

Mr N G Zulu
Municipal Manager
Ulundi Municipality
Private Bag X17
ULUNDI
3838

Per email: nkosenyezulu7@gmail.com

Dear Mr Zulu,

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

Your correspondence dated 28 May 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:

Domestic Tariffs

- Domestic Prepaid Low Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-600) kWh	163.51
Block 2 (>600) kWh	233.02

- **Domestic Prepaid High Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-600) kWh	209.75
Block 2 (>600) kWh	223.68

- **Domestic Conventional Low Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50) kWh	125.65
Block 2 (51 – 350) kWh	159.64
Block 3 (351 – 600) kWh	215.07
Block 4 (>600)kWh	256.96

Basic Charge (R/month)	348.70
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- **Domestic Conventional High Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50) kWh	126.44
Block 2 (51 – 350) kWh	162.39
Block 3 (351 – 600) kWh	219.84
Block 4 (>600)kWh	259.36

Basic Charge (R/month)	352.00
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Commercial Tariffs

- **Conventional $\leq 40\text{KVA}$**

- Basic charge:
 - Low season: R1 385.94/month
 - High season: R1 381.62/month
- Energy Charge:
 - Low Demand: 201.35c/kWh
 - High Demand: 205.96c/kWh

- **Conventional $\geq 40\text{KVA}$**

- Basic Charge: R1 778.80/month
- Energy Charge:
 - Low Demand: 95.80c/kWh
 - High Demand: 117.73c/kWh
- Demand Charge:
 - Low Demand: R330.36/kVA
 - High Demand: R335.81/kVA

- **Prepayment**

- Energy Charge:
 - Low Demand: 271.15c/kWh
 - High Demand: 280.14c/kWh

Industrial Tariff

- **Industrial**

- Basic charge: R2 333.22/month
- Energy Charge:
 - Low Demand: 101.58c/kWh
 - High Demand: 112.88c/kWh
- Demand Charge:
 - Low Demand: R335.83/kVA
 - High Demand: R347.18/kVA

Non-Standard Tariffs

- **Streetlights**

- Energy Charge: 253.15c/kWh

- **Municipal Departmental**

- Energy Charge: 244.95c/kWh

- **Wheeling Tariff**

- Admin Charge/point: R28 522.67/month
- Distribution charge (Variable): R57.56/kVA
- Distribution charge (fixed): R11.24/kVA

The Energy Regulator further directs as follows:

- The municipality must provide NERSA with a Specific, Measurable, Achievable, Realistic and Time-bound (S-M-A-R-T) energy losses reduction plan, which will ensure that energy losses are reduced to NERSA benchmarks. An appropriate budget needs to be allocated and spent in support of this. The implementation of this plan, together with its budget must be monitored on a quarterly basis and reported to NERSA bi-annually commencing 30 September 2021.
- The municipality must implement efficient credit control measures in order to improve its debt collection rate.

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 Ms N Mapitsing in the Electricity Pricing and Tariffs Department on (012) 401 4726 or email: nthabiseng.mapitsing@nersa.org.za.

Yours sincerely,

NP Sithole

Advocate Nomalanga Sithole
Acting Chief Executive Officer

Date: 01 July 2021