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Ref: NERSA-1532172523-75517

To all Licensed Electricity Distributors

Dear Sir/Madam

COMPULSORY SUBMISSION OF ELECTRICITY TARIFF APPLICATIONS BY ALL LICENSED DISTRIBUTORS FOR THE 2026/27 FINANCIAL YEAR

1. The National Energy Regulator (NERSA) is an organ of state entrusted with the mandate to approve electricity tariffs in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) as amended of licensed distributors including municipalities.
2. Electricity Regulation Act as amended (ERAA) prescribes principles that governs the setting and approval of tariffs. These include the requirement that tariffs and revenues must enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return. Tariffs must also give end-users proper information on the costs that their consumption imposes on the utility's business.
3. In terms of the Municipal Finance Management Act, 2003, municipalities are required to submit their electricity tariffs to the NERSA for approval on or before 15 March for implementation by 1 July of that same year. If tariff applications are received and approved after 15 March, they will not be applicable by 1 July of that same year.
4. It is a contravention of ERAA and a breach of a licence condition to charge a customer any tariffs which has not been approved by the Energy Regulator.

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Regulator Members:

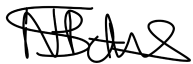
Mr T Bukula (Chairperson) Ms Z Mpungose (Deputy Chairperson) *Adv NP Sithole (Chief Executive Officer)

*Ms N Maseti *Mr MW Mkhize Ms T Semane Mr FK Sibanda Ms PN Sibiya

*Full-Time Regulator Members

5. Your current tariffs are expiring on 30 June 2026 and there is no automatic extension as the tariffs are annually approved. To enable compliance with the decision making by NERSA and implementation of the decision in line with the provision of the ERAA and MFMA, your Municipality is advised to submit your FY2026/27 tariff applications on or before 12 December 2025.
6. You are further reminded to ensure that the following conditions are complied with:
 - Your tariff application must be signed and authorised by the relevant official authority
 - Confirmation that the tariff applied for is authorised by the Municipal Council (an affidavit to be submitted)
 - Confirmation that customers were consulted on the proposed tariffs
 - Submission of audited regulatory financial information for 2024/25 to be submitted to NERSA.
7. Failure to comply with the request would result in the delay to consider the tariff application and in breach of the applicable laws. Such a failure may also expose the Municipality and NERSA to unnecessary legal challenge which is undesirable.
8. Should you have any enquiries, please do not hesitate to contact Rhulani Mathebula at the above contact details.

Yours sincerely



Adv Nomalanga Sithole
Chief Executive Officer

Date: 12/11/2025