

Enquiries: Brian Sechotlho
Tel : (012) 401 4639
Fax: (012) 401 4700
E-mail: brian.sechotlho@nersa.org.za

Ref. NER/D/NP 354: 2019/20

Mr D H Makobe
Municipal Manager
Polokwane Municipality
P O Box 111
Polokwane
0700

Per E-mail: Makobed@polokwane.gov.za
Cc: SimonS@polokwane.gov.za

Dear Mr Makobe

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2019– 30 JUNE 2020

Your application dated 23 May 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

- **Prepaid & Conventional**

| Tariff blocks | c/kWh |
|-------------------------|--------|
| Block 1 (0-50 kWh) | 98.00 |
| Block 2 (51 – 350 kWh) | 127.00 |
| Block 3 (351 – 600 kWh) | 187.00 |
| Block 4 (>600kWh) | 219.00 |
| Basic Charge (R/month) | 98.00 |

Commercial Tariffs

- **Prepaid & Conventional**
 - o Basic charge: R548.39/month
 - o Energy charge: 192.22 c/kWh

Industrial Tariffs

- **Industrial (> 100 Amps)**
 - o Basic charge: R1 547.00/month
 - o Energy charge: 84.00 c/kWh
 - o Demand Charge: R232.00/kVA
- **Industrial (< 100 Amps)**
 - o Basic charge: R1 284.48/month
 - o Energy charge: 192.22 c/kWh

The Energy Regulator further directs as follows:

- The municipality should gradually align the industrial (<100Amps) tariff to the benchmark.
- 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.

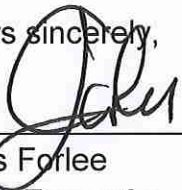
- The municipality needs to prudently spend a minimum of 6% of its electricity revenue towards repairs and maintenance. This spend should minimise the impact of energy losses.
- The expected acceptable collection rate is 95%. The municipality must provide NERSA with a S-M-A-R-T plan on how the collection rate will be brought to acceptable levels. 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. Tabisa Nkopo in the Electricity Pricing and Tariffs Department on (012) 4014669 or email: tabisa.nkopo@nersa.org.za.

Yours sincerely,



Chris Forlee
Chief Executive Officer

Date: 4/7/2019