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Ref. NER/D/NP/334/2013/14

Dr S S Sebashe
The Municipal Manager
Ba-Phalaborwa Municipality
P.O Box 67
PHALABORWA
1390

Fax no. (015) 780 6421

Dear Mr Sebashe

ELECTRICITY TARIFFS FOR THE PERIOD 01 JULY 2013 – 30 JUNE 2014

Your correspondence dated 05 June 2013 refers.

The Energy Regulator at its meeting held on 04 April 2013 approved the guideline increase of 7.00% for municipalities applicable for 2013/14 financial year.

The Energy Regulator considered your application for a tariff increase for the period 01 July 2013 – 30 June 2014 as per your application and decided as follows:

The tariffs are approved as follows:

Domestic Tariffs

- **Domestic conventional**

<u>Tariff blocks</u>	<u>Tariffs NERSA Approved c/kWh</u>
Block 1 (0-50 kWh)	71.74
Block 2 (51 – 350 kWh)	91.60
Block 3 (351 – 600 kWh)	119.84
Block 4 (>600)	138.68

Basic Charge /month	R191.05
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- **Domestic Prepaid**

<u>Tariff blocks</u>	<u>Tariffs NERSA Approved c/kWh</u>
Block 1 (0-50 kWh)	70.00
Block 2 (51 – 350 kWh)	87.00
Block 3 (351 – 600 kWh)	109.00
Block 4 (>600)	129.00

Commercial Tariffs

- **Commercial Conventional**
 - Basic charge: R191.05/month
 - Energy charge: 135.45c/kWh
- **Prepaid**
 - Energy charge: 137.34c/kWh
- **Small Business on Miximum Demand**
 - Basic charge: R615.78/month
 - Energy charge: 91.89c/kWh
 - Demand Charge: R104.21/kVA

Industrial Tariffs

- **Industrial**
 - Basic charge: R900.00/month
 - Energy charge: 71.00c/kWh
 - Demand Charge: R161.74/kVA

The energy Regulator further directs as follows:

- That the municipality must increase its budget on repairs and maintenance to be in line with NERSA's benchmark of 6% of total revenue.
- That the municipality provides a three monthly progress report on the expenditure of repairs and maintenance.
- That the municipality must provide NERSA with the progress report or a plan on the reduction of its energy losses on a quarterly basis commencing on 30 September 2013.

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.

Yours sincerely


Phindile Nzimande (Ms)
Chief Executive Officer

Date: 28/06/2013