

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 2019 – 30 JUNE 2020

Your correspondence dated 25 June 2019 refers.

The Energy Regulator at its meeting held on 23 May 2019 approved the guideline increase of 13.07% for municipalities applicable for 2019/20 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2019 – 30 June 2020 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	134.33
Block 2 (>600) kWh	191.44

- **Domestic Prepaid High Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-600) kWh	172.32
Block 2 (>600) kWh	183.77

- **Domestic Conventional Low Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50) kWh	103.23
Block 2 (51 – 350) kWh	131.15
Block 3 (351 – 600) kWh	176.70
Block 4 (>600)kWh	211.11

Basic Charge (R/month)	286.48
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- **Domestic Conventional High Season**

<u>Tariff blocks</u>	<u>c/kWh</u>
Block 1 (0-50) kWh	103.88
Block 2 (51 – 350) kWh	133.41
Block 3 (351 – 600) kWh	180.62
Block 4 (>600)kWh	213.09

Basic Charge (R/month)	289.19
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Commercial Tariffs

- **Conventional $\leq 40\text{KVA}$**
 - Basic charge:
 - Low season: R1 138.66/month
 - High season: R1 127.89/month
 - Energy Charge:
 - Low Demand: 164.37c/kWh
 - High Demand: 168.14c/kWh

- **Conventional $\geq 40\text{KVA}$**
 - Basic Charge: R1461.42/month
 - Energy Charge:
 - Low Demand: 78.20c/kWh
 - High Demand: 96.11c/kWh
 - Demand Charge:
 - Low Demand: R271.42/kVA
 - High Demand: R275.89/kVA

- **Prepayment**
 - Energy Charge:
 - Low Demand: 222.77c/kWh
 - High Demand: 230.15c/kWh

Industrial Tariff

- **Industrial**
 - Basic charge: 1 916.92/month
 - Energy Charge:
 - Low Demand: 83.46c/kWh
 - High Demand: 92.74c/kWh
 - Demand Charge:
 - Low Demand: R275.91/kVA
 - High Demand: R285.24/kVA

Non-Standard Tariffs

- **Streetlights**
 - Energy Charge: 207.98c/kWh
- **Municipal Departmental**
 - Energy Charge: 201.24c/kWh
- **Wheeling Tariff**
 - Admin Charge/point: R22 649.94/month

- Distribution charge (Variable): R45.71/kVA
- Distribution charge (fixed): R8.92/kVA

The Energy Regulator further directs as follows:

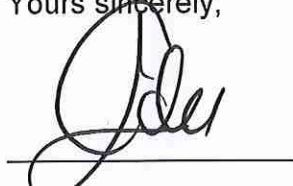
- The municipality must provide NERSA with a Specific, Measurable, Achievable, Realistic and Time-bound (S-M-A-R-T) energy losses reduction plan, which will ensure that energy losses are reduced to NERSA benchmarks. An appropriate budget needs to be allocated and spent in support of this. The implementation of this plan, together with its budget must be monitored on a quarterly basis and reported to NERSA bi-annually commencing 30 September 2019.
- The municipality must prudently spend a minimum of 6% of its electricity revenue towards repairs and maintenance. This spend should minimise the impact of energy losses.
- The municipality must provide NERSA with an S-M-A-R-T plan on how the collection rate will be in line with NERSA acceptable levels of 95%. The collection plan, together with its budget (where applicable), must be monitored on a quarterly basis and reported to NERSA bi-annually commencing 30 September 2019.

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,



Chris Forlee
Chief Executive Officer

Date:

4/7/2019