NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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Decision and Reasons for Decision (RfD)

In the matter regarding the

Municipal Tariff Applications for the 2026/27 Financial Year

By

Mohokare Local Municipality

THE DECISION

At its meeting held on 9 May 2026, the Regulator Executive Committee (REC) considered Mohokare LM's tariff application. Based on the facts and evidence presented, REC approved the tariff increases for the 2026/27 financial year (FY) set out in
below.

Table 1: Summary of the REC Decision

Tariff Category	2026/27 approved % Increase
Tariff I: IBT Indigent (Conventional & Prepaid)	9,22%
Tariff II: IBT Domestic (Conventional & Prepaid)	9,22%
Tariff II: Homeflex Single Phase	9,22%
Homeflex Three Phase	9,22%
Tariff IV: Flat business (Conventional & Prepaid)	9,22%
Tariff VI: Comflex Single Phase	9,22%
Tariff VI: Comflex Three Phase	9,22%
Elecflex 2	9,22%
Elecflex 3	9,22%

Bulk Resell 2	9,22%
Bulk Resell 3	9,22%
Tariff V: Departmental TOU	9,22%
Tariff V: Sports Stadiums	9,22%
Tariff V: Departmental: Streetlights (Prepaid and Conventional)	9,22%

Based on the information submitted and the analysis conducted, the REC decided at its meeting on 9 May 2026, that:

1. The tariffs that are based on the COS Report are approved as recommended in the tariff analysis section for implementation by the municipality with effect from 1 July 2026.
2. The Cost of Supply Report submitted by the municipality be noted.
3. The municipality is required to submit a report by 31 January 2027 accounting for all the costs that have been noted in its COS study, to enable the Regulator to perform its independent verification/audit process by 2026/27 financial year; and

4. The licensee is required to submit a quarterly smart efficiency plan with improvement measures identified in reducing high energy losses and submit it by 30 September 2026.

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ABBREVIATIONS

COS	Cost of Supply
D-form	Distribution form
ERTSA	Eskom's Retail Tariff Structural Adjustments
FBE	Free Basic Electricity
IBT	Inclining Block Tariff
IPP	Independent Power Producer
LM	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 the mandate of the Energy Regulator to regulate prices and tariffs. Municipal tariffs must be approved by the Energy Regulator and be implemented on 1 July of each financial year.

1.2. Mohokare Local Municipailty is a municipality based in the Free State. Previously it was operating under Centlec SOC LTD and now it withdrew its license to operate independently. The licensee has a total population of 35 840. The municipality provides 50 MWh to 1 173 indigents.

Table 2: Customer Statistics (Data obtained from the latest D-forms – 2024/25

Customer categories	**2024/25**			
	kWh	***% kWh***	***Customer numbers***	***% Customer numbers***
Domestic(Prepaid)	8 642 659	69%	3 874	95%
Domestic(Conventional)	14 198	0%	4	0,10%
Manufacturing	586 300	5%	9	0,22%
Commercial Prepaid	323 420	3%	145	4%
Commercial Conventional	1 517 707	12%	39	1,0%
Street Lighting	16 368	0%		0%
Sold to other departments	1 508 606	12%	23	0,6%
TOTAL	12 609 258	100%	4 094	100%
Free Basic Electricity	280 300	3,24%	1173	30,28%

1.3. NERSA received Mohokare LM's tariff application together with its Cost of Supply (COS) on 31 March 2026.

1.4. Mohokare LM implemented a 13,6% average price increase in 2025/26 Financial Year (FY) and is applying for an average price increase of 11,01% for the 2026/27 FY.

1.5. 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.

1.6. For this application, the municipality has indicated that its council met and the customers were consulted.

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

1.8. NERSA's decision was made on 9 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 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 ("EPP") for the South African Electricity Supply Industry, 2008.

2.1.2. The approval of municipal electricity tariffs follows the Eskom Multi-year Price Determination and Eskom Retail Tariff and Structural Adjustment decision and is undertaken annually in order to align with the municipal budgeting process contemplated in the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2.1.3. In addition, the municipal tariff approval process has recently been the subject of judicial scrutiny in the High Court of South Africa (Gauteng Division, Pretoria) in AfriForum NPC v National Energy Regulator of South Africa and Others (Case No. 2025/137620), which resulted in structural directives governing the timing and conduct of NERSA's tariff approval process.

2.1.4. This section provides the legal and policy context within which the Energy Regulator evaluated and determined the municipal electricity tariff application for the 2026/27 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 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:

- Section 4(a)(i) of the ERA provides that the Energy Regulator must consider applications for licences and may issue licences subject to conditions.

- Section 4(a)(ii) of the ERA provides that the Energy Regulator must regulate prices and tariffs.
- 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:

- 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 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 the 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

- 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
- the publication of NERSA decisions by 11 May 2026.

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

- written notice of bulk electricity tariffs be communicated by 31 January each year;
- municipal tariff applications be submitted to NERSA by 20 March each year;
- municipal tariff approvals and the tariff reasons for decision document, be approved and published by 5 May of each year.

2.9. Conclusion

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

2.9.2. The reasons that follow in this 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 financial year.

3. FINANCIAL AND TECHNICAL PERFORMANCE

3.1. In evaluating the financial and technical performance of Mohokare LM, the assessment relied on the Distribution forms (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. Mohokare LM's electricity business operated at a percentage deficit of -46,78% in the 2024/25 financial year increasing from a deficit of -5,87% in the 2023/24 financial year. The deterioration was mainly due to surge on expenses mainly driven by Eskom's interest of R5,9 million and NMD of R4,3 million general as well as increasing energy losses.

Table 3: Performance indicators

Performance Indicators: Obtainecfrom the D-Form		
Indicators	**2023/24**	**2024/25**
Percentage Surplus/ (Deficit)	-5,87%	-46,78%
Percentage Energy Losses	20,47	35,07

3.3. Mohokare LM's energy losses increased significantly from 20,47% in the 2023/24 financial year to 35,07% in the 2024/25 financial year. The total foregone revenue attributable to energy losses amounted to R21.9 million in 2024/25. This represents a further increase of 14,1%, equivalent to R3.2 million, compared to the 2023/24 financial year. The recovery of the foregone revenue would have improved the municipality's surplus by 6,9%. This excludes inefficiencies relating to operating expenditure

Table 4: Energy Losses Analysis

Revenue loss on Energy losses	2024/25
Purchases kWh	19 421 098
Sales kWh	12 609 258
Total Energy losses @ 35,07% (kWh)	6 811 840
Average Selling Price (ASP) (Rands)	3,22
Total Lost Revenue on Total losses (Rands)	**21 914 256**
Further foregone revenue (14,6% increase) (Rands)	3 199 481

3.1. Based on the above information above, inefficiencies on operating expenses continues to give pressure on the financial sustainability of the electricity business. The continued increase in losses indicates weaknesses in revenue protection, network management, metering and operational efficiency. Had these losses been effectively managed and reduced, the municipality's financial position and surplus levels would have improved considerably. The municipality will therefore be engaged further engaged to implement urgent loss-reduction interventions, strengthen technical and non-technical loss management measures and improve operational efficiencies to restore the sustainability of its electricity business.

4. Determination Of Mohokare's Tariffs Based On The Cost Of Supply Adjusted Data

4.1. The municipality submitted its existing COS study which supports the tariffs application which will be approved in the 2026/27 financial year. The municipality's cost of supply study was inclusive of all requirements of NERSA's approved COS framework (i.e. Revenue Requirement, Costs Functionalisation, Costs Classification, Costs Allocation and Rate Setting).

4.2. Policy position 23 states that: "*Electricity distributors shall undertake COS studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done according to the approved NERSA standard to reflect changing costs and customer behaviour. The cost-of-service methodology used to derive tariffs must accompany applications to the regulator for changes to tariff structures.*"

4.3. Section 18.7 of October 2023 NERSA-approved Cost of Supply Framework states that:

"*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, **Error! Reference source not found.** 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 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 cost of supply 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 FY 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 the NERSA's recommended amounts that sum up to allowable revenues the licensee must recover in 2026/27 FY.

4.5. The total allowable revenue of R74,1 million is for the 2025/26 FY tariff review and is based on the cost of supply revenue and the volumes used to determine the tariffs that were approved by the Energy Regulator, as shown in **Error! Reference source not found.** below.

4.6. The COS study is applicable for five years; however, municipalities need to reflect the adjustments on their cost drivers for the 2026/27 FY. NERSA used the budgeted figures submitted by the licensee to check the reasonableness as well as the licensee's current operational requirement to ensure that municipalities do not over- or under-recover during the 2026/27 FY tariff review process.

4.7. To determine an increase applicable for the 2026/27 financial year, the licensee submitted its 2026/27 cost (budgeted cost plus surplus) as requested by NERSA and total budgeted required revenue that amounted to R74,1 million for the 2026/27 FY tariff review process and after NERSA adjustments it amounted to R66,6 million due to elimination of inefficiencies.

Table 5: 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	12 609 258	13 113 628	13 572 605	-	13 572 605
Eskom bulk purchases	kWh	19 421 098	20 197 942	20 904 870	-	20 904 870
Independent Power Producers Conventional	kWh		-	-	-	-
Independent Power Producers Renewable Energy	kWh		-	-	-	-
Self Generation	kWh		-	-	-	-
Other			-	-	-	-
Total Energy Requirements	**kWh**	**19 421 098**	**20 197 942**	**20 904 870**		**20 904 870**
Total Losses	kWh	6 811 840	7 084 314	7 332 265		7 332 265
Technical losses	kWh	2 330 532	2 423 753	2 508 584	-	2 508 584
Non-technical losses	kWh	-4 481 308	-4 660 561	-4 823 680	-	-4 823 680
Allowed losses	%	**12,00%**	**12,00%**	**12,00%**		**12,00%**
Total Energy losses	%	35,07%	35,07%	35,07%		35,07%
Cost drivers						
Energy purchases from Eskom	Rand	46 697 207	51 983 331	56 667 029	0	56 667 029
other energy purchases			-	-	-	-
total energy purchases		**46 697 207**	**51 983 331**	**56 667 029**	**0**	**56 667 029**
Cost of technical losses	Rand	5 603 665	6 238 000	6 800 043	0	6 800 043
Non-Technical Losses		-10 775 116	-11 994 859	-13 075 596	0	-13 075 596
Other energy purchases	Rand				-	-
Capital expenditure	Rand	1 136 317	1 559 663	1 823 773	-	2 027 562
Operational expenditure (incl. Depreciati	**Rand**	**16 115 375**	**13 963 362**	**17 982 581**	**-6 892 210**	**11 090 371**
General & Other	0	16 115 375	13 963 362	17 982 581	-6 892 210	11 090 371
Materials and supplies	Rand	1 825 355	127 805	2 375 900	200 000	2 575 900
Contracted Services	Rand				0	0
Salaries, wages and allowances (exclu. Repairs and I	Rand	1 433 669	1 664 400	1 520 857	199 932	1 720 789
Eskom debts interest	Rand	5 906 251	6 712 940	7 619 919	-7 619 919	
Current year depreciation	Rand	2 220 315	2 342 432	2 518 115	0	2 518 115
other general expenditure	Rand	4 729 785	3 115 784	3 947 790	327 777	4 275 567
Shared OPEX	Rand	0	0	0	0	0
General expenses		**0**	**0**	**0**	**0**	**0**
Total Expediture before surplus		68 416 247	60 189 833	68 374 058	-6 892 210	61 481 848
Surplus	Rand	2 052 487	1 203 797	6 153 665	-620 299	5 533 366
Total Expenditure Including Surplus		70 468 734	61 393 630	74 527 723	-7 512 509	67 015 214
Other revenues	Rand	**-418 664**	**-418 664**	**-418 664**	**0**	**-418 664**
Free Basic Electricity (Equitable share)	Rand	418 664	418 664	418 664	0	418 664
Total Allowable Revenus	**Rand**	**70 050 070**	**60 974 966**	**74 109 059**	**-7 512 509**	**66 596 550**
increase required				***21,54%***	***9,22%***	

4.8. 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 revenues 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.

4.9. 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 figures were adjusted by disallowing Interest on Eskom debt.

Bulk purchases

4.10. The licensee applied for a bulk purchase expenditure of R56,7 million which accounts for 85% of total costs inclusive of the 9% energy loss allowance in line with the act that requires only the prudently and efficiently incurred cost to be passed through to customers.

4.11. 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 made an estimate that this cost item would increase by 9.01% in line with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

4.12. The Eskom bills were analysed and there were Eskom interests and NMD exceedance penalties charged and they were eliminated.

Operating Expenditure (including depreciation)

4.13. The licensee applied for operational expenditure, including depreciation, amounting to R18 million, as reflected in Table 3 above.

4.14. The Municipality adjusted the expenditure linked to the 2025/26 financial year tariffs, increasing it from R13 million to a budgeted amount of R18 million, representing a 28% increase in costs.

4.15. NERSA made adjustments amounting to R6,9 million to the licensee's budgeted operational expenditure of R18 million, resulting in an approved amount of R11,1 million. The adjustments mainly related to the exclusion of Eskom interest charges and Notified Maximum Demand (NMD) exceedance penalties.

Surplus

4.16. Mohokare LM's revenue requirement includes a surplus of R6,1 million, calculated using a surplus factor of 9% applied to operating expenditure, inclusive of bulk electricity purchases for the electricity business. This figure excludes inefficient or non-allowable costs, including interest on Eskom-related debt, as the municipality is currently in arrears on its bulk electricity account amounting to R7 million, as well as penalties arising from Notified Maximum Demand (NMD) exceedances amounting to R4 million. These exclusions were verified against Eskom invoices.

4.17. The applied surplus margin of 9% was benchmarked against the established target range of 10%–20% prescribed in the approved NERSA Cost of Supply (COS) Framework, EPP Policy Position 1, D-Form submissions and the Trial Balance to ensure that the return remains commensurate with the level of risk associated with the electricity business. Risk considerations incorporated qualitatively included: Revenue collection risks, such as non-payment, indigent levels and bad debts. The municipality has budgeted R0 for bad debt write-offs in the 2026/27 financial year.

4.18. Operational risks, particularly those relating to high energy losses and ageing infrastructure and less spending on Capex. Municipal energy losses for the 2026/27 financial year are projected at 35,07%.

4.19. In recommending the surplus, NERSA relied on section 15(1)(a) of the Electricity Regulation Act, which provides that 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".

4.20. Following adjustments arising from inefficient costs, NERSA revised the surplus downward by R0,6 million/ 7%.

Conclusion on Costs to Serve

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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/9251/MohokareLM2026_27RFD.pdf

Table 6: Schedule of Tariffs

1. Tariff I: IBT Indigent (Conventional & Prepaid)	*2025/26 Approved Increase*	*2026/27 Proposed % Increase*	*2026/27 Proposed Increase*	*2026/27 Recommended Increase*	*2026/27 Recommended % Increase*	*Analysis and Key findings*
Summer						
Block 1 (0- 50kWh): (R/kWh)	2,18	11,01%	2,42	2,38	9,22%	N/A
Block 2 (51-350kWh): (R/kWh)	2,50	11,01%	2,77	2,73	9,22%	N/A
Block 3 (>350kWh): (R/kWh)	3,67	11,01%	4,07	4,01	9,22%	N/A
Winter						
Block 1 (0- 50kWh): (R/kWh)	3,03	11,01%	3,37	3,31	9,22%	N/A
Block 2 (51-350kWh): (R/kWh)	3,25	11,01%	3,61	3,55	9,22%	N/A
Block 3 (>350kWh): (R/kWh)	4,27	11,01%	4,74	4,67	9,22%	N/A

2. Tariff II: IBT Domestic (Conventional & Prepaid)	*2025/26 Approved Increase*	*2026/27 Proposed % Increase*	*2026/27 Proposed Increase*	*2026/27 Recommended Increase*	*2026/27 Recommended % Increase*	*Analysis and Key findings*
Summer						
Block 1 (0- 350kWh): (R/kWh)	3,2	11,01%	3,55	3,50	9,22%	N/A
Block 2 (>350kWh): (R/kWh)	3,29	11,01%	3,65	3,59	9,22%	N/A
Winter						
Block 1 (0- 350kWh): (R/kWh)	3,54	11,01%	3,93	3,87	9,22%	N/A
Block 2 (>350kWh): (R/kWh)	3,54	11,01%	3,93	3,87	9,22%	N/A

3. Tariff II: Homeflex Single Phase	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Basic Monthly (R/month):	277,89	11,01%	308,49	303,51	9,22%	N/A
Low Season						
Energy charges:						
Peak (R/kWh):	3,99	11,01%	4,43	4,36	9,22%	N/A
Standard (R/kWh):	3,09	11,01%	3,43	3,37	9,22%	N/A
Off-peak (R/kWh):	2,79	11,01%	3,10	3,05	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	7,52	11,01%	8,35	8,21	9,22%	N/A
Standard (R/kWh):	4,34	11,01%	4,82	4,74	9,22%	N/A
Off-peak (R/kWh):	4,16	11,01%	4,62	4,54	9,22%	N/A

4. Homeflex Three Phase	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Basic Monthly (R/month):	845,14	11,01%	938,19	923,06	9,22%	N/A
Low Season						
Energy charges:						
Peak (R/kWh):	3,99	11,01%	4,43	4,36	9,22%	N/A
Standard (R/kWh):	3,09	11,01%	3,43	3,37	9,22%	N/A
Off-peak (R/kWh):	2,79	11,01%	3,10	3,05	9,22%	N/A

High Season						
Energy charges:						
Peak (R/kWh):	7,52	11,01%	8,35	8,21	9,22%	N/A
Standard (R/kWh):	4,34	11,01%	4,82	4,74	9,22%	N/A
Off-peak (R/kWh):	4,16	11,01%	4,62	4,54	9,22%	N/A

5. Tariff IV: Flat business (Conventional & Prepaid)	**2025/26 Approved Increase**	**2026/27 Proposed % Increase**	**2026/27 Proposed Increase**	**2026/27 Recommended Increase**	**2026/27 Recommended % Increase**	***Analysis and Key findings***
Summer						
Energy charge (R/kWh):	4,43	11,01%	4,92	4,84	9,22%	N/A
Winter						
Energy charge (R/kWh):	4,54	11,01%	5,04	4,96	9,22%	N/A

6. Tariff VI: Comflex Single Phase	**2025/26 Approved Increase**	**2026/27 Proposed % Increase**	**2026/27 Proposed Increase**	**2026/27 Recommended Increase**	**2026/27 Recommended % Increase**	***Analysis and Key findings***
Basic Monthly (R/month):	293,25	11,01%	325,54	320,29	9,22%	N/A
Summer						
Energy charges:						
Peak (R/kWh):	4,6	11,01%	5,11	5,02	9,22%	N/A
Standard (R/kWh):	2,57	11,01%	2,85	2,81	9,22%	N/A
Off-peak (R/kWh):	2,37	11,01%	2,63	2,59	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	6,82	11,01%	7,57	7,45	9,22%	N/A
Standard (R/kWh):	4,17	11,01%	4,63	4,55	9,22%	N/A
Off-peak (R/kWh):	3,07	11,01%	3,41	3,35	9,22%	N/A

7. Tariff VI: Comflex Three Phase	**2025/26 Approved Increase**	**2026/27 Proposed % Increase**	**2026/27 Proposed Increase**	**2026/27 Recommended Increase**	**2026/27 Recommended % Increase**	***Analysis and Key findings***
Low Season						
Basic Monthly (R/month):	1022,43	11,01%	1135,00	1116,70	9,22%	N/A
Energy charges:						
Peak (R/kWh):	4,1	11,01%	4,55	4,48	9,22%	N/A
Standard (R/kWh):	2,61	11,01%	2,90	2,85	9,22%	N/A
Off-peak (R/kWh):	2,34	11,01%	2,60	2,56	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	6,49	11,01%	7,20	7,09	9,22%	N/A
Standard (R/kWh):	3,99	11,01%	4,43	4,36	9,22%	N/A
Off-peak (R/kWh):	3,83	11,01%	4,25	4,18	9,22%	N/A

8. Elecflex 2	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Basic Monthly (R/month):	4081,06	11,01%	4530,38	4457,33	9,22%	N/A
Demand Charge (R/kVA)	275,12	11,01%	305,41	300,49	9,22%	N/A
Access Charge (R/kVA)	108,39	11,01%	120,32	118,38	9,22%	N/A
Energy charges:						
Low Season						
Peak (R/kWh):	2,72	11,01%	3,02	2,97	9,22%	N/A
Standard (R/kWh):	1,74	11,01%	1,93	1,90	9,22%	N/A
Off-peak (R/kWh):	1,62	11,01%	1,80	1,77	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	2,72	11,01%	3,02	2,97	9,22%	N/A
Standard (R/kWh):	2,61	11,01%	2,90	2,85	9,22%	N/A
Off-peak (R/kWh):	1,82	11,01%	2,02	1,99	9,22%	N/A

9. Elecflex 3	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Basic Monthly (R/month):	3136,94	11,01%	3482,32	3426,17	9,22%	N/A
Demand Charge (R/kVA)	315,47	11,01%	350,20	344,56	9,22%	N/A
Access Charge (R/kVA)	122,54	11,01%	136,03	133,84	9,22%	N/A
Energy charges:						
Low Season						
Peak (R/kWh):	3,25	11,01%	3,61	3,55	9,22%	N/A
Standard (R/kWh):	2,14	11,01%	2,38	2,34	9,22%	N/A
Off-peak (R/kWh):	1,95	11,01%	2,16	2,13	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	6,29	11,01%	6,98	6,87	9,22%	N/A
Standard (R/kWh):	3,07	11,01%	3,41	3,35	9,22%	N/A
Off-peak (R/kWh):	2,89	11,01%	3,21	3,16	9,22%	N/A

11. Bulk Resell 2	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Basic Charge	4738,52	11,01%	5260,23	5175,41	9,22%	N/A
Demand Charge	175,85	11,01%	195,21	192,06	9,22%	N/A
Summer						
Peak (R/kWh):	3,08	11,01%	3,42	3,36	9,22%	N/A
Standard (R/kWh):	2,23	11,01%	2,48	2,44	9,22%	N/A
Off-peak (R/kWh):	1,84	11,01%	2,04	2,01	9,22%	N/A
Summer						
Peak (R/kWh):	5,08	11,01%	5,64	5,55	9,22%	N/A
Standard (R/kWh):	3,18	11,01%	3,53	3,47	9,22%	N/A

Off-peak (R/kWh):	3,01	11,01%	3,34	3,29	9,22%	N/A

12. Bulk Resell 3	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Basic Charge	3119,13	11,01%	3462,55	3406,71	9,22%	N/A
Demand Charge	156,22	11,01%	173,42	170,62	9,22%	N/A
Winter						
Peak (R/kWh):	3,75	11,01%	4,16	4,10	9,22%	N/A
Standard (R/kWh):	2,69	11,01%	2,99	2,94	9,22%	N/A
Off-peak (R/kWh):	2,58	11,01%	2,86	2,82	9,22%	N/A
Summer						
Peak (R/kWh):	3,75	11,01%	4,16	4,10	9,22%	N/A
Standard (R/kWh):	2,69	11,01%	2,99	2,94	9,22%	N/A
Off-peak (R/kWh):	2,58	11,01%	2,86	2,82	9,22%	N/A

13 Tariff V: Departmental TOU	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Low Season						
Energy charges:						
Peak (R/kWh):	3,7	11,01%	4,11	4,04	9,22%	N/A
Standard (R/kWh):	2,48	11,01%	2,75	2,71	9,22%	N/A
Off-peak (R/kWh):	1,86	11,01%	2,06	2,03	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	6,93	11,01%	7,69	7,57	9,22%	N/A
Standard (R/kWh):	3,45	11,01%	3,83	3,77	9,22%	N/A
Off-peak (R/kWh):	3,17	11,01%	3,52	3,46	9,22%	N/A

14. Tariff V: Sports Stadiums	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Low Season						
Energy charges:						
Low Season						
Peak (R/kWh):	4,95	11,01%	5,49	5,41	9,22%	N/A
Standard (R/kWh):	3,59	11,01%	3,99	3,92	9,22%	N/A
Off-peak (R/kWh):	3,45	11,01%	3,83	3,77	9,22%	N/A
High Season						
Energy charges:						
Peak (R/kWh):	6,69	11,01%	7,43	7,31	9,22%	N/A
Standard (R/kWh):	5,38	11,01%	5,97	5,88	9,22%	N/A
Off-peak (R/kWh):	4,69	11,01%	5,21	5,12	9,22%	N/A

15. Tariff V: Departmental: streetlights (Prepaid and Conventional)	2025/26 Approved Increase	2026/27 Proposed % Increase	2026/27 Proposed Increase	2026/27 Recommended Increase	2026/27 Recommended % Increase	*Analysis and Key findings*
Summer						
Energy charge (R/kWh):	1,86	11,01%	2,06	2,03	9,22%	N/A
Winter						
Energy charge (R/kWh):	1,86	11,01%	2,06	2,03	9,22%	N/A

8. CONFIDENTIALITY

8.1. None.

9. CONCLUSION

9.1. The Energy Regulator, having considered the Mohokare LM application, supporting information, stakeholder inputs and applicable legal framework, approves the tariff adjustments as set out in this Reasons for Decision.

End.