirements to ensure that municipalities do not over- or under-recover during the FY2026/27 tariff review process.

4.7. To determine the increase applicable for the 2026/27 financial year, the licensee submitted its projected costs as requested by NERSA, with a total required revenue of R108.486 million for the FY2026/27 tariff review.

Table 4: Revenue Requirement Components

Energy balance	Unit	Actual FY 2024/25 Costs	FY2025/26 Tariffs Costs per submitted COS	FY2026/27 budgeted Costs as per the Licensee	NERSA Adjustment (considering efficiencies)	FY2026/27 Allowable Revenue
Sales	kWh	22 027 160	23 128 518	24 284 944	-	24 284 944
Eskom bulk purchases	kWh	27 528 027	27 528 027	27 528 027	-	27 528 027
Total Energy Requirements	**kWh**	**27 528 027**	**27 528 027**	**27 528 027**		**27 528 027**
Total Losses	kWh	5 500 867	4 399 509	3 243 083		3 243 083
Technical losses	kWh	3 303 363	3 303 363	3 243 083	-	3 243 083
Non-technical losses	kWh	-2 197 504	-1 096 146	0	-	0
Allowed losses	%	**12,00%**	**12,00%**	**11,78%**		**11,78%**
Total Energy losses	%	19,98%	15,98%	11,78%		11,78%
Cost drivers						
Energy purchases from Eskom	Rand	59 229 954	65 349 470	71 296 272	-	71 296 272
total energy purchases		**59 229 954**	**65 349 470**	**71 296 272**	**0**	**71 296 272**
Non-Technical Losses						
Operational expenditure (incl. Depreciat	**Rand**	**25 296 722**	**31 266 051**	**34 030 456**		**29 030 456**
General & Other	Rand	12 232 409	13 666 051	15 800 456		15 800 456
Materials and Supplies	Rand	116 719	300 000	1 000 000		1 000 000
Cntracted Services		807 177	900 000	1 000 000		1 000 000
Salaries, wages and allowances (exclu. Rep	Rand	5 898 724	6 115 373	6 300 456	-	6 300 456
Payments to Consultants	Rand	4 111 495	5 000 000	6 000 000		6 000 000
Current year depreciation	Rand	961 386	1 000 000	1 100 000	-	1 100 000
Other General expenditure	Rand	336 908	350 678	400 000	-	400 000
Shared OPEX	Rand	13 064 313	17 600 000	18 230 000		13 230 000
Bad debts (Allowance for Impairment)	Rand	12 850 519	12 600 000	13 230 000	-	13 230 000
General expenses	**Rand**	**0**	**0**	**0**	-	**0**
Total Expediture before surplus	Rand	**84 526 676**	**96 615 521**	**105 326 728**		**105 326 728**
Surplus	Rand	2 535 800	2 898 466	3 159 802		3 159 802
Total Expenditure Including Surplus	Rand	**87 062 477**	**99 513 987**	**108 486 530**		**108 486 530**
Other revenues	Rand	**-2 387 678**	**0**	**0**	-	**0**
Reconnection fees	Rand	313 884			-	0
Free Basic Electricity (Equitable share)		213 794				
Other Revenue - Government Grants and S	Rand	1 860 000			-	0
Total Allowable Revenus	**Rand**	**84 674 799**	**99 513 987**	**108 486 530**	**0**	**108 486 530**
increase required				***9,0%***		***9,0%***

4.8. It is important to test the efficiency of the costs in the 2024/25 financial year since this is the most recent available actual data. This forms the basis from which costs for the 2026/27 financial year will be projected, using assumptions to calculate revenue requirements.

4.9. 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.

Bulk Purchases

4.10. For the 2026/27 financial year, the licensee has applied for a bulk purchase expenditure of R71.296 million, which accounts for 52.97% of total costs inclusive of the 11.78% energy loss allowance. Bulk purchases were verified against Eskom invoices in the 2024/25 financial year.

4.11. To arrive at the 2026/27 estimate, the licensee provided the year-to-date figures for 2025/26, then estimated that this cost item would increase by 9.01% in line with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

4.12. The Eskom bills were analysed, and no notified maximum demand (NMD) exceedance penalties were charged. Furthermore, the municipality was not up to date with its Eskom bulk account, but the interest charged had already been excluded from the required revenues.

Operating Expenditure (Including Depreciation)

4.13. The licensee seeks operational expenditure of R34.030 million for the 2026/27 financial year, including depreciation, as highlighted in Table 4 above.

4.14. The municipality adjusted the expenditure linked to the FY2025/26 tariffs, increasing it from R31.266 million to a budgeted amount of R34.030 million, reflecting an 8.84% increase in costs.

General Costs and Other

4.15. Salaries and allowances under the Electricity Department comprise employee-related costs incurred for staff involved in the operation, maintenance, administration and management of the electricity function. These costs typically include basic salaries, overtime, standby and travel allowances and other employee benefits for technical, operational, administrative and managerial personnel within the department.

4.16. The material and supply line items include cables, transformers, switchgear, meters, poles, streetlight components, protective equipment, maintenance materials, network repair items, electrical consumables and replacement parts for the network. These costs are necessary to ensure continuity and reliability of supply and therefore form part of the prudent cost of service.

4.17. Contracted services form part of the municipality's prudent operating costs and are necessary to support the operation, maintenance, repair and technical management of the electricity network. The municipality indicated that it had contracted consultants for engineering services and construction contractors for electrification and network upgrades.

Surplus

4.18. The licensee is applying for a surplus of R3.160 million, which is based on a 9% return on operating expenditure (OPEX), including bulk purchases. The applied surplus was assessed against the municipality's financial performance, operational requirements, cost-reflectivity principles and the affordability impact on consumers.

4.19. To ensure that the surplus is not excessive or detrimental to consumers, NERSA relied on section 15(1)(a) of the Electricity Regulation Act, which provides that tariffs must enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return. In applying this provision, together with the COS methodology, NERSA is required to ensure that Amahlathi recovers efficiently and prudently incurred costs, including a reasonable return, while preventing excessive compensation.

4.20. NERSA is satisfied that the surplus applied for by Amahlathi is reasonable and supports the financial sustainability of the electricity business, notwithstanding that it falls below the established target range of 10 to 20%, in line with the approved NERSA COS Framework.

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The whole decision is on NERSA's website:
https://www.nersa.org.za/file/9356/AmahlathiLocalMunicipality_ReasonsforDecisionontariffapplicati

2. Domestic Conventional 20A & 60A	***2025/26 Approved***	***Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended***	***Recommended % Increase***
Tariff Blocks	*c/kWh*	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Block 1 (0 - 50kWh)	*194,36*	*9,01%*	*211,88*	*211,88*	*9,01%*
Block 2 (51 - 350 kWh)	*249,89*	*9,01%*	*272,40*	*272,40*	*9,01%*
Block 3 (351 -600kWh)	*351,68*	*9,01%*	*383,37*	*383,37*	*9,01%*
Block 4 (>600 kWh)	*414,17*	*9,01%*	*451,49*	*451,49*	*9,01%*
Basic Charge (R/month)	*564,03*	*9,01%*	*614,85*	*614,85*	*9,01%*

3. Commercial Prepaid	***2025/26 Approved***	***Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended***	***Recommended % Increase***
Tariff Blocks	*c/kWh*	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Energy Charge: c/kWh	*427,24*	*9,01%*	*465,73*	*465,73*	*9,01%*

4. Commercial Conventional 1Phase >20A	***2025/26 Approved***	***Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended***	***Recommended % Increase***
Tariff Blocks	*c/kWh*	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Energy Charge: c/kWh					
<500kWh	*354,01*	*9,01%*	*385,91*	*385,91*	*9,01%*
>500kWh	*311,72*	*9,01%*	*339,81*	*339,81*	*9,01%*
Basic Charge (R/month)	*1372,10*	*9,01%*	*1495,72*	*1495,72*	*9,01%*

5. Commercial Conventional 3Phase <70A	***2025/26 Approved***	***Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended***	***Recommended % Increase***
Tariff Blocks	*c/kWh*	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Energy Charge: c/kWh					
<500kWh	*337,32*	*9,01%*	*367,71*	367,71	*9,01%*
>500kWh	*298,38*	*9,01%*	*325,27*	325,27	*9,01%*
Basic Charge (R/month)	*2496,98*	9,01%	*2721,96*	2721,96	9,01%

6. Agricultural Conventional Low Users: 3Phase	***2025/26 Approved***	***Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended***	***Recommended % Increase***
Tariff Blocks	*c/kWh*	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Energy Charge: c/kWh					
<500kWh	*379,23*	*9,01%*	*413,40*	*413,40*	*9,01%*
>500kWh	*336,96*	*9,01%*	*367,32*	*367,32*	*9,01%*
Basic Charge (R/month)	*2827,21*	*9,01%*	*3081,94*	*3081,94*	9,01%

7. Industrial Large Power Users	***2025/26 Approved***	***Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended***	***Recommended % Increase***
Tariff Blocks	*c/kWh*	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Energy Charge: c/kWh	*327,55*	*9,01%*	*357,07*	*357,07*	*9,01%*
Basic Charge (R/month)	*1739,54*	*9,01%*	*1896,27*	*1896,27*	*9,01%*
Demand Charge (R/kVA)	*246,03*	*9,01%*	*268,20*	*268,20*	9,01%

TOU TARIFFS

8. Scale 40T Urban 40R Peri-Urban >200kVA	*2025/26 Approved*	*Proposed % Increase*	*2026/27 Proposed*	*2026/27 Recommended*	*Recommended % Increase*
	c/kWh	*9,01%*	*c/kWh*	*c/kWh*	*9,01%*
Basic Charge (R/month)	1587,20	*9,01%*	*1730,21*	*1730,21*	*9,01%*
Energy Charge: c/kWh					
Low Season					
Peak	*430,25*	*9,01%*	*469,01*	*469,01*	*9,01%*
Standard	*121,23*	*9,01%*	*132,15*	*132,15*	*9,01%*
Off-Peak	*109,88*	*9,01%*	*119,78*	*119,78*	*9,01%*
Demand Charge (R/kVA)	*280,11*	*9,01%*	*305,35*	*305,35*	*9,01%*
High Season					
Peak	*630,00*	*9,01%*	*686,77*	*686,77*	*9,01%*
Standard	*266,21*	*9,01%*	*290,20*	*290,20*	*9,01%*
Off-Peak	*164,70*	*9,01%*	*179,54*	*179,54*	*9,01%*
Demand Charge (R/kVA)	*281,56*	*9,01%*	*306,93*	*306,93*	*9,01%*

9. CONFIDENTIALITY

9.1. None.

10. CONCLUSION

10.1. The Energy Regulator, having considered Amahlathi Local Municipality's application, the supporting information, stakeholder inputs and applicable legal framework, approves the tariff adjustments as set out in this Reasons for Decision document.

End.