NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

Decision and Reasons for Decision (RfD)

In the matter regarding the

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

By

Setsoto Local Municipality

THE DECISION

1. At its meeting held on 08 May 2026, the Regulator Executive Committee (REC) considered Tswelopele Local Municipality's tariff application. Based on the facts and evidence presented, the REC approved the tariff increases for the 2026/27 financial year set out in section 8 (Page 19-22) below.

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

   2.1. to approve the tariffs that are based on the Cost of Supply (COS) report as recommended in the tariff analysis section for implementation by the municipality with effect from 1 July 2026;

   2.2. to note the COS report 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 (NERSA) to perform its independent verification/audit process by 31 January 2027

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ABBREVIATIONS

A	amp
AFS	annual financial statements
CAPEX	Capital Expenditure
COS	Cost of Supply
CPI	Consumer Price Index
D-form	distribution form
EPP	Electricity Pricing Policy
ERA	Electricity Regulation Act
ERTSA	Eskom's Retail Tariff Structural Adjustments
FBE	Free Basic Electricity
FY	financial year
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
NMD	Non-Maximum Demand
NPC	Non-Profit Company
OPEX	Operating Expenditure
PAJA	Promotion of Administrative Justice Act
RAB	Regulatory Asset Base
REC	Regulator Executive Committee
RfD	Reasons for Decision
ROR	rate of return
SEA	Sustainable Energy Africa
SLM	Setsoto Local Municipality
SSEG	small-scale embedded generation
TOU	time-of-use

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. Setsoto Local Municipality (SLM) is a licensee located in the Free State province of South Africa, as demonstrated in the Table 2 below. This municipality constitutes dominantly domestic customers, who account for 40% of its electricity sales of 47 304 MWh, while granting monthly Free Basic Electricity (FBE) of 50 kWh to 381 600 indigent customers.

Table 1: Customer base

	2024/25			
Customer categories	***MWh***	***% MWh***	***Customer numbers***	***% customer numbers***
Domestic (prepaid)	16 966 416	36%	4 422	81.83%
Domestic (conventional)	1 758 675	4%	21	0.39%
Commercial prepaid	7 591 246	16%	717	13.27%
Commercial conventional	12 321 852	26%	99	1.83%
Sold to other departments	5 322 498	11%	110	2.04%
Other Consumers	3 343 922	7%	35	0.65%
TOTAL	**47 304 609**	**100,00%**	**5 404**	100%
Free Basic Electricity	**381 600**	**2.04%**	**636**	**11.77%**

1.3. NERSA received SLM's tariff application together with its revised COS on 31 March 2026. The municipality indicated that the reason for the revision is due to changes in the Eskom bulk tariff structure to muniflex.

1.4. In accordance with NERSA requirements, all tariff applications must include confirmation that the proposed tariffs have been approved by the municipal council and have undergone customer consultation.

1.5. For this application, the municipality has indicated that its council meeting is scheduled for 31 March 2026 and that the council resolution as well as proof of customer consultation were submitted on 04 May 2026.

1.6. NERSA followed the notice and comment consultation process as well as oral presentations. On 31 March 2026, SLM's tariff applications were published on the NERSA website, on social-media platforms and in national and local newspapers to solicit written comments from affected parties.

1.7. NERSA's decision was made on 31 March 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 (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 Adjustments (ERTSA) 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; 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 the 2026/27 municipal financial year.

2.2. Statutory Mandate of the Energy Regulator

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 ERA. The electricity regulatory mandate of the Energy Regulator is therefore primarily governed by ERA. Section 3 of 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 ERA.

2.2.2. In particular:

- Section 4(a)(i) of ERA provides that the Energy Regulator must consider applications for licences and may issue licences subject to conditions.
- Section 4(a)(ii) of ERA provides that the Energy Regulator must regulate prices and tariffs.
- Section 14(1)(d) of 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 ERA.

2.3. Tariff Determination Principles under ERA

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

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

- must enable an efficient licensee to recover the full cost of the licensed activity;
- must allow for a reasonable return commensurate with the risk of the licensed activity;
- may provide incentives for continued improvement of technical and economic efficiency;
- must avoid undue discrimination between customer categories;
- may permit cross-subsidies of tariffs to certain classes of customers; and
- 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 Cost-of-Supply 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. The Court instead issued a structural interdict regulating the municipal tariff approval process going forward to assist in the timeous and lawful approval of municipal tariffs.

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 as they relate to NERSA's compliance with the court order. Having heard NERSA's application, the Court 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 applicable timelines for the 2026/27 municipal tariff approvals are:

- written notice of bulk tariffs by 6 March 2026;
- municipal tariff applications to be submitted by 31 March 2026;
- public participation processes to be concluded by 21 April 2026
- NERSA decisions to be published by 11 May 2026.

2.8.2. From 2027/28, municipal tariff approvals must comply with the following:

- written notice of bulk electricity tariffs to be communicated by 31 January each year;
- municipal tariff applications to be submitted to NERSA by 20 March each year;

- 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 NERA, ERA, PAJA, the 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 SLM, the assessment relied on the distribution forms (D-forms) for the 2024/25FY 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 (AFS). As a result, the data captured in the D-forms is considered reliable for the purposes of the tariff analysis.

3.2. SLM's electricity business operated at a surplus of 18.36% in the 2024/25FY increasing from a surplus of 10.33% in the 2023/24FY.

3.3. Table 3 below reflects SLM's energy losses. The municipality's energy losses increased from 6.18% in the 2023/24FY to 9.33% in the 2024/25FY.

Table 2: SLM performance indicators

Performance indicators: Obtained from the D-form		
Indicators	**2023/24**	**2024/25**
Percentage surplus (deficit)	10.33%	18.36%
Percentage energy losses	6.18%	9.33%

3.4. Although the reported losses remain below the acceptable level the increase is a concern as it indicates a deterioration in network performance and/or energy management practices.

3.5. Based on the above information above, the municipality's operational and financial performance is not satisfactory and follow ups are required in terms of strategies on how to improve this performance to a better and acceptable level(s).

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

4.1. The process followed in considering and approving SLM's tariff application was supported by a COS study.

4.2. SLM used the COS study model developed by Sustainable Energy Africa (SEA) to determine its revenue requirements for the 2026/27FY 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 uses the latest available audited data, which is based on the 2024/25FY.

4.3.

4.4. below details the five steps considered in the COS study determination.

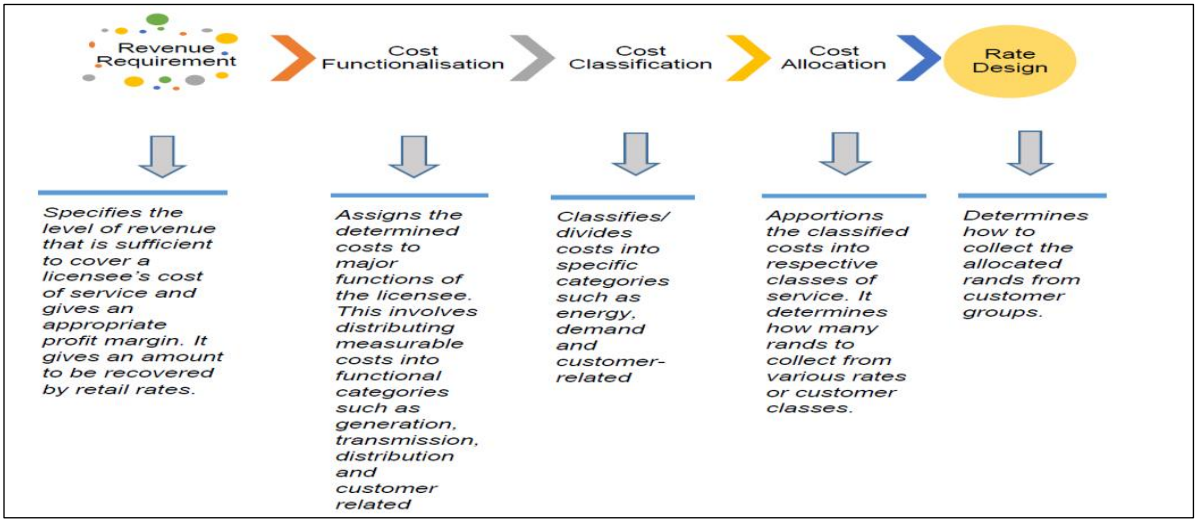


Figure 1: Fives steps of COS

4.5. The following steps are undertaken to analyse the COS study:

4.6. **Revenue Requirements**

4.6.1. In order to be fully cost reflective, the licensee's revenue requirements are R187.9 million [wires (28%) and Retail (72%)] for the 2024/25FY. This revenue requirement is made up of the following components:

i) Eskom Bulk Purchases comprises 65% (excluding cost of losses) of total revenue requirement at an amount of R122.1 million. This is the largest cost driver of the municipality's electricity department.

ii) Energy Loss Allowance of 12% (norm) amounted to R17 million. When combined with Eskom purchases: 65% + 9% = 74%, which totals R139.1 million of total revenue requirement.

iii) Operational Expenditure (OPEX) is 26% of total value equalling R48.4 million. This includes salaries, maintenance, repairs, administration and others.

iv) It is within NERSA's COS framework guidelines.

4.6.2. The efficiency of costs for the 2024/25FY (base 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 2026/27FY, applying stated assumptions to determine the revenue requirement for that period.

4.6.3. All expenses included in the revenue requirement have been examined to confirm that they pertain exclusively to the licensee's electricity function.

Table 3: Revenue Requirement components

	Total cost (R)			
Revenue Requirement components	**Wires**	**Retail**	**Total**	**% of Total**
Allowable costs	50 937 394	137 002 401	187 939 794	100%
Energy purchases from Eskom - net of cost of losses	-	122 108 512	122 108 512	65%
Energy purchases from Eskom - cost of losses	17 019 036	-	17 019 036	9%
Other energy purchases	-	-	-	0%
Capital expenditure	-	-	-	0%
Operational expenditure (incl. Depreciation)	30 897 161	17 549 107	48 446 268	26%
Other revenues	**- 62 290**	**- 4 009 208**	**- 4 071 498**	**-2%**
Surplus	3 083 487	1 353 990	4 437 477	2%
TOTAL COSTS	**53 635 146**	**137 002 401**	**190 637 546**	
	28%	72%		

Bulk purchases

4.6.4. SLM submitted an application for bulk purchase expenditure amounting to R122.1 million, representing 74% of total costs. The bulk purchase figures were verified against Eskom invoices for the 2024/25FY.

4.6.5. To derive the 2026/27 bulk purchase estimate, the 2025/26 COS amount was escalated by 9.01%, consistent with the approved ERTSA.

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

Operational Expenditure

4.6.7. SLM has applied for operational expenditure excluding depreciation totalling R44.4 million, representing 26% of overall costs, as reflected in Table 4 above.

4.6.8. The approach adopted by SLM in forecasting operational expenditure is considered reasonable, and the amount has therefore been approved as requested. The licensee does not have inefficiencies, such as NMD exceedance penalties or interest incurred on Eskom-related debt, as the licensee paid their Eskom in time and no exceedances are recorded.

Surplus

4.6.9. SLM has requested a surplus of R4.4 million, calculated using a surplus factor of 9% applied to operating expenditure, inclusive of bulk purchases, for both the wires and retail components of the business.

4.6.10. The surplus proposed by SLM is considered slightly insufficient, as it falls below the established target range of 10–20%. This implies that the licensee should scrutinize its operating expenses to enable tolerable range on surplus.

4.6.11. 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 detail on these stages is provided below.

4.7. Cost Functionalisation

4.7.1. The licensee has categorized its revenue requirement of R187.9 million into two primary functional components, namely the **wires business (28%)** and the **retail business (72%)**, in accordance with the NERSA COS framework, as illustrated in Figure 2 below. Upon verification, the allocation of costs to these functional components is found to be consistent with the stated revenue requirement.

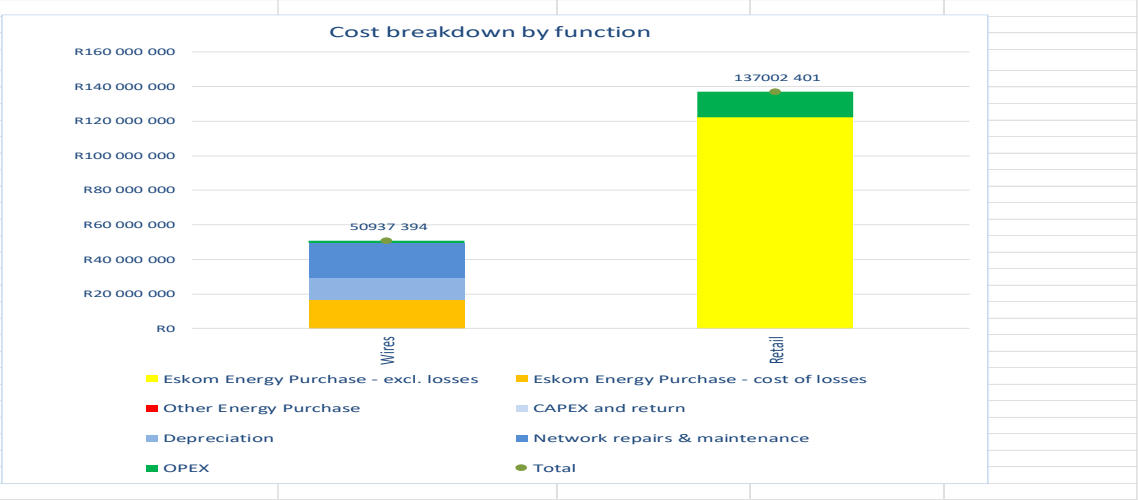


Figure 2: Costs breakdown by functions

4.7.2. These costs, upon 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

4.8. Cost Classification

4.8.1. 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 upon verification. The licensee has introduced seasonal and time of use (TOU) for industrial customers for cost reflectivity enhancement.

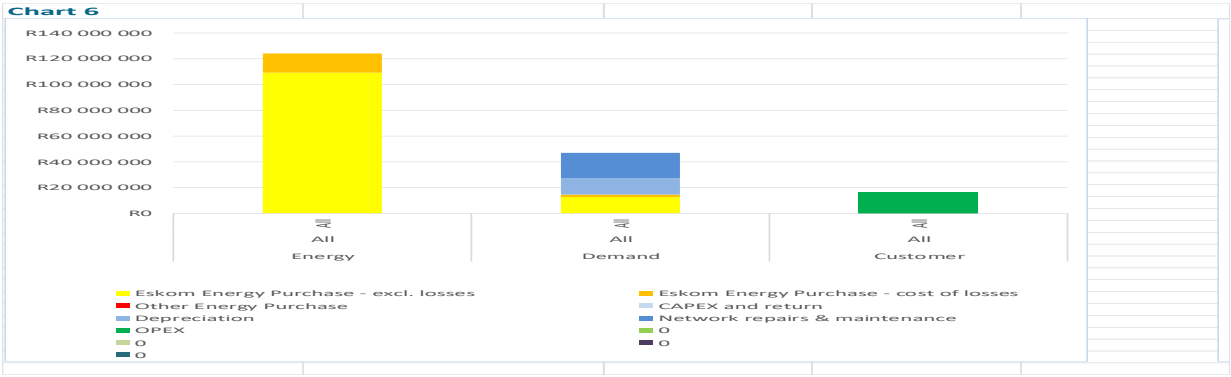


Figure 3: Costs breakdown by cost structure (classification)

4.8.2. 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 the provision of electricity distribution services to customers.

4.9. Cost Allocation

4.9.1. The licensee's revenue requirement is allocated across customer categories, in accordance with the NERSA COS framework. Upon verification, the allocation is found to be consistent with the stated revenue requirement and aligned with the principles of cost allocation. For SLM, 40% of cost is allocated to Domestic customers, which implies that domestic customers are the costliest to service/supply, followed by Commercial (13%) and then Industrial customers (12%).

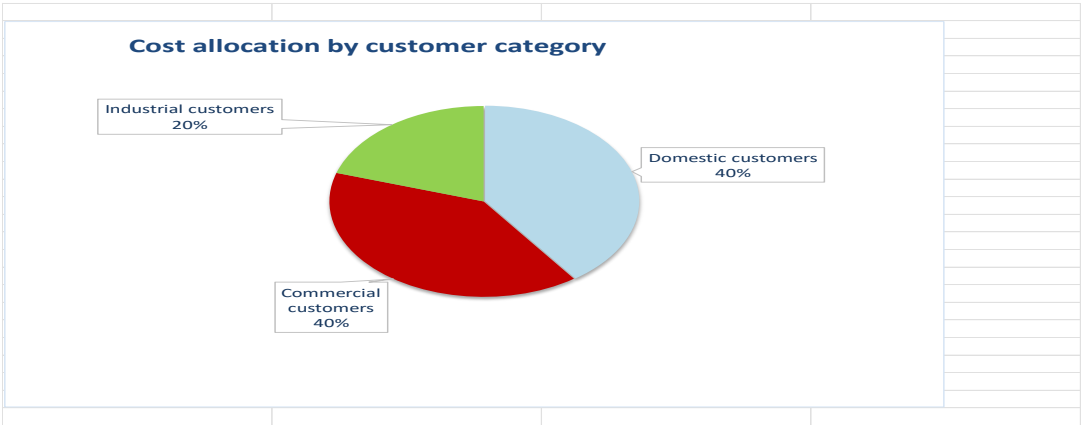


Figure 4: Costs allocated

4.10. Rate Design

4.10.1. Table 4 below presents the outcomes of the COS study, indicating that the Domestic, Commercial (conventional) and Streetlighting customer categories require upward adjustments (increase), while Commercial prepaid, Agriculture, Industrial and other customer categories warrant decreases. A comparison between the COS and the revenue generated per tariff category highlights the extent of over- or under-recovery within each category, as illustrated in Table 4.

4.10.2. 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 tariff increase of 11% across all customer categories as per the Rate design outcome from its the COS.



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 8.4% for a licensee to achieve full cost reflectivity, is applying an 9% increase. Introduction of seasonal and TOU tariffs to industrial and commercial customers will enhance cost reflectivity.

5.2. This approach may be informed by a range of considerations, including the need to maintain tariff sustainability to support ongoing demand and customer affordability for electricity services. Excessive tariff increases may adversely affect consumption levels, thereby impacting revenue stability due to price shock to customers.

5.3. In addition, the licensee may consider 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 and customer affordability.

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 a required increase of 8.4% to reach cost-reflectivity, as illustrated in Figure 6 below. An 8.4% cost reflectivity was resulting from the licensee's level of subsidy amongst its customer categories.

5.7. The licensee applied for an increase of 9% as per the COS's rate design for the 2026/27FY.

	BAU	CTS (net of subsidies)	New rates (Dashboard selection)
Total revenue forecast (with new rates)	172 189 391	186 589 794	**187 686 437**
		Delta =	1 096 642
Average increase in rates	**9,0%**		
Average increase in rates to reach overall cost-reflectivity	8,4%		
Share of total cost recovered with the new rates	**100,6%**		
Share of total costs recovered (existing rates)	**92,3%**		

Figure 6: Rate design

5.8. In the evaluation and assessment of the tariff applications, the following principles are applied:

5.8.1. Costs were assessed for reasonableness and accuracy, noting that certain cost items were considered excessive and insufficiently substantiated by the licensee.

5.8.2. The costs will be subject to a detailed audit and independent verification process, to be undertaken under the direction of NERSA at a later stage.

5.8.3. NERSA reserves the right to implement a claw-back mechanism, where necessary, to address any discrepancies identified through the verification process.

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Basic Charge (R/month)	515.51	0.00%	515.51	515.51	0.00%	The proposed tariff increase is aligned with the revised COS and is considered sufficient to meet the required revenue.
Energy charge (c/kWh)	277.56	9.00%	302.54	302.54	9.00%	
2.4 Government and Provincial	**2025/26 approved**	**Proposed % increase**	**2026/27 proposed**	**2026/27 recommended**	**Recommended % increase**	**Analysis and Key Findings**
Basic Charge (R/month)	1 263.43	0.00%	1263.43	1263.43	0.00%	The proposed tariff increase is aligned with the revised COS and is considered sufficient to meet the required revenue.
Energy charge (c/kWh)	338.15	9.00%	368.58	368.58	9.00%	
2.5 Sport	**2025/26 approved**	**Proposed % increase**	**2026/27 proposed**	**2026/27 recommended**	**Recommended % increase**	**Analysis and Key Findings**
Basic Charge (R/month)	520.01	0.00%	520.01	520.01	0.00%	The proposed tariff increase is aligned with the revised COS and is considered sufficient to meet the required revenue.
Energy charge (c/kWh)	279.51	9.00%	304.67	304.67	9.00%	
3.1 Industrial low	**2025/26 approved**	**Proposed % increase**	**2026/27 proposed**	**2026/27 recommended**	**Recommended % increase**	**Analysis and Key Findings**
Basic Charge (R/month)	589.22	0.00%	589.22	589.22	0.00%	The proposed tariff increase is aligned with the revised COS and is considered sufficient to meet the required revenue.
Energy charge (c/kWh)	166.15	9.00%	181.10	181.10	9.00%	
Demand Charge (R/kVA)	381.82	9.00%	416.18	416.18	9.00%	
3.2 Industrial high	**2025/26 approved**	**Proposed % increase**	**2026/27 proposed**	**2026/27 recommended**	**Recommended % increase**	**Analysis and Key Findings**
Basic Charge (R/month)	8 284.96	0.00%	8 284.96	8 284.96	0.00%	The proposed tariff increase is aligned with the revised COS and is considered sufficient to meet the required revenue.
Energy charge (c/kWh)	175.92	9.00%	191.75	191.75	9.00%	
Demand Charge (R/kVA)	425.18	9.00%	463.45	463.45	9.00%	
4 Municipal	**2025/26 approved**	**Proposed % increase**	**2026/27 proposed**	**2026/27 recommended**	**Recommended % increase**	**Analysis and Key Findings**
Basic Charge (R/month)	581.96	0.00%	581.96	581.96	0.00%	The proposed tariff increase is aligned with the revised COS and is considered sufficient to meet the required revenue.
Energy charge (c/kWh)	317.75	9.00%	346.35	346.35	9.00%	

Table 5.2 Tariff schedule for small-scale embedded generation (SSEG)

	Type of charges		
Tariff class name	**Fixed or basic charge**	**Variable charge**	**Export Credit**
1. Residential	R540.72	Flat variable charge (c/kWh) = 342.06	Flat net billing export credit (c/kWh) = 113.72
2. Commercial	R486.06	Flat variable charge (c/kWh) = 275.61	Flat net billing export credit (c/kWh) = 113.72
3. Bulk (large business)	R589.22	Flat variable charge (c/kWh) = 175.92	Flat net billing export credit (c/kWh) = 113.72

9. CONFIDENTIALITY

9.1. None.

10. CONCLUSION

1.1. From an overview of the facts and evidence presented to the REC, it is appropriate to consider approval of SLM's tariff application for 2026/27FY.