

Ref. NC073/IDMS No: 48851

09 May 2011

Mr I Visser  
**The Municipal Manager**  
Emthanjeni Municipality  
P O Box 42  
De Aar  
9795

Tel no: (053) 632- 9100  
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Dear Mr Visser

## **ELECTRICITY TARIFFS FOR THE PERIOD 01 JULY 2011 – 30 JUNE 2012**

On 25 November 2010, the National Energy Regulator of South Africa (NERSA) approved the guideline increase of 20.38% for municipalities applicable for 2011/12 financial year. The Energy Regulator considered your application for a tariff increase for the period 01 July 2011 – 30 June 2012 as per your application dated (14 March 2011) and decided that:

All proposed tariffs are approved as requested:

### **1. Domestic tariffs:**

The following IBT blocks were approved:

1.1. Domestic Prepaid:

| <i>Tariffs blocks</i>   | <i>Tariffs<br/>NERSA Approved<br/>c/kWh</i> |
|-------------------------|---|
| Block 1 (0-50 kWh)      | 61.00                                       |
| Block 2 (51 – 350 kWh)  | 94.00                                       |
| Block 3 (351 – 600 kWh) | 111.95                                      |
| Block 4 (>600)          | 120.38                                      |

1.2. Domestic conventional:

| <i>Tariffs blocks</i>   | <i>Tariffs<br/>NERSA Approved<br/>c/kWh</i> |
|-------------------------|---|
| Block 1 (0-50 kWh)      | 69.16                                       |
| Block 2 (51 – 350 kWh)  | 75.68                                       |
| Block 3 (351 – 600 kWh) | 90.28                                       |
| Block 4 (>600)          | 97.51                                       |

The above energy rates plus a basic charge of R99.00 /month.

**2. Commercial/Government/Schools tariffs**

- Basic charge: R91.09/month
- Energy charge: 114.00 c/kWh
- Average tariff: 118.55 c/kWh

**3. Industrial tariffs**

- Basic charge: R91.09/month
- Energy charge: 61.70 c/kWh
- Demand charge: R132. 50 /kVA
- Average tariff: 122.41 c/kWh

4. The Energy Regulator advises Emthanjeni municipality to:

- 4.1. Submit the progress report on repairs and maintenance as requested in the 2010/11 financial year by 31 July 2011.

- 4.2. Submit a plan on how it intends to curtail the losses as well as the timelines on which key milestones will be achieved. The plan should be sent to NERSA within six months of receipt of the tariff approval letter and should consider the following:
- The percentage of non-technical losses relating to illegal connections;
  - The state of the networks in terms of being over-loaded; and
  - The accuracy of the meters.

Should you have any further questions please do not hesitate to contact Bontle Mothoagae in the Pricing and Tariffs Department.

*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 without approval of the National Energy Regulator is a contravention of the license 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,

  
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Phindile Nzimande  
**CHIEF EXECUTIVE OFFICER**