



MOGALE CITY LOCAL MUNICIPALITY

ELECTRICITY TARIFF POLICY

2024 -2025

DRAFT

1. **MOGALE CITY LOCAL MUNICIPALITY COUNCIL COMMITMENT**

Municipalities have constitutional executive authority and right to administer conveyance of electricity through a power system that operates at or below 132 kilovolts (kV) including buying and selling of electricity to consumers residing within its supply area. The authority and the right is derived from as empowered through section 156(1)(a) of the Constitution of the Republic of South Africa and the Electricity Regulation Act 4 of 2006 as amended.

Mogale City Local Municipality has developed and implemented an Electricity Tariff Policy in order to document the municipality's best governing practices in order to satisfy the requirements and meet expectations of electricity regulators and its customers while ensuring the financial sustainability of the municipality.

Mogale City Local Municipality is committed to the policy and the procedures to be developed to implement, maintain, and review the Mogale City's Electricity Tariff Policy whilst:

- maintaining electricity supply to end-users, that is the residents, businesses and industries in order to maintain a convenient livelihood and sustain the Mogale City, and
- ensuring indiscriminate access to adequate electricity supply services to future and existing end-users to encourage economic growth and developments.

2. **OBJECTIVE**

To define Mogale City Local Municipality's Electricity Tariff Policy and to reference specific legislative and regulatory provisions as well as procedures that applies to this subject.

3. **APPLICABILITY**

- 3.1. The policy is applicable to electricity supplied directly by Mogale City within its area of supply as per the NERSA License.
- 3.2. The policy is also applicable to electricity end users that are supplied by electricity resellers within the Mogale City area of supply.
- 3.3. Electricity supply provided by other supply authorities including Eskom Holdings are excluded on this policy.

4. DIRECTIVE

- 4.1. It is Mogale City Local Municipality's Electricity Tariff policy to design, develop and prepare a schedule of electricity tariffs that are:
 - 4.1.1. cost reflective,
 - 4.1.2. affordable to consumers and safeguard poor households whilst ensuring financial sustainability of the municipality,
 - 4.1.3. encourage economic developments,
 - 4.1.4. make provision for connection fees and development contributions (also referred to as Bulk Contributions)
 - 4.1.5. levy penalty fees for illegal connections, tampering and theft of electricity, and
 - 4.1.6. provide for clear subsidies where required.
- 4.2. The municipality shall ensure that this policy is communicated and understood by all levels within the organization and by providing training sessions as defined within procedures related to this policy and by conducting internal quality audits for improvement purposes.
- 4.3. Mogale City Local Municipality's Accounting Officer shall ensure that the Electricity Tariff Policy is implemented, maintained, and reviewed on an on-going basis to ensure its continuing suitability and to meet the requirements of the Electricity Distribution License Conditions as issued by the National Energy Regulator of South Africa (NERSA), including the NERSA's Electricity Distribution Tariff Code and any applicable laws and regulations.
- 4.4. Furthermore, the Accounting Officer shall ensure adherence to the Municipal System Act in regard to levying of fees and charges for service delivery as well as the Municipal Finance Management Act in regard to incurring expenditure on capital projects in a sustainable manner.

5. REFERENCES

- 5.1. Electricity Distribution Tariff Code

- 5.2. Guidelines for Distribution Connection Charges for Loads (NRS 069:2018)
- 5.3. Electricity Regulation Act
- 5.4. Section 156(1)(a) of the Constitution of the Republic
- 5.5. Municipal System Act;
- 5.6. Municipal Finance Management Act;
- 5.7. Spatial Planning and Land-use Management Act
- 5.8. Quality Management Review
- 5.9. Internal Audits Procedure

Signed on behalf of the Council of the Mogale City Local Municipality

Executive Mayor

Cllr