NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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Decision and Reasons for Decision (RfD)

In the matter regarding the

Municipal and Private Distributor Tariff Applications for the 2026/27 Financial Year

By

Lesedi Local Municipality

THE DECISION

At its meeting held on 8 May 2026, the Regulator Executive Committee (REC) considered Lesedi Local Municipality's (Lesedi 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
Indigents	9.01%
Non - Indigents	9.01%
Bulk Residential reseller (All season voltage >400v)	9.01%
Bulk Residential reseller (All season voltage 230/400v)	9.01%
Low Commercial tariff – customers below 100kVa/150A	9.01%

Medium Commercial tariff – Customers above 100kVA /150A connection size up to 1MVA Voltage > 230/400V & =11KV	9.01%
High Commercial tariff – Customers at medium voltage (>230/400V & < = 11KV) with minimum 1MVA connection	9.01%

Based on the information submitted and the analysis conducted, the REC decided at its meeting on 8 May 2026, that:

a) 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.
b) The Cost of Supply Report submitted by the Municipality be noted.
c) The Municipality is required to submit a report 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
d) The Municipality is required to submit an audited financial report that reflects the impact of its cost of supply-based tariffs on customers, as well as on the Licensee's sustainability and local economy by 2026/27 financial year.
e) 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 to be implemented on 1 July of each financial year.

1.2. Lesedi Local Municipality is in the Gauteng Province. The Municipality has a total number of 27,127 customers with a residential customer base accounting for 44% of sales. The Municipality offers 50 kWh per month of Free Basic Electricity (FBE) to the 5,707 registered indigent customers that is 26% of domestic customers.

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

	2024/25			
Customer categories	***kWh***	***% kWh***	***Customer numbers***	***% Customer numbers***
Domestic(Prepaid)	39 951 457	32%	22 138	85%
Domestic(Conventional)	14 579 499	12%	2 552	10%
Commercial Conventional	69 113 958	55%	1318	5%
Street Lighting	613 532	0%		0%
Sold to other departments	22 159	0%	114	0,44%
General(Resellers)	1 245 699	1%	5	0,02%
TOTAL	**125 526 305**	**100%**	**26 127**	100%
Free Basic Electricity	**95 957**	**0,24%**	**5 707**	**26%**

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

1.4. Lesedi LM implemented an 12.51% average price increase in the 2025/26 financial year and is applying for an average price increase of 9.01% for the 2026/27 financial.

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 Lesedi LM has indicated that its council approved the proposed increase and that the resolution as well as proof of customer consultation was conducted.

1.7. NERSA followed the notice and comment consultation process. Lesedi LM's tariff application was published on the NERSA website on 31 March 2026, on social

media platforms and in national and local newspapers to solicit written comments from affected parties.

1.8. 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 for the South African Electricity Supply Industry, 2008 ("EPP").

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

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

2.1.4. This section provides the legal and policy context within which the Energy Regulator evaluated and determined the municipal electricity tariff application for the 2026/2027 municipal financial year.

2.2. 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.

In particular, the Energy Regulator exercises its authority through the following powers conferred by ERA:

2.2.2.

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

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

2.3. Tariff Determination Principles under the ERA

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

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

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

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

2.4. Administrative Law Requirements

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

2.4.2. Public participation processes conducted by 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 Electricity Pricing Policy (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 provides that electricity tariffs must accurately reflect the efficient cost of rendering electricity services and that the average tariff levels 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 applied consistently 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 whenever 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, recognising the potentially disruptive consequences of setting aside tariff determinations already implemented by municipalities, the Court declined to invalidate the tariffs. Instead, To assist in the timeous and lawful approval of municipal tariffs, the Court issued a structural interdict regulating the municipal tariff approval process going forward.

2.7.4. NERSA subsequently launched a variation application seeking to vary the timelines which were set by the Court on 4 December 2025, considering the practical difficulties which arose in complying 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;
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 2026/2027 municipal financial year.

3. Financial and technical performance

3.1. In evaluating the financial and technical performance of Lesedi 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. Lesedi LM's electricity business recorded a deficit of 6.59% in the 2024/25 financial year, a significant decline from the 6.3% surplus reported in 2023/24. This deterioration was primarily driven by a surge in expenses amounting to R73.3 million. The increase was largely due to higher bulk electricity purchases, which rose by R51.7 million, as well as an additional R28 million in interest charges from Eskom coupled with higher energy losses.

Table 3: Performance indicators

Performance Indicators: Obtained from from the 2024/25 D-Form		
Indicators	**2023/24**	**2024/25**
Percentate Surplus/ (Deficit)	6,30%	-6,59%
Percentage Energy Losses	28,37	35,19

3.3. Lesedi LM's energy losses amounted to 35.19% in 2024/25 financial year from 28.37% in 2023/24 financial year. High energy losses are due to network inefficiencies (Technical) and illegal connection, metre bypassing, billing inaccuracy as well as unattended faulty metres. The total revenue foregone as a result of energy losses in the 2024/25 financial year amounted to R269,3 million. Table 4 below reflects on energy losses analysis:

Table 4: Energy Losses Analysis

Revenue loss on Energy losses	**2024/25**
Purchases kWh	193 684 913
Sales kWh	125 526 305
Total Energy losses @ 35,19% (kWh)	68 158 608
Average Selling Price (ASP) (Rands)	3,95
Lost Revenue on Total losses (Rands)	**269 337 004**

3.4. The Licensee submitted its energy losses reduction plan, and these are some of the measures identified to reduce these losses:

Table 5: Energy Losses Reduction Plan

Replacement of faulty transformers	Fourteen mini substations were installed through the Cooperative Governance and Traditional Affairs (CoGTA) Gauteng Emergency Energy Crisis Programme.
Installation of solar high masts	Eight solar high masts were installed through the CoGTA Gauteng Emergency Energy Crisis Programme.
Installation of robust enclosures	Ninety enclosures have been installed through the CoGTA Gauteng Emergency Energy Crisis Programme.

Implementation of AMR	All three phase business customers are on AMR, Municipality is also in the process of rolling out smart meters in the area.
Audits	Continuous monitoring of 90-day non-purchasing meters
Changing of post-paid meters to prepaid meters and replacement of faulty prepaid meters	All faulty post-paid meters are being replaced with prepaid meters when funds permit and 631 pre-paid meters have been changed through the CoGTA Gauteng Emergency Energy Crisis Programme

3.5. Based on the information above, the Municipality's operational and financial performance is unsatisfactory. Follow-up actions are required to identify and implement strategies to improve this performance to acceptable level(s).

4. Determination of Lesedi' LMs Tariffs Based on The Cost of Supply Adjusted Data

4.1. The Municipality submitted its existing COS study which supports the tariffs application to 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:,

"Electricity distributors shall undertake COS studies at least every five years, and whenever significant Licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done in accordance with the approved NERSA standard to reflect changing costs and customer behaviour. The Cost of Supply methodology used to derive tariffs must accompany applications to the Energy 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 accordingly."*

4.4. In line with section 18.7 above, **Error! Reference source not found.** below was developed. The columns are defined as follows:

a) Column 1 is the actual 2024/25 Licensee performance and is sourced from the D-forms derived from the audited annual financial statements.
b) Column 2 reflects the revenue and electricity volumes for the 2025/26, which form the basis for the 2026/27 tariffs. All these figures were estimates at the time of approval, they were tested for reasonableness 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 against the audited statements.
c) Column 3 reflects the Licensee's budgeted figures for the 2026/27 financial year which are 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 in support of the budgeted figures.
e) Column 5 is for the NERSA's recommended amounts that constitute the allowable revenue to be recovered by the Licensee in the 2026/27 financial year.

4.5. The total allowable revenue of R589 million is for the 2025/26 financial year 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 financial year. 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 financial year 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 R647,4 million for the 2026/27 financial year tariff review process.

Table 6: 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	125 526 305	129 292 094	133 170 857	-	133 170 857
Eskom bulk purchases	kWh	193 684 913	199 495 460	205 480 324	-	205 480 324
Independent Power Producers Conventional	kWh		-	-	-	-
Independent Power Producers Renewable Energy	kWh		-	-	-	-
Self Generation	kWh		-	-	-	-
Other			-	-	-	-
Total Energy Requirements	**kWh**	**193 684 913**	**199 495 460**	**205 480 324**		**205 480 324**
Total Losses	kWh	68 158 608	70 203 366	72 309 467		72 309 467
Technical losses	kWh	23 242 190	23 939 455	24 657 639	-	24 657 639
Non-technical losses	kWh	-44 916 418	-46 263 911	-47 651 828	-	-47 651 828
Allowed losses	%	**12,00%**	**12,00%**	**12,00%**		**12,00%**
Total Energy losses	%	35,19%	35,19%	35,19%		35,19%
Cost drivers						
Energy purchases from Eskom	Rand	416028235	463122631,2	504 849 980	-	504 849 980
other energy purchases			-	-	-	-
total energy purchases		**416 028 235**	**463 122 631**	**504 849 980**	**0**	**504 849 980**
Cost of technical losses	Rand				60 581 998	60 581 998
Non-Technical Losses					-117 077 022	-117 077 022
Capital expenditure	Rand	4 409 676	2 500 000	3 500 000	-	-
Operational expenditure (incl. Depreciati	**Rand**	**201 199 284**	**176 871 518**	**224 273 300**	**-31 353 486**	**192 919 814**
General & Other	**0**	**97 972 344**	**111 656 464**	**111 331 451**	**-27 946 779**	**83 384 672**
Salaries and allowances	Rand	14 299 422,00	15 379 893	16 626 398	0	16 626 398
Materials and supplies	Rand	12 703 564,00	16 422 215	19 291 864	0	19 291 864
Contracted Services	Rand	10 054 775,89	11 474 121	12 580 012	0	12 580 012
Salaries, wages and allowances (exclu. Repairs and	Rand	14 299 422,00	15 379 893	16 626 398	0	16 626 398
Payments to consultants (operational work)	Rand				0	0
Eskom debts interest	Rand	18 946 194,00	21 819 249	27 946 779	-27 946 779	
Current year depreciation	Rand	9 182 039,00	13 771 302	3 627 683	0	3 627 683
software	Rand				0	0
security	Rand	7 401 716,83	6 489 158	7 086 383	0	7 086 383
vehicle expense	Rand	1 613 928,67	1 664 025	2 817 227	0	2 817 227
insurance	Rand	469 738,26	374 431	395 025	0	395 025
other general expenditure	Rand	9 001 543,00	7 235 582	1 276 930	0	1 276 930
Commission Paid	Rand				0	0
Meter reading	Rand	1 388 651,28	1 646 595	3 056 752	0	3 056 752
Shared OPEX	**Rand**	**103 226 940**	**65 215 054**	**112 941 849**	**-3 406 707**	**109 535 142**
Bad debts (Allowance for Impairment)	Rand	102 147 894,00	64 123 273	110 858 792	-3 406 707	107 452 085
General expenses		**1 079 046**	**1 091 781**	**2 083 057**	**0**	**2 083 057**
2. Fleet Costs	Rand	4 464,00	4 861		0	
3.Other Expenses	Rand	1 074 582,26	1 086 920	2 083 057	0	2 083 057
Total Expediture before surplus		617 227 519	639 994 149	729 123 280	29 228 512	641 274 770
Surplus	Rand	44 651 098	44 416 225	58 134 745	-3 980 237	54 154 508
Total Expenditure Including Surplus		661 878 617	684 410 374	787 258 025	25 248 275	695 429 278
Other revenues	Rand	**-43 046 586**	**-91 755 946**	**-48 592 711**	**0**	**-48 592 711**
Reconnection fees	Rand	4 642 306,50	5 597 474	2 904 662	0	2 904 662
New connections	Rand	4 642 306,50	5 597 474	2 904 662	0	2 904 662
Free Basic Electricity (Equitable share)	Rand	-	49 669 932	22 955 540	0	22 955 540
1.Interest earned	Rand	29 761 973,00	30 891 066	15 827 848	0	15 827 848
. Other Revenue - Government Grants and Subsidie	Rand	4 000 000,00	0	4 000 000	0	4 000 000
Total Allowable Revenus	**Rand**	**618 832 031**	**592 654 428**	**738 665 314**	**25 248 275**	**646 836 567**
increase required				***24,64%***	***9,14%***	

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 have been adjusted accordingly.

Bulk purchases

4.10. The Licensee applied for a bulk purchase expenditure of R504,8 million which accounts for 88% 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 are no NMD exceedance penalties charged. Furthermore, the Municipality did not include Eskom interests charge on the outstanding account.

Operating Expenditure (including depreciation)

4.13. The Licensee applied for operational expenditure including depreciation R224,3 million as highlighted in **Error! Reference source not found.** above.

4.14. NERSA adjusted the Municipality's OPEX from R368 million to R192,9 million due to higher bad debts on shared OPEX and interest on Eskom bulk purchases and the surplus was also adjusted.

Surplus

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Connection size – voltage 230/400V						
Low demand (Summer)						
basic charge (rand) (below 100kVA)	1688,33	9,01%	1840,45	1840,45	9,01%	N/A
energy charge (R/kWh)	3,3	9,01%	3,60	3,60	9,01%	N/A
High demand (Winter)						
basic charge (rand) (below 100kVA)	1688,33	9,01%	1840,45	1840,45	9,01%	N/A
energy charge (R/kWh)	4,1	9,01%	4,47	4,47	9,01%	N/A

Medium Commercial tariff – customers above 100kVA/150A connection size 230/400V	***2025/26 Approved***	***2026/27 Proposed % Increase***	***2026/27 Proposed Increase***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***	***Analysis and Key findings***
Low demand (Summer)						
basic charge (rand) (above 100kVA)	4148,92	9,01%	4522,74	4522,74	9,01%	N/A
energy charge (R/kWh)	2,46	9,01%	2,68	2,68	9,01%	N/A
demand charge (R/kVA)	346,6	9,01%	377,83	377,83	9,01%	N/A
High demnad (Winter)						
basic charge (rand) (above 100kVA)	4148,92	9,01%	4522,74	4522,74	9,01%	N/A
energy charge (R/kWh)	3,97	9,01%	4,33	4,33	9,01%	N/A
demand charge (R/kVA)	409,9	9,01%	446,83	446,83	9,01%	N/A

Medium Commercial tariff – Customers above 100kVA /150A connection size up to 1MVA Voltage > 230/400V & =11KV	***2025/26 Approved***	***2026/27 Proposed % Increase***	***2026/27 Proposed Increase***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***	***Analysis and Key findings***
Low demand						
basic charge (rand)	5891,45	9,01%	6422,27	6422,27	9,01%	N/A
energy charge (R/kWh)	2,37	9,01%	2,58	2,58	9,01%	N/A
demand charge (R/kVA)	333,15	9,01%	363,17	363,17	9,01%	N/A
High demand						
basic charge (rand)	5891,45	9,01%	6422,27	6422,27	9,01%	N/A
energy charge (R/kWh)	3,97	9,01%	4,33	4,33	9,01%	N/A
demand charge (R/kVA)	382,58	9,01%	417,05	417,05	9,01%	N/A

High Commercial tariff – Customers at medium voltage (>230/400V & < =	***2025/26 Approved***	***2026/27 Proposed % Increase***	***2026/27 Proposed Increase***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***	***Analysis and Key findings***

11KV) with minimum 1MVA connection						
basic charge	5606,41	9,01%	6111,55	6111,55	9,01%	N/A
demand charge (R/kVA)	223,91	9,01%	244,08	244,08	9,01%	N/A
Low demand (Summer)						
peak (R/kWh)	3,18	9,01%	3,47	3,47	9,01%	N/A
standard (R/kWh)	2,09	9,01%	2,28	2,28	9,01%	N/A
off peak (ckWh)	1,64	9,01%	1,79	1,79	9,01%	N/A
High demand (Winter)						
peak (R/kWh)	7,92	9,01%	8,63	8,63	9,01%	N/A
standard (R/kWh)	2,79	9,01%	3,04	3,04	9,01%	N/A
off peak (R/kWh)	1,7	9,01%	1,85	1,85	9,01%	N/A

8. Confidentiality

8.1. None.

9. Conclusion

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

End.