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Ref. NER/D/NP334D/2021/22

Ms M I Moakamela **The Municipal Manager** Ba-Phalaborwa Municipality P O Box 67 Phalaborwa 1390

Per E-mail: <u>moakamelam@ba-phalaborwa.gov.za</u> Cc: <u>tshishongan@ba-phalaborwa.gov.za</u>

Dear Ms Moakamela

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2021- 30 JUNE 2022

Your application dated 24 March 2021 refers.

The Energy Regulator at its meeting held on **7 May 2021** approved the guideline increase of 14.59% for municipalities applicable for 2021/22 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2021- 30 June 2022 and approved the tariffs as follows:

1. Domestic Tariffs

1.1 Domestic Prepaid

Tariff blocks	<u>c/kWh</u>
Block 1 (0-50 kWh)	125.35
Block 2 (51 – 350 kWh)	160.25
Block 3 (351 – 600 kWh)	217.72
Block 4 (>600 kWh)	262.17

1.2 Domestic Conventional

Tariff blocks	<u>c/kWh</u>
Block 1 (0-50 kWh)	125.61
Block 2 (51 – 350 kWh)	160.84
Block 3 (351 – 600 kWh)	227.70
Block 4 (>600 kWh)	268.15

Basic charge (R/month)	209.52

2. Commercial Tariffs

2.1 Commercial Prepaid (Single /Three Phase)

• Energy charge: 269.69 c/kWh

2.2 Commercial Conventional

- Basic charge: R369.91 /month
- Energy charge: 248.52 c/kWh

3. Industrial Tariffs

3.1 Industrial low/High and Business with kVA Voltage

- Basic Charge: R1 758.54 /month
- Energy charge: 138.84 c/kWh
- Demand charge: R316.27 /kVA

The Energy Regulator further directs that the municipality must submit the municipality will be requested to submit to NERSA the progress report on the reduction of its energy losses by 30 September 2021; the report must cover the following:

- o progress on the replacement of defective meter that are requested and paid for by customers.
- update and the results of theoretical calculation for estimating the streetlight consumption.
- o comparison of the municipal bulk meter reading versus the Eskom data.

Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004), National Energy Regulator is entrusted to perform all the functions that the National Electricity Regulator used to perform, and amongst others, to review and approve tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariffs without approval of the Energy Regulator is a contravention of the license conditions issued to you.

It is therefore important that provision is made in your planning / budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration.

Should you have any enquiries please do not hesitate to contact Mr Samson Modise in the Electricity Pricing and Tariffs Department on (012) 401 4060 or email: samson.modise@nersa.org.za

Yours sincerely,

<u>*NC* Sithole</u> Advocate Nomalanga Sithole Acting Chief Executive Officer Date: <u>01 July 2021</u>