NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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Decision and Reasons for Decision (RfD)

In the matter regarding the

Municipal Distributor Tariff Applications for the 2026/27 Financial Year

By

Masilonyana Local Municipality

THE DECISION

At its meeting held on 11 May 2026, the Regulator Executive Committee (REC) considered Masilonyana Local Municipality (MLM) tariff application. Based on the facts and evidence presented, REC approved the tariff increases for FY2026/27 set out in
below.

Table 1: Summary of the REC Decision

Tariff Category	FY2026/27 approved % Increase
Domestic Prepaid	10.23%
Domestic Conventional	10.23%
Commercial (Prepaid and Conventional) <50kVA	10.23%
Commercial >50kVA	10.23%
Commercial Tariffs: Large Power User 400V (Scale 3A)	10.23%
Large Power User 11kV (Scale 3B)	10.23%
Rural Tariffs: Farms Residential (Conventional and Prepaid)	10.23%
Farms Commercial <50kVA	10.23%

Farms Commercial Prepaid	10.23%
Other Tariffs: Schools and Old Age Homes (Prepaid and Conventional)	10.23%
Departmental Use	10.23%

Based on the information submitted and the analysis conducted, the REC decided:

a) to approve tariffs that are based on the Cost of Supply (COS) Report, as recommended in the tariff analysis section, for implementation by the Municipality with effect from 1 July 2026;
b) to note the COS Report submitted by the Municipality;
c) 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 (NERSA) to perform its independent verification/audit process by 29 January 2027.
d) that the Municipality must 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 29 January 2027; and
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 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 for implementation on 1 July of each financial year.

1.2. MLM is a licensee in the Free State Province with a total population of 62,770 people. The Licensee distributes electricity to a total number of 4,206 customers and has a domestic customer base of 4,202 accounting for 87% of the total sales of 21 385 587 kWh.

Table 2: Customer Statistics (Data obtained from the latest D-forms – FY2024/25)

Customer categories	**2024/25**			
	kWh	***% kWh***	***Customer numbers***	***% Customer numbers***
Domestic(Prepaid)	12 372 321	58%	2 150	51%
Domestic(Conventional)	3 416 504	16%	1 512	36%
Manufacturing	33 120	0%	17	0%
Commercial Prepaid	2 019 166	9%	434	10%
Commercial Conventional	1 946 028	9%	78	2%
Street Lighting	660 000	3%		0%
Sold to other departments	895 231	4%	8	0%
Other Consumers	43 217	0%	3	0%
TOTAL	21 385 587	100%	4 202	100%
Free Basic Electricity	123 760	1%	203	9%

1.3. NERSA received MLM's tariff application together with its COS on 31 March 2026.

1.4. MLM implemented an 11,54% average price increase in FY2025/26 and is applying for an average price increase of 18,6% for the FY2026/27.

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. NERSA followed the notice and comment consultation process. MLM'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.

1.7. NERSA's decision was taken on 11 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 No. 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 (ERTSA) decision and is undertaken annually to align with the municipal budgeting process contemplated in the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

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 FY2026/2027.

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 the 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 provides that the Energy Regulator is the custodian and enforcer of the national electricity regulatory framework and exercises regulatory authority over activities regulated under the ERA.

2.2.2. In particular:

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

b) section 4(a)(ii) of the ERA provides that the Energy Regulator must regulate prices and tariffs; and

c) section 14(1)(d) of the ERA authorises the Energy Regulator to impose licence conditions relating to the setting or approval of prices, charges, rates and tariffs charged by licensees.

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

2.3. Tariff Determination Principles under the ERA

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

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

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

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

2.4. Administrative Law Requirements

2.4.1. The approval of municipal electricity tariffs constitutes administrative action as defined in section 1 of the PAJA. Accordingly, the Energy Regulator must ensure that its tariff determinations are lawful, reasonable and procedurally fair as required by sections 3 and 6 of the 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 of the EPP 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. COS 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 COS methodologies have historically not been consistently applied across the electricity distribution industry.

2.6.3. Policy Position 23 of the EPP 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 FY2025/2026 municipal tariff approvals did not comply with the procedural requirements of section 4 of the 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 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 FY2026/27 municipal tariff approvals.

2.8. Court-Directed Timelines

2.8.1. The timelines below are applicable in respect of FY2026/27 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 FY2027/28 are to comply with the following timelines:

a) written notice of bulk electricity tariffs to be communicated by 31 January each year;
b) municipal tariff applications to be submitted to NERSA by 20 March each year; and
c) municipal tariff approvals and the tariff RfD document, to 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 RfD document demonstrate how the Energy Regulator complied with the legislative, policy and judicial framework in determining the municipal electricity tariff for FY2026/2027.

3. FINANCIAL AND TECHNICAL PERFORMANCE

3.1. In evaluating the financial and technical performance of MLM, the assessment relied on the Distribution forms (D-forms) for FY2024/25 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. MLM's electricity business operated at a deficit margin of -15.17% during FY2024/25, showing an improvement from the deficit margin of -29.23% recorded in FY2023/24. The reduction in the deficit was mainly attributable to improved loss management, despite a significant increase in operational expenses. Operational costs continue to escalate, largely driven by interest charges on Eskom bulk electricity purchases amounting to R8 million.

Table 3: Performance Indicators

Performance Indicators: Obtained from the D-FORM		
Indicators	**2023/24**	**2024/25**
Percentage Surplus/ (Deficit)	-29,23%	-15,17%
Percentage Energy Losses	32,62	27,07

3.3. Energy losses in MLM decreased from 32.62% in FY2023/24 to 27.07% in FY2024/25. The reduction in energy losses is mainly attributable to the electricity audit currently being conducted within the Municipality's area of supply. Despite the gradual improvement, the Municipality continued to experience significant energy losses, resulting in an estimated electricity revenue loss of approximately R22.8 million in FY2023/24, which decreased to approximately R21.8 million in FY2024/25.

Table 4: Energy Losses Analysis

Energy Losses Analysis	2023/24	2024/25
Purchases (kWh)	31 739 130	38 953 239
Sales (kWh)	21 385 587	28 408 585
Total Energy Losses (kWh)	10 353 543	10 544 654
Average Selling Price (Rands)	2,20	2,07
Total Foregone Revenue (Rands)	**22 822 208**	**21 812 527**

3.4. MLM showed measurable improvement in the performance of its electricity business during FY2024/25. The deficit margin improved significantly from -29.23% to -15.17%, while energy losses declined from 32.62% to 27.07%. These improvements indicate positive outcomes from interventions such as the ongoing electricity audit and enhanced loss management initiatives.

3.5. However, the electricity business remains under financial pressure due to escalating operational costs, particularly interest charges related to Eskom bulk electricity purchases. Although estimated electricity revenue losses decreased from R22.8 million to R21.8 million, the level of losses remains substantially above acceptable norms and continues to impact the Municipality's financial sustainability. Continued implementation of revenue enhancement measures, reduction of technical and non-technical losses and stricter expenditure management will be critical to improving the long-term viability of the electricity service.

4. DETERMINATION OF MLM'S TARIFFS BASED ON THE COS ADJUSTED DATA

4.1. The Municipality submitted its existing COS study which supports the tariff application to be approved in FY2026/27. The Municipality's COS study was inclusive of all requirements of NERSA's approved COS framework (i.e. Revenue Requirement, Cost Functionalisation, Cost Classification, Cost Allocation and Rate Setting).

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

4.3. Section 18.7 of October 2023 NERSA-approved Cost of Supply Framework states: '*An adjustment index will be issued to licensees to allow them to submit the tariff applications, which will be used to determine the costs that must increase with CPI, purchase costs, and other OPEX. Where annual plans, such as repairs and maintenance, and CAPEX plans, have been assessed and approved by NERSA, these can be adjusted based on that.'*

4.4. In line with section 18.7 mentioned above, **Error! Reference source not found.**5 below was developed and the definition of the columns is as follows:

i) Column 1 represents the actual FY2024/25 Licensee performance and is sourced from the D-forms that are based on the audited annual financial statements.
ii) Column 2 reflects the FY2025/26 revenues and electricity volume that are the base for FY2026/27 tariffs. The figures were tested for reasonableness (since at the time of approval, the figures were estimates) when the Regulator considered and approved the FY2026/27 COS base tariffs. Once the financial year ends, the actual figures will be verified using the audited financial statements.
iii) Column 3 represents the Licensee's submitted FY2026/27 budgeted figures to be tested for reasonableness for determining tariffs for the control period under review.
iv) Column 4 represents NERSA's recommended adjustments after considering the reasons, facts and evidence the licensee provided to motivate/justify the budgeted figures.
v) Column 5 reflects NERSA's recommended amounts that sum up to allowable revenues the Licensee must recover in FY2026/27.

4.5. The total allowable revenue of R80.9 million is for the FY2025/26 tariff review and is based on the COS revenue and the volumes used to determine the tariffs that were approved by the Energy Regulator, as shown in 5 below.

4.6. The COS study is applicable for five years; however, municipalities need to reflect the adjustments in their cost drivers for the FY2026/27. 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-recover or under-recover during the FY2026/27 tariff review process.

4.7. To determine an increase applicable for FY2026/27, the Licensee submitted its FY2026/27 cost (budgeted cost plus surplus) as requested by NERSA and total budgeted required revenue that amounted to R92.2 million for the FY2026/27 tariff review process.

Table 5: Municipality's Revenue Requirement

Energy balance	Unit	Actual FY 2024/25 Costs	FY2025/26 Tariffs Costs per submitted COS	FY2026/27 budgeted Costs as per the Licensee	NERSA Adjustment (considering efficiencies)	FY2026/27 Allowable Revenue
Sales	kWh	27 408 585	30 894 957	33 984 453	-	33 984 453
Eskom bulk purchases	kWh	38 953 239	43 908 091	47 903 727	-	47 903 727
Independent Power Producers Conventional	kWh		-	-	-	-
Independent Power Producers Renewable Energy	kWh		-	-	-	-
Self Generation	kWh		-	-	-	-
Other			-	-	-	-
Total Energy Requirements	**kWh**	**38 953 239**	**43 908 091**	**47 903 727**		**47 903 727**
Total Losses	kWh	11 544 654	13 013 134	13 919 274		13 919 274
Technical losses	kWh	4 674 389	5 268 971	5 748 447	-	5 748 447
Non-technical losses	kWh	-6 870 265	-7 744 163	-8 170 827	-	-8 170 827
Allowed losses	%	**12,00%**	**12,00%**	**12,00%**		**12,00%**
Total Energy losses	%	29,64%	29,64%	29,06%		29,06%
Cost drivers						
Energy purchases from Eskom	Rand	54 353 326	62 506 325	71 257 210	-	71 257 210
other energy purchases			-	-	-	-
total energy purchases		**54 353 326**	**62 506 325**	**71 257 210**	**0**	**71 257 210**
Cost of technical losses	Rand	6 522 399	7 500 759	8 550 865	0	8 550 865
Non-Technical Losses		-9 586 411	-11 024 372	-12 154 176	0	-12 154 176
Other energy purchases	Rand				-	-
Capital expenditure	Rand				-	-
Operational expenditure (incl. Depreciati	**Rand**	**20 868 873**	**17 494 940**	**18 222 766**	**-2387846,1**	**15 834 919**
General & Other	**0**	**18 555 702**	**15 112 373**	**15 413 635**	**-2 387 846**	**13 025 789**
Salaries and allowances	Rand		0	0	0	0
Materials and supplies	Rand	2 236 227	2 303 314	2 879 142	0	2 879 142
Contracted Services	Rand	2 957 779	3 046 512	3 808 140	0	3 808 140
Salaries, wages and allowances (exclu. Repairs and I	Rand	2 250 774	2 318 297	2 735 591	0	2 735 591
Payments to consultants (operational work)	Rand				0	0
Eskom debts interest	Rand	8 042 522	4 283 798	2 387 846	-2 387 846	0
Current year depreciation	Rand	3 068 400	3 160 452	3 602 915	0	3 602 915
	Rand				0	0
	Rand				0	0
	Rand				0	0
	Rand				0	0
	Rand				0	0
	Rand				0	0
	Rand				0	0
Shared OPEX	**Rand**	**2 313 171**	**2 382 566**	**2 809 131**	**0**	**2 809 131**
Bad debts (Allowance for Impairment)	Rand	307 869	317 105	348 816		348 816
FBE paid to Eskom	Rand		0	0	0	
Charges from other Municipal Departments	Rand			0	0	
Operating Leases	Rand				0	
General expenses		**2 005 302**	**2 065 461**	**2 460 315**	**0**	**2 460 315**
1.Accomodation	Rand	420 845	433 470	476 817	0	476 817
2. .Consumables	Rand	104 451	107 585	123 722	0	123 722
3.Fuel and oil	Rand	1 480 006	1 524 406	1 859 776	0	1 859 776
	Rand				0	0
Total Expediture before surplus		81 744 598	76 477 651	85 876 665	-2 387 846	83 488 819
Surplus	Rand	8 174 460	6 882 989	8 587 667	-613 649	7 974 017
Total Expenditure Including Surplus		89 919 058	83 360 640	94 464 332	-3 001 496	91 462 836
Other revenues	Rand	**-2 146 730**	**-2 446 730**	**-2 271 136**	**0**	**-2 271 136**
Reconnection fees	Rand	301 430	301 430	324 902	0	324 902
New connections	Rand		0	0	0	0
Free Basic Electricity (Equitable share)	Rand	1 845 300	2 145 300	1 946 234	0	1 946 234
1. Late penalty	Rand		0	0	0	0
2. Test meter	Rand		0	0		0
	Rand	0	0	0	-	**0**
Total Allowable Revenus	**Rand**	**87 772 328**	**80 913 910**	**92 193 196**	**-3 001 496**	**89 191 700**
increase required				***13,94%***	***10,23%***	

4.8. It is important to test the efficiency and prudency of the costs in FY2025/26 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 FY2026/27 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 R71.3 million which accounts for 86.4% of total costs, inclusive of the 9.2% energy loss allowance in line with the Act that requires only the prudently and efficiently incurred costs to be passed through to customers.

4.11. To get to FY2026/27 estimate, the Licensee projected the year-to-date amount for FY2025/26 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 ERTSA.

4.12. The Eskom bills were analysed and there are no Notified Maximum Demand (NMD) exceedance penalties charged. Furthermore, the Municipality did not include Eskom interest charges on the outstanding account.

Operating Expenditure (including depreciation)

4.13. The Licensee applied for R18.2 million on operational expenditure including depreciation as highlighted in **Error! Reference source not found.**5 above.

4.14. The Municipality adjusted the expenditure linked to the FY2025/26 tariffs, increasing it from R17.5 million to a budgeted amount of R18.2 million, reflecting a 23% increase in costs.

4.15. Operational expenses include depreciation amounting to R3.6 million, which was verified against asset values in the financial position, with straight-line method applied.

4.16. Eskom interest charges on the outstanding account of R2.4 million were detected and adjusted within the allowable revenue.

Surplus

14.15. MLM's electricity revenue requirement included a surplus provision of approximately R8.5 million, calculated by applying a surplus factor of 10% to the electricity business operating expenditure (OPEX), inclusive of bulk electricity purchase costs. In determining the allowable revenue requirement, the Licensee included certain inefficient and non-allowable costs, specifically interest charges associated with Eskom-related debt obligations. The Municipality was in arrears on its bulk electricity account with Eskom, amounting to approximately R2.4 million at the time of assessment. These interest-related costs were verified against Eskom invoices and supporting documentation and were subsequently excluded from the allowable revenue requirement on the basis that they resulted from operational inefficiencies and did not constitute prudently incurred costs recoverable through electricity tariffs.

14.16. The applied surplus margin of 10% was benchmarked against the established target range of 10%–20% prescribed in the approved NERSA COS Framework, EPP Policy Position 1, D-form submissions and the Trial Balance to ensure that the return remains commensurate with the level of risk associated with the electricity business. Risk considerations incorporated qualitatively included revenue collection risks, such as non-payment, indigent levels and bad debts. The Municipality has budgeted R0 for bad debt write-offs in FY2026/27.

14.17. Operational risks were identified, particularly those relating to high energy losses and ageing infrastructure and financial deficits. Municipal energy losses for FY2026/27 are projected at 2.,07%.

14.18. In recommending the surplus, NERSA relied on section 15(1)(a) of the ERA, which provides that tariffs set by the Regulator 'must enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return'.

14.19. Following adjustments arising from inefficient costs, NERSA revised the surplus downwards from R8.6 million (10%) to R79 million (9%).

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o Energy charge (R/kWh):	1,78	18,60%	2,11	1,96	10,23%
Winter					
o Basic charge (R/ month)	1061,96	18,60%	1259,48	1170,60	10,23%
o Energy charge (R/kWh):	3,92	18,60%	4,65	4,32	10,23%

Commercial >50kVA	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Summer					
o Basic charge (R/ month)	1061,96	18,60%	1259,48	1170,60	10,23%
o Energy charge (R/kWh):	1,78	18,60%	2,11	1,96	10,23%
o Demand Charge (R/kVA) :	392,62	18,60%	465,65	432,79	10,23%
Winter					
o Basic charge (R/ month)	1061,96	18,60%	1259,48	1170,60	10,23%
o Energy charge (R/kWh):	1,78	18,60%	2,11	1,96	10,23%
o Demand Charge (R/kVA) :	392,62	18,60%	465,65	432,79	10,23%

Commercial Tariffs: Large Power User 400V (Scale 3A)	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Summer					
o Basic charge (R/ month)	2388,67	18,60%	2832,96	2633,03	10,23%
o Energy charge (R/kWh):	1,65	18,60%	1,96	1,82	10,23%
o Demand Charge (R/kVA) :	545,87	18,60%	647,40	601,71	10,23%
Winter					
o Basic charge (R/ month)	2388,67	18,60%	2832,96	2633,03	10,23%
o Energy charge (R/kWh):	1,65	18,60%	1,96	1,82	10,23%
o Demand Charge (R/kVA) :	545,87	18,60%	647,40	601,71	10,23%

Large Power User 11kV (Scale 3B)	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Summer					
o Basic charge (R/ month)	1469,6	18,60%	1742,95	1619,94	10,23%
o Energy charge (R/kWh):	1,43	18,60%	1,70	1,58	10,23%
o Demand Charge (R/kVA) :	466,38	18,60%	553,13	514,09	10,23%
Winter					
o Basic charge (R/ month)	1469,6	18,60%	1742,95	1619,94	10,23%
o Energy charge (R/kWh):	1,43	18,60%	1,70	1,58	10,23%
o Demand Charge (R/kVA) :	466,38	18,60%	553,13	514,09	10,23%

Rural Tariffs Farms Residential (Conventional and Prepaid)	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Summer					
o Basic charge (R/ month)	425,84	18,60%	505,05	469,40	10,23%
o Energy charge (R/kWh):	3,38	18,60%	4,01	3,73	10,23%
Winter					

o Basic charge (R/ month)	425,84	18,60%	505,05	469,40	10,23%
o Energy charge (R/kWh):	3,38	18,60%	4,01	3,73	10,23%

Farms Commercial <50kVA	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Conventional					
o Basic charge (R/ month)	951,82	18,60%	1128,86	1049,19	10,23%
o Energy charge (R/kWh):	3,8	18,60%	4,51	4,19	10,23%
Farms Commercial Prepaid					
o Basic charge (R/ month)	951,82	18,60%	1128,86	1049,19	10,23%
o Energy charge (R/kWh):	3,8	18,60%	4,51	4,19	10,23%

Other Tariffs Schools and Old Age Homes (Prepaid & Conventional)	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Summer					
o Basic charge (R/ month)	640,72	18,60%	759,89	706,27	10,23%
o Energy charge (R/kWh):	2,81	18,60%	3,33	3,10	10,23%
Winter					
o Basic charge (R/ month)	640,72	18,60%	759,89	706,27	10,23%
o Energy charge (R/kWh):	3,21	18,60%	3,81	3,54	10,23%

Departmental Use	***2025/26 Approved Increase***	***2026/27 Proposed % Increase***	***2026/27 Proposed***	***2026/27 Recommended Increase***	***2026/27 Recommended % Increase***
Summer					
o Basic charge (R/ month)	666,26	18,60%	790,18	734,42	10,23%
o Energy charge (R/kWh):	3,23	18,60%	3,83	3,56	10,23%
Winter					
o Basic charge (R/ month)	666,26	18,60%	790,18	734,42	10,23%
o Energy charge (R/kWh):	3,23	18,60%	3,83	3,56	10,23%

8. CONFIDENTIALITY

8.1. None.

9. CONCLUSION

9.1. The Energy Regulator, having considered the MLM application, supporting information, stakeholder inputs and applicable legal framework, approves the tariff adjustments as set out in this RfD.

End.