

Cost of supply study 2027/28: overview and public participation

Proposed average increase 12.5% from 1 July 2027. Customer survey and comments open from 1 November to 1 December 2026.

About a third of the energy bought is not billed

1,317

GWh bought

from Eskom, plus 7.9 GWh SSEG
export

891

GWh billed

to 144,909 customers, on the
billing statistics

32.3%

losses reported

10% technical; the rest mainly
theft, tampering and meter faults

28.7%

if corrected

billing statistics understate credit-
meter sales by about 47.6 GWh
(7.4%)

Billing statistics under review

The reconciliation of the billing statistics to the SOLAR billing data is still under review by Finance, and the billing teams are analysing the data for correction. Customers were billed correctly; the statistics were not.

NERSA D-Forms: 30-day period

BCMM has asked NERSA for 30 days to analyse the data and correct the D-Forms. The corrected sales will feed into this study and the 2027/28 tariff application.

12.5% on average, less for those who need support

6.0%

indigent households

below Eskom's increase, with free basic electricity

8.01%

pensioners, social housing, prepaid homes and small businesses

in line with Eskom's proposed increase

12.5%

average, all customers

business tariffs below cost rise by more

8.01%

other charges

connection, call-out, inspection, tamper and illegal-connection charges

Eskom: 64% of cost

Eskom's proposed 8.01% increase to municipalities is outside the City's control.

Bad debt

Each R100m of bad debt adds about 3.1 points to the increase, carried by paying customers.

Losses above 12%

About R638m a year is not allowed in tariffs; the City carries it as a deficit.

IF THE RECOVERY INITIATIVES DELIVER

From 12.5% to about 4.2%



Early evidence: RT29 smart meter rollout

On 809 meters replaced or repaired and measured against their own baselines: +714,719 kWh now paid for and +R2.78m vended (R484 to R1,210 per meter per month). 17 field teams are working, increasing to 24.

Choices for customers who generate, store or buy their own energy

SSEG Option A

Default residential SSEG tariff: basic charge plus energy, export credited at the feed-in rate. Every SSEG customer signs a connection agreement.

SSEG Option B (pilot)

Time of use with no basic charge for customers who export from batteries at the evening peak. Up to 500 customers.

SSEG Option C (pilot)

Export buyback for business and industry. Up to 10 MW of export capacity.

Wheeling policy

Customers can buy from private generators over the BCM network, paying network charges by voltage level (W1 to W4) plus top-up energy.

Pensioners and social housing

Pensioners' tariff in single-phase and three-phase parts; social housing tariff without a basic charge.

A customer tariff book

An “at a glance” table of every tariff, a guide to “Which tariff am I on?”, and the service and punitive charges.

Have your say: 1 November to 1 December 2026

Online survey

A short survey (about 10 minutes) on the cost of supply method, the proposed tariffs, support tariffs, SSEG and the new tariff book. Anonymous.

Draft documents

The cost of supply study summary, the draft tariff book with service and punitive charges, and the “Have your say” notice, on the City’s website and at customer care centres.

Written comments

Comments by e-mail or in writing by 1 December 2026. Every comment is read.

What happens to the comments

A summary of the comments and the City’s response goes to Council with the draft tariffs, and is included in the application to NERSA as evidence of consultation.

THE ANNUAL TARIFF PROCESS

Mapped out by NERSA, with industry support

Oct 2026

Draft cost of supply study and tariffs

1 Nov – 1 Dec 2026

Public participation, round 1: survey and comments

By 31 Jan 2027

Cost of supply report to NERSA; NERSA confirms Eskom's increase

By 31 Mar 2027

Council tables the draft budget and tariffs; application to NERSA

Mar – Apr 2027

Round 2: IDP and budget roadshows; NERSA 30-day public comment

By mid-May 2027

NERSA decides on BCMM's tariffs

By 31 May 2027

Council adopts the final budget

1 Jul 2027

New tariffs take effect

NERSA

Sets the cost of supply method, the COS tool and the tariff guideline; approves every tariff (Electricity Regulation Act, s15).

Sustainable Energy Africa (SEA), with GIZ

Assist municipalities each year to prepare cost of supply studies and get them through the NERSA process.

Council and MFMA

Tariffs are part of the budget: tabled, consulted on and adopted under MFMA ss 17 and 22 to 24, and MSA s74.

NEXT STEPS

Before the study goes to Council and NERSA

- Publish the notice, survey and draft tariff book by 1 November 2026
- Finance to conclude the billing statistics review; correct the D-Forms within the 30-day period
- Update the study with the corrected sales and losses, and the comments received
- Submit the cost of supply report to NERSA by 31 January 2027
- Table the draft budget and tariffs at Council by 31 March 2027

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