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

Midvaal Local Municipality

THE DECISION

1. At its meeting held on 30 April 2026, the Regulator Executive Committee (REC) considered the Midvaal 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 the tariff analysis section of this document.

2. Based on the available information and the analysis performed, the REC decided:

    2.1. to approve the tariffs that are based on the cost drivers, as recommended in the tariff analysis section, for implementation by the municipality with effect from 1 July 2026;
    2.2. to note the cost drivers submitted by the municipality;
    2.3. that the municipality must submit a report accounting for all the costs noted in its cost drivers to enable the National Energy Regulator of South Africa to perform its independent verification or audit process by 31 October 2026; and
    2.4. that the municipality must submit an audited financial report that reflects the impact of its cost driver-based tariffs on customers, the licensee's sustainability and local economy by 31 October 2026.

TABLE OF CONTENTS

THE DECISION 1
ABBREVIATIONS AND ACRONYMS 4
1. INTRODUCTION 5
2. LEGAL AND REGULATORY FRAMEWORK 6
3. FINANCIAL AND TECHNICAL PERFORMANCE 10
4. DETERMINATION OF MLM'S TARIFFS BASED ON THE COS ADJUSTED DATA 11
5. PUBLIC PARTICIPATION 16
6. THE OBJECTORS AND OTHER INTERVENING PARTIES 16
7. TARIFF ANALYSIS 17
8. CONFIDENTIALITY 21
9. CONCLUSION 21

TABLE OF TABLES

Table 1: Customer statistics (data obtained from the latest D-forms – 2024/25)..... 5
Table 2: MLM's technical and financial performance 10
Table 3: Municipality's revenue requirement 13

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
MLM	Midvaal 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), 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 the Energy Regulator prior to implementation, which typically takes effect on 1 July of each financial year.

1.2. The Midvaal Local Municipality (MLM) is located in Gauteng and has a total of 21 762 customers. The manufacturing customer category accounts for 44% of total electricity sales, followed by domestic customers at 36%. This indicates that while manufacturing customers constitute the largest share of electricity sales, domestic customers also make a significant contribution and remain an important customer category within the licensee's overall sales structure.

1.3. The municipality provides Free Basic Electricity (FBE) of 50 kWh per month to registered indigent customers, in line with national policy objectives aimed at ensuring access to basic energy services for low-income households. Detailed customer statistics and consumption patterns are reflected in Table 1 below.

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

Customer categories	***MWh***	***% MWh***	***Customer numbers***
Domestic(Prepaid)	68 718	33%	18 097
Domestic(Conventional)	5 383	3%	1 390
Agriculture	3 115	1%	510
Manufacturing	92 778	44%	125
Commercial	33 871	16%	1 024
Sold to other departments	6 666	3%	616
TOTAL	210 531	100%	21 762
FBE	2 921	4%	5 278

1.4. NERSA received the municipality's tariff application and its cost of supply (COS) study on 31 March 2026.

1.5. The municipality implemented an average price increase of 12.7% in the 2025/26 financial year and is applying for an average price increase of 10.00% for the 2026/27 financial year.

1.6. NERSA followed the notice and comment consultation process. On 31 March 2026, NERSA published MLM's tariff application on the NERSA website, on social media platforms and in national and local newspapers to solicit written comments from affected parties.

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

2.1.2. The approval of municipal electricity tariffs follows the Eskom Multi-year Price Determination and Eskom Retail Tariff and Structural Adjustment decision and is undertaken annually 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 2026/2027 municipal financial year.

2.2. NERSA's Statutory Mandate

2.2.1. NERSA is established as a juristic person in terms of section 3 of NERA. In terms of section 4 of NERA, the Energy Regulator, as the decision-making

body, must regulate the electricity industry and execute the functions set out in the ERA. The electricity regulatory mandate of the Energy Regulator is primarily governed by the ERA. Section 3 of the ERA provides that the Energy Regulator is the custodian and enforcer of the national electricity regulatory framework and is responsible for exercising regulatory authority over all activities regulated in terms of the ERA.

2.2.2. In particular:

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

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

2.3. Tariff Determination Principles under the ERA

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

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

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

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

2.4. Administrative Law Requirements

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

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

2.5. Policy Framework: Electricity Pricing Policy (2008)

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

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

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

2.6. Cost of Supply Studies

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

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

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

2.6.4. Such studies must be conducted in accordance with the methodology approved by NERSA and must accompany tariff structure applications submitted to 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 2025/26 municipal tariff approvals did not comply with the procedural requirements of section 4 of PAJA and was therefore unlawful.

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

2.7.4. NERSA subsequently launched a variation application seeking to vary the timelines set by the Court on 4 December 2025, in light of practical difficulties that arose relating to NERSA's compliance with the Court order. The Court, having heard NERSA's application, granted the variation application in respect of the fixed deadlines for the 2026/27 municipal tariff approvals.

2.8. Court-Directed Timelines

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

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

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

a) Written notice of bulk electricity tariffs must be communicated by 31 January each year.
b) Municipal tariff applications must be submitted to NERSA by 20 March each year.

c) Municipal tariffs and the tariff reasons for decision documents must be approved and published by 5 May of each year.

2.9. Conclusion

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

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

3. FINANCIAL AND TECHNICAL PERFORMANCE

3.1. Level of Reliability of Information

3.1.1 In evaluating the financial and technical performance of MLM, the assessment was based on the 2024/25 Distribution forms (D-forms) submitted with the tariff application. The data was verified against supporting documents, including the trial balance and annual financial statements, and is therefore considered reliable for tariff analysis purposes.

Table 2: MLM's technical and financial performance

Performance Indicators: Obtained from D-FORM		
Financial and Technical Indicators	**2023/24**	**2024/25**
Percentage Surplus (Deficit) %	-12,37	-1,25
Percentage Energy Losses %	12,06	8,51

3.2. Percentage Surplus

3.2.1. The municipality operated at a deficit of 1.25% in the 2024/25 financial year, improving from 12.37% in 2023/24, reflecting a strengthening in the financial position of the electricity business. However, the municipality remained in a deficit position, indicating that revenue was still insufficient to fully cover operating costs. NERSA notes that this is primarily due to expenditure growth outpacing revenue, which continues to place pressure on the financial performance of the electricity business.

3.3. Energy Losses

3.3.1. The energy losses have reduced to 8.51% in the 204/25 financial year from 12.06% in the 2023/24 financial year. This improvement indicates enhanced management and control of both technical and non-technical losses within the electricity network.

3.4. General Conclusion on the Financial and Technical Indicators

3.4.1. In conclusion, the municipality has shown improvement in both its financial performance and energy losses. However, it remains in a deficit position, indicating that revenue is still insufficient to fully cover costs. The municipality should ensure that its tariffs are cost-reflective and aligned with COS principles. Continued efforts to control costs, improve revenue and sustain low energy losses are required to achieve financial sustainability.

4. DETERMINATION OF MLM'S TARIFFS BASED ON THE COS ADJUSTED DATA

4.1. The licensee submitted its existing COS study, which supports the tariff application that will be approved in the 2026/27 financial year. The licensee's COS study included all requirements of NERSA's approved COS Framework (i.e. revenue requirement cost functionalisation, cost classification, cost allocation and rate setting).

4.2. Policy Position 23 states:

> *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:

> *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 3 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 the 2026/27 tariffs. The figures were tested for reasonableness (since at the time of the approval, the figures were estimates) when the Regulator considered and approved the 2026/27 COS base tariffs. Once the financial year ends, the actual figures will be verified using the audited statements.
iii. Column 3 is for the licensee's submitted 2026/27 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 COS study is applicable for five years; however, municipalities need to reflect the adjustments on their cost drivers for FY2026/27. NERSA used the budgeted figures submitted by the licensee to assess reasonableness and the licensee's current operational requirements to ensure that the municipality does not over- or under-recover during the FY2026/27 tariff review process.

4.6. To determine an increase applicable for the 2026/27 financial year (FY), the licensee submitted its projected costs as requested by NERSA, with a total required revenue of R864 027 483 for the 2026/27 tariff review. After adjusting, NERSA approved an allowable revenue of R857 814 949.

Table 3: Municipality's revenue requirement

Energy balance	Unit	Actual FY 2024/25 Costs	FY2025/26 Tariffs Costs per submitted COS	FY2026/27 budgeted Costs as per the Licensee	NERSA Adjustment (considering efficiencies)	FY2026/27 Allowable Revenue
Sales	kWh	210 531 424	218 952 681	230 870 412	-	230 870 412
Eskom bulk purchases	kWh	236 056 107	249 127 492	259 092 591	-	259 092 591
Total Energy Requirements	**kWh**	**236 056 107**	**249 127 492**	**259 092 591**		**259 092 591**
Total Losses	kWh	25 524 682	30 174 811	28 222 179		28 222 179
Technical losses	kWh	25 524 682	29 895 299	28 222 179	-	28 222 179
Non-technical losses	kWh	0	-279 512	0	-	0
Allowed losses	%	**10,81%**	**12,00%**	**10,89%**		**10,89%**
Total Energy losses	%	10,81%	12,11%	10,89%		10,89%
Cost drivers						
Energy purchases from Eskom	Rand	505 059 815	593 131 274	669 967 871	-	669 967 871
total energy purchases		**505 059 815**	**593 131 274**	**669 967 871**	**0**	**669 967 871**
Operational expenditure (incl. Depreciation)	**Rand**	**115 198 237**	**120 648 111**	**131 204 346**	**-5 647 758**	**125 556 588**
General & Other	**0**	**77 509 486**	**81 074 922**	**84 854 974**	**-335 783**	**84 519 192**
Shared OPEX	**Rand**	**37 688 751**	**39 573 189**	**46 349 372**	**-5 311 975**	**41 037 397**
Bad debts (Allowance for Impairment)	Rand	846 732	889 069	921 964	**0**	921 964
FBE paid to Eskom	Rand			5 311 975	-5 311 975	**0**
Charges from other Municipal Departments	Rand	18 004 406	18 904 626	19 604 097	**0**	19 604 097
General expenses		**18 837 613**	**19 779 494**	**20 511 335**		**20 511 335**
1.General Expense	Rand	18 837 613	19 779 494	20 511 335		20 511 335
Total Expediture before surplus		620 258 052	713 779 385	801 172 217		795 524 459
Surplus	Rand	60 561 357	69 864 661	78 547 953		77 983 177
Total Expenditure Including Surplus		**680 819 409**	**783 644 046**	**879 720 170**	**0**	**873 507 637**
Other revenues	Rand	**-14 644 477**	**-15 132 775**	**-15 692 688**	**0**	**-15 692 688**
2. Other Revenue	Rand	4 878 519	4 878 519	5 059 024	-	**5 059 024**
Total Allowable Revenus	**Rand**	**666 174 932**	**768 511 271**	**864 027 483**	**-5 647 758**	**857 814 949**
increase required				***12,43%***	***11,62%***	

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

4.8. Furthermore, NERSA has verified all expense items included in the revenue requirement 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

4.9. The licensee applied for a bulk purchase expenditure of R669 967 871, which accounts for 78% of total costs inclusive of the 12% energy loss allowance in line with the ERA that requires only the prudently and efficiently incurred cost to be passed through to customers.

4.10. To get to the 2026/27 estimate, the licensee projected the year-to-date amount for 2025/26 since complete financial year data is unavailable, then estimated that this cost item would increase by 9.01% in line with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

4.11. NERSA is satisfied that the licensee's approach to forecasting bulk purchases is reasonable. As a result, this cost has been recommended for approval as applied for.

Operating Expenditure (Including Depreciation)

4.12. MLM applied for operational expenditure amounting to R131 204 346, representing 15% of the total costs for the 2026/27 financial year, as reflected in Table 3 above.

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

4.14. Notwithstanding the above, NERSA excluded the cost of FBE paid to Eskom, as these costs are funded through the equitable share allocation and should not be recovered through electricity tariffs.

4.15. In addition, NERSA disallowed inefficient costs, including Notified Maximum Demand (NMD) exceedance penalties, on the basis that such costs arise from operational inefficiencies that are within the municipality's control.

4.16. Based on its assessment, NERSA approved operational expenditure amounting to R125 556 588 for the 2026/27 financial year.

Surplus

4.17. The licensee applied for a surplus of R78 547 953, which accounts for 9% of total costs.

4.18. In recommending a surplus, NERSA relied on section 15(1)(a) of the ERA, 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 MLM recovers efficiently and prudently incurred costs, including a reasonable return, while avoiding excessive compensation.

4.19. While the surplus is relatively modest, it provides a prudent operating margin to mitigate financial risks associated with the electricity business, including revenue-collection shortfalls, unexpected increases in operating costs, and infrastructure maintenance requirements. The surplus further enhances the financial resilience of the electricity undertaking and supports its ability to maintain service delivery and network reliability without placing undue reliance on future tariff increases.

4.20. On this basis, it is recommended that the Energy Regulator approve a surplus of R77 983 177, derived from the recommended allowable revenue, to ensure the continued financial viability of the licensee while maintaining cost-reflective and reasonable tariffs.

Conclusion on Costs to Serve

4.21. NERSA has assessed the licensee's COS study and is satisfied that it provides an appropriate and credible basis for determining cost-reflective tariffs. The approved allowable revenue of R768 511 271 for the 2025/26 financial year was derived from the COS and associated sales volumes, thereby establishing a sound baseline for tariff setting.

4.22. While the COS study is applicable for a five-year period, NERSA evaluated the adjustments to cost drivers for the 2026/27 financial year 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.

4.23. In this regard, the licensee submitted a total required revenue of R864 027 483 for the 2026/27 financial year. Following a detailed

Page 16 withheld by Unmapped Dataworks.

This page is part of the decision's record of public participation,
objections or comments, which names members of the public.
We do not republish it.

The whole decision is on NERSA's website:
https://www.nersa.org.za/file/9375/MidvaalReasonsforDecisionontariffapplicationprocessforFY2026

Page 17 withheld by Unmapped Dataworks.

This page is part of the decision's record of public participation,
objections or comments, which names members of the public.
We do not republish it.

The whole decision is on NERSA's website:
https://www.nersa.org.za/file/9375/MidvaalReasonsforDecisionontariffapplicationprocessforFY2026

Flat and Townhouse Complexes	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase
Energy Charge (c/kWh)	428,53	10,00%	471,38	471,38	10,00%

General Lighting	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase
Basic Charge (R/M)	1129,72	10,00%	1242,69	1242,69	10,00%
Energy Charge (c/kWh)	711,85	10,00%	783,03	783,03	10,00%

Municipal Suppliers	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase
Energy Charge (c/kWh)	**304,19**	**10,00%**	**334,61**	**334,61**	**10,00%**

Agriculture Single Phase	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase

Energy Charge (c/kWh)	460,77	10,00%	506,85	506,85	10,00%
Agriculture Nightsave					
Energy Charge (c/kWh) (22:00-06:00	225,35	10,00%	247,89	247,89	10,00%
Energy Charge (c/kWh) (06:00-22:00	460,92	10,00%	507,01	507,01	10,00%

Industrial Bulk Supply – Low Voltage	**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**Recommended 2026/27 Tariffs**	**2026/27 Recommended Increase**
Energy Charge (c/kWh)	**313,70**	**10,00%**	**345,07**	**345,07**	**10,00%**
Demand Charge (R/kVA)	**283,61**	**10,00%**	**311,97**	**311,97**	**10,00%**

Bulk Supply – Medium Voltage	**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**Recommended 2026/27 Tariffs**	**2026/27 Recommended Increase**
Energy Charge (c/kWh)	315,92	10,00%	347,51	347,51	10,00%
Demand Charge (R/kVA)	277,46	10,00%	305,20	305,20	10,00%

Off-Peak Tariff – Low Voltage	**2025/26 Approved Tariffs**	**2026/27 Proposed % Increase**	**2026/27 Proposed Tariffs**	**Recommended 2026/27 Tariffs**	**2026/27 Recommended Increase**

Energy Charge (c/kWh)	195,75	10,00%	215,33	215,33	10,00%
Demand Charge (R/KVA)	613,25	10,00%	674,57	674,57	10,00%

Off-peak Tariff – Medium Voltage	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase
Energy Charge (c/kWh)	195,75	10,00%	215,33	215,33	10,00%
Demand Charge (R/KVA)	584,10	10,00%	642,51	642,51	10,00%

Megaflex	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase
High Season Off-Peak c/kwh	178,40	10,00%	196,24	196,24	10,00%
High Season Standard c/kwh	294,76	10,00%	324,23	324,23	10,00%
High Season Peak c/kwh	711,85	10,00%	783,03	783,03	10,00%
Low Season Off-Peak c/kwh	166,67	10,00%	183,34	183,34	10,00%
Low Season Standard c/kwh	211,74	10,00%	232,91	232,91	10,00%
Low Season Peak c/kwh	471,86	10,00%	519,05	519,05	10,00%
Reactive Energy c/kVArh	88,47	10,00%	97,32	97,32	10,00%

Demand Charge (R/KVA)	186,39	10,00%	205,03	205,03	10,00%

Miniflex	2025/26 Approved Tariffs	2026/27 Proposed % Increase	2026/27 Proposed Tariffs	Recommended 2026/27 Tariffs	2026/27 Recommended Increase
High Season Off-Peak c/kwh	189,18	10,00%	208,10	208,10	10,00%
High Season Standard c/kwh	353,30	10,00%	388,63	388,63	10,00%
High Season Peak c/kwh	1053,61	10,00%	1158,97	1158,97	10,00%
Low Season Off-Peak c/kwh	164,29	10,00%	180,72	180,72	10,00%
Low Season Standard c/kwh	261,41	10,00%	287,55	287,55	10,00%
Low Season Peak c/kwh	519,42	10,00%	571,37	571,37	10,00%
Reactive Energy c/kVArh	69,70	10,00%	76,68	76,68	10,00%

8. CONFIDENTIALITY

None.

9. CONCLUSION

The Energy Regulator, having considered the Midvaal Local Municipality's application, supporting information, stakeholder inputs and applicable legal framework, approves the tariff adjustments, as set out in this reasons for decision document.
End.