

## GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF ENERGY  
NOTICE 331 OF 2017**NOTICE OF THE ENERGY REGULATOR PUBLIC HEARING FOR MUNICIPALITIES APPLYING FOR AN AVERAGE TARIFF INCREASE ABOVE THE GUIDELINE OF 1.88% (TO BE HELD ON 18 MAY 2017)**

The National Energy Regulator of South Africa (NERSA) is a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004). NERSA's mandate is to regulate the electricity, piped-gas and petroleum pipelines industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Gas Act, 2001 (Act No. 48 of 2001) and Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) and the Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004).

The National Energy Regulator of South Africa invites all stakeholders to attend a public hearing on municipal tariff applications from municipalities applying for average increases above the NERSA increase guideline of 1.88%. The affected municipalities are tabled below as follows:

Name of Municipality	Municipal Proposed Percentage Increase for 2017/18	Motivation provided by municipalities for above-guideline increase
1. Abaqulusi	6.40%	To generate a reasonable profit from the sale of electricity in order to cover Eskom bulk payment
2. Breede Valley	3.98%	Replacement and upgrading of critical assets and specialised vehicles.
3. City Of Cape Town	3.34%	The increase is informed by Eskom bulk increase, internal assumptions and knock-on effects of the Eskom increase on collection costs, bad debt provision and the contribution to rates account.
4. Cape Aghallas	7.68%	To cover under recovery from certain customer classes
5. City Power	2.28%	Expected weighted average bulk purchase cost above NERSA allowed increase
6. Dikgatlong	7.00%	To cover for increased repairs and maintenance, refurbishment and capacity expansion
7. Karoo Hoogland	6.4%	To meet expenditure increase and put aside part of the 2017/18 surplus as a reserve for FBS in 2018/19
8. Lekwa	8.50%	Increase in the operating costs for electricity distribution and the investment into electricity infrastructure.
9. Magareng	9.00%	6.4% CPI taken into consideration and outstanding debtors. Adjust to increasing bulk purchases and increasing cost of electricity from Eskom
10. Mantsopa	6.33%	Upgrading of electricity infrastructure, such as the installation of prepaid meters
11. Matzikama	3.11%	The municipality has a higher increase in cost than the recommended CPI of 6.2%. The municipality is using an increase of 7.2% which shifts the average increase to 3.11%.
12. Msukalikwa	10.00%	To cover for repairs and maintenance and escalating operational costs
13. Msunduzi	5.00%	Infrastructure refurbishment
14. Oudtshoorn	2.00%	The increase is part of the municipality's financial recovery plan
15. Phumelela	10.00%	To cover for declining revenue from sales

16. Rand West	2.00%	Increase to merger between Westonaria and Randfontein municipalities
17. Renosterberg	6.40%	Municipality has outstanding Eskom bulk purchases debt
18. Stellenbosch	2.22%	Salaries adjusted by SALGA guideline plus one notch of 2.4%.
19. Thabachweu	12.00%	Alignment of historically low tariff to NERSA's benchmarks
20. Thembelihle	8.00%	Alignment of low tariff to NERSA's benchmarks
21. Tswaing	6.00%	Alignment of prices to the total cost of supplying electricity to customers and installation of metering system
22. Umtshezi	6.20%	To align the Time of Use Tariff to the NERSA's benchmark
23. Umvoti	6.40%	Infrastructure refurbishment
24. Uphongolo	5.00%	Alignment to NERSA's approved benchmarks, infrastructure refurbishment and maintenance

**The details for the Public hearing are as follows:**

**Date :** 18 May 2017  
**Venue :** Kulawula House  
526 Madiba Street  
Arcadia  
**PRETORIA**  
**Time :** 10h00 – 16h00

Members of the public and stakeholders wishing to attend the hearing or present their views must submit their request, by **16h30** on **Tuesday, 16 May 2017** to **Mr Eleazer Dlamini** at:

Telephone Number : 012 – 401 4035  
Fax No. : 012 – 401 4100  
E-mail : [publichearings@nersa.org.za](mailto:publichearings@nersa.org.za)