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Ref. NER/D/EC127/2013/14

Mr K C Maneli
The Municipal Manager
Nkonkobe Municipality
P O Box 36
PORT BEAUFORT
6400

Fax no: (046) 645 2562/1619

Dear Mr Maneli

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

Your correspondence dated 30 May 2013 refers.

The Energy Regulator at its meeting held on the 04 April 2013, the National of South Africa (NERSA) 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 & Prepaid

<u>Tariff blocks</u>	<u>Tariffs NERSA Approved c/kWh</u>
Block 1 (0-50 kWh)	70.60
Block 2 (51 – 350 kWh)	87.70
Block 3 (351 – 700 kWh)	116.60
Block 4 (700 – 1000kWh)	138.00

Regulator Members: Ms C Khuzwayo (Chairperson) Mr MJ Lesejane (Deputy Chairperson) *Ms P Nzimande (Chief Executive Officer)
*Mr T Bukula *Dr RD Crompton Mr O Komane Ms KR Mthimunya Ms GN Whittington Banda
*Full-time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

THE MORE you BUY ELECTRICITY THE LESS you GET U

Commercial Conventional Tariffs

- Basic charge: R368.80/month
- Energy charge: 105.80/kWh

Commercial Prepaid Tariffs

- Energy charge: 105.80/kWh

Industrial Tariffs

- **Industrial Bulk Supply Tariffs**
 - Basic charge = R332.30/Month
 - Energy rate = 92.00c/kWh
 - Demand charge = R124.10/kVA

The Energy Regulator further directs as follows:

- The deficit on the electricity account must be eliminated.
- The municipality must submit a plan on how it will curb the energy losses. The plan must be submitted to NERSA by 30 September 2013 as well as three monthly progress reports.

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 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