

MAKHADO MUNICIPALITY

DETERMINATION OF CHARGES IN TERMS OF SECTION 75 OF THE LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 AS AMENDED

ELECTRICITY BY-LAWS

In terms of section 74(2) of the Municipal Systems Act, 2000 (Act no. 32 of 2000) the purpose of the electricity tariffs is to recover Council's costs and a surplus. The surplus will be transferred to the General Account. The basic electricity charge is to offset the capital cost on loans. Capital projects are internally financed through Council's Consolidated Loan Fund over different periods with the redemption on the loans reallocated for further loans.

In terms of section 75 of the Local Government: Municipal Systems Act, 2000, as amended, notice is hereby given that the Makhado Municipality in terms of section 75A of the said Act, by Special Resolution dated 30 May 2013, further amended the Tariff of Charges in the Schedule to the Municipality's Electricity By-laws, adopted by the Makhado Municipality under Administrator's Notice No. 1401 dated 17 August 1983, as amended, and published under Municipal Notice no. 14/1986 in the Provincial Gazette dated 2 July 1986, with effect of **1 July 2013** by the substitution of sub items 3.1, 3.3 and 5.1 for the following:

"3.1 Basic Charges

For the calculation of the basic charges per consumer or per farm portion or per piece of land where such farm portion of piece of land, with or without improvements, is connected to the Council's supply main, in the opinion of the Council, can be connected thereto, whether electricity is consumed or not, the following basic charges are payable monthly to the Council: Provided that in the case of a farm portion which is not connected to the Council's supply main, no monthly basic charge is payable to the Council if such farm portion's electricity supply would have occurred by means of a peri-urban electricity supply agreement if it was connected to the Council's supply main:-

1. By the substitution for sub item 3.3 of the following:

"3.3 Consumption of Electricity

3.3.1 Domestic Tariff (Conventional)

All consumers of electricity which is consumed solely for residential units, religious purposes, prisons, schools, hostels, military bases, churches, sports clubs, charitable institutions, hospitals and bona fide farmers: Per kWh consumed [Domestic High Tariff – Urban and Rural]: **The IBT structures and Benchmarks will be applicable from 1 July 2013.**

Block 1 (0-50 kWh)	64 – 70
Block 2 (51 – 350 kWh)	82 – 87
Block 3 (351 – 600 kWh)	111 – 117
Block 4 (>600 kWh)	133 – 138

- 3.3.2 **BASIC CHARGE:** Every piece of land used or intended for residential units, religious purposes, prisons, schools, hostels, military bases, churches, sports clubs, charitable institutions and hospitals per consumer [Domestic High Tariff – Urban (Including Rural Residential)]: R128,30

- 3.3.3 For a single-phase supply of electricity to a consumer within the area of supply of the Makhado Municipality, for residential purposes to a dwelling unit, or for a church, school, hall or the like premises, where the tariff provides for a supply to low usage consumers with restricted capacity, the following charges shall apply (VAT included):

Pre-light 1: Rural (Domestic Low Tariff)

The IBT structures and Benchmarks will be applicable from 1 July 2013.

Block 1 (0-50 kWh)	64 – 70
Block 2 (51 – 350 kWh)	82 – 87
Block 3 (351 – 600 kWh)	111 – 117
Block 4 (>600 kWh)	133 – 138

3.3.4 Urban and Peri-urban Tariff (Small Business)

All consumers of electricity not mentioned under sub item 3.3.1: Per kWh consumed [Industrial and Commercial]: R0,9526

- 3.3.5 **BASIC CHARGE:** Every farm portion used or intended for bona fide residential purposes and/or for bona fide farming purposes, per consumer [Peri-urban Residential]: R357,30

3.3.6 For a single-phase supply of electricity to a consumer within the area of supply of the Makhado Municipality, for residential purposes to a dwelling unit, or for a church, school, hall or the like premises, where the tariff provides for a supply to low usage consumers with restricted capacity, the following charges shall apply (VAT included):

Pre-light 2: Commercial Pre-paid (Small Business) Urban

R135,40 cents in the case where the capital cost of the local electricity infrastructure, including the service connection costs (service cable/line, electricity dispenser, ready board, etc.) has been paid for in advance by the consumer(s) or another party.

3.3.7 Bulk Metering

3.3.7.1 Industrial Low Tariffs (Urban and Peri-urban)

Per maximum demand metered in KVA:

R172,30 per KVA

Per kWh consumed:

R0,5808

3.3.8 **BASIC CHARGE:** Every piece of land used or intended for purposes not mentioned under sub item 3.1.1 per consumer: R539,30

The basic charge will not be applicable if business premises are empty [Business or commercial].

3.3.8.1 Industrial High Tariffs (Urban and Peri-urban)

Per maximum demand metered in KVA:

R172,30 per KVA

Per kWh consumed:

R0,5808

3.3.9 **BASIC CHARGE:** Every farm portion used or intended for purposes not mentioned under sub item 3.1.2, per consumer [Commercial Farming and Industrial]: R748,10

3.3.10 Municipal Services

Charges in respect of the consumption of electricity for municipal services: Per kWh consumed: R0,9160

3.3.11 Monthly basic charge for municipal services: R128,30

3.3.12 Special Agreements

The Council reserves the right to enter into special agreements with consumers whose load upon the electricity undertaking and the nature of such load justifies a tariff different from that in any of the foregoing tariffs.

3.3.13 Time of Use Tariffs

The Time of Use and seasonal periods applied will be in accordance with those determined by Eskom for the T1-Tariff Structure.

3.3.13.1 Usage Charges

Demand charge calculation and times as for Eskom T1

Energy	Peak Periods	R94,1300 /kWh	R2,0665 /kWh
	Standard Periods	R64.8000 /kWh	R88,3300 /kWh
	Off Peak Periods	R41.1000 /kWh	R47,4700 /kWh

Summer

Winter

R81,70 /KVA

R83,12 /KVA

R94,1300 /kWh

R2,0665 /kWh

R64.8000 /kWh

R88,3300 /kWh

R41.1000 /kWh

R47,4700 /kWh

Excess KVAR calculation and times

as for Eskom T1

R0,1587 /KVAR

R0,1587 /KVAR

3.3.14 Basic Charges

A monthly basic charge on Time of Use Meters, relevant to the industry category should be applied. See 3.3.1 above.

3.3.14 Tariffs applicable to Pre-paid Metering

A connection fee of R1 316,10 per connection is payable in advance.

2. By the substitution for sub item 3.4 of the following:

"3.4 Surcharges

3.4.1 Peri-Urban surcharge

A surcharge of 5,0% as approved by the Electricity Control Board shall be levied on the charges payable in terms of sub items 3.3.2, 3.3.4, 3.3.7 and 3.4.1 by peri-urban consumers on farm portions whose electricity supply occurs by means of a peri-urban electricity supply agreement."

3. The following charges are applicable with regard to:-

3.1 testing of accuracy of a meter as contemplated in section 9 of these By-laws:

(i) CYLP and similar demand meters

Urban

R977,20

Peri-urban

R1624,20

(ii) Any other type of meter:

Urban

R592,40

	Peri-urban	R1285,70
(iii)	Non-municipal users (contractors and other town councils)	
	CYLP and similar meters	R913,30
	Any other meter	R916,10
3.2	replacement of service fuse or reconnection of service circuit breaker in a consumer's meter cabinet; and/or	
3.3	reconnection after disconnection of a consumer's supply to an electrical installation as contemplated in section 11 of these By-laws; and / or	
3.4	special reading of a consumer's meter; and/or	
3.5	inspections and tests of electrical installations (only applicable to second and ensuing inspections and tests) as contemplated in section 17 of these By-laws	
(i)	Within proclaimed townships	R242,70
(ii)	Outside proclaimed townships	R433,90

4. Adjustments of tariff

In terms of the National Regulator Act, (Act No. 40 of 2004) NERSA is entrusted to annually review and approve tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariff increases without the approval of the National Energy Regulator is a contravention of the license conditions.”

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