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

Maluti A Phofung Local Municipality

THE DECISION

At its meeting held on 27 May 2026, the Regulator Executive Committee (REC) considered Maluti A Phofung Local Municipality (MPLM)'s tariff application. Based on the facts and evidence presented, REC approved the tariff increases for the 2026/27 financial year set out in **Error! Reference source not found.** below.

a) to 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;
b) to note the municipality is required to submit a report accounting for all the costs that have been noted in its COS study, to enable the National Energy Regulator of South Africa (NERSA) to perform its independent verification/audit process by 31 January 2027; and
c) that the municipality must submit a quarterly progress report on efficiency improvement measures taken to reduce high energy losses and deficit for the Regulator to monitor implementation thereof 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
MPLM	Maluti A Phofung 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 to be implemented on 1 July of each financial year.

1.2. The municipality has a population of 85,656, and the rest of the socio-economic information is listed in Table 1 below. The licensee provides 50 kWh Free Basic Electricity (FBE) to 2,616 indigent customers.

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

Customer categories	***MWh***	***% MWh***	***Customer numbers***
Domestic (Prepaid)	419 622	13.70%	82 874
Domestic (Conventional)	61,260	2.00%	322
Agriculture	820 876	26.80%	109
Manufacturing	72,360	2.36%	1.629
Commercial Prepaid	1 389 836	45.37%	305
Street Lighting	62,141	2.03%	N/A
Own use	29,678	0.97%	1
Sold to other departments	108 309	3.54%	106
Other Consumers	98,950	3.23%	310
TOTAL	**3 063 032**	**100%**	**85,656**
Free Basic Electricity	**67,418**	**14.02%**	**25,886**

1.3. NERSA received MPLM'S tariff application, together with its COS, on 31 March 2026. The municipality indicated that it had undertaken consultation with affected stakeholders and that its Council approved the proposed tariff increases. Proof of consultation was submitted.

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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 licenses and may issue licensees 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 authorizes the Energy Regulator to impose license 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 licenses 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 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 recognizes that cost reflective tariff structures require a sound understanding of the underlying cost drivers associated with electricity distribution.

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

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

2.6.4. Such studies must be conducted in accordance with the methodology approved by NERSA and must accompany tariff structure applications submitted to 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 2025/2026 municipal tariff approvals did not comply with the procedural requirements of section 4 of PAJA and was therefore unlawful.

2.7.3. However, recognizing 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

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 municipal financial year.

3. Financial and technical performance

3.1. In evaluating the financial and technical performance of MPLM, 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. MPLM'S electricity business operated at a deficit of 35.60% in the 2023/24 financial year, which further deteriorated to a deficit of 85.61% in the 2024/25 financial year. This indicates that the electricity business remains financially unsustainable, as the revenue generated is insufficient to fully recover the cost of supplying electricity.

3.3. **Table 2**below shows that the municipality reported high energy losses of 39.50% in 2023/24 and 36.99% in 2024/25, which are significantly above the acceptable industry norm and NERSA benchmark levels. Although a marginal improvement is noted, the losses remain excessive and continue to place pressure on the municipality's financial position and electricity tariffs.

Table 2: Performance indicators

Performance Indicators: Obtained from the D-Form		
Indicators	**2023/24**	**2024/25**
Percentage Surplus (Deficit)	**-35.60%**	**-85.61%**
Percentage Energy Losses	**39.50%**	**36.99%**

3.4. The analysis of the Licensee's energy losses indicates that the electricity business is operating at a significant deficit primarily due to excessive energy losses. Based on the D-Form input, the Licensee recorded electricity sales of 306 303 157 kWh against bulk electricity purchases of 486 098 696 kWh, resulting in total energy losses of 179 795 538.46 kWh or 36.99% as shown in Table 3 below.

Table 3: Foregone revenues due to high losses

	D-Form Input	Energy Loss@12%	Energy Loss@6%
Average Selling Price	231,06		
Sales kWh	306 303 157,55	427 766 852,48	456 932 774,24
Purchases kWh	486 098 696,00	486 098 696,00	486 098 696,00
Losses kWh	179 795 538,46	58 331 843,52	29 165 921,76
Losses percentage	**36,99%**	**12,00%**	**6,00%**
Additional Energy (kWh)		121 463 694,94	150 629 616,70
Additional Revenue (Rands)		280 654 013,52	348 044 792,34
	D-Form Input	Energy Loss@12%	Energy Loss@6%
Total Revenue (Rands)	R 728 561 309,95	R 1 009 215 323,47	R 1 076 606 102,28
Total Expenses (Rands)	R 1 352 315 041,59	R 1 352 315 041,59	R 1 352 315 041,59
Net Profit (Loss)	R -623 753 731,64	R -343 099 718,12	R -275 708 939,31
Percentage Surplus/Deficit	**-85,61%**	**-34,00%**	**-25,61%**

3.5. Table 4 above indicates that, at the current average selling price of 231.06 c/kWh, the Licensee generated total electricity revenue of R728 561 309.95 against total electricity related expenditure of R1 352 315 041.59. This resulted in a net deficit of R623 753 731.64, representing a deficit margin of 85.61%. NERSA notes that the reported energy losses of 36.99% are significantly above the 12% benchmark prescribed for the NERSA COS Framework and are, therefore, considered unsustainable.

3.6. The analysis further demonstrates that, should energy losses be reduced to the 12% benchmark as reflected in Table 4 above, electricity sales would increase to 427 766 852.48 kWh, resulting in additional energy sales of 121 463 694.94 kWh. At the current average selling price, this would generate additional revenue of R280 654 013.52, increasing total revenue to R1 009 215 323.47. Consequently, the net deficit would decrease to R343 099 718.12, representing an improved deficit margin of 34.00%.

3.7. Furthermore, if energy losses are reduced to 6%, electricity sales would increase to 456 932 774.24 kWh, resulting in additional energy sales of 150 629 616.70 kWh and additional revenue of R348 044 792.34. Total revenue would increase to R1 076 606 102.28, while the net deficit would reduce to R275 708 939.31, representing a deficit margin of 25.61%.

3.8. NERSA notes that the analysis demonstrates a direct correlation between excessive energy losses and the deteriorating financial position of the electricity business. The high level of non-technical and technical losses continues to place significant financial pressure on the Licensee and contributes to the under-recovery of efficient electricity supply costs.

3.9. Accordingly, NERSA emphasises the need for the Licensee to implement credible and measurable loss reduction interventions, including improved revenue collection measures, network maintenance, metering interventions, electricity theft reduction initiatives, and strengthening of operational controls. Reducing energy losses remains critical to improving the financial sustainability of the electricity business and limiting the tariff burden on customers.

4. Determination of Maluti A Phofung (MPLM)'s Tariffs Based on the existing Cost of Supply Study

Analysis of Cost Data

4.1 MPLM submitted its COS study which supported the implementation of tariffs approved in the 2024/25 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 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."*

4.3 In line with section 18.7 mentioned above, Table 5 below was developed, and the definition of the columns is as follows:

a) Column 1: is the actual 2024/25 licensee performance and is sourced from the D-forms that are based on the audited annual statements.

b) 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 COS base tariffs. Once the financial year ends, the actual figures will be verified using the audited statements.

c) Column 3: is for the licensee's submitted FY 2026/27 budgeted figures to be tested for reasonableness for determining tariffs for the control period under review.

d) Column 4: is for NERSA's recommended adjustments after considering the reasons, facts, and evidence the licensee provided to motivate/justify the budgeted figures.

I. e) Column 5: is for the NERSA's recommended amounts that sum up to allowable revenues the licensee must recover in FY 2026/27.

4.4 The Licensee submitted a total allowable revenue requirement of R1 397 623 419 for the 2026/27 financial year, reflecting an average tariff increase of 13.44%. Following the regulatory assessment and adjustments for identified inefficiencies, the allowable revenue was reduced to R1 343 023 419, resulting in an adjusted average tariff increase of 9.01%.

Table 4: 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	306 303 158	346 122 568	380 734 825	-	380 734 825
Eskom bulk purchases	kWh	486 098 696	547 833 230	597 138 221	-	597 138 221
Total Energy Requirements	**kWh**	**486 098 696**	**547 833 230**	**597 138 221**		**597 138 221**
Total Losses	kWh	179 795 538	201 710 662	216 403 396		216 403 396
Technical losses	kWh	58 331 844	65 739 988	71 656 587	-	71 656 587
Non-technical losses	kWh	-121 463 695	-135 970 675	-144 746 810	-	-144 746 810
Allowed losses	%	**12,00%**	**12,00%**	**12,00%**		**12,00%**
Total Energy losses	%	36,99%	36,82%	36,24%		36,24%
Cost drivers						
Energy purchases from Eskom	Rand	993 241 114	1 119 382 736	1 220 239 120	-	1 220 239 120
other energy purchases		-	-	-	-	-
total energy purchases		**993 241 114**	**1 119 382 736**	**1 220 239 120**	**0**	**1 220 239 120**
Cost of technical losses	Rand					
Non-Technical Losses						
Other energy purchases	Rand				-	-
Operational expenditure (incl. Dep	**Rand**	**82 205 518**	**85 582 056**	**143 039 131**	**- 52 000 000**	**91 039 131**
General & Other	0	79 204 058	82 440 732	138 272 518	-52 000 000	86 272 518
Salaries and allowances	Rand	51 361 285	53 415 736	56 086 523	0	56 086 523
Materials and supplies	Rand	598 199	622 127	647 012	0	647 012
Contracted Services	Rand	20 393 385	21 209 121	22 057 486	0	22 057 486
Payments to consultants (operational work)	Rand				0	0
Eskom debts interest	Rand			52 000 000	-52 000 000	
Current year depreciation	Rand	6 851 188	7 193 748	7 481 498	0	7 481 498
NMD exceedance penalties	Rand				0	0
Shared OPEX	Rand	3 001 460	3 141 324	4 766 612	0	4 766 612
Bad debts (Allowance for Impairment)	Rand	258 771	271 710	298 881	0	298 881
General expenses		**2 742 689**	**2 869 614**	**2 984 398**	**0**	**2 984 398**
INVENTORY - MATERIALS & SUPPLIES	Rand	1 721 748	1 807 835	1 880 149	0	1 880 149
STREET LIGHTS (ESKOM CHARGES)	Rand	1 020 941	1 061 778	1 104 250	0	1 104 250
		1 075 446 632	1 204 964 791	1 363 278 251	-52 000 000	1 311 278 251
Surplus	Rand	53 772 332	60 248 240	68 163 913	2 600 000	65 563 913
Total Expenditure Including Surplus		1 129 218 964	1 265 213 031	1 431 442 163		1 376 842 163
Other revenues	Rand	**-32 188 297**	**-33 155 632**	**-33 818 745**	**0**	**-33 818 745**
Reconnection fees	Rand	1 667 717	1 717 749	1 752 104	0	1 752 104
New connections	Rand	84 297	88 511	90 282	0	90 282
Free Basic Electricity (Equitable share)	Rand	9 614 248	9 902 676	10 100 729	0	10 100 729
MANAGEMENT FEES	Rand	22 017	22 678	23 131	0	23 131
INTER: RECEIV - ELECTRICITY	Rand	20 800 018	21 424 018	21 852 499		21 852 499
Total Allowable Revenus	**Rand**	1 097 030 666	1 232 057 399	1 397 623 419	-54 600 000	1 343 023 419
Increase required				*13,44%*	*9,01%*	

Sources: Approved Revenue (FY 2024/25) / Budget (FY 2025/26)

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

4.6 Furthermore, NERSA has verified all expense items included in the revenue requirements to ensure that they relate only to the electricity function of the licensee. In instances where expenses are deemed inflated or unjustified, these have been adjusted accordingly.

Bulk purchases

4.7 The licensee applied for a bulk purchase expenditure of R1 220.239 million (including energy losses), which accounts for 91% of the total costs. Bulk purchases were verified against Eskom invoices in the 2024/25 financial year.

4.8 In order to get to the 2026/27 estimation, the 2025/26 COS amount was adjusted by 9.01% in line with the approved Eskom Retail Tariff Structural Adjustments (ERTSA).

4.9 NERSA is satisfied that the approach taken by the licensee to forecast bulk purchases is reasonable. As a result, this cost has been recommended for approval as applied for.

Operating Expenditure (including depreciation)

4.10 MPLM applied for operational expenditure amounting to R143 039 131. Following the assessment of the prudency and efficiency of costs, NERSA adjusted operational expenditure downward by R52 000 000, reducing the allowable operational expenditure to R91 039 131. The adjustment mainly relates to Eskom debt interest costs, which were deemed inefficient and therefore not allowed for recovery through customer tariffs.

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

4.12 The increasing operational expenditure places additional pressure on electricity tariffs and the municipality's overall cost recovery position. The municipality should strengthen expenditure controls, improve operational efficiencies, prioritise preventative maintenance, and enhance revenue collection measures to ensure the long-term financial sustainability of the electricity business.

Surplus

4.13 MPLM applied for a surplus margin of R68 163 913 for the 2026/27 financial year as part of the total revenue requirement. NERSA assessed the proposed surplus against the principles contained in the Electricity Pricing Policy (EPP), the COS Framework, and the requirement to ensure that tariffs remain fair, cost-reflective, and affordable to customers.

4.14 In assessing the surplus, NERSA considered the financial sustainability of the Licensee, the operational risks associated with the provision of electricity services, and the need to maintain adequate funding for the refurbishment, maintenance, and expansion of electricity infrastructure. NERSA further considered the impact of the proposed surplus on customer tariffs, particularly in light of the prevailing economic conditions and affordability concerns.

4.15 Following the regulatory assessment and adjustments for identified inefficiencies, including the exclusion of Eskom debt interest costs amounting to R52 000 000, the allowable surplus was adjusted downward to R65 563 913. The approved surplus was considered reasonable and sufficient to support the continued financial viability of the electricity business while balancing the interests of customers and the Licensee.

4.16 NERSA notes that the approved surplus does not constitute an excessive profit margin but forms part of the prudent and efficient revenue requirement necessary to sustain ongoing electricity service delivery and infrastructure investment obligations of the Licensee.

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8. Tariff Analysis

TARIFF -A- DOMESTIC TARIFFS					
House, Flats, Old Age Homes, Hotels, Church Offices, Charity Organisations, Schools, Sport Grounds, Clubs, Agricultural Societies.	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Approved	Approved % Increase
BASIC LEVY - PER MONTH					
Single & Three Phase	432.59	9.01%	471.57	471.57	9.01%
Rural - Single & Three Phase	443.20	9.01%	499.49	499.49	9.01%
TARIFF PER UNIT					
TARIFF 3: DOMESTIC OLD AGE HOMES, HOSTEL, FLATS & PLOTS	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	1.8978	5.50%	2.00	2.00	5.50%
Block 2 (51 - 350 kWh) R/kWh	2.4543	9.01%	2.68	2.68	9.01%
Block 3 (351-600kWh) R/kWh	3.4674	9.01%	3.78	3.78	9.01%
Block 4 (>600kWh) R/kWh	3.9382	9.80%	4.32	4.32	9.80%

TARIFF 3A: Conventional Normal meter-per kWh(single phase)winter tariff	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	2.0119	9.01%	2.19	2.19	9.01%
Block 2 (51 - 350 kWh) R/kWh	2.6540	9.01%	2.89	2.89	9.01%
Block 3 (351-600kWh) R/kWh	3.8383	9.30%	4.20	4.20	9.30%
Block 4 (>600kWh) R/kWh	4.0666	9.85%	4.47	4.47	9.85%

TARIFF 3B: Conventional Normal meter-per kWh(three phase) summer tariff	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	2.01	5.50%	2.12	2.12	5.50%
Block 2 (51 - 350 kWh) R/kWh	2.68	9.01%	2.92	2.92	9.01%
Block 3 (351-600kWh) R/kWh	3.85	9.01%	4.20	4.20	9.01%
Block 4 (>600kWh) R/kWh	4.00	9.85%	4.39	4.39	9.85%

TARIFF 3C: Conventional Normal meter-per kWh(three phase) winter tariff	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Approved	Approved % Increase
Block 1 (0 - 50 kWh) R/kWh	2.11	9.01%	2.30	2.11	0.00%
Block 2 (51 - 350 kWh) R/kWh	3.08	9.01%	3.36	3.08	0.00%
Block 3 (351-600kWh) R/kWh	4.00	9.01%	4.36	4.00	0.00%
Block 4 (>600kWh) R/kWh	4.11	9.01%	4.48	4.11	0.00%

TARIFF 3D: Pre-paid meter - per kWh (Single phase&three phase)summer tariff	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Approved	Approved % Increase
Block 1 (0 - 50 kWh) R/kWh	2.20	5.50%	2.32	2.32	5.50%
Block 2 (51 - 350 kWh) R/kWh	2.93	5.50%	3.09	3.09	5.50%
Block 3 (351-600kWh) R/kWh	3.98	6.00%	4.22	4.22	6.00%
Block 4 (>600kWh) R/kWh	4.31	6.50%	4.59	4.59	6.50%
TARIFF 3E: Pre-paid meter - per kWh(Single phase&three phase)winter tariff	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	2.37	9.01%	2.58	2.58	9.01%
Block 2 (51 - 350 kWh) R/kWh	3.22	9.01%	3.52	3.52	9.01%
Block 3 (351-600kWh) R/kWh	3.98	9.01%	4.34	4.34	9.01%
Block 4 (>600kWh) R/kWh	4.31	9.01%	4.70	4.70	9.01%

TARIFF 4: Pre-paid meter - per kWh(Single phase&three phase)summer tariff	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Approved	Approved % Increase
Block 1 (0 - 50 kWh) R/kWh	2.20	5.50%	2.32	2.32	5.50%
Block 2 (51 - 350 kWh) R/kWh	2.93	5.50%	3.09	3.09	5.50%
Block 3 (351-600kWh) R/kWh	3.98	6.00%	4.22	4.22	6.00%
Block 4 (>600kWh) R/kWh	4.31	6.50%	4,59	4.59	6.50%
TARIFF 4A: Pre-paid meter - per kWh(Single phase&three phase)winter tariff	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	2.37	9.01%	2.58	2.58	9.01%
Block 2 (51 - 350 kWh) R/kWh	3.22	9.01%	3.52	3.52	9.01%
Block 3 (351-600kWh) R/kWh	3.98	9.01%	4.34	4.34	9.01%
Block 4 (>600kWh) R/kWh	4.31	9.01%	4.70	4.70	9.01%

TARIFF 4B: Pre-paid meter - per kWh(Single phase&three phase)summer tariff	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	2.16	9.01%	2.35	2.35	9.01%
Block 2 (51 - 350 kWh) R/kWh	3.00	9.01%	3.27	3.27	9.01%
Block 3 (351-600kWh) R/kWh	3.92	9.01%	4.27	4.27	9.01%
Block 4 (>600kWh) R/kWh	4.11	9.01%	4.48	4.48	9.01%
TARIFF 4C: Pre-paid meter - per kWh(Single phase&three phase)winter tariff	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Block 1 (0 - 50 kWh) R/kWh	2.07	9.01%	2.26	2.26	9.01%
Block 2 (51 - 350 kWh) R/kWh	2.93	9.01%	3.19	3.19	9.01%
Block 3 (351-600kWh) R/kWh	3.90	9.01%	4.25	4.25	9.01%
Block 4 (>600kWh) R/kWh	4.24	9.01%	4.62	4.62	9.01%

TARIFF 5:Businesses, Small Industries under 100 kVA or 150 ampere per phase. Community Halls, Properties, Properties registered as Boarding Houses, Government or any other consumer not mentioned in other tariff categories.	2025/26 Approved	Proposed % Increase	2026/27 Proposed	2026/27 Approved	Approved % Increase
BASIC LEVY - PER MONTH					
Single & Three Phase				350.00	NEW
Rural - Single & Three Phase				400.00	NEW
TARIFF 5A: COMMERCIAL TARIFFS					
Businesses, Small Industries under 100 kVA or 150 ampere per phase. Community Halls, Properties, Properties registered as Boarding Houses, Government or any other consumer not mentioned in other tariff categories.	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
BASIC LEVY - PER MONTH					
TARIFF PER UNIT					
Unit tariff - per kWh(summer tariff)	3.40	9.01%	3.70	3.70	9.01%
Unit tariff - per kWh(winter tariff)	3.88	9.01%	4.23	4.23	9.01%
Pre-paid meter -summer tariff	4.22	9.01%	4.60	4.60	9.01%
Prepaid meter winter tariff	4.42	9.01%	4.82	4.82	9.01%

TARIFF 6- INDUSTRIAL TARIFFS **Bulk Consumers and Nestle, Nouwens, FDC**	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
BASIC LEVY - PER MONTH (Low tension KVA)	2 522.28	9.01%	2 749.54	2 749.54	9.01%
BASIC LEVY - PER MONTH (High tension KVA)	2 724.91	9.01%	2 970.43	2 970.43	9.01%

TARIFF 7: NON RURAL	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Low Tension kVA Consumers - per kVA (demand charge)	560.30	9.01%	610.78	610.78	9.01%
Low Tension kVA Consumers - per kVA (summer tarif)	1.47	9.01%	1.60	1.60	9.01%
Low Tension kVA Consumers - per kVA(winter tariff)	2.58	9.01%	2.81	2.81	9.01%
TARIFF 8: NON RURAL					
High Tension kVA Consumers - per kVA(demand charge)	573.40	9.01%	625.06	625.06	9.01%
High Tension kVA Consumers - per kVA(summer tariff)	1.44	9.01%	1.57	1.57	9.01%
High Tension kVA Consumers - per kVA(winte tariff)	1.96	9.01%	1.69	1.69	-13.97%

Unit tariff - per kWh	3.64	9.01%	3.97	3.97	9.01%
TARIFF 10: Dwellings - Non-residents for instance Farm Dwellings and Businesses CONVENTIONAL	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
BASIC LEVY - PER MONTH(Summer & Winter tariff)	470.56	9.01%	512.96	512.96	9.01%
Single/three phase Phase(Summer tariffs)	4.22	9.01%	4.60	4.60	9.01%
Single/three phase Phase(Winter tariffs)	5.08	9.01%	5.54	5.54	9.01%
TARIFF 10A: PRE-PAID TARIFF PER UNIT	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Pre-paid meter - per kWh	4.27	9.01%	4.65	4.65	9.01%

TARIFF 11: Businesses - e.g dairies, pumps, feeding Lots, etc.	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
BASIC LEVY - PER MONTH	1 282.51	9.01%	1 398.06	1 398.06	9.01%
TARIFF 11A: TARIFF PER UNIT					
Unit tariff - per kWh	4.27	9.01%	4.65	4.65	9.01%
TARIFF 12 & 12A: kVA Consumers- Industrial Rural Basic	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
BASIC LEVY - PER MONTH	2 484.72	9.01%	2 708.60	2 708.60	9.01%
TARIFF PER UNIT					
kVA tariff - per kVA (Demand charge)	573.40	9.01%	625.06	625.06	9.01%
Unit tariff - per kWh(summer tariff)	1.51	9.01%	1.65	1.65	9.01%
Unit tariff - per kWh(winter tariff)	2.65	9.01%	2.89	2.89	9.01%
Off-peak tariff - per kWh	1.33	9.01%	1.45	1.45	9.01%
TARIFF 13: VACANT ERVEN	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Vacant erven:Dwelling per month	509.82	9.01%	555.75	555.75	9.01%
Vacant erven: Business/industries per month	768.80	9.01%	838.07	838.07	9.01%
TARIFF - G	**2025/26 Approved**	**Proposed % Increase**	**2026/27 Proposed**	**2026/27 Approved**	**Approved % Increase**
Advertisement Signs					
Basic Levy per month	482.76	9.01%	526.26	526.26	9.01%
Unit tariff- per Kwh	5.01	9.01%	5.46	5.46	9.01%

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 approve MPLM tariff application for 2026/27 financial year.

End.