NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

## Decision and Reasons for Decision (RfD)

In the matter regarding the

**Municipal Tariff Applications for the 2026/27 Financial Year**

By

**Greater Letaba Municipality**

## THE DECISION

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

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

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

   2.2 note the COS study submitted by the municipality;

   2.3 that the municipality must submit a report accounting for all the costs that have been noted in its COS study to enable the National Energy Regulator of South Africa to perform its independent verification/audit process by 31 January 2027; and

   2.4 that the municipality must submit a quarterly smart efficiency plan with

improvement measures identified in reducing high energy losses and submit by 30 September 2026

---

**TABLE OF CONTENTS**

THE DECISION ..... 1
ABBREVIATIONS ..... 6
1. INTRODUCTION ..... 7
2. LEGAL AND REGULATORY FRAMEWORK ..... 8
3. Financial and technical performaNce ..... 11
4. DETERMINATION OF Greater Letaba's TARIFFS BASED ON THE COST OF SUPPLY STUDy ..... 12
5. PUBLIC PARTICIPATION ..... 20
6. THE OBJECTORS AND OTHER INTERVENING PARTIES ..... 20
7. TARIFF ANALYSIS: ..... 20
8. CONFIDENTIALITY ..... 21
9. CONCLUSION ..... 21

## LIST OF TABLES

Table 1: Customer Statistics (Data obtained from the latest D-forms – 2024/25) .....7
Table 2: Performance Indicators.....12
*Table 3:* Revenue requirement components.....14
Table 4: Operating Expedinture.....15

## LIST OF FIGURES

Figure 1: Fives steps of COS ..... 13
Figure 2*: Costs breakdown by functions* ..... 16
Figure 3*: Costs breakdown by cost structure (Classification)* ..... 17
Figure 4: *Costs Allocated* ..... 18
Figure 5*: Revenue Recovery by customer category* ..... 18
Figure 6: Rate Design ..... 20

## ABBREVIATIONS

| | |
|---|---|
| COS | Cost of Supply |
| D-Form | Distribution form |
| ERTSA | Eskom's Retail Tariff Structural Adjustments |
| FBE | Free Basic Electricity |
| GLM | Greater Letaba |
| IBT | Inclining Block Tariff |
| IPP | Independent Power Producer |
| MFMA | Municipal Finance Management Act |
| NERA | National Electricity Regulation Act |
| NERSA | National Energy Regulator of South Africa |
| 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. Greater Letaba Municipality (GLM) is situated in the Limpopo Province. The Municipality have a well-balanced customer profile with commercial customer category consuming 46,41% of total consumption, followed by a domestic category at 27,43%. The Municipality provides its 62 indigent customers with 50kWh of Free Basic Electricity (FBE) per month. The Municipality further reports that it maintains an indigent register. The details regarding customer statistics are highlighted in Table 1 below.

**Table 1: Customer Statistics (Data obtained from the latest D-forms – 2024/25)**

| Consumer classification | Consumption (MWh) | MWh % | Number of customers |
|---|---|---|---|
| Domestic (pre-paid) | 20 325 | 23,19 | 802 |
| Domestic (conventional) | 3 717 | 4,24 | 28 |
| Manufacturing / Industrial | 22 925 | 26,16 | 12 |
| Commercial (pre-paid) | 14 285 | 16,30 | 24 |
| Commercial (conventional) | 26 383 | 30,11 | 194 |
| **Total** | **87 636** | **100** | **1 060** |
| Free Basic Electricity (FBE) | 426 | 1,77 | 62 |

1.3. Municipality's formal tariff application was accompanied by a revised comprehensive Cost of Supply (COS) study on 31 March 2026. The Municipality's primary objective for submitting the revised COS was to ensure that the projected expenditure and revenue requirements were based on the most recent and accurate financial data and most recent economic parameters.

1.4. GLM implemented a 11,32% average price increase in 2025/26 FY and is applying for an average price increase of 9,01% for the 2026/27 FY.

1.5. NERSA followed the notice and comment consultation process. Greater Letaba'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.

1.6. 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 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:

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

b. Section 4(a)(ii) of the ERA provides that the Energy Regulator must regulate prices and tariffs.
c. Section 14(1)(d) of the ERA authorises the Energy Regulator to impose licence conditions relating to the setting or approval of prices, charges, rates and tariffs charged by licensees.

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

## 2.3. Tariff Determination Principles under the ERA

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

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

- 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:

a. written notice of bulk tariffs by 6 March 2026;
b. municipal tariff applications to be submitted by 31 March 2026;
c. public participation processes to be concluded by 21 April 2026; and
d. 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:

a. written notice of bulk electricity tariffs be communicated by 31 January each year;
b. municipal tariff applications be submitted to NERSA by 20 March each year; and
c. 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 Greater Letaba, 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 dependable for the purposes of the tariff analysis.

**Surplus**

3.2. Greater Letaba's electricity business experienced a worsening operating deficit, which increased from 22.64% in 2023/24 financial year to 28.45% in 2026/27 financial year.

**3.2.1.** Salary expenses for the 2023/24 and 2024/25 financial years reflect a 12% increase. This rise is attributed to the filling of vacant positions and investment in training for meter readers.

**Energy Losses**

3.3. The Licensee successfully reduced energy losses by investing in staff training and filling vacant posts; as a result, the loss rate dropped from 8.03% in 2023/24 FY to 4.05% in 2024/25 FY.

3.4. Building on a history of single-digit reporting, the municipality successfully halved its energy losses during the 2024/25 financial year.

3.5. The municipality must continue to operate efficiently to avoid further profitability erosion.

**Table 2: Performance Indicators**

| PERFORMANCE INDICATOR: OTAINED FROM D-FORMS | | |
|---|---|---|
| ***Indicators*** | ***2024/25 FY (Actuals)*** | ***2023/24 FY (Approved)*** |
| *Surplus/Deficit (%)* | -28,45 | -22,64 |
| *Energy Losses (%)* | 4,05 | 8,03 |

3.6. Based on the above information provided by the D-forms, reasons for the financial position of the Greater Letaba's electricity division is both technically and financially improving as shown by indicator's trajectory displayed by the indicators. The licensee must continue with billing system data cleansing.

## 4. DETERMINATION OF GREATER LETABA'S TARIFFS BASED ON THE COST OF SUPPLY STUDY

4.1. The process followed in considering and approving Greater Letaba's tariff application was supported by a Cost of Supply study.

4.2. Greater Letaba 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.

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

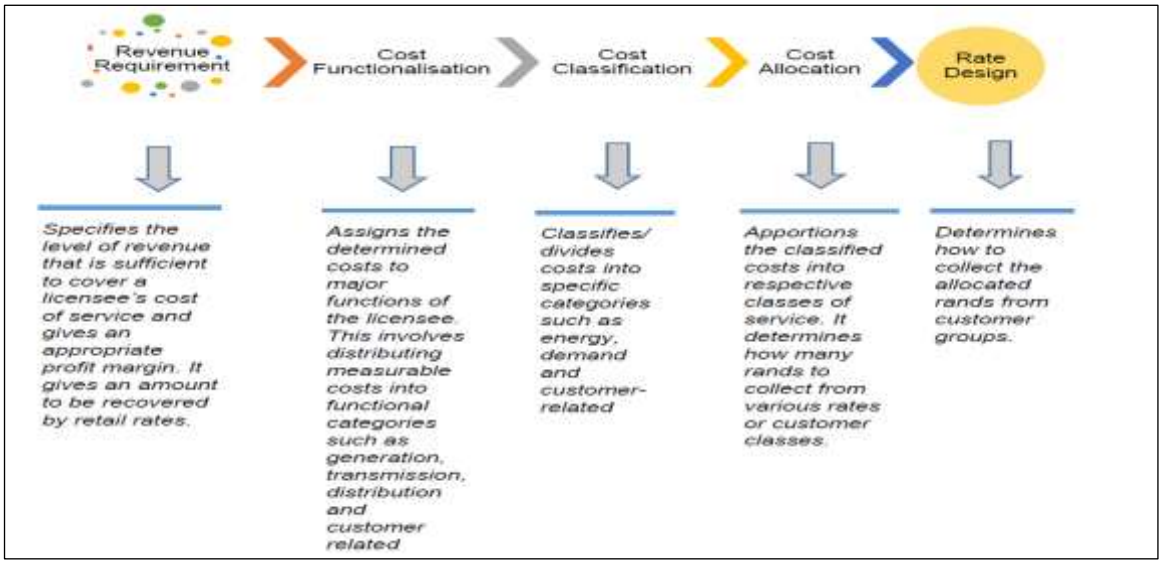



**Figure 1: Fives steps of COS**

4.5. The following steps are undertaken to analyse the Cost of Supply study:

### 4.4.1 Revenue Requirement

4.5.1.1. The methodology used for Greater Letaba is the cost-plus methodology. This approach does not have an audited Regulatory Asset Base (RAB) that meets the requirements for a Rate of Return (ROR) determination. The COS framework explicitly allows municipalities to determine allowable revenue using prudently incurred costs plus a reasonable surplus. Accordingly, no return on assets was calculated and no Weighted Average Cost of Capital (WACC) was applied.

4.5.1.2. Aligned to the NERSA CoS framework, costs were built up from verified bulk purchases (Eskom invoices) and verified electricity-related operating costs (tested against D-Forms, Trial Balance and Audited AFS) as shown below:

a. asset value – R133,545 million(AFS);

b. depreciation – R3, 093 million(AFS); and

c. surplus margin – R3,492 million (table 3 below).

4.5.1.3. To be fully cost reflective, the licensee's revenue requirement is R 38 421 million for the 2026/27 financial year. This revenue requirement is predominantly Eskom purchases accounting for 67% including allowable technical energy losses allowance. Operational expenditure accounts for 23%.

***Table 3:*** **Revenue requirement components**

| | Total cost (R) | | | |
|---|---|---|---|---|
| **Revenue requirement components** | **Wires** | **Retail** | **Total** | **% of Total** |
| **Allowable costs** | 11 720 680 | 26 700 696 | 38 421 376 | 100% |
| Energy purchases from Eskom - net of cost of losses | - | 23 535 037 | 23 535 037 | 61% |
| Energy purchases from Eskom - cost of losses | 2 223 527 | 141 657 | 2 365 184 | 6% |
| Other energy purchases | - | - | - | 0% |
| Capital expenditure | - | - | - | 0% |
| Operational expenditure (incl. Depreciation) | 8 431 637 | 596 667 | 9 028 303 | 23% |
| Other revenues | - | - | - | 0% |
| Surplus | 1 065 516 | 2 427 336 | 3 492 852 | 9% |
| **Not allowable costs** | - | - | - | |
| Cost of losses disallowed | - | - | - | |
| **TOTAL COSTS** | **11 720 680** | **26 700 696** | **38 421 376** | |
| | **31%** | **69%** | | |

4.5.1.4. The efficiency of costs for the 2024/25 financial year has been assessed, as this constitutes the most recent set of audited 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.

4.5.1.5. All expenses included in the revenue requirement have been examined to confirm that they pertain exclusively to the licensee's electricity function. In accordance with the Electricity Regulation Act, any costs found to be unsubstantiated or improperly incurred were adjusted. No such issues were identified in the case of Greater Letaba.

## Bulk purchases

4.5.1.6. Greater Letaba Municipality applied for bulk purchase expenditure amounting to R25.9 million, representing 76% of total costs. The bulk purchase figures were verified against Eskom invoices for the 2024/25 financial year.

4.5.1.7. To derive the 2026/27 FY bulk purchase estimate, the 2025/26 FY Cost of Supply (COS) amount was escalated by 9,01%, consistent with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

4.5.1.8. Greater Letaba's bulk purchase forecasting methodology is considered sound, as current energy losses of 4.05% present no risk of overstating the surplus through the inclusion of inefficient loss levels.

4.5.1.9. The bulk purchase expenditure has therefore been recommended for approval as submitted.

## Operational Expenditure

4.5.1.10. Greater Letaba has applied for operational expenditure totaling R46 728 million, representing 23% of overall costs, as reflected in Table 4 below.

4.5.1.11. The approach adopted by Greater Letaba in forecasting operational expenditure is considered reasonable and the amount is recommended for approval as requested, since there are no inefficient cost components—such as NMD exceedance penalties and interest incurred on Eskom-related debt that have been identified, as these items fall within the control of the municipality.

**Table 4: Operating Expedinture**

| Line items | Year 2 estimate (Rand) |
|---|---|
| **General & Other** | **R8 359 970** |
| Salaries and allowances | R5 396 929 |
| Materials and supplies | R2 162 600 |
| Contracted Services | R292 380 |
| Current year depreciation | R508 061 |
| **Shared OPEX** | **668 333** |
| Bad debts (Allowance for Impairment) | R - |
| FBE paid to Eskom | R525 000 |
| Other expenses | R143 333 |

## Surplus

4.5.1.12. Greater Letaba has requested a surplus of R3,493 million. In recommending a surplus, NERSA relied on section 15(1)(a)(a) of the Electricity Regulation Act, 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 the licensee recovers efficiently and prudently incurred costs, including a reasonable return, while preventing excessive compensation.

4.5.1.13. The proposed surplus is recommended as submitted, as the operating expenditure (OPEX) excludes bad debt, NMD exceedance penalties and interest on Eskom debt. Furthermore, energy losses remain within the single-digit range.

4.5.1.14. The decision to approve the revenue requirement as submitted will be applied in the subsequent stages, namely Cost Functionalisation, Cost Classification, Cost Allocation and Rate Setting. These stages have been verified and confirmed to align with the approved revenue requirement. Further detail on these stages is provided below.

### 4.5.2. Cost Functionalisation

4.5.2.1. The licensee has categorised its revenue requirement of R38.4 million into two primary functional components, namely the **wires business (31%)** and the **retail business (69%)**, in accordance with the NERSA COS framework, as illustrated in Figure 2 below. Upon verification, the allocation of costs to these functional components is found to be consistent with the stated revenue requirement.

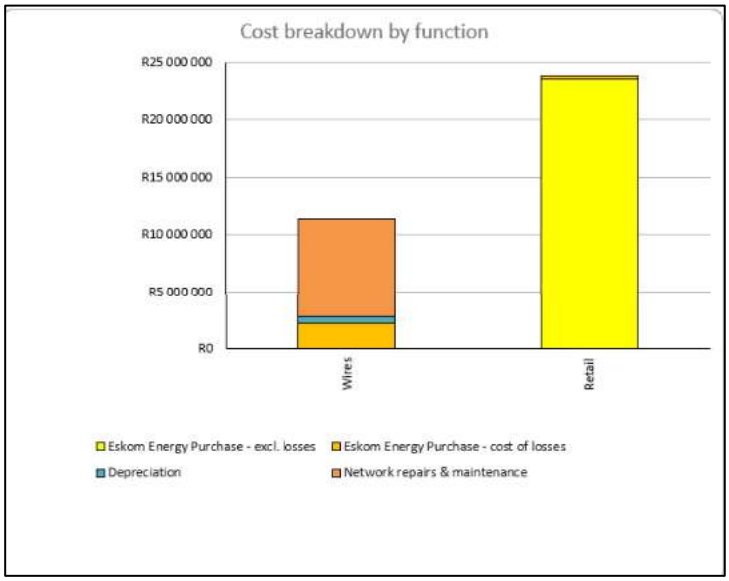



**Figure 2*: Costs breakdown by functions***

4.5.2.2. These costs, upon verification, are consistent with the approved revenue requirements. Operational expenditure constitutes the predominant cost drivers within the wires business, while energy purchases represent the primary cost driver within the retail business.

### 4.5.3. Cost Classification

4.5.3.1. The licensee has classified its costs into energy, demand and customer-related cost components, in accordance with the NERSA COS framework. The costs align with revenue requirements and cost functionalisation upon verification.

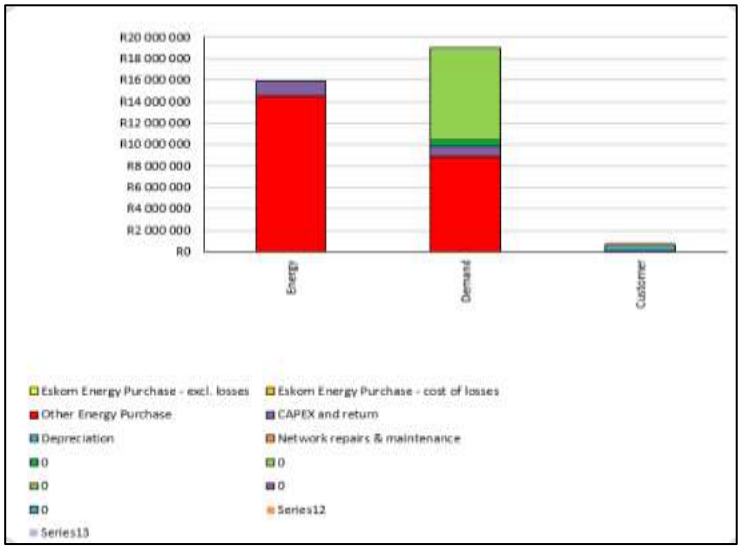



**Figure 3*: Costs breakdown by cost structure (Classification)***

4.5.3.2. Energy purchases constitute energy-driven costs, with the highest expenditure incurred during the summer period under the standard Time-of-Use structure, 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.

### 4.5.4. Cost Allocation

4.5.4.1. In this step, the licensee’s revenue requirement is allocated across customer categories, in accordance with the NERSA CoS framework. Upon verification, the allocation is found to be consistent with the stated revenue requirement and aligned with the principles of cost allocation.

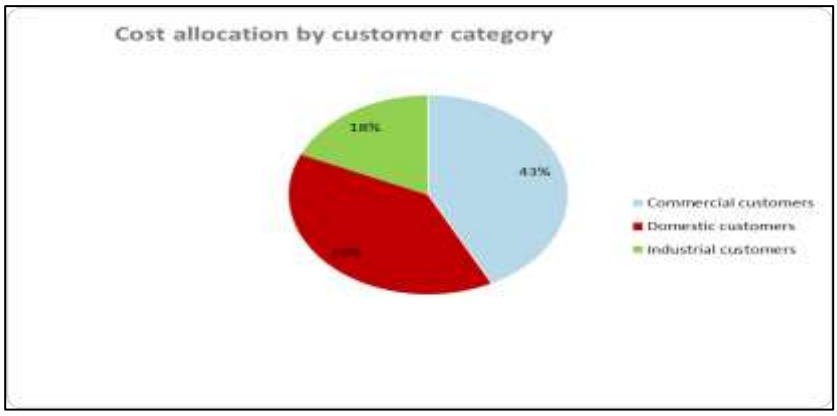



**Figure 4:** ***Costs Allocated***

### 4.5.5. Rate Design

4.5.5.1. Figure 5 below reflects the outcome of the COS study, indicating that certain customer categories require upward adjustments, while others warrant decrease. A comparison between the Cost of Supply and the revenue generated per tariff category highlights the extent of over- or under-recovery within each category, as illustrated in Figure 5 below.

4.5.5.2. To achieve full cost reflectivity, the municipality would be required to implement differentiated tariff adjustments across customer categories. However, the municipality has adopted a less aggressive approach, opting instead for a uniform tariff increase of 10,50% across all customer categories.

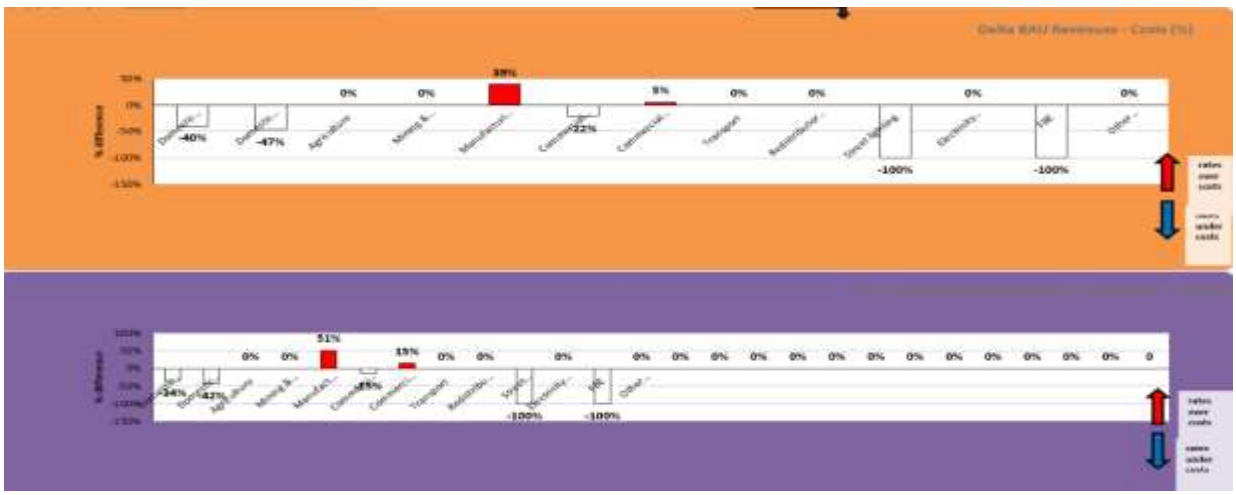



**Figure 5***: Revenue Recovery by customer category*

### 4.5.6. Conclusion on the COS

4.5.6.1. 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 elect to implement such adjustments by applying for differential increase with domestic seeing (8,98% and 8,99% for prepaid and conventional respectively) and commercial increase proposed is 9,03% whereas, industrial increase is 9,01%.

4.5.6.2. This approach was informed by considerations, including the need to maintain tariff sustainability to support ongoing demand for electricity services. Excessive tariff increases may adversely affect consumption levels, thereby impacting revenue stability.

4.5.6.3. In addition, the licensee took 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.

4.5.6.4. This approach is intended to safeguard the municipality's revenue base and support its financial sustainability, in line with applicable legislative requirements.

4.5.6.5. 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.

4.5.6.6. The COS study results indicate a required increase of 9,01%, as illustrated in Figure 6 below. The municipality's application is aligned to the results of the COS

*Results BEFORE phasing*

| | BAU | CTS (net of subsidies) | New rates (Dashboard selection) |
|---|---|---|---|
| **Total revenue forecast (with new rates)** | 32 193 309 | 35 831 354 | **35 094 496** |
| | | **Delta =** | -736 858 |
| **Average increase in rates** | **9,01%** | | |

Page 20 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/9161/GreaterLetabaMunicipality_ReasonsforDecisionontariffapplicatio

| | | | | | | |
|---|---|---|---|---|---|---|
| Block 3 (351 - 600 kWh) | 356,00 | 8,99% | 388,00 | 388,00 | 8,99% | set higher than subsequent blocks, bringing it in line with Eskom's price adjustments. |
| Block 4 ( > 600 kWh) | 425,00 | 8,94% | 463,00 | 463,00 | 8,94% | |

| 2.1 Commercial Prepaid (Single/Three Phase) | 2025/26 FY Approved Rates | 2026/27 FY Proposed % | 2026/27 FY Proposed Rates | 2026/27 FY Recommended Rates | Recommended % increase for 2026/27 FY | Analysis and key findings |
|---|---|---|---|---|---|---|
| Energy Charge: c/kWh | 432,00 | 9,03% | 471,00 | 471,00 | 9,03% | The proposal is aligned with Eskom's price increase to ensure that bulk purchase costs are fully covered. |

| 2.2 Commercial Conventional | 2025/26 FY Approved Rates | 2026/27 FY Proposed % | 2026/27 FY Proposed Rates | 2026/27 FY Recommended Rates | Recommended % increase for 2026/27 FY | Analysis and key findings |
|---|---|---|---|---|---|---|
| Energy Charge: c/kWh | 432,00 | 9,03% | 471,00 | 471,00 | 9,03% | This adjustment matches Eskom's increase to ensure sufficient coverage of bulk electricity purchases. |
| Basic charge: R/month | 310,00 | 9,03% | 338,00 | 338,00 | 9,03% | |

| Industrial Low/High and Business with kVA | 2025/26 FY Approved Rates | 2026/27 FY Proposed % | 2026/27 FY Proposed Rates | 2026/27 FY Recommended Rates | Recommended % increase for 2026/27 FY | Analysis and key findings |
|---|---|---|---|---|---|---|
| Basic charge: R/month | 10 931,00 | 9,01% | 11916,00 | 11916,00 | 9,01% | This adjustment matches Eskom's increase to ensure sufficient coverage of bulk electricity purchases. |
| Energy charge: c/kWh | 196,00 | 9,18% | 214,00 | 214,00 | 9,18% | |
| Demand charge: R/kVA | 435,00 | 8,97% | 474,00 | 474,00 | 8,97% | |

## 8. CONFIDENTIALITY

8.1. None.

## 9. CONCLUSION

9.1. The Energy Regulator, having considered the Greater Letaba application, supporting information and applicable legal framework, approve the tariff adjustments as set out in this Reasons for Decision.

***End.***