NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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Decision and Reasons for Decision (RfD)

In the matter regarding the

Municipal Tariff Application for the 2026/27 Financial Year

by

Endumeni Local Municipality

THE DECISION

At its meeting held on 6 May 2026, the Regulator Executive Committee (REC) considered the Endumeni 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 30 January 2026; 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.

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ABBREVIATIONS AND ACRONYMS

COS	Cost of Supply
D-form	Distribution form
ERTSA	Eskom Retail Tariff Structural Adjustments
FBE	Free Basic Electricity
IBT	Inclining Block Tariff
IPP	Independent Power Producer
ELM	Endumeni 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 Endumeni Local Municipality's tariff application together with its Cost of Supply (COS) study on 31 March 2026. The municipality revised its COS study because of changes in Eskom tariffs.

1.3. Table 2 below indicates the customer statistics for the 2024/25 financial year. The data has been obtained from the latest Distribution Forms (D-Forms) (2024/25).

Table 1: Customer Statistics based on D-Forms

CUSTOMER STATISTICS			
Consumer classification	Sales (MWh)	%MWh	Number of consumers
Domestic (Pre-paid)	19 289	38,63%	9 820
Domestic (Conventional)	2 586	5,18%	2 304
Commercial (Prepaid)	2 571	5,15%	530
Commercial (Converntional)	9 186	18,40%	1 284
Manufacturing/Industrial	14 505	29,05%	99
Street lighting, Own Use and Other municipal Department	1 795	3,59%	
Totals	49 932	100%	14 037

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. The application has been approved by the council, and it went through municipal public participation.

1.5. NERSA followed the notice and comment consultation process and considered oral presentations. Endumeni's tariff applications were published on the NERSA website and social media platforms, as well as in local and national newspapers, on 31 March 2026to solicit written comments from affected parties. No comments were received from the public.

1.6. NERSA's decision was made on 8 May 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 tNERSA 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 execute the functions set out in the ERA.

The electricity regulatory mandate of the Energy Regulator is therefore primarily governed by the ERA. Section 3 of the ERA particularly provides that the Energy Regulator is the custodian and enforcer of the national electricity regulatory framework and exercises regulatory authority over activities regulated under the ERA.

2.2.2. 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 NERSA, 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 Cost of Supply 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. 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 as it relates to NERSA's compliance with the court order. The Court, having heard NERSA's application, granted the variation application in respect of the fixed deadlines for the 2026/27 municipal tariff approvals.

2.8. Court-Directed Timelines

2.8.1. The following timelines are applicable with respect to 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 must comply with the following timelines:
a) Written notice of bulk electricity tariffs must be communicated by 31 January each year
b) Municipal tariff applications must be submitted to NERSA by 20 March each year
c) Municipal tariff approvals and the tariff reasons for the 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 Endumeni, 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 the purposes of the tariff analysis.

3.2. Endumeni’s electricity business operated at a percentage deficit of -52.78% in the 2024/25 financial year. Municipality indicated that this is because of high energy losses, notified maximum demand (NMD) and interest on Eskom debt and bad debts. NERSA is of the view that, given the municipality's challenges, reducing energy losses is key to the municipality’s financial sustainability.

3.3. Table 3 below shows that Endumeni's energy losses were at 45.82% in the 2024/25 financial year. The municipality stated that high losses are because of meter errors, theft and illegal connections. The municipality further reported that it had recently appointed a meter audit company to inspect credit meters and replace them with prepaid meters, assist with disconnections and reconnections as a result of tampering and illegal connections, and upgrade and maintain the infrastructure with at least 6% of the revenue from the sale of electricity.

Table 2: Performance indicators

Indicators	**2023/24**	**2024/25**
Percentage Surplus/Deficit	-45.33	-52.78
Percentage Energy Losses	39.65	45.82

3.4. Based on the above information provided by the municipality from its 2024/25 D-Forms, the municipal financial and technical performance is not satisfactory as indicated by the high financial deficit and high energy losses.

Table 3: Revenue Analysis

	D-Form Input	Energy Loss@12%	Energy Loss@6%
Average Selling Price	293,83		
Sales kWh	49 933 450,40	81 109 200,41	86 639 373,16
Purchases kWh	92 169 545,92	92 169 545,92	92 169 545,92
Losses kWh	42 236 095,52	11 060 345,51	5 530 172,76
Losses percentage	**45,82%**	**12,00%**	**6,00%**
Additional Energy (kWh)		31 175 750,01	36 705 922,76
Additional Revenue (Rands)		91 603 706,25	107 853 012,86
	D-Form Input	Energy Loss@12%	Energy Loss@6%
Total Revenue (Rands)	R 151 158 234,00	R 242 761 940,25	R 259 011 246,86
Total Expenses (Rands)	R 230 940 925,00	R 230 940 925,00	R 230 940 925,00
Net Profit (Loss)	R -79 782 691,00	R 11 821 015,25	R 28 070 321,86
Percentage Surplus/Deficit	**-52,78%**	**4,87%**	**10,84%**

3.5. The licensee has the potential to improve its deficit to a surplus of 4.7% if energy losses are limited to 12%, and the surplus could potentially increase to 10.84% if the energy losses are reduced to 6%.

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

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

4.2. Endumeni 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.

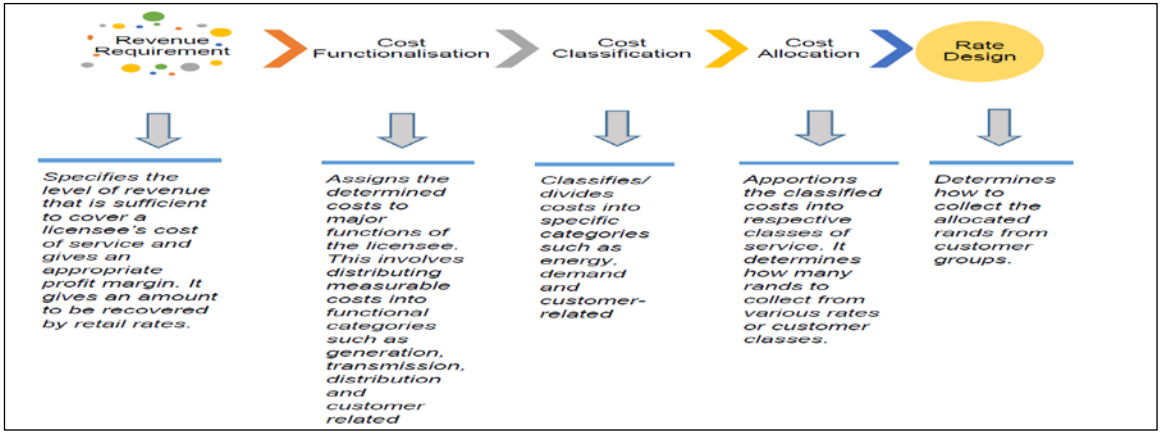


Figure 1: Five steps of COS

4.4. Section 18.7 of the COS Framework requires that tariff adjustments:

4.4.1. be informed by cost-of-supply outcomes;

4.4.2. progressively move tariffs towards cost-reflectivity; and

4.4.3. be implemented in a structured and transparent manner, including phased adjustments where required.

4.5. In the tariff application, the licensee has considered and applied these requirements as follows:

4.5.1. The tariff application is based on a COS model incorporating financial, technical and customer data inputs.
4.5.2. Bulk purchase costs were updated using the approved 8.76% Eskom bulk tariff adjustment.
4.5.3. Controllable electricity Operating Expenditure (OPEX) costs were adjusted using CPI-linked assumptions.
4.5.4. Adjustments were supported by source documents and reasonability checks (D-Forms, Trial Balance and AFS).

4.6. This ensures that tariff adjustments are grounded in cost-reflective principles.

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

4.7.1. **Revenue Requirement**

4.7.1.1. The revenue requirement step specifies the level of revenue that is sufficient to cover a licensee's cost of service and appropriate margin. It is an indication of the amount to be recovered from the approved tariffs.

4.7.1.2. The licensee applied a cost-plus methodology in the determination of its revenue requirement, and did not utilise a Rate of Return (ROR) approach. Accordingly, no return based on a Regulatory Asset Base (RAB) was determined or applied.

4.7.1.3. To be fully cost reflective, the licensee's revenue requirement is R216 680 929 for the 2025/26 financial year. This revenue requirement is predominantly Eskom purchases, accounting for 53%, and operational expenditure, which accounts for 29%.

Revenue Requirement components	Total cost (R) Wires	Retail	Total	% of Total
Allowable costs	75 729 495	140 951 433	216 680 929	100%
Energy purchases from Eskom - net of cost of losses	-	114 439 987	114 439 987	53%
Energy purchases from Eskom - cost of losses	16 186 548	4 304 371	20 490 919	9%
Other energy purchases	-	-	-	0%
Capital expenditure	-	-	-	0%
Operational expenditure (incl. Depreciation)	52 907 913	9 393 308	62 301 221	29%
Other revenues	- 249 465	-	- 249 465	0%
Surplus	6 884 500	12 813 767	19 698 266	9%
Not allowable costs	10 297 149	25 529 603	35 826 752	
Cost of losses disallowed	10 297 149	25 529 603	35 826 752	
TOTAL COSTS	**86 026 644**	**166 481 037**	**252 507 681**	
	34%	**66%**		

Table 4: Revenue Requirement Components

4.7.1.4. 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.

4.7.1.5. 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 effected accordingly, as detailed below.

Bulk purchases

4.7.1.6. Endumeni submitted an application for bulk purchase expenditure amounting to R114 million (excluding energy losses), representing 53% of total costs. The bulk purchase figures were verified against the Eskom invoices for the 2024/25 financial year.

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

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

Operational Expenditure

4.7.1.9. Endumeni has applied for a total operational expenditure of R62 301 221, representing 29% of overall costs, as reflected in Table 3 above.

Table 1: OPEX

Functions	**Total**
Depreciation	8 156 807.00
Network R&M	48 566 575.00
Other Expenses	5 577 839.00
Total	62 301 221.00

4.7.2. The operating expenditure comprises the following:

4.7.2.1. Depreciation, as a proxy for asset consumption and future asset replacement of R8.156 million

4.7.2.2. Network repairs and maintenance of R48.566 million

4.7.2.3. All of the other licensee's efficient expenses of R5.577 million have been grouped under ‘OPEX’. This includes bad debts, which have been tested to ensure that they are below NERSA’s 5% threshold.

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

Surplus

4.7.2.5. Endumeni has requested a surplus of R19 698 266, 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.

4.7.2.6. The risk associated with the surplus is high energy losses and interest on Eskom debt.

4.7.2.7. To ensure that the applied surplus is not excessive and remains within acceptable regulatory bounds, the following validation procedures were undertaken:

a) The applied surplus margin of 9% was benchmarked against the 10–20% range prescribed in the approved NERSA COS Framework, as supported by the EPP policy position 1.
b) The margin was further assessed against the municipality's risk profile to ensure alignment with the principle of cost reflectivity and financial sustainability.

4.7.2.8. Risk factors considered include the following:

a) Revenue collection risk, with current collection levels below 95%, reflecting exposure to non-payment
b) Operational risk, including energy losses
c) Financial sustainability requirements, including the need to maintain adequate cash flows for ongoing operations and infrastructure investment.

4.7.2.9. Based on the above, the applied surplus margin of 9% is considered conservative, justified and commensurate with the licensee's risk profile, while remaining within the acceptable parameters of the NERSA COS Framework. This approach supports the financial viability of the electricity distribution function without imposing undue burden on consumers.

4.7.2.10. Furthermore, in recommending a surplus, NERSA relied on section 15(1)(a) of the ERA under the tariff principles, which specifies that the tariffs set by the Regulator: ‘must enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return’.

4.7.2.11. The recommended revenue requirement will be applied in the subsequent COS steps, namely Cost Functionalisation, Cost Classification, Cost Allocation and Rate Setting. These steps have been verified and confirmed to align with the approved revenue requirement. Further details on these steps are provided below.

4.7.3. Cost Functionalisation

4.7.3.1. The licensee has categorised its revenue requirement of R216 million into two primary functional components, namely the wires business (34%) and the retail business (66%), in accordance with the NERSA COS Framework, as illustrated in Figure 2 below. On verification, the allocation of costs to these functional components is found to be consistent with the stated revenue requirement.

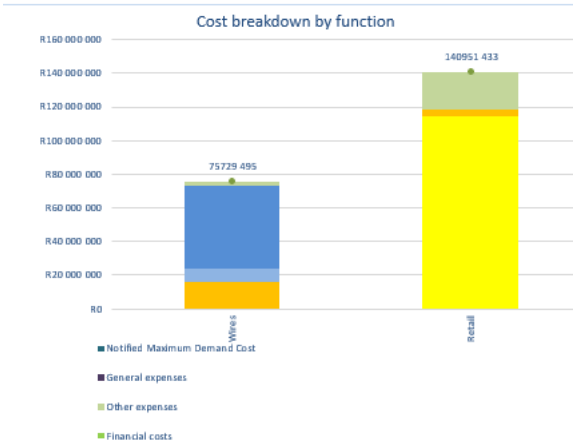


Figure 2: Cost Breakdown by Function

4.7.3.2. 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.

4.7.4. Cost Classification

4.7.4.1. 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.

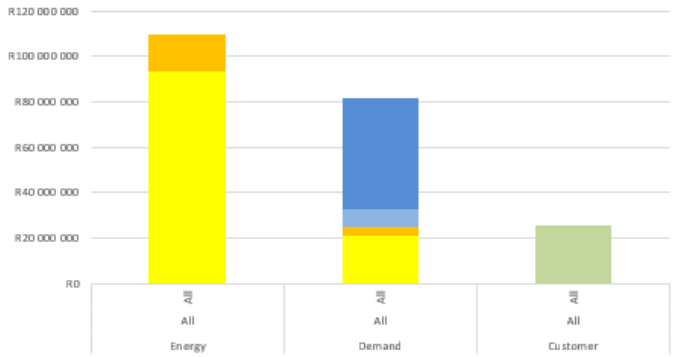


Figure 3: Cost Breakdown by Cost Structure (Classification)

4.7.4.2. 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.

4.7.5. Cost Allocation

4.7.5.1. 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.

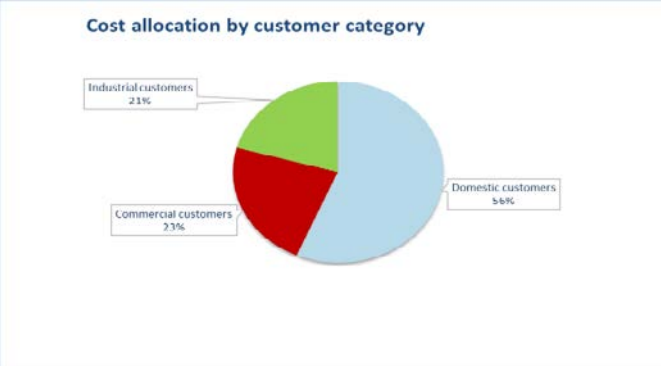


Figure 4: Costs Allocated

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.

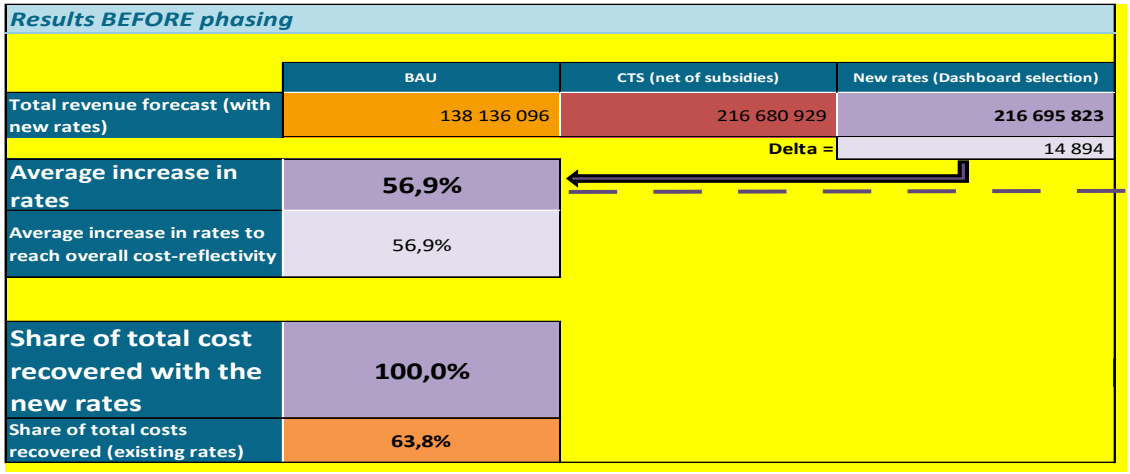
5.3. In addition, the licensee may take into account its ability to meet financial obligations, including payments to Eskom, as well as the broader affordability constraints faced by customers, in determining the appropriate trajectory for tariff adjustments.

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 a required increase of 56.9%, as illustrated in Figure 7 below. However, in an effort to mitigate the impact on customers, the municipality is applying for a 10% increase in all its tariffs. For the 2024/25 financial year, the municipality lost 45.00% of energy purchased from Eskom. More efforts should be invested in reducing the losses and the municipality must stop penalising paying customers, as most of these losses are caused by theft, as indicated in the losses report. The municipality should reduce their losses to 9%.

Figure 5:Rate design dashboard



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The whole decision is on NERSA's website: https://www.nersa.org.za/file/9207/EndumeniRFD.pdf

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Domestic Prepaid Three Phase	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Block 1 (0 – 50kWh)	*206.35*	*10.00%*	*226.99*	*226.99*	*10.00%*	*Approve tariff as recommended*
Block 2 (51 – 350 kWh)	*277.30*	*10.00%*	*305.03*	*305.03*	*10.00%*	
Block 3 (351 – 600kWh)	*368.23*	*10.00%*	*405.05*	*405.05*	*10.00%*	
Block 4 (>600 kWh)	*423.99*	*10.00%*	*466.39*	*466.39*	*10.00%*	
Basic charge R/Month	*N/A*	*N/A*	*50*	*0.00*	*0*	
Domestic Conventional Three Single	**2025/26 Approved**	**Proposed % Increase**	**2025/26 Proposed**	**2026/27 Recommended**	**Recommended % Increase**	**Analysis and Key Findings**
Block 1 (0 – 50kWh)	*206.35*	*10.00%*	*226.99*	*226.99*	*10.00%*	*Approve tariff as recommended.*
Block 2 (51 – 350 kWh)	*277.30*	*10.00%*	*305.03*	*305.03*	*10.00%*	
Block 3 (351 – 600kWh)	*368.23*	*10.00%*	*405.05*	*405.05*	*10.00%*	
Block 4 (>600 kWh)	*423.99*	*10.00%*	*466.39*	*466.39*	*10.00%*	
Basic charge R/Month	*NA*	*N/A*	*60.00*	*0.00*	*0%*	

Commercial Prepaid Single Phase (Low Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*18.77*	*10.00%*	*20.65*	*20.65*	*10.00%*	
Energy Charge (c/kwh)	*397.38*	*10.00%*	*437.12*	*437.12*	*10.00%*	

Commercial Prepaid Single Phase (High Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*28.16*	*10.00%*	*30.97*	*30.97*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*596.07*	*-25%*	*568.26*	*568.26*		

Commercial Conventional Single Phase (Low Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*18.77*	*433%*	*100.00*	*20.65*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*397.38*	*10.00%*	*437.12*	*437.12*	*10.00%*	

Commercial Conventional Single Phase (High Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*28.16*	*255%*	*30.97*	*30.97*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*596.07*	*-25.00*	*568.26*	*568.26*	*-25%*	

Commercial Prepaid Three Phase (Low Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*18.77*	*10.00%*	*20.61*	*20.65*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*433.00*	*13%*	*476.30*	*476.30*	*10.00%*	

Commercial Prepaid Three Phase (High Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*28.15*	*10%*	*30.91*	*30.97*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*649.50*	*-5%*	*619.20*	*619.20*	*10.00%*	

Commercial Conventional Three Phase (Low Season)	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*18.77*	*10.00%*	*20.65*	*20.65*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*433.00*	*13.00%*	*476.30*	*476.30*	*10.00%*	
Commercial Conventional Three Phase (High Season)	**2025/26 Approved**	**Proposed % Increase**	**2025/26 Proposed**	**2026/27 Recommended**	**Recommended % Increase**	**Analysis and Key Findings**
Basic Charge (R/month)	*28.15*	*10.00%*	*30.96*	*30.97*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	*649.50*	*-25%*	*476.30*	*476.30*	*10.00*	

Industrial Low Season	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*2 518.69*	*10.00%*	*2 770.56*	*2 770.56*	*10.00%*	*Approve tariff as recommended*
Energy Charge (c/kwh)	140.93	*10.00%*	155.02	155.02	*10.00%*	
Demand Charge (R/kVA)	*576.27*	*10.00%*	*633.90*	*633.90*	*10.00%*	

Industrial High Season	2025/26 Approved	Proposed % Increase	2025/26 Proposed	2026/27 Recommended	Recommended % Increase	Analysis and Key Findings
Basic Charge (R/month)	*3 778.04*	*-5%*	*3 601.73*	*3 601.73*	*-5%*	*Approve as recommended*
Energy Charge (c/kwh)	211.40	*-5%*	201.53	201.53	*-5%*	
Demand Charge (R/kVA)	*864.41*	*-5%*	*824.08*	*824.08*	*-5%*	

Low Season Export	New	New	New	0.80	New	Approve as recommended
High Season Export	New	New	New	1.04	New	Approve as recommended

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 and approve Endumeni Local Municipality's tariff application for the 2026/27 financial year.

End.