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

Lekwa Local Municipality

THE DECISION

1. At its meeting held on 9 May 2026, the Regulator Executive Committee (REC) considered Lekwa's Local Municipality (LLM) tariff application. Based on the facts and evidence presented, REC approved the tariff increases for FY2026/27 set out in Section 7 (Page 20) below.

2. Based on the available information and the analysis performed thus far, the Regulator Executive Committee decided to:

   2.1. approve the tariffs that are 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;
   2.2. note the COS study submitted by the municipality;
   2.3. 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 to perform its independent verification/audit process by 31 January 2027; and
   2.4. that the municipality must submit a quarterly smart efficiency plan with improvement measures identified in reducing high energy losses and submit by 30 September 2026.

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ABBREVIATIONS

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
LLM	Lekwa 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. NERSA receives and considers tariff applications annually in accordance with the mandate of the Energy Regulator to regulate prices and tariffs. Municipal tariffs must be approved by the Energy Regulator for implementation on 1 July of each financial year.

1.2. LLM is located in Mpumalanga. The Municipality has a total of 14,863 customers, with an industrial customer base accounting for 30.09% of sales. The Municipality applied for an average tariff increase of 11.32% in FY2025/26 and an average increase of 9.65% in FY2026/27. The Municipality provides 50 kWh of Free Basic Electricity (FBE) per month to all the 2,374 registered indigent customers.

1.3. The details regarding customer statistics are highlighted in Table 1 below.

Table 1: Customer Statistics (Data obtained from the latest D-forms – FY2024/25)

Consumer classification	**MWh**	**%MWh**	**Number of consumers**
Domestic (Prepaid)	25,798	10.68%	12 001
Domestic (Conventional)	31,145	12.89%	701
Agriculture	53,146	22.00%	199
Manufacturing/Industrial	72,681	30.09%	1 073
Commercial (Prepaid)	5,912	2.45%	501
Commercial (Conventional)	52,855	21.88%	388
Totals	**241,537**	**100%**	**14,863**
[1]FBE	3,871	6.64[2]	2,374

[1] This information is already included in the customer statistics table above under domestic prepaid/conventional category

[2] Percentage of Domestic MWh

1.4. NERSA received LLM's tariff application together with its existing COS study, which is based on the cost-plus methodology, on 31 March 2026.

1.5. For this application, the Municipality has indicated that the tariff application has been approved by the Council. The Council meeting at which this application was approved took place on 31 March 2026 and the Council resolution has been submitted to NERSA. Proof of customer-consultation documentation was also submitted on 31 March 2026.

1.6. NERSA followed public-consultation process. LLM's tariff application was published on the NERSA website on 31 March 2026, on social-media platforms, as well as in both national and local newspapers, to solicit written comments from affected parties.

1.7. The asset value is estimated as – R424,048 million; with depreciation of R7,210 million calculated on a straight line over the useful life of the assets.

1.8. NERSA's decision was taken on 8 May 2026, following consideration of 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 (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) (MFMA).

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 FY2026/27.

2.2. Statutory Mandate of the Energy Regulator

2.2.1. 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 specifically 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.
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 the 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 (RR) 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 of the EPP 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 the RR.

2.6. COS 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 of the EPP 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 FY2025/26 municipal tariff approvals did not comply with the procedural requirements of section 4 of the 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 that sought to amend the timelines set by the Court on 4 December 2025, in view of the practical difficulties encountered in complying with the Court order. The Court having heard NERSA's application, granted the variation application in respect of the fixed deadlines for FY2026/27 municipal-tariff approvals.

2.8. Court-Directed Timelines

2.8.1. The timelines below are applicable in respect of FY2026/27 municipal-tariff approvals:

a) written notice of bulk tariffs by 6 March 2026;
b) municipal-tariff applications to be submitted by 31 March 2026;
c) public-participation processes to be concluded by 21 April 2026; and
d) publication of NERSA decisions by 11 May 2026.

2.8.2. Municipal-tariff approvals from FY2027/28 are to comply with the following timelines:

a) written notice of bulk-electricity tariffs to be communicated by 31 January each year;
b) municipal-tariff applications to be submitted to NERSA by 20 March each year; and
c) municipal-tariff approvals and the tariff RfD document, to 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 RfD document demonstrate how the Energy Regulator complied with the legislative, policy and judicial framework in determining the municipal-electricity tariffs for FY2026/27.

3. FINANCIAL AND TECHNICAL PERFORMANCE

3.1. In evaluating the financial and technical performance of LLM, the assessment relied on the Distribution forms (D-forms) for FY2024/25 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. Table 3 below indicates that LLM's electricity business recorded an increase in percentage deficit from 54.35% in FY2023/24 to 87.60% in FY2024/25.

3.3. Energy losses reduced from 31.06% in FY2023/24 to 22.18% in FY2024/25, as shown in Table 2 below. The Municipality is encouraged to continue monitoring its energy losses.

Table 2: Performance Indicators

Performance indicators	***Municipality FY2024/25 D-forms Information***	***Municipality FY2023/24 D-forms Information***
Percentage surplus: (%)	- 87.60	-54.35[3]
Energy Losses: (%)	22.18	31.06

3.4. Bulk-electricity purchases for the Municipality amounted to R651,393 million (311 MWh), but electricity sales revenue amounted to R459,096 million (242 MWh), which left approximately R192,297 million (69 MWh) of the bulk-purchase cost unrecovered. This reflects a revenue recovery rate of about 70.48% (i.e., 29.52% not recovered) from electricity sales.

3.5. The Municipality has high energy losses of 22.18%, which significantly undermines its financial sustainability.

3.5.1 If losses were capped at 12%, the Municipality would:

a) improve net revenue by approximately R40,680 million; and

[3] Total Electricity Purchases divided by Total Expenditure

b) reduce the deficit from 87.60% to 72.43%.

3.5.2 If losses were capped at 6%, the Municipality would:

a) improve net revenue by approximately R64,667 million; and
b) reduce the deficit from 87.60% to 64.59%.

Table 3: Sensitivity Analysis

	D-Form Input	Energy Loss@12%	Energy Loss@6%
Average Selling Price	128,49		
Sales kWh	242 138 557,00	273 798 770,08	292 466 868,04
Purchases kWh	311 134 966,00	311 134 966,00	311 134 966,00
Losses kWh	68 996 409,00	37 336 195,92	18 668 097,96
Losses percentage	**22,18%**	**12,00%**	**6,00%**
Additional Energy (kWh)		31 660 213,08	50 328 311,04
Additional Revenue (Rands)		40 680 207,79	64 666 846,86
	D-Form Input	Energy Loss@12%	Energy Loss@6%
Total Revenue (Rands)	R 462 433 751,00	R 503 113 958,79	R 527 100 597,86
Total Expenses (Rands)	R 867 530 706,00	R 867 530 706,00	R 867 530 706,00
Net Profit (Loss)	R -405 096 955,00	R -364 416 747,21	R -340 430 108,14
Percentage Surplus/Deficit	**-87,60%**	**-72,43%**	**-64,59%**

General conclusion on the financial and technical indicators

3.6. Based on the above information, the technical and financial performance of the electricity department within the Municipality is not satisfactory.

3.7. Based on the above information, the Licensee's electricity department does not demonstrate satisfactory financial and technical performance, as reflected in the increased deficit and relatively high energy losses. The deficit indicates poor financial management and lack of effective cost recovery and the high level of energy losses suggests inefficient network operations and lack of maintenance. Collectively, these factors indicate an unstable and unsustainable electricity service.

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

4.1. The Municipality submitted its existing COS study which supports the tariff application to be approved for implementation in FY2026/27. The Municipality's COS study was inclusive of all requirements of NERSA's approved COS Study Framework (i.e. Revenue Requirement, Costs Functionalisation, Costs Classification, Costs Allocation and Rate Setting).

4.2. Policy Position 23 of the EPP 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. The COS study confirms the existence cross-subsidisation, with commercial, domestic conventional and industrial customers effectively subsidising residential customers.

4.4. The RR for LLM was determined using a cost-plus methodology in accordance with the NERSA COS Study Framework.

4.5. Section 18.7 of October 2023 NERSA-approved COS Study Framework states:

> "*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."*

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

i. Column 3 reflects the actual FY2024/25 Licensee performance and is sourced from the D-forms that are based on the audited annual statements.
ii. Column 4 reflects FY2025/26 revenues and electricity volume that are the base for FY2026/27 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 FY2026/27 COS base tariffs. Once the financial year ends, the actual figures will be verified using the audited statements.

iii. Column 5 reflects 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 reflects NERSA's recommended adjustments after considering the reasons, facts and evidence the Licensee provided in support of the budgeted figures.

4.7. Column 5 reflects NERSA's recommended amounts that sum up to allowable revenues the Licensee must recover in FY2026/27. The total allowable revenue of R1.2 billion is for the FY2025/26 tariff review and is based on the COS revenue and the volumes used to determine the tariffs that were approved by the Energy Regulator, as shown in Table 4 below.

4.8. The COS study is applicable for five years; however, municipalities are required to reflect the adjustments in their cost drivers for FY2026/27. NERSA used the budgeted figures submitted by the Licensee to verify reasonableness and to access the licensee's current operational requirements, thereby ensuring that municipalities neither over-recover nor under-recover during FY2026/27 tariff review process.

4.9. The total allowable revenue of R1.2 billion is recommended on Table 4 below for the FY2026/27 tariff-review period and is the basis upon which the tariffs were approved by the Energy Regulator. Since the COS study is valid for five years; however, municipalities need to reflect the adjustments on their cost drivers for each financial year under the existing COS (i.e. FY2026/27). NERSA utilised the budgeted figures to verify efficiencies and to ensure that municipalities neither over-recover nor under-recover operating overheads during FY2026/27 tariff-review process.

Table 4 : 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	242 138 558	137 269 670,01	137 269 670,01
Eskom bulk purchases	kWh	311 134 966	241 811 502,67	241 811 502,67
Independent Power Producers Conventional	kWh	-	-	-
Independent Power Producers Renewable Energy	kWh	-	-	-
Self Generation	kWh	-	-	-
Other		-	-	-
Total Energy Requirements	**kWh**	**311 134 966**	**241 811 502,67**	**241 811 503**
Total Losses	kWh	68 996 408	104 541 832,66	104 541 833
Technical losses	kWh	37 336 196	29 017 380,32	29 017 380
Non-technical losses	kWh	-31 660 212	- 75 524 452,34	-75 524 452
Allowed losses	%	**12,00%**	**12,00%**	**12,00%**
Total Energy losses	%	22,18%	43,23%	43,23%
Cost drivers				
Energy purchases from Eskom	Rand	651 392 898	587 163 611,17	587 163 611,17
other energy purchases		-	-	-
total energy purchases		**651 392 898**	**587 163 611,17**	**587 163 611**
Cost of technical losses	Rand	10 084 999	17 673 624,70	17 673 624,70
Non-Technical Losses		133 986 409	234 806 728,10	234 806 728,10
Other energy purchases	Rand	-		
Capital expenditure	Rand	6 435 268	1 416 747,98	1 416 747,98
Operational expenditure (incl. Depreciati	**Rand**	**218 756 069**	**185 161 370,22**	**258 573 588**
Total Expediture before surplus		880 233 965	1 024 805 334,19	1 098 217 552
Surplus	Rand	88 023 397	102 480 533	142 768 282
Total Expenditure Including Surplus		968 257 362	1 127 285 867,61	1 240 985 834
Other revenues	Rand	**-42 758 598**	**- 29 827 220,61**	**-37 670 624**
2. Other Revenue - Illegal Connections	Rand	662 168	3 749 000,97	5 010 700
Total Allowable Revenus	**Rand**	**925 498 764**	**1 097 458 647,00**	**1 203 315 210**
Increase Required				***9,65%***

4.10. The actual figures were verified using Eskom invoices and verified electricity-related operating costs (tested against FY2024/25 D-forms, Trial Balance and Audited AFS). Only prudently incurred and efficiently verified costs, supplemented by a reasonable surplus margin, are recommended for approval. This forms the basis on which costs for the FY2026/27 will be projected using assumptions to calculate the (RR).

4.11. Furthermore, NERSA has verified all expense items included in the RR 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.

4.12. In line with COS Study Framework requirements, shared municipal costs were ring-fenced and allocated exclusively to the electricity function using the D-form. Cost attribution was verified against the Trial Balance and Audited AFS, thereby ensuring separation between electricity and non-electricity functions. Costs not demonstrably related to electricity-distribution activities were adjusted or excluded. This approach ensures compliance with the principle of cost-causality and prevents cross-subsidisation across municipal functions.

4.13. All expense items included in the RR to ensure that they relate exclusively to the electricity function of the licensee. In instances where expenses are deemed inflated or unjustified, these were adjusted accordingly.

4.14. It is important to test the efficiency and prudency of the costs in FY2025/26, as this represent the most recently considered RR in support of the approved tariffs during that period. This forms the basis upon which costs for FY2026/27 will be projected, using assumptions to calculate the RR for that year.

4.15. Furthermore, NERSA has verified all expense items included in the RR to ensure that they relate exclusively to the electricity function of the licensee. In instances where expenses are deemed inflated or unjustified, these were adjusted accordingly.

Bulk Purchases

4.16. For FY2026/27, the Licensee applied for a bulk-purchase expenditure of R587,564 million. This amount accounts for 50.26% of total costs, inclusive of the 12% energy loss allowance. This application is in line with the Act, which requires that only prudently and efficiently incurred costs be passed through to customers.

4.17. To derive the estimate for FY2026/27, the Licensee projected the year-to-date amount for FY2025/26 since complete financial year data is unavailable. The Licensee then estimated that this cost item would increase by 9.01% in line with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

4.18. The methodology applied by LLM in forecasting bulk purchase costs is deemed reasonable. Accordingly, the bulk purchase expenditure has been recommended for approval as applied for.

Operating Expenditure (including depreciation)

4.19. The Licensee applied for operational expenditure including depreciation amounting to R258,743 million, as highlighted in Table 4 above, which accounts for 21% of total costs.

4.20. The licensee utilised recent actual financial data as a basis for projecting 2025/26 costs and escalated 2026/27 costs based on assumed cost drivers and relevant inflationary factors. NERSA is satisfied that the approach applied to forecast operational expenditure is reasonable.

4.21. Notwithstanding the above, NERSA excluded the interest cost on Eskom debt from the total cost, as this cost is within the municipality’s control and is therefore not recoverable through tariffs, as it is deemed an inefficient cost.

Surplus

4.22. The Licensee applied for a surplus of R142,768 million which is based on a 10% return on OPEX, including bulk purchases.

4.23. To ensure that the surplus is not excessive or detrimental to consumers, verification was undertaken by benchmarking the applied surplus margin of 7% against the established target range of 10–20%, in line with the approved NERSA COS Framework, EPP Policy Position 1, D-form and the Trial Balance.

4.24. To ensure that the surplus is commensurate with the level of risk, qualitative risk considerations were incorporated, including revenue-collection risks (such as non-payment and bad debts), operational risks (including energy losses, ageing infrastructure and customer-affordability considerations) and broader financial-sustainability requirements.

4.25. Therefore, the applied surplus is considered modest and commensurate with these risks, particularly in the context of a municipal distributor that is not profit-maximising but must remain financially viable. Accordingly, it is NERSA's decision to allow the RR as applied for.

Conclusion on Costs to Serve

4.26. The COS study is applicable for a five-year period. NERSA evaluated the adjustments to cost drivers for FY2026/27 using the budgeted information submitted by the Licensee to ensure the continued relevance, accuracy and reasonableness of the costs. This assessment was undertaken to ensure that the Licensee neither over-recovers nor under-recovers its efficiently and prudently incurred costs.

4.27. The cost adjustment tool recommends an average tariff increase of 9.65%. However, the Licensee is proposing a 9.01% increase to review its tariffs for FY2026/27. Some of the considerations for this decision include the Licensee's requirement to maintain a sustainable tariff level to support demand, to cover Eskom bulk electricity costs and to ensure customer affordability while maintaining long-term financial stability.

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1.4. Three Phase Conventional	*FY2025/26 Approved*	*% increase*	*FY2026/27 Proposed*	*FY2026/27 Recommended*	*Recommended % increase*	*Analysis and Key Findings*
Tariff Blocks	*c/kWh*			c/kWh		
Block 1 (0 – 50kWh)	*206.24*	*9,01%*	*224.82*	*224.82*	*9.01%*	*Uniform % increase for all the tariff components.*
Block 2 (51 – 350 kWh)	*265.16*	*9.01%*	*289.05*	*289.05*	*9.01%*	
Block 3 (351 – 600kWh)	*379.38*	*9.01%*	*413.56*	*413.56*	*9.01%*	
Block 4 (>600 kWh)	*440.18*	*9.01%*	*479.84*	*479.84*	*9.01%*	
Basic Charge (R/month)	*719.75*	*9.01%*	*784.60*	*784.60*	*9.01%*	

2. COMMERCIAL

2.1 Prepaid (1 Phase) 0 – 16 kVA	*FY2025/26 Approved*	*% increase*	*FY2026/27 Proposed*	*FY2026/27 Recommended*	*Recommended % increase*	*Analysis and Key Findings*
Basic Charge: R/month	*598.21*	*9.01%*	*652.11*	*652.11*	*9.01%*	
Energy Charges: c/kWh	-		-			*Uniform % increase for all tariff components.*
Low Season	*389.29*	*9.01%*	*389.29*	*424.37*	*9.01%*	
High Season	*450.75*	*9.01%*	*450.75*	*491.36*	*9.01%*	

2.2 Conv (1 Phase) 0 – 16 kVA	*FY2025/26 Approved*	*% increase*	*FY2026/27 Proposed*	*FY2026/27 Recommended*	*Recommended % increase*	*Analysis and Key Findings*
						Uniform % increase for all tariff components
Basic Charge: R/month	*788.44*	*9.01%*	*859.47*	*859.47*	*9.01%*	
Energy Charges: c/kWh						
Low Season	*362.64*	*9,01%*	*395.31*	*395.31*	*9.01%*	
High Season	*398.55*	*9;01%*	*434.46*	*434.46*	*9.01%*	

2.3 Prepaid (3 Phase) 25 – 100 kVA	***FY2025/26 Approved***	***% increase***	***FY2026/27 Proposed***	***FY2026/27 Recommended***	***Recommended % increase***	*Uniform % increase for all the tariff components*
Basic Charge: R/month	*1 362.46*	*9;01%*	*1 485.22*	*1 485.22*	*9.01%*	
Energy Charges: c/kWh						
Low Season	*397.05*	*9;01%*	*432.82*	*432.82*	*9.01%*	
High Season	*500.84*	*9.01%*	*545.97*	*545.97*	*9.01%*	
2.4 Conv (3 Phase) 25 – 100 kVA	***FY2025/26 Approved***	***% increase***	***FY2026/27 Proposed***	***FY2026/27 Recommended***	***Recommended % increase***	***Analysis and Key Findings***
Basic Charge: R/month	*1,907.47*	*9.01%*	*2,079.33*	*2,079.33*	*9.01%*	*Uniform % increase for all the tariff components.*
Energy Charges: c/kWh						
Low Season	*353.06*	*9.01%*	*384.87*	*384.87*	*9.01%*	
High Season	*355.72*	*9.01%*	*387.77*	*387.77*	*9.01%*	

Municipal Own Use	***FY2025/26 Approved***	***% increase***	***FY2026/27 Proposed***	***FY2026/27 Recommended***	***Recommended % increase***	***Analysis and Key Findings***
	c/kWh			*c/kWh*		
Energy Charge: c/kWh	*269.92*	*9.01%*	*294.24*	*294.24*	*9.01%*	*Uniform % increase for all the tariff components.*

Industrial Tariffs **3.1 101 kVA 500kVA**	***FY2025/26 Approved***	***% increase***	***FY2026/27 Proposed***	***FY2026/27 Recommended***	***Recommended % increase***	***Analysis and Key Findings***
Basic Charge (R/month)	*9,475.84*	*14.69%*	*10,867.97*	*10,867.97*	*14.69%*	*Uniform % increase for all the tariff components.*
Demand Charge: R/kVA	*114.05*	*14.69%*	*130.80*	*130.80*	*14.69%*	
Low Season						
Peak	*349.97*	*14.69%*	*401.38*	*401.38*	*14.69%*	
Standard	*210.54*	*14.69%*	*241.47*	*241.47*	*14.69%*	
Off-Peak	*159.4*	*14.69%*	*182.88*	*182.88*	*14.69%*	
High Season						
Peak	*798.72*	*14.69%*	*916.07*	*916.07*	*14.69%*	
Standard	*223.29*	*14.69%*	*256.10*	*256.10*	*14.69%*	
Off-Peak	*159.4*	*14.69%*	*182.82*	*182.82*	*14.69%*	
3.4 > 5 MVA	***FY2025/26 Approved***	***% increase***	***FY2026/27 Proposed***	***FY2026/27 Recommended***	***Recommended % increase***	***Analysis and Key Findings***
Basic Charge (R/month)	*11,760.41*	*18.87%*	*13,979.60*	*13,979.60*	*18.87%*	*Uniform % increase for all the tariff components.*
Demand Charge: R/kVA	*87.74*	*18.87%*	*104.30*	*104.30*	*18.87%*	
Low Season						
Peak	*340*	*18.87%*	*404.16*	*404.16*	*18.87%*	
Standard	*204.62*	*18.87%*	*243.23*	*243.23*	*18.87%*	
Off-Peak	*154.96*	*18.87%*	*184.20*	*184.20*	*18.87%*	
High Season						
Peak	*775.9*	*18.87%*	*922.31*	*922.31*	*18.87%*	
Standard	*217.04*	*18.87%*	*258.00*	*258.00*	*18.87%*	
Off-Peak	*87.74*	*18.87%*	*104.30*	*104.30*	*18.87%*	

8. CONFIDENTIALITY

8.1. None.

9. CONCLUSION

9.1. The Energy Regulator, having considered the LLM's tariff application, supporting information, stakeholder inputs and the applicable legal framework, approves the tariff adjustments as set out in this RfD.

End.