NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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The Decision and Reasons for Decision

In the matter regarding the

Municipal and Tariff Application for the 2026/27 Financial Year

by

Umvoti Local Municipality

THE DECISION

At its meeting held on 6 May 2026, the Regulator Executive Committee (REC) considered the Umvoti Local Municipality's tariff application. Based on the facts and evidence presented, the REC approved the tariff increases for the 2026/27 financial year (FY) the decision is set out on the tariff analysis section of the RFD
Based on the information submitted and the analysis conducted, the REC decided to:

1. approve the tariffs that are based on the Cost of Supply (COS) report as recommended in the tariff analysis section for implementation by the licensee with effect from 1 July 2026;
2. to note the COS report submitted by the licensee;
3. that the licensee 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; and
4. that the municipality must submit a quarterly progress report on efficiency improvement measures taken to reduce high energy losses and deficit for NERSA to monitor the implementation thereof by 30 September 2026.

TABLE OF CONTENTS

THE DECISION 1

ABBREVIATIONS 7

1. INTRODUCTION 8

2. LEGAL AND REGULATORY FRAMEWORK 9

3. FINANCIAL AND TECHNICAL PERFORMANCE 13

4. DETERMINATION OF ULM'S TARIFFS BASED ON THE COST OF SUPPLY STUDY 15

4.4.1. Revenue Requirement 16
4.4.2. Cost Functionalisation 20
4.4.3. Cost Classification 20
4.4.4. Cost Allocation 21
4.4.5. Rate Design 22

5. CONCLUSION ON THE COS 23

6. PUBLIC PARTICIPATION 25

7. THE OBJECTORS AND OTHER INTERVENING PARTIES 25

8. TARIFF ANALYSIS: 26

9. CONFIDENTIALITY 31

10. CONCLUSION 31

List of Tables

Table 1: Summary of REC Decision	2
Table 2: Customer Statistics	5
Table 3: Performance Indicators	13
Table 4: Revenue Analysis	13
Table 5: Revenue Requirement Components	16
Table 6: Opex	17
Table 7: Tariff Analysis	24

List of Figures

Figure 1: Five Steps of COS 15
Figure 2: Cost Breakdown by Functions 19
Figure 3: Cost Breakdown by Structure (Classification) 20
Figure 4: Costs Allocated 21
Figure 5: Revenue Recovery by Customer Category 22
Figure 6: Rate Design Dashboard 24

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
ULM	Umvoti 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 its mandate to regulate prices and tariffs. Municipal tariffs must be approved by NERSA to be implemented on 1 July of each financial year.

1.2. NERSA received Umvoti Local Municipality's tariff application together with its Cost of Supply (COS) study on 31 April 2026. The municipality revised the study because of changes in Eskom tariffs.

Table 2 below shows customer statistics from Umvoti Local Municipality. The data has been obtained from 2024/25 Distribution forms (D-Forms).

Table 1: Customer Statistics

CUSTOMER STATISTICS			
Consumer classification	**Sales (MWh)**	**%MWh**	**Number of consumers**
Domestic (Pre-paid)	8 732	23,54%	4 004
Domestic (Conventional)	8 313	22,41%	615
Commercial (Converntional)	18 307	49,36%	425
Manufacturing/Industrial	1 056	2,85%	26
Street lighting, Own Use and other municipal department	679	1,83%	
Totals	**37 087**	**100%**	**5 070**
Free Basic Electricity	**1 722**	**10,10%**	**2 870**

1.3. NERSA followed the notice and comment consultation process and also considered oral presentations. Umvoti's tariff application was published on the NERSA website and social media platforms, as well as in local and national newspapers, on 31 March 2026 to solicit written comments from affected parties.

1.4. NERSA's decision was made on 30 April 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 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 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 in order 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 the NERA. In terms of section 4 of NERA, the Energy Regulator, as the decision-making body, must regulate the electricity industry and perform the functions set out in the ERA. The Energy Regulator's electricity regulatory mandate 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. Public participation processes conducted by the Energy Regulator therefore 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 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.

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

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 2025/2026 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 which sought to vary the timelines which were set by the Court on 4 December 2025, considering the practical difficulties which 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 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.

2.8.2. Municipal tariff approvals from 2027/28 are to 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.

2.9. Conclusion

2.9.1. The determination of municipal electricity tariffs by NERSA 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 NERSA 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 Umvoti, the assessment relied on the D-Forms) for the 2024/25 financial year 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 tariff analysis.

3.2. Umvoti's electricity business operated at a percentage deficit of 0.37% in the 2024/25 financial year. Municipality indicated that deficit is because of high-energy losses, bad debts and interest on Eskom debt.

3.3. Table 3 below shows Umvoti's energy losses. The municipality indicated that the losses are caused by illegal connections. The consultant has been appointed to audit the meters and disconnect illegally connected customers, which is why losses are going down gradually. Municipal losses improved between the two financial years. The municipality needs to reduce its energy losses to be sustainable.

Table 2: Performance Indicators

Indicators	2023/24	2024/25
Percentage Surplus/Deficit	-9.94	-0.37
Percentage Energy Losses	17.75	21.26

3.4. Based on the above information provided by the municipality, it indicates that the financial and technical performance of the municipality is not satisfactory, as shown by the percentage deficit and energy losses that are above the cap.

Table 3: Revenue Analysis

	D-Form Input	Energy Loss@12%	Energy Loss@6%
Average Selling Price	298,33		
Sales kWh	37 088 563,00	41 448 024,64	44 274 026,32
Purchases kWh	47 100 028,00	47 100 028,00	47 100 028,00
Losses kWh	10 011 465,00	5 652 003,36	2 826 001,68
Losses percentage	**21,26%**	**12,00%**	**6,00%**
Additional Energy (kWh)		4 359 461,64	7 185 463,32
Additional Revenue (Rands)		13 005 581,91	21 436 392,72
	D-Form Input	Energy Loss@12%	Energy Loss@6%
Total Revenue (Rands)	R 117 419 428,00	R 130 425 009,91	R 138 855 820,72
Total Expenses (Rands)	R 117 855 577,00	R 117 855 577,00	R 117 855 577,00
Net Profit (Loss)	R -436 149,00	R 12 569 432,91	R 21 000 243,72
Percentage Surplus/Deficit	**-0,37%**	**9,64%**	**15,12%**

3.5. The table above shows that if the municipality can reduce its losses to a single digit and improve the collection of revenue, it can achieve a better financial performance. Energy losses are the main cause of poor financial performance within the Electricity Department of the municipality.

4. DETERMINATION OF UMVOTI LOCAL MUNICIPALITY'S TARIFFS BASED ON THE COST OF SUPPLY STUDY

4.1. The process followed in considering and approving Umvoti's tariff application was supported by a cost of supply study.

4.2. Umvoti utilised the COS study model developed by Sustainable Energy Africa (SEA) to determine its revenue requirements for the 2026/27 financial year and to apportion costs required to service each customer's class in a fair and equitable manner. The study follows the NERSA COS Framework and utilises the latest available audited data, which is based on the 2024/25 financial year.

4.3. Figure 1 below details the five steps considered in the determination of the COS study.

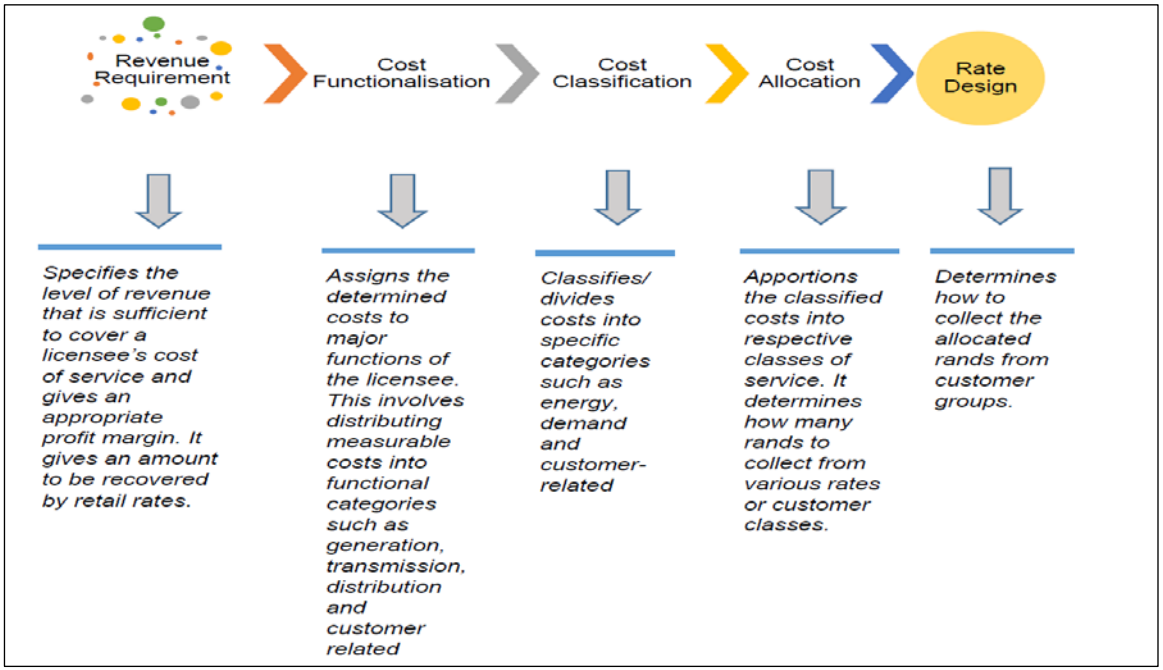


Figure 1: Five Steps of COS Study

4.4. The following steps are undertaken to analyse the cost of supply study:

4.4.1. **Revenue Requirement**

4.4.1.1. To be fully cost reflective, the licensee's revenue requirement is R150 501 268 for the 2025/26 financial year. This revenue requirement is dominated by Eskom purchases, accounting for 68%, while operational expenditure accounts for 20.00%.

Table 4: Revenue Requirement Components

Revenue Requirement Components	Total cost (R)			
	Wires	Retail	Total	% of Total
Allowable costs	64 956 330	115 144 861	150 501 268	100%
Energy purchases from Eskom - net of cost of losses	-	102 347 826	102 347 826	68%
Energy purchases from Eskom - cost of losses	13 039 330	2 585 821	15 625 152	10%
Other energy purchases	-	-	-	0%
Capital expenditure	-	-	-	0%
Operational expenditure (incl. Depreciation)	24 723 887	4 876 036	29 599 922	20%
Other revenue	**- 2 875**	**- 25 874**	**- 28 749**	**0%**
Surplus	2 472 101	485 016	2 957 117	2%
Not allowable costs	5 726 747	6 509 871	12 236 618	
Cost of losses disallowed	5 726 747	6 509 871	12 236 618	

TOTAL COSTS	**70 683 077**	**121 654 732**	**162 737 886**
	25%	**75%**	

4.4.1.2. The efficiency of costs for the 2024/25 financial year has been assessed, as this constitutes the most recent set of actual data. This assessment serves as the baseline for projecting costs for the 2026/27 financial year, applying stated assumptions to determine the revenue requirement for that period.

4.4.1.3. All expenses included in the revenue requirement have been examined to confirm that they pertain exclusively to the licensee's electricity function. Where any amounts were found to be inflated or insufficiently substantiated, adjustments have been made accordingly, as detailed below.

Bulk Purchases

4.4.1.4. Umvoti submitted an application for bulk purchase expenditure amounting to R150 501 268 million, representing 68% of total costs. The bulk purchase figures were verified against Eskom invoices for the 2024/25 financial year.

4.4.1.5. To derive the 2026/27 bulk purchase estimate, the 2025/26 Cost of Supply (COS) amount was escalated by 9.01%, consistent with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

Operational Expenditure

4.4.1.6. Umvoti has applied for operational expenditure totalling R29 599 922 million, representing 20.00% of overall costs, as reflected in Table 4 above.

Table 5: Opex

Functions	Total Opex
Depreciation	7 752 867.00
R&M	16 137 916
Other expenses	5 709 139.00
Total	29 599 922.00

4.4.1.7. The approach adopted by Umvoti in forecasting operational expenditure is considered reasonable, and the amount has therefore been approved as requested. However, inefficient cost components – such as notified maximum demand exceedance penalties and interest incurred on Eskom-related debt – have been excluded from the total, as these items fall within the municipality's control.

Surplus

4.4.1.8. Umvoti has requested a surplus of R2 957 117 million, calculated using a surplus factor of 2% applied to operating expenditure, inclusive of bulk purchases, for both the wires and retail components of the business.

4.4.1.9. The return proposed by Umvoti is considered reasonable, as it is an improvement from the current financial deficit.

4.4.1.10. The decision to approve the revenue requirement as submitted will be applied in the subsequent stages, namely Cost Functionalisation, Cost Classification, Cost Allocation and Rate Setting. These stages have been verified and confirmed to align with the approved revenue requirement. Further details on these stages are provided below.

4.4.1.11. The risk associated with the surplus is high losses and financial deficit.

4.4.2. Cost Functionalisation

4.4.2.1. The licensee has categorised its revenue requirement of R150 501 268 million into two primary functional components, namely the wires business (25%) and the retail business (75%), in accordance with the NERSA COS Framework, as illustrated in Figure 2 below. On verification, the allocation of costs to these functional components is consistent with the stated revenue requirement.

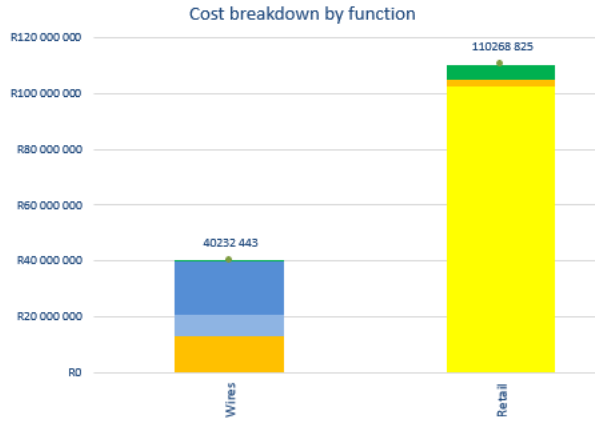


Figure 2*:* Cost Breakdown by Functions

4.4.2.2. These costs, on verification, are consistent with the approved revenue requirements. Network repairs and maintenance constitute the predominant cost drivers within the wires business, while energy purchases represent the primary cost driver within the retail business

4.4.3. Cost Classification

4.4.3.1. The licensee has classified its costs into energy, demand and customer-related cost components, in accordance with the NERSA COS Framework. The costs align with revenue requirements and cost functionalisation on verification.

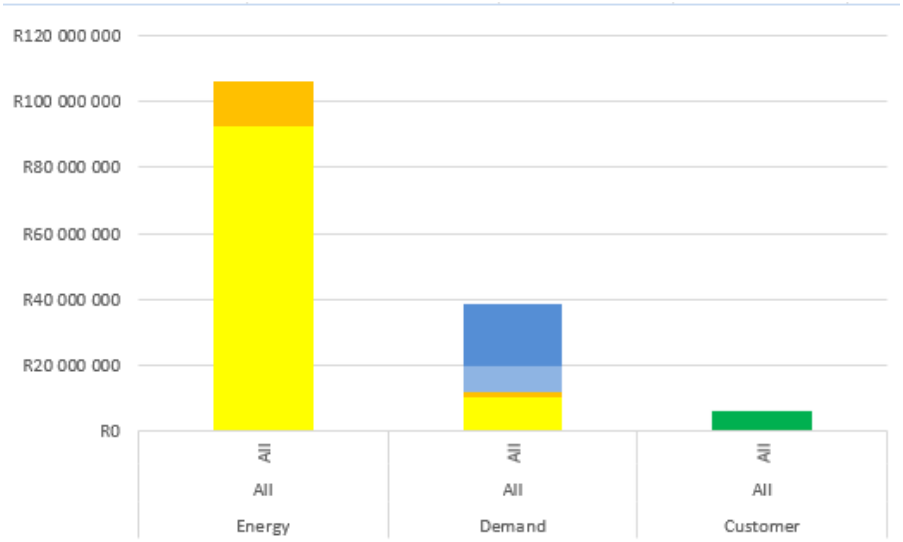


Figure 3*:* Cost Breakdown by Cost Structure (Classification)

4.4.3.2. Energy purchases constitute energy-driven costs, with the highest expenditure incurred during the summer period under the standard time-of-use structure, largely due to the longer duration of the summer season. Demand-driven costs are similarly concentrated in the summer period. Customer-driven costs are primarily associated with 'Other OPEX' which includes expenses related to providing electricity distribution services to customers.

4.4.4. Cost Allocation

4.4.4.1. In this step, the licensee's revenue requirement is allocated across customer categories, in accordance with the NERSA COS Framework. On verification, the allocation is found to be consistent with the stated revenue requirement and aligned with the principles of cost allocation.

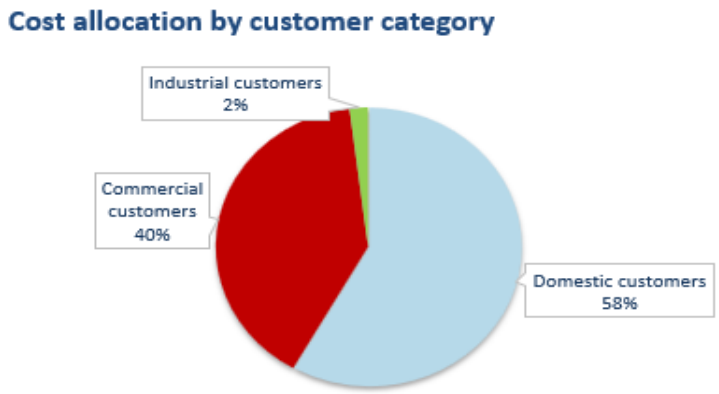


Figure 4: Costs Allocated

4.4.5. Rate Design

4.4.5.1. Figure 5 below reflects the outcome of the COS study, indicating that certain customer categories require upward adjustments, while others warrant decreases. A comparison between the cost of supply and the revenue generated per tariff category highlights the extent of over- or under-recovery within each category, as illustrated in Table 4 below.

4.4.5.2. To achieve full cost reflectivity, the municipality would be required to implement differentiated tariff adjustments across customer categories. However, the municipality has adopted a less aggressive approach, opting instead for a uniform 13.9% tariff increase across all customer categories.

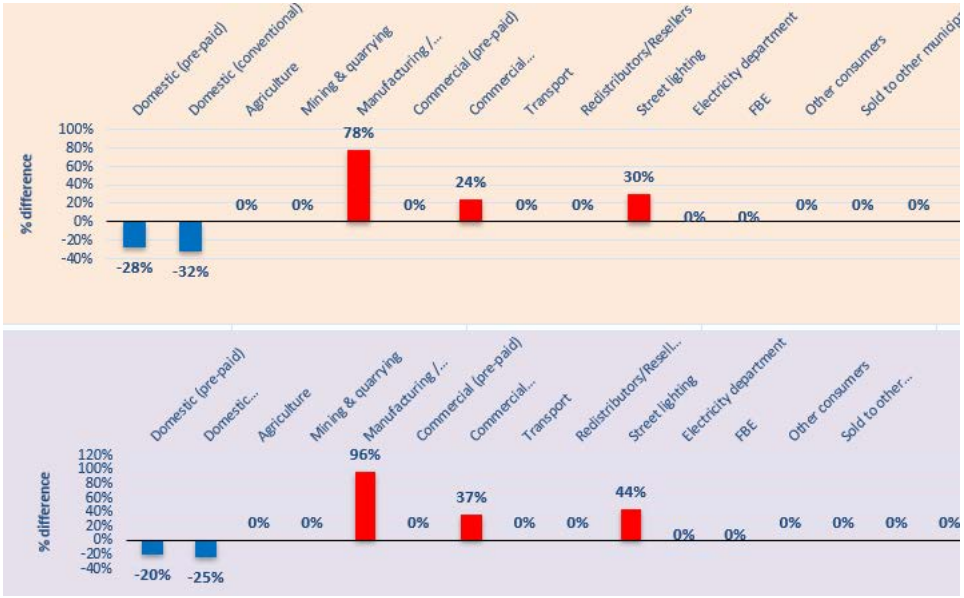


Figure 5: Revenue Recovery by Customer Category

5. CONCLUSION ON THE COS

5.1. While the outcome of the COS study may indicate an average tariff adjustment of a certain percentage for a licensee to achieve full cost reflectivity, a municipality may elect to implement such adjustments on a phased basis, including applying an increase below the COS-derived level.

5.2. This approach may be informed by a range of considerations, including the need to maintain tariff sustainability to support ongoing demand for electricity services. Excessive tariff increases may adversely affect consumption levels, thereby affecting revenue stability.

5.3. In addition, the licensee may take into account its ability to meet financial obligations, including payments to Eskom, as well as the broader affordability constraints faced by customers, in determining the appropriate trajectory for tariff adjustments.

5.4. This approach is intended to safeguard the municipality's revenue base and support its financial sustainability, in line with applicable legislative requirements.

5.5. The COS study is based on forecast assumptions and, as such, does not guarantee that the projected outcomes will materialise. Accordingly, the licensee retains the discretion to review the results and determine its own revenue requirements to ensure financial sustainability. In this regard, the municipality will be required to submit a report accounting for all costs that remain unverified.

5.6. The COS study results indicate that Umvoti should increase its tariffs by 10.50% for the municipality to reach overall cost-reflectivity. The municipality also applied for a 10.50% increase on their tariffs. Based on the available information, the municipality is expected to remain financially sustainable under the proposed 10.50% tariff increase.

Results BEFORE phasing

	BAU	CTS (net of subsidies)	New rates (Dashboard selection)
Total revenue forecast (with new rates)	141 454 365	150 501 268	**156 307 074**
		Delta =	5 805 805
Average increase in rates	**6,4%**		
Average increase in rates to reach overall cost-reflectivity	10,5%		

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Low Season

Option 2: Domestic Conventional Meter	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*358.88*	*10.50%*	*396.57*	*396.57*	*10.50%*	*Tariff recommended as applied*

High Season

Option 2: Domestic Conventional Meter	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*New*	*New*	*491.57*	*491.57*	*New*	*New*

Low Season

Domestic Prepaid Indigents	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*254.71*	*10.50%*	*281.45*	*281.45*	*10.50%*	*Tariff recommended as applied*

High Season

Domestic Prepaid Indigents	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*New*	*New*	*331.45*	*331.45*	*New*	*New tariff*

Low Season

Domestic Prepaid	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*339.12*	*10.50%*	*374.53*	*374.53*	*10.50%*	*Tariff recommended as applied*

High Season

Domestic Prepaid	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*New*	*New*	*469.73*	*469.73*	*New*	*New tariff*

Low Season

Commercial Conventional	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/Amp)	*12.94*	*165.15*	*2 150.00*	*14.30*	*10.50%*	*Tarff recommended as applied*
Energy Charge *c/kWh*	*361.99*	*10.50%*	*400.00*	*400.00*	*10.50%*	*Basic charge be limited to 10.50% as per COS*

High Season

Commercial Conventional	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/Amp)	*New*	*New*	*2 150.00*	*17.93*	*New*	*New tariff*
Energy Charge *c/kWh*	*New*	*New*	*495.00*	*495.00*	*New*	

Low Season

Sports Fields and Street Lighting	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*400.77*	*10.50%*	*442.85*	*442.85*	*10.50%*	*Tarff recommended as applied*

High Season

Sports Fields and Street Lighting	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Energy Charge *c/kWh*	*New*	*New*	*537.85*	*537.85*	*New tariff*	*New tariff*

Low Season

Residential Availability Charge	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge R/month	*254.71*	*10.50%*	*281.45*	*281.45*	*10.50%*	*Tarff recommended as applied*

High Season

Residential Availability charge	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge R/month	*New*	*New*	*282.40*	*282.40*	*New*	*New tariff*

Low Season

Commercial and Industrial Availability Charge	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge R/month	*458.51*	*10.50%*	*506.66*	*506.66*	*10.50%*	*Tarff recommended as applied for*

High Season

Commercial and Industrial Availability Charge	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge R/month	*New*	*New*	*507.61*	*507.61*	*New*	*New tariff*

Low Season

Large Power User 65 kVA Installed Capacity	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*3 596.88*	*10.50%*	*3 974.55*	*3 974.55*	*10.50%*	*Tarff recommended as applied*
Energy Charge *c/kWh*	*219.96*	*10.50%*	*243.06*	*243.06*	*10.50%*	
Demand Charge(R/KVA)	484.00	*10.50%*	534.82	534.82	*10.5%0*	

High Season

Large Power User 65 kVA Installed Capacity	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*New*	*New*	*3 974.55*	*3 974.55*	*New*	*The municipality is introducing Industrial seasonal tariff*
Energy Charge *c/kWh*	*New*	*New*	*243.06*	*338.06*	*New*	
Demand Charge (R/KVA)	*New*	*New*	534.82	535.82	*New*	

9. CONFIDENTIALITY

9.1. None.

10. CONCLUSION

10.1. From a conspectus of the facts and evidence presented to the REC, it is appropriate to consider the review of Umvoti Local Municipality's tariff application for the 2026/27 financial year.

End.