

# **ADDITIONAL ITEMS**

<b>6.</b>	<b>STATUTORY MATTERS</b>
<b>6.6</b>	<b>TABLING OF THE REMAINING CORE COMPONENTS OF THE ANNUAL REPORT 2019/20</b>

**Collaborator No:**

**IDP KPA Ref No:**

**Meeting Date:**

**Good Governance and Compliance**

**21 July 2021**

**1. SUBJECT: TABLING OF THE REMAINING CORE COMPONENTS OF THE ANNUAL REPORT 2019/20**

**2. PURPOSE**

- a) To table to Council the remaining core components of the Annual Report 2019/20 for consideration and to be released for public comment.
- b) Furthermore, it is also the purpose of this submission to, after consideration of the remaining core components of the Annual Report 2019/20 by Council, to refer it to the Municipal Public Accounts Committee (MPAC) to fulfil the role of an Oversight Committee and make to make a recommendation to Council as contemplated in terms of Section 129(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

The Draft Annual Report 2019/20 was referred by Council, on 31 March 2021, to the MPAC which fulfilled the functions of the Oversight Committee. The appointment and mandate of the MPAC/Oversight Committee were informed by the MFMA Circular 32 of 2006.

Committee members, including the two co-opted members, have scrutinised the Draft Annual Report 2019/20 and requested, where required, responses from the relevant Directorates. The Annual Report 2019/20 was objectively reviewed by the MPAC Members to ascertain whether the Annual Report 2019/20 is a true and accurate reflection of the municipality's performance for the 2019/20 financial year. The public were also invited to attend a public hearing to submit any representations on the Annual Report 2019/20. The public hearing was held on 15 April 2021.

At the time of deliberating on the Annual Report 2019/20, the report from the Auditor General of South Africa (AGSA), as contemplated in terms of Section 121(3)(b) and (d), was not yet available.

The Annual Report 2019/20 was approved by Council on 26 May 2021 with the following reservation that, as soon as the AGSA's report for the 2019/20 becomes available, that it be submitted to the MPAC and Council for consideration.

The AGSA's report was signed on 13 July 2021 (**ANNEXURE A**). The Audit and Performance Audit Committee (APAC) also concluded its annual report and is also herewith submitted to Council for consideration (**ANNEXURE B**).

## 5. RECOMMENDATIONS

- (a) that Council takes note of the remaining core components of the Annual Report 2019/20;
- (b) that Council takes note that the Municipal Manager will make the remaining core components of the Annual Report 2019/20 public for comment on the official website of the Stellenbosch Municipality and at the offices of the municipality for a period of 21 days; the public will be invited through the local print media to provide written inputs / comments; and
- (c) that Council notes the remaining core components of the Annual Report 2019/20 (**ANNEXURE A and B**) be referred to the MPAC for consideration and to make recommendations to Council as contemplated in terms of Section 129(1) of the MFMA.

## 6. DISCUSSION

### 6.1 Background

The MFMA promotes transparency and accountability for the fiscal and financial affairs of all municipalities and municipal entities through in-year and annual reporting. This can be achieved where there is a clear link between the strategic objectives agreed with the community, the Integrated Development Plan (IDP), the Budget, Service Delivery and Budget Implementation Plan (SDBIP), performance agreements of senior management and officials, in-year reports, annual financial statements, annual performance report and the Annual Report. All these forms one process to ensure that the actual performance is reported against what was planned and contained in the IDP. In this way the annual reporting is a backward-looking process of financial and non-financial performance for the financial year ended, and audited. It is therefore a post-financial year document.

The Annual Report requires the collection and consolidation of a range of financial and non-financial performance information about the municipality. It provides an authoritative record of the activities and performance of the municipality for each financial year. In time it will serve as a key historic record of the municipality revealing the progress, growth and development of municipal services and performance.

In terms of Section 121(3) of the MFMA, the Annual Report of a municipality or municipal entity must include the following core components. These core components are normally annexed to the Draft Annual Report:

- a) The Annual Financial Statements as submitted to the AGSA (Section 121(3)(a));
- b) the AGSA's audit report in terms of section 126(3) on those financial statements (Section 121(3)(b));
- c) the annual performance report of the municipality prepared by the municipality in terms of Section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) (Section 121(3)(c));
- d) the AGSA's audit report in terms of section 45(b) of the MSA (Section 121(3)(d)); and
- e) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d) in the MFMA (Section 121(3)(g)).

The Minister of Finance issued a Ministerial Exemption in terms of section 177(1)(b) of the MFMA on 05 August 2020, exempting municipalities and municipal entities from submitting their annual financial statements and related reports for auditing at the end of August 2020. The notice allows for a two-month delay in the submission of Annual Financial Statements, Annual Reports, Audit opinions, and oversight reports. Hence, why the Draft Annual Report 2019/20 is submitted to Council in March 2021 and the final MPAC Oversight Report to Council in May 2021.

It must, therefore, be noted that the AGSA commenced with its audit later as per usual. This has caused a delay with the inception of the external audit by the AGSA as well as with the issuing of their report. The AGSA report 2019/20 was signed on 13 July 2021 and is herewith submitted to Council to finalise the Annual Report 2019/20 in terms of submitting the remaining core components of the Annual Report 2019/20. Council should also take notice that the APAC has also concluded its report after receiving the AGSA report 2019/20, and is submitted herewith as **ANNEXURE B**.

## 6.2 Financial Implications

There are no financial implications beyond that which was approved in the 2020/21 MTREF Budget.

## 6.3 Legal Implications

Section 121(3) of the MFMA states that the annual report of a municipality must include—

*(a) the annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);*

*(b) the Auditor-General's audit report in terms of section 126(3) on those financial statements;*

*(c) the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;*

*(d) the Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;*

*(e) an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;*

*(f) an assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue collection from each revenue source and for each vote in the municipality's approved budget for the relevant financial year;*

*(g) particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);*

*(h) any explanations that may be necessary to clarify issues in connection with the financial statements;*

*(i) any information as determined by the municipality;*

*(j) any recommendations of the municipality's audit committee; and*

*(k) any other information as may be prescribed.*

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Section 127(2) of the MFMA states that “*The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control.*”

Furthermore, Section 127(3) of the MFMA states that “*If the mayor, for whatever reason, is unable to table in the council the annual report of the municipality, or the annual report of any municipal entity under the municipality’s sole or shared control, within seven months after the end of the financial year to which the report relates, the mayor must— (a) promptly submit to the council a written explanation referred to in section 133(1)(a) setting out the reasons for the delay, together with any components of the annual report listed in section 121(3) or (4) that are ready; and (b) submit to the council the outstanding annual report or the outstanding components of the annual report as soon as may be possible.*”

#### **6.4 Staff Implication**

This report has no staff implications to the Municipality.

#### **6.5 Risk Implication**

None

#### **6.6 Previous Council Resolutions**

Item 8.4 of the 41<sup>st</sup> meeting of the Stellenbosch Municipal Council, 31 March 2021, “*Tabling of the Draft Annual Report 2019/20*”

Item 8.1 of the 43<sup>rd</sup> meeting of the Stellenbosch Municipal Council, 26 May 2021, “*Municipal Public Accounts Committee (MPAC) Oversight Report on the Annual Report 2019/20*”

#### **6.7 Comments from Senior Management**

##### **6.7.1 Director: Community and Protection Services**

Supported

##### **6.7.2 Chief Financial Officer**

Supported

##### **6.7.3 Director: Infrastructure Services**

Supported

##### **6.7.4 Director: Corporate Services**

Supported

##### **6.7.5 Director: Planning and Economic Development**

Supported

##### **6.7.6 Comments from the Municipal Manager**

Supported

#### **ANNEXURES**

**Annexure A: AGSA Report 2019/20**

**Annexure B: APAC Report 2019/20**

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**FOR FURTHER DETAILS CONTACT:**

NAME	Gurswin Cain
POSITION	Manager: IDP/PMS/PP
DIRECTORATE	Municipal Manager
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REPORT DATE	16 July 2021

# **ANNEXURE A**

## Report of the auditor-general to the Western Cape Provincial Parliament and council on the Stellenbosch Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 5 to 143, which comprise the statement of financial position as at 30 June 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 16 of 2019 (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Restatement of corresponding figures

7. As disclosed in note 61 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2020.

#### Material impairments

8. As disclosed in note 5 to the financial statements, the municipality provided for impairment of receivables from exchange transactions of R151,4 million (2018-19: R142,8 million).
9. As disclosed in note 6 to the financial statements, the municipality provided for impairment of receivables from non-exchange transactions of R153,4 million (2018-19: R167,5 million).

**Other matter**

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

**Unaudited disclosure note**

11. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

**Responsibilities of the accounting officer for the financial statements**

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

**Auditor-general's responsibilities for the audit of the financial statements**

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

**Report on the audit of the annual performance report****Introduction and scope**

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic focus area presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.



18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected strategic focus area presented in the municipality's annual performance report for the year ended 30 June 2020:

Strategic focus area	Pages in the annual performance report
Strategic focus area 4 – dignified living	16 to 18

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this strategic focus area:
- Strategic focus area 4 – dignified living

#### Other matter

21. I draw attention to the matter below.

#### Achievement of planned targets

22. Refer to the annual performance report on pages 16 to 18 for information on the achievement of planned targets for the year.

### Report on the audit of compliance with legislation

#### Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

#### Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected strategic focus area presented in the annual performance report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected strategic focus area presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
29. I have nothing to report in this regard.

**Internal control deficiencies**

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Cape Town

13 July 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected strategic focus area and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Stellenbosch Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, the actions taken to eliminate threats or the safeguards applied.

# **ANNEXURE B**



# STELLENBOSCH

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## Report of the Audit and Performance Audit Committee

This report of the Audit and Performance Audit Committee of Stellenbosch Municipality is in respect of the 2019/2020 financial year. The Audit and Performance Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities concordant to the approved Audit Committee Charter. The Committee's operation is guided by the International Institute of Internal Auditor's Standards and the King IV report on Corporate Governance.

The Committee consists of four independent members, elected by the Council: Len Mortimer (Chairperson), Tsepo Lesihla, Vincent Botto and June Williams. The Council appointed the Chairperson of the Committee, an independent member. The Municipal Manager, Chief Financial Officer, Directors, Chief Audit Executive, Senior Manager Governance, Chief Risk Officer, MPAC Chairperson, and External Auditors are permanent invitees to the Committee meetings.

### Execution of Functions

The Audit and Performance Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to the Council's accounting, internal auditing, internal control, governance, risk management and financial reporting practices.

During the year under review, the Committee, amongst other matters, considered the following:

#### 1.1 In respect of the External Auditors and the External Audit

- i. Approved the External Auditors' (Auditor-General of RSA) terms of engagement, the audit plan and budgeted audit fees payable;
- ii. Engaged and interrogated extensively the External Auditors' report and management report of the Auditor General at the Audit and Performance Audit Committee meeting dated 29<sup>th</sup> June 2021;
- iii. Considered the audit outcome of the Municipality extensively and communicated the Audit and Performance Audit Committee's satisfaction and congratulated the Accounting Officer and Management on the Clean Audit Outcome;
- iv. Based on the audit outcome recommendations were made by the Audit and Performance Audit Committee on the other important matters as well as control deficiencies identified in the Auditor-Generals' report;

- v. Management have been requested by the Audit and Performance Audit Committee to implement processes and reconciliations of transactions;
- vi. Management are urged to strengthen controls to adequately monitor non-compliance with laws and regulations on a timely basis;
- vii. Management need to concentrate on accurate presentation and review of the Annual Financial Statements submitted to the Auditor General for audit;
- viii. The supervision and review process need to be addressed to prevent, detect and correct misstatements on a timely basis and the controls designed to monitor compliance with regulations that are not always able to prevent or report the instances of non-compliance in a timely manner to allow for corrective action;
- ix. The quality of submitted financial statements and the compliance with the requirements of the supply chain management are still matters that can be improved on; thus, management is encouraged to develop action plans early to allow for the improvement in the next reporting cycle;

### 1.2 In respect of the Annual Financial Statements (AFS)

- i. Confirmed the going concern as the basis of preparation of the Interim and Annual Financial Statements;
- ii. Examined, reviewed and interrogated the Annual Financial Statements, performance report as well as financial information disclosed to the public prior to submission and approval by Council;
- iii. Reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets;
- iv. Ensured that the Annual Financial Statements fairly represented the financial position of the Stellenbosch Municipality as at the end of the financial year in accordance with SA Standards of GRAP and in the manner required by the MFMA and DORA;
- v. Considered the appropriateness of accounting treatments, significant unusual transactions and management accounting judgements;
- vi. Considered the appropriateness of the accounting policies adopted by Management and changes thereto;
- vii. Through the Chairperson, met separately over the course of the year with the Chief Audit Executive, CFO, Chief Risk Officer, Management and the External Auditors (Auditor-General of RSA);
- viii. Reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- ix. Noted that there were no material reports or complaints received concerning accounting practices, internal financial controls, content of Annual Financial Statements, internal controls and related matters.

### 1.3 In respect of Internal Control and Internal Audit

- i. Reviewed and approved the Internal Audit mandate, annual and three-year rolling audit plans and evaluated the independence, effectiveness and performance of the Internal Audit Department and compliance with its mandate;
- ii. Considered reports of the Internal and External Auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
- iii. Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to such findings;
- iv. Reviewed significant differences of opinion between the Internal Audit function and Management and noted that there were no material issues of difference raised and all matters were addressed and resolved;
- v. Assessed the adequacy of the performance of the Internal Audit function and found it to be effective in providing assurance;
- vi. Reviewed the External Quality Assurance Review conducted by an independent Quality Assurance Provider on Internal Audit as required by the IIA Standards;

- vii. Assessed the adequacy and sufficiency of available Internal Audit resources and found **them** to be very limited as more resources are required to evaluate the control weaknesses and high-risk areas identified in both the corporate strategic risk, external audit and the audit universe;
- viii. Received assurance that proper and adequate accounting records were maintained and that systems safeguarded the assets against unauthorised use or the disposal thereof; and
- ix. Based on the above, the Committee **were of** the opinion that at the date of this report, there were breakdowns in internal control, including internal financial controls, for the year under review in the following areas:
  - Supply Chain Management. The Audit and Performance Audit Committee felt strongly that controls in this area require urgent strengthening. Training interventions and, in some instances SOP's are required and monitoring by the CFO and MM in these areas as well as in:
    - Contract Management;
    - Pre-determined objectives;
    - Monthly or regular reconciliations of assets, debtors, and creditors;
    - Compilation of mid-year or interim AFS;
- x. In addition, the Committee noted Management's improved responses to conclude on internal and external audit findings from the prior and current year as reported in the internal audit follow up reports.

#### 1.4 In respect of Legal and Compliance with Laws and Regulations

- i. Reviewed with management matters that could have a material impact on Council;
- ii. Monitored compliance with the MFMA and other key legislation applicable to the Municipality, requirements of National and Provincial Treasury, Council's policies, and all other applicable legislation and codes of good governance;
- iii. Reviewed reports from the Internal and External Auditors detailing the extent of compliance.

#### 1.5 In respect of Risk Management, Combined Assurance and Information Technology

During the period under review, Management presented Strategic and Operational Risk profiles for the Municipality to the Audit and Performance Audit Committee who :

- i. Considered and reviewed reports from Management on risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment;
- ii. In respect of the coordination of assurance activities, the Committee reviewed the plans and work outcomes of the external and internal auditors and concluded that these were adequate to address all significant financial, operational and compliance risks facing the Municipality;
- iii. Noted the progress made in terms of Combined Assurance and the co-ordination between assurance providers to mitigate the top 10 strategic risks facing the Municipality as well as the emerging risks;
- iv. The Audit and Performance Audit Committee, in respect of compliance, notes an emerging risk and expresses concern with non-compliance with the SCM regulation and policies; and
- v. The Audit and Performance Audit Committee took cognisance that Information Technology and IT systems controls have improved in the Auditor General's Management report.

### 1.6 In respect of Pre-Determined Objectives (PDO's)

The Audit and Performance Audit Committee:

- i. Noted the need that management should ensure the accurate and reliable reporting of PDO's and the reporting on the top-layer SDBIP; and
- ii. The quality of submitted performance information in the Management report is indicated as satisfactory. There were no material findings reported on performance information by the Auditor General and Internal Audit, respectively.

### 1.7 In respect of the Finance Function

The Audit and Performance Audit Committee:

- i. Considered the existing expertise, resources and experience of the organisation-wide finance functional capacity and concluded that it needs to be monitored and evaluated and addressed as it appears to be the root cause of the errors in the AFS submitted to the Auditor General.
- ii. The Chief Financial Officer should ensure appropriate measures are in place for the accurate and timeous submission of information to the office of the Auditor-General.

### 1.8 Independence of the External Auditors

The Audit and Performance Audit Committee is satisfied that the Audit General of RSA (AGSA) were independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors:

- i. The presentations made by the Auditor-General to the Audit and Performance Audit Committee;
- ii. The Auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors; and
- iii. The Audit and Performance Committee met with the External Auditors independently of management.

### 1.9 General

- i. The Audit and Performance Audit Committee has monitored quarterly the Municipality's implementation plan for audit issues raised in the prior year and are satisfied that the matters have been adequately resolved. Of all the matters raised in the 2019/20 audit outcome, no repeat-findings occurred from the prior year. The Audit and Performance Committee has raised its concern around the other important matters raised in the Auditor-General's Management Report. The Municipal Manager has given assurance that all of these will be addressed as urgent and tracked for the 2020/2021 financial year.
- ii. The Audit and Performance Audit Committee concurs and accepts the conclusions of the External Auditor on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.



Stellenbosch Municipality has progressively been stable in the areas of second and third levels of assurance and governance over a three year period. There has also been stability in the leadership over the past five financial years. The only area for concern, and where attention is required, is financial and performance management over processing and reconciliation controls. The Audit and Performance Committee has made recommendations in this area which management have committed to.

### 1.10 Conclusion

I am extremely grateful to the members for their professionalism and diligence in their duties, as well as their flexibility in accommodating last-minute calls to duty. We are fortunate to have the diversity of skills and expertise available to the Municipality. It would be amiss not to convey on behalf of the Committee our appreciation to the Mayor, the entire Council and its Committees for the leadership, support and oversight they have provided during the year.

Finally, the Audit and Performance Audit Committee would like to express its appreciation to Management, Internal Audit, Risk Management and the Auditor General for the support and co-operation extended during the financial year and for providing the relevant information to enable the Audit and Performance Audit Committee to compile this report. This past year was indeed trying and Stellenbosch Municipality should be proud of its elected and appointed leaders for taking control and driving an agenda of sustainability and service delivery and improving its audit results in the process.

On behalf of the Audit and Performance Audit Committee.



**Dr Llewellyn Nimrod Mortimer**  
**Chairperson Audit and Performance Audit Committee**  
**30 June 2020**

7.5	<b>INFRASTRUCTURE SERVICES : (PC : CLLR Q SMIT)</b>
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7.5.1	<b>REVISED ELECTRICITY TARIFFS FOR 2021/22 FINANCIAL YEAR</b>
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**Collaborator No:** 710065  
**IDP KPA Ref No:** Valley of Opportunity  
**Meeting Date:** 21 July 2021

**1. REVISED ELECTRICITY TARIFFS FOR 2021/22 FINANCIAL YEAR**

**2. PURPOSE OF REPORT**

This report seeks Council's approval to adopt a revised set of electricity tariffs for 2021/22 after the NERSA confirmation dated 06 July 2021

**3. DELEGATED AUTHORITY**

Council.

**4. EXECUTIVE SUMMARY**

Council at its budget meeting adopted the electricity tariffs based on a guideline increase of 14.59% given by NERSA. Application was made to NERSA to increase the tariffs (Annexure A) accordingly and a response from NERSA was sent to the Municipality on 06 July 2021 whereby some of the tariffs were not approved (**ANNEXURE B**).

NERSA had public hearings on the Eskom tariff application and only approved the 2021/22 tariff increases on 06 July 2021.

Tariffs that were not approved by NERSA were Block 4 – Domestic Lifeline and Reactive Energy for Small Scale Embedded Generation (SSEG) (**ANNEXURE B**)

Stellenbosch Municipal intends to appeal NERSA's decision on the Reactive Energy for Small Scale Embedded Generation (SSEG) tariff.

Furthermore, the Department omitted the Availability Fee for Vacant serviced erven during submission to Council however the tariff was included with the application to NERSA.

Given the above, a revised set of electricity tariffs (**ANNEXURE C**) were re-developed for application in the 2021/22 financial year for Council's consideration and approval.

**5. RECOMMENDATIONS**

- (a) that Council withdraw the electricity consumption tariffs approved at its budget meeting held on 26 May 2021 and adopt the revised electricity tariffs (**ANNEXURE B**) for application in the 2021-22 financial year as a result of the rejection of specific tariffs by NERSA and also accept the tariff i.r.o. the Availability fee for vacant serviced erven for 2021/2022 (**ANNEXURE C**); and
- (b) that the revised 2021/22 tariffs be published for notification purposes.

**6. DISCUSSION / CONTENTS**

Council at its budget meeting adopted the electricity tariffs based on a guideline increase of 14.59% given by NERSA. Application was made to NERSA to increase the tariffs (**ANNEXURE A**) accordingly and a response from Nersa was sent to the Municipality on 06 July 2021 whereby some of the tariffs were not approved (**ANNEXURE B**).

NERSA had public hearings on the Eskom tariff application and only approved the 2021/22 tariff increases on 06 July 2021.

Tariffs that were not approved by NERSA were Block 4 – Domestic Lifeline and Reactive Energy for Small Scale Embedded Generation (SSEG) (Annexure B).

Furthermore the Department omitted the Availability Fee for vacant serviced erven during submission to Council however the tariff was included with the application to Nersa.

Given the above, a revised set of electricity tariffs (ANNEXURE C) were re-developed for application in the 2021/22 financial year for Council's consideration and approval.

**6.1 FINANCIAL IMPLICATIONS**

As a result Nersa's non-approval of the SSEG tariffs, the financial impact will be an under recovery of R331 000 i.e 0.04% of the total electricity revenue (R793 773 129).

The omission of the Availability Fee for vacant erven has a financial implication of approximately R733 000 for the 2021/22 financial year.

The Municipality intends to appeal the NERSA decision in order to recover the income lost

**6.2 LEGAL IMPLICATION**

NERSA can impose fines should the tariffs approved by them not be implemented

**6.3 STAFF IMPLICATION**

No additional staff implications.

**6.4 RISK IMPLICATION**

Reduction of Income addressed in the item

**6.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS**

Council decision of 26 May 2021.

**7. COMMENTS BY SENIOR MANAGEMENT****7.1 Chief Financial Officer**

Supports the report

**7.2 Municipal Manager**

Supports the report.

**ANNEXURES****Annexure A: Stellenbosch Municipality's 2021/22 Tariff application to NERSA****Annexure B: NERSA's response to the 2021/22 Tariff Application****Annexure C: Revised tariffs for 2021/22****FOR FURTHER DETAILS CONTACT:**

<b><i>NAME</i></b>	Deon Louw
<b><i>POSITION</i></b>	<b><i>Director</i></b>
<b><i>DIRECTORATE</i></b>	<b><i>Infrastructure Services</i></b>
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<b><i>REPORT DATE</i></b>	<b><i>16 July 2021</i></b>

# **ANNEXURE A**



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Enquiries : Mr Victor Dyusha (victor.dyusha@stellenbosch.gov.za)

Contact number : 021 808 8333/8334

Our reference : 10/2/3

Your reference : 10/2/3

Date : 2 June 2021

National Energy Regulator of South Africa

Electricity Tariffs and Pricing Department

Kulawula House

526 Madiba Street

Arcadia

0007

Dear Buyiswa Mabinya

**STELLENBOSCH MUNICIPALITY (WC024): APPLICATION 1/2 FOR ELECTRICITY CONSUMPTION TARIFFS INCREASE FOR FINANCIAL YEAR 2021/22**

## 1. PURPOSE

This document serves to motivate the tariff increase the Municipality seeks to have approved for the 2021/2022 municipal financial year. All but one of the tariffs increase with NERSA's guideline increase of 14.59% as communicated in your document entitled "Guideline on Municipal Electricity Price Increase for 2021/22" dated 15 May 2021. This tariff being TOU2 for which an additional 1.5% increase is applied (as was the case in the past two years) to more closely align the tariff with the applicable NERSA guideline. This will be the final year of the three-year higher increase cycle. **The average tariff increase is calculated at 14.94% over all the tariffs.**

## 2. BACKGROUND

Based on June 2020 data, there are 28 366 active prepaid meters in the Stellenbosch Municipality's area of supply. This is complimented by 4 461 credit meter customers and a further 419 Large power users. Out of the prepayment customers, there are 11 241 indigent customers that receive 100 kWh free basic electricity every month which is subsidized by national government's equitable share grant. The remainder of the prepaid customers are divided into domestic, commercial and agricultural



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categories. Customers with credit meters are also divided into domestic, commercial and agricultural categories (for supplies up to a maximum of 80A). Large power users (those with supplies greater than 80A) fall under the industrial low and medium voltage tariffs or the time of use tariffs (low voltage and medium voltage).

From 2016/2017 onwards, Stellenbosch has also applied for a co-generation/small scale embedded generation tariff which has been approved by NERSA every year. As per your written request dated 8 March 2021, these are addressed in a separate tariff application.

### 3. DISCUSSION

#### 3.1 Tariff adjustments

The table with the proposed tariffs summary is given in section 4.

##### 3.1.1 Domestic 1 (DOM1)

This tariff is a four block incline block tariff (IBT) specifically for qualifying indigent customers. The first 100 kWh per household is provided free of charge as was the case for the 2020/2021 municipal financial year. The third and fourth blocks exceed NERSA's guideline values for the respective blocks. The reason for this is to dissuade users on this tariff from using more than 300 kWh; if they do, they should rather switch to the DOM2 tariff which has lower costs for blocks 3 and 4. This approach has satisfactory results as the average monthly consumption per customer is 279 kWh (based on 2019/2020 consumption data). **The proposed tariff increase for DOM1 is 14.59% across all four IBT blocks.**

##### 3.1.2 Domestic 2 (DOM2)

This tariff is a four block inclining block tariff for domestic users with an average monthly consumption below 600 kWh/month for the previous financial year. In the previous year, a smaller increase was applied for on Block 2 as the 6.22% increase would have pushed the rate for this block above the NERSA guideline range. **This year, the guideline increase of 14.59% is applied for on all four blocks' approved 2020/2021 rates.** Applying this increase will cause the rates of Blocks 1, 2 and 3 to be above the NERSA guidelines but never more than 0.2%.

##### 3.1.3 Domestic 3 (DOM3)

This is a prepaid four block IBT tariff for consumers that on average consumed more than 600 kWh per month in the previous municipal financial year. **An increase of 14.59% is proposed on all the approved values from 2020/2021.** The rates of Blocks 1, 3 and 4 will be 0.01% above the NERSA guidelines but the Block 2 rate will be 0.22% below the NERSA guideline maximum.



#### 3.1.4 Domestic 4 (DOM4)

This is a post-paid four block IBT tariff for domestic consumers. **An increase of 14.59% is proposed on all the approved values from 2020/2021.** The rates of Blocks 1, 3 and 4 will be 0.01% above the NERSA guidelines but the Block 2 rate will be 0.22% below the NERSA guideline maximum.

#### 3.1.5 Commercial 1 (COM1)

This is a prepaid commercial life line tariff. It features only an energy rate. **An increase of 14.59% is proposed on all the approved value from 2020/2021.**

#### 3.1.6 Commercial 2 (COM2)

This is a prepaid commercial tariff for connections up to a maximum of 40 Ampere (either single or three phase). **An increase of 14.59% is proposed on all the approved values from 2020/2021.**

#### 3.1.7 Commercial 3 (COM3)

This is a prepaid tariff for commercial customers with an 80 Ampere supply (single or three phase). There is a fixed charge and an energy charge on this tariff. If a 14.59% increase is applied to the approved rates of 2020/2021, the effective unit price is 286.28 c/kWh which is higher than NERSA's commercial prepaid guideline for three phase consumers (269.64 to 280.13 c/kWh based on a monthly consumption of 5 500 kWh). The average monthly consumption of the customers on this tariff however is only 1 371 kWh which means that that the fixed charge is divided across fewer kWh than what is used for NERSA's guideline. This results in the higher effective unit cost. If the proposed charges of R 365.28/month and 259.63 c/kWh are used with NERSA's benchmark consumption of 5 500 kWh/month, the effective unit cost is 266.27 c/kWh which is lower than NERSA's minimum benchmark for the unit cost. This shows that the NERSA guideline is not 100% suitable to this specific tariff group in Stellenbosch's conditions. **An increase of 14.59% is proposed on all the approved values from 2020/2021.**

#### 3.1.8 Commercial 4 (COM4)

This is a post-paid commercial tariff with both a fixed charge and an energy charge. **An increase of 14.59% is proposed on all the approved values from 2020/2021.**





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### 3.1.9 Agricultural 1 (AGRI 1)

This tariff is applicable to agricultural customers, pre- or post-paid, with a maximum supply size of 80 Ampere. On average, a customer on this tariff consumes 3 291 kWh/month so the closest NERSA guideline is “Agriculture Medium” which has a monthly consumption of 3 000 kWh. **An increase of 14.59% is proposed on all the approved values from 2020/2021.** This will increase the average unit cost to 273.67 c/kWh which is just below NERSA’s minimum guideline value of 275.63 c/kWh.

### 3.1.10 Industrial Low Voltage (IND1)

This tariff is applicable to all non TOU, low voltage connections greater than 80 A, not only industrial customers as the name implies. For example, a block of flats with a single bulk connection or a laundry would also be on this tariff. If an increase of 14.59% is applied on each tariff component, the effective unit cost is calculated as 324.12 c/kWh with an average consumption of 11 511 kWh/month and maximum demand of 43 kVA per customer respectively. The average load factor is 36%. Both the energy consumption and maximum demand on this tariff are far less than NERSA’s guideline entitled “Industrial Low” (43 800 kWh/month and 200 kVA/customer). As a result, the effective unit cost on this tariff is higher than NERSA’s recommended range for this particular guideline (244.18 to 256.16 c/kWh). However, if the proposed charges are multiplied with NERSA’s guideline consumption of 43 800 kWh/month, maximum demand of 200 kVA and notified maximum demand of 697 kVA (the latter scaled according to Stellenbosch’s ratio between the two demand values), the effective unit cost works out to 348.83 c/kWh. The latter figure is higher than the actual effective unit cost which indicates that the NERSA guideline is not 100% suitable to this specific tariff group in Stellenbosch’s conditions.

Another phenomenon observed is that the customers that had high load factors moved from the IND1 to TOU1 leaving the remaining customers on the IND1 tariff with relatively low load factors. The customers that remained on IND1 also have high Notified Maximum Demand values compared to their Maximum Demand (3.48:1) which further contributes to their high effective unit cost. **An increase of 14.59% is proposed on all the approved values from 2020/2021.**



### 3.1.11 Industrial Medium Voltage (IND2)

This tariff is applicable to all non TOU, medium voltage connections. If an increase of 14.59% is applied on each tariff component, the effective unit cost is calculated as 251.02 c/kWh with an average consumption of 78 332 kWh/month and maximum demand of 214 kVA per customer respectively. The load factor for customers on this tariff is 50%. Both the energy consumption and maximum demand on this tariff are less than NERSA's guideline entitled "Industrial Medium" (98 550 kWh/month and 450 kVA/customer). As a result, the effective unit cost on this tariff is higher than NERSA's recommended range for this particular guideline (239.68 to 248.66 c/kWh). However, if the proposed charges are multiplied with NERSA's guideline consumption of 98 550 kWh/month, maximum demand of 450 kVA and notified demand of 1 429 kVA (the latter scaled according to Stellenbosch's ratio between the two demand values), the effective unit cost works out to 336.45 c/kWh. The latter figure is higher than the actual effective unit cost which indicates that the NERSA guideline is not 100% suitable to this specific tariff group in Stellenbosch's conditions. **An overall increase of 14.59% is proposed on all the approved values from 2020/2021.**

### 3.1.12 Municipal tariff 1 (MUN1)

The MUN1 tariff is used for street and traffic lights only. **The tariff consists only of an energy charge. It is proposed that this tariff increase by 14.59% on the approved rate of 2020/2021.**

### 3.1.13 Municipal tariff 2 (MUN2)

The MUN2 tariff is for internal municipal consumption only. The circuit breaker size must be smaller than 80 Ampere. In the past, the tariff consisted of only an energy charge. In this year, the municipality would like to introduce a fixed charge component as well to align the tariff more with its commercial counterparts and, in the process, give a more realistic pricing signal. It is therefore proposed that the tariff take on the same rate as the COM4 tariff for this fixed charge as it is the closest commercial counterpart to the MUN2 tariff. In order to remain revenue neutral, the active energy rate should reduce commensurately. Our calculations show that an active energy rate of 215.33 c/kWh will result in the same net income than a 14.59% increase on the 2020/2021 rate would give (R 19 difference to the municipality's detriment due to rounding to two decimal places).

The above request, may seem like a structural change for which a Cost of Supply study is required, but it will only be municipal users that are affected by the change and hence we are of the view that it can be approved as presented. **An increase of 14.59% is proposed on all the approved values from 2020/2021.**



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### 3.1.14 Municipal tariff 3 (MUN3)

The MUN3 tariff is for internal municipal consumption only. The circuit breaker size must be larger than 80 Ampere. This tariff is used for the municipality's water and sanitation works and any other municipal buildings with a bulk supply more than 80A. In the past, the tariff consisted of an energy and demand charge. In this year, the municipality would like to introduce a fixed charge component as well to align the tariff more with its industrial counterparts and, in the process, give a more realistic pricing signal to other municipal departments such as Water and Sanitation and any other municipal buildings with a bulk supply more than 80A. It is therefore proposed that the tariff take on the same rate as the IND1 tariff for this fixed charge as it is the closest counterpart to the MUN3 tariff. In order to remain revenue neutral, the active energy rate should reduce commensurately. Our calculations show that an active energy rate of 107.84 c/kWh will result in the same net income than a 14.59% increase on the 2020/2021 rate would give (R 184 difference to the municipality's detriment due to rounding to two decimal places).

The above request, may seem like a structural change for which a Cost of Supply study is required, but it will only be municipal users that are affected by the change and hence we are of the view that it can be approved as presented. **An increase of 14.59% is proposed on all the approved values from 2020/2021.**

### 3.1.15 Non-Profit Organisation 1 (NPO1)

This is a prepaid tariff for non-profit organisations. The supply is limited to 20 Ampere. **It is proposed that the tariff be increased by 14.59% on the approved 2020/2021 value.** As this tariff is considered a commercial tariff, the closest NERSA guideline is "Commercial Prepaid Single Phase" for which the acceptable unit cost should be in the range of 269.64 to 280.13 c/kWh. With no fixed charge applied to this tariff, its effective unit cost is 272.51 c/kWh which is within the range of the NERSA guideline.

### 3.1.16 Non-Profit Organisation 2 (NPO2)

This is a prepaid tariff for non-profit organisations that can provide proof to the municipality that they have been registered with SARS as a Public Benefit Organisation. The supply is limited to 60 Ampere. **It is proposed that the tariff be increased by 14.59% on the approved 2020/2021 value.** As this tariff is considered a commercial tariff, the closest NERSA guideline is "Commercial Prepaid Single Phase" for which the acceptable effective unit cost should be in the range of 269.64 to 280.13 c/kWh. With no fixed charge applied to this tariff, its effective unit cost is 261.44 c/kWh which is lower than the NERSA guideline.

### 3.1.17 Sport 1 (SPO1)

The Sport 1 tariff is a prepaid tariff with only an energy charge. **It is proposed that the approved rate from 2020/2021 be increased by 14.59%.**



### 3.1.18 Sport 2 (SPO2)

The Sport 2 tariff is a post-paid tariff with both an energy charge and a maximum demand charge. It is proposed that both be increased by 14.59% on the approved values of 2020/2021.

### 3.1.19 Time of Use Low Voltage (TOU1)

On average, a customer on this tariff consumes 28 446 kWh per month with a maximum demand of 103 kVA and a load factor of 38%. It is proposed that this tariff is increased by 14.59% across all the tariff components. This will mean that the effective unit cost for the tariff increases to 236.53 c/kWh which is above the range given in NERSA's "Time of Use based on Eskom's Megaflex" guideline (187.06 to 196.57 c/kWh). The latter however is based on an annual consumption of 1 323 MWh (110 250 kWh/month). Stellenbosch's monthly consumption is therefore only 26% of NERSA's consumption which means that the fixed cost is spread over a smaller number of kWh causing the higher effective unit cost.

If the proposed tariff component values are applied on NERSA's guideline consumption, the effective unit cost is 171.28 c/kWh which is below the minimum of the applicable NERSA guideline. This indicates that the NERSA guideline is not 100% suitable to this specific tariff group in Stellenbosch's conditions.

A Notified Maximum Demand of 2.46 times the maximum demand was used for the calculation above. This factor is the actual ratio between Stellenbosch's notified and maximum demands. Similarly, the weighted average contribution of the six time of use periods were also based on actual Stellenbosch contributions to the annual total kWh consumed on this tariff.

### 3.1.20 Time of Use Medium Voltage (TOU2)

On average a customer on this tariff consumes 215 392 kWh/month, has a maximum demand of 1 007 kVA and a load factor of 29%. It was decided two years ago to give an additional 1.5% per year increase to the tariff for 3 years to align the tariff with the NERSA benchmark as it was significantly lower at the time. This year would be the third and last year of this additional increase. The proposed increase is therefore 16.09%. If the 16.09% increase is applied across all the tariff components, the effective unit cost is 203.81 c/kWh. This is above the maximum value of NERSA's guideline "Time of Use based on Eskom's Megaflex" guideline (187.06 to 196.57 c/kWh).

One noteworthy observation can be made to explain how this tariff is suddenly above the NERSA guideline where, for the past two years, it was below the NERSA guideline. The consumption of energy is 17% less in the 2019/2020 financial year than the previous year. This means that the fixed charge and the access charge are being spread over fewer kWh than in the past which causes the higher average unit cost. The lower consumption is possibly linked to the COVID pandemic because the consumption for the April to June 2020 is 56% lower than the same period in 2019. If the proposed



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rates are applied on the 2018/2019 consumption figures, the average rate equates to 185.21 c/kWh which is aligned with the trend observed for the previous two years where the average rate was below the applicable NERSA guideline. **An increase of 16.09% is proposed on all the approved values from 2020/2021.**



#### 4. LIST OF PROPOSED TARIFFS

The current tariff, proposed tariff for 2021/22 as well as the percentage increase is shown in the tables below.

	Approved 2020/2021	Application 2021/2022	Percentage increase
<b>1. Domestic</b>			
<b>Domestic: Life Line Prepaid – 0 to 60 Ampere single phase only (For qualifying indigent customers and receiving the first 100 units free per month) (DOM1)</b>			
Fixed Charge (R/month)	0.00	0.00	
Energy Rate (c/kWh) ( $\leq$ 50 kWh)	109.82	125.84	14.59%
Energy Rate (c/kWh) (51 - 300 kWh)	137.42	157.47	14.59%
Energy Rate (c/kWh) (301 - 600 kWh)	204.82	234.70	14.59%
Energy Rate (c/kWh) ( $>$ 600 kWh)	235.86	270.27	14.59%
Domestic PP Lifeline DOM1 BSST	0.00	0.00	
<b>Domestic: Regular Prepaid meters - (0 to 60 Ampere single and three phase AND less than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM2)</b>			
Fixed Charge (R/month)	0.00	0.00	
Energy Rate (c/kWh) ( $\leq$ 50kWh)	110.00	126.05	14.59%
Energy Rate (c/kWh) (51 - 300kWh)	141.50	162.14	14.59%
Energy Rate (c/kWh) (301 - 600kWh)	199.00	228.03	14.59%
Energy Rate (c/kWh) ( $>$ 600kWh)	234.00	268.14	14.59%
<b>Domestic: Regular Prepaid meters - (0 to 60 Ampere single and three phase using more than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM3)</b>			
Fixed Charge (R/month)	150.60	172.57	14.59%
Energy Rate (c/kWh) ( $\leq$ 50kWh)	109.82	125.84	14.59%
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42	14.59%
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72	14.59%
Energy Rate (c/kWh) ( $>$ 600kWh)	234.02	268.16	14.59%
<b>Domestic: Regular (Using Credit meters 60 Ampere single and three phase maximum and for generation for own use) (DOM4)</b>			
Fixed Charge (R/month)	185.77	212.87	14.59%
Energy Rate (c/kWh) ( $\leq$ 50kWh)	109.82	125.84	14.59%
Energy Rate (c/kWh) (51 - 300kWh)	140.87	161.42	14.59%
Energy Rate (c/kWh) (301 - 600kWh)	198.73	227.72	14.59%



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Energy Rate (c/kWh) (> 600kWh)	234.02	268.16	14.59%
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## 2. Commercial

**Commercial: Life Line (<20 Ampere maximum, Single and three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)**

Fixed Charge (R/month)	-	-	
Energy Rate (c/kWh)	237.81	272.51	14.59%

**Commercial: Low (40 Ampere maximum, Pre Paid single and three phase only and for generation for own use) (COM2)**

Fixed Charge (R/month)	186.16	213.32	14.59%
Energy Rate (c/kWh)	190.96	218.82	14.59%

**Commercial: Regular Prepaid only (80 Ampere, single and three phase and for generation for own use) (COM3)**

Fixed Charge (R/month)	318.77	365.28	14.59%
Energy Rate (c/kWh)	226.57	259.63	14.59%

**Commercial: Credit meters (80 Ampere, single and three phase and for generation for own use) (COM4)**

Fixed Charge (R/month)	345.81	396.26	14.59%
Energy Rate (c/kWh)	211.14	241.95	14.59%

## 3. Agricultural

**Agricultural: Regular (Prepaid and Credit meters maximum 80 Amp 3 phase and for generation for own use) (AGR1)**

Fixed Charge (R/month)	377.73	432.84	14.59%
Energy Rate (c/kWh)	229.87	263.41	14.59%

## 4. Industrial

**Industrial: Low Voltage > 80 Amp and for generation for own use (IND1)**



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Fixed Charge (R/month)	1 947.12	2 231.20	14.59%
Energy Rate (c/kWh)	103.84	118.99	14.59%
Notified Maximum Demand (R/kVA)	47.52	54.45	14.58%
Maximum Demand Charge (R/kVA)	263.88	302.38	14.59%

## Industrial: Medium Voltage and for generation for own use (IND2)

Fixed Charge (R/month)	3 691.84	4 230.48	14.59%
Energy Rate (c/kWh)	102.44	117.39	14.59%
Notified Maximum Demand (R/kVA)	46.77	53.59	14.58%
Maximum Demand Charge (R/kVA)	261.93	300.15	14.59%

**PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF:** In the event that the access demand or Notified Maximum Demand is exceeded more than once in a municipal financial year, the following additional charges will apply

1. A 10% of the total Access Demand Charge/Notified Maximum Demand will be added to your municipal account on the 2<sup>nd</sup> occasion.
2. A 20% of the total Access Demand Charge/ Notified Maximum Demand will be added to your municipal account on the 3<sup>rd</sup> occasion.
3. A 30% of the total Access Demand Charge/ Notified Maximum Demand will be added to your municipal account on the 4<sup>th</sup> occasion.
4. On the 5<sup>th</sup> occasion the municipality reserves the rights to disconnect your electricity supply and only when the electricity supply has been upgraded and bulk levy contribution paid will the supply be restored.

\* Occasion refers to the number of times/events the Access Demand/ Notified Maximum Demand has been exceeded

## 5. Municipal

### Municipal: Street and Traffic lights (MUN1)

Fixed Charge (R/month)	-	-	
Energy Rate (c/kWh)	237.17	271.77	14.59%

### Municipal: Low Voltage <80 Amp (MUN2)

Fixed Charge (R/month)	-	396.26	
Energy Rate (c/kWh)	215.58	215.33	-0.12%





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## Municipal: Low Voltage >80 Amp (MUN3)

Fixed Charge (R/month)	-	2 231.20	
Energy Rate (c/kWh)	98.81	107.84	9.14%
Maximum Demand Charge (R/kVA)	292.52	335.20	14.59%

## 6. Non Profit Organisations

### Non Profit Organisations: Single Phase 20 Amp Prepaid (NPO1)

Fixed Charge (R/month)	-	-	
Energy Rate (c/kWh)	237.81	272.51	14.59%

### Non Profit Organisations: Low Voltage Max 60 Amp Prepaid SARS Approved (NPO2)

Fixed Charge (R/month)	-	-	
Energy Rate (c/kWh)	228.15	261.44	14.59%

## 7. Sport

### Sport: Low All Consumers (<80A) and Prepaid (SPO1)

Fixed Charge (R/month)	-	-	
Energy Rate (c/kWh)	202.13	231.62	14.59%

### Sport: High Consumers (>80A) Maximum Demand (SPO2)

Fixed Charge (R/month)	-	-	
Energy Rate (c/kWh)	92.50	106.00	14.59%
Notified Maximum Demand Charge	-	-	
Maximum Demand Charge (R/kVA)	291.54	334.08	14.59%



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## 8. Time-of-Use

### Time of Use (Low Voltage > 80 Amp and for generation for own use) TOU1

Fixed Charge (R/month)	3 720.79	4 263.65	14.59%
SUMMER: Maximum Demand Charge (R/kVA)	50.44	57.80	14.59%
Access Demand Charge (R/kVA)	50.44	57.80	14.59%
Peak Energy (c/kWh)	165.02	189.10	14.59%
Standard Energy (c/kWh)	108.74	124.61	14.59%
Off-peak Energy (c/kWh)	81.55	93.45	14.59%
Reactive Energy (c/kVAh)	-	-	
WINTER: Maximum Demand Charge (R/kVA)	50.44	57.80	14.59%
Access Demand Charge (R/kVA)	50.44	57.80	14.59%
Peak Energy (c/kWh)	517.48	592.98	14.59%
Standard Energy (c/kWh)	155.31	177.97	14.59%
Off-peak Energy (c/kWh)	91.25	104.56	14.59%
Reactive Energy (c/kVAh)	21.58	24.73	14.60%

### Time of Use (Medium Voltage and for generation for own use) TOU2

Fixed Charge (R/month)	6 951.96	8 070.53	16.09%
SUMMER: Maximum Demand Charge (R/kVA)	50.61	58.75	16.09%
Access Demand Charge (R/kVA)	48.13	55.87	16.08%
Peak Energy (c/kWh)	157.94	183.35	16.09%
Standard Energy (c/kWh)	103.31	119.93	16.09%
Off-peak Energy (c/kWh)	77.43	89.89	16.09%
Reactive Energy (c/kVAh)	-	-	
WINTER: Maximum Demand Charge (R/kVA)	50.61	58.75	16.09%
Access Demand Charge (R/kVA)	48.13	55.87	16.08%
Peak Energy (c/kWh)	521.72	605.66	16.09%
Standard Energy (c/kWh)	148.20	172.05	16.09%
Off-peak Energy (c/kWh)	87.11	101.13	16.09%
Reactive Energy (c/kVAh)	22.38	25.98	16.09%



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**PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF:** In the event that the access demand or Notified Maximum Demand is exceeded more than once in a municipal financial year, the following additional charges will apply

1. A 10% of the total Access Demand Charge/ Notified Maximum Demand will be added to your municipal account on the 2<sup>nd</sup> occasion.
2. A 20% of the total Access Demand Charge/ Notified Maximum Demand will be added to your municipal account on the 3<sup>rd</sup> occasion.
3. A 30% of the total Access Demand Charge/ Notified Maximum Demand will be added to your municipal account on the 4<sup>th</sup> occasion.
4. On the 5<sup>th</sup> occasion the municipality reserves the rights to disconnect your electricity supply and only when the electricity supply has been upgraded and bulk levy contribution paid will the supply be restored.

\* Occasion refers to the number of times/events the Access Demand/ Notified Maximum Demand has been exceeded.

## 14. Availability Fees

Availability (R/year)

3 580.74

## 15. Time of use periods

### 1. Low Demand - Summer

**September to May**

**Monday to Friday**

00:00 - 06:00 Off Peak

06:00 - 07:00 Standard

07:00 - 10:00 Peak

10:00 - 18:00 Standard

18:00 - 20:00 Peak

20:00 - 22:00 Standard

22:00 - 24:00 Off Peak

**Saturday**

00:00 - 07:00 Off Peak

07:00 - 12:00 Standard

12:00 - 18:00 Off Peak

18:00 - 20:00 Standard

20:00 - 24:00 Off Peak

**Sunday**

00:00 - 24:00 Off Peak

### 2. High Demand - Winter

**June to August**

**Monday to Friday**

00:00 - 06:00 Off Peak

06:00 - 09:00 Peak

09:00 - 17:00 Standard

17:00 - 19:00 Peak

19:00 - 22:00 Standard

22:00 - 24:00 Off Peak

**Saturday**

00:00 - 07:00 Off Peak

07:00 - 12:00 Standard

12:00 - 18:00 Off Peak

18:00 - 20:00 Standard

20:00 - 24:00 Off Peak

**Sunday**

00:00 - 24:00 Off Peak

**All tariffs exclusive of VAT**



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**5. CONCLUSION**

We hereby request that the proposed tariffs be approved for the municipal financial year of 2021/2022.

Sincerely

  
\_\_\_\_\_

**MS GERALDINE METTLER**

**Municipal Manager**

8/6/2021

\_\_\_\_\_  
**Date**



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Enquiries : Mr Victor Dyusha (victor.dyusha@stellenbosch.gov.za)  
Contact number : 021 808 8333/8334  
Our reference : 10/2/3/SSEG  
Your reference : 10/2/3/SSEG  
Date : 2 June 2021

National Energy Regulator of South Africa  
Electricity Tariffs and Pricing Department  
Kulawula House  
526 Madiba Street  
Arcadia  
0007

Dear Buyiswa Mabinya

**STELLENBOSCH MUNICIPALITY (WC024): APPLICATION 2/2 FOR SMALL SCALE EMBEDDED GENERATION (SSEG) AND WHEELING CONSUMPTION AND FEED-IN TARIFFS INCREASES FOR THE 2021/22 FINANCIAL YEAR**

**1. PURPOSE**

This document serves to motivate the tariff increase the Municipality seeks to have approved for the 2021/2022 municipal financial year for its Small-Scale Embedded Generation (SSEG) and External Wheeling Tariffs. The application for the mentioned tariffs is done separately from the other electrical tariffs as per your written request of 8 March 2021.

**2. SSEG TARIFF**

Stellenbosch Municipality introduced an SSEG tariff in the 2016/2017 financial year after the tariff was approved by NERSA. The SSEG tariff is open to any customer on a tariff shown in the Host tariff column of **Table 1** that has surplus electricity generation at times (for example a factory that generates excess electricity over weekends when there is no production activity). An SSEG customer must however remain a net consumer of electricity from the municipality over the course of the financial year. Since



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its inception, there has been a steady adoption of the SSEG tariff as is shown in the statistics for the most recent completed financial year (**Table 1**).

**Table 1: SSEG customers statistics for the 2019/20 financial year**

Sector	Host Tariff <sup>1</sup>	Number of customers on 30 June 2020	2019/20 Total exported kWh
Domestic	DOM4	8	21 168
Commercial	COM4	6	75 120
Agricultural	AGR1	3	47 873
>80 A connection, non-Time of Use LV	IND1	2	26 765
>80 A connection, Time of Use LV	TOU1	1	9 281
>80 A connection, Time of Use MV	TOU2	2	619 508
<b>TOTAL</b>		<b>22</b>	<b>799 715</b>

<sup>1</sup> Host tariff in this case means the applicable tariff which is applied to the customer for electricity bought from Stellenbosch Municipality

For the 2020/21 financial year, the SSEG rates proposed by Stellenbosch Municipality was not approved by NERSA. The proposed rates were linked to the Eskom Megaflex rates at which Stellenbosch Municipality procures electricity from Eskom (transmission zone of greater than 900 km and a supply voltage of 66 kV to 132 kV) less 10%. On appeal, NERSA only approved the SSEG rates with an inflation based (4.6%) increase. This meant that the credit that customers received on the approved rate was lower than the proposed rate (i.e. the benefit to the customer was smaller than what Stellenbosch Municipality were prepared to offer). For the 2021/22 year, Stellenbosch Municipality are again prepared to offer 10% below the Megaflex rates for SSEG electricity. The proposed rates are shown in Table 2.

**Table 2: SSEG rates (current and proposed) along with Eskom Megaflex rates applicable to Stellenbosch Municipality**

	NERSA approved SSEG rate for 2020/21	Eskom Megaflex 2021/22 rate (c/kWh)	Offered to Stellenbosch customers 2021/22 (c/kWh)	% Increase (Offered for 2021/22 vs. approved 2020/21)
<b>Low Season (September to May)</b>				
Peak	104.67	140.02	126.02	20.40%
Standard	72.03	96.35	86.72	20.39%
Off Peak	45.70	61.13	55.02	20.39%
<b>High Season (June to August)</b>				
Peak	320.91	429.27	386.34	20.39%
Standard	97.22	130.05	117.05	20.40%
Off Peak	52.79	70.62	63.56	20.40%



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As last year's approved tariff was lower than the increase afforded to Eskom, it appears as though this year's increase is significantly higher than the NERSA guideline increase (20.4% compared to 14.59%). **One must however consider that the flow of money in this case is from the municipality to the customer so a larger increase favours the customer, not the municipality.** This is illustrated in Figure 1. The first bar shows the proposed rates for 2020/21. Under this scenario, the SSEG customer would receive 106.97 c/kWh for a kWh delivered to Stellenbosch Municipality in the low season peak period. Stellenbosch Municipality would in turn buy the kWh for 11.89 c/kWh cheaper than what that same unit would have cost if bought from Eskom. The approved rate for 2020/21 is shown in the second bar. In this scenario, the SSEG customer received a smaller credit than what was proposed and Stellenbosch Municipality procured the kWh at a lower cost than what was proposed. The third bar shows the proposed rates for the 2021/22 financial year. The Eskom price increased from 118.86 to a value of 140.02 c/kWh (17.8%). This is the rate that Stellenbosch Municipality would have to pay in the absence of a kWh being available from the SSEG client. If the kWh was available from an SSEG client, the municipality would save 14 c/kWh and the SSEG client would get a credit of 126.02 c/kWh. This proposal not only creates a win-win solution in monetary terms for both Stellenbosch Municipality and the SSEG client, but also encourages the uptake of green energy solutions.



**Figure 1: Proposed and Approved SSEG rate for Low Season Peak time of use period**



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Besides the six time of use energy rates, the SSEG tariff comprises of two more tariff components. The first is the reactive energy rate. This rate is included (and was approved in previous years) because it will assist the municipality to recover the higher demand and reactive energy costs observed with PV systems. The rate is levied for both the summer and winter months at a rate identical to that charged for TOU1 for all the SSEG clients except for TOU2. The reason for this is to have a common reactive energy charge for TOU1 and TOU2 which already have reactive energy charges associated with the respective host tariffs. The proposed increase for the reactive energy charge is aligned with NERSA's guideline increase of 14.59% for all the applicable host tariffs except for TOU2 where the increase is 16.09% (the general increase on TOU2 is 16.09% to align the tariff more closely with the NERSA guidelines. This higher increase on TOU2 is the last of a three year higher increase cycle.

The last tariff component on the SSEG tariff is a meter reading cost. This cost is to compensate the municipality for the additional meter readings (i.e. not only consumption but also export in the six various time of use periods) as well as the additional administration burden associated with the more complex tariff. This tariff component has been present and approved by NERSA since the inception of the SSEG tariffs in 2016/17. For the 2020/2021 financial year, this cost was R 84.07/month. The proposed cost for 2021/2022 is R 96.34/month which is a 14.59% increase.

### 3. EXTERNAL WHEELING TARIFFS

Two external wheeling charges were introduced and approved by NERSA in the 2018/19 municipal financial year; one for low voltage wheeling and the other for medium voltage wheeling. The wheeling charges were approved for the 2018/19 and 2019/20 financial years. The wheeling tariffs for the 2020/21 financial year were only approved after an appeal. The percentage increase for the 2020/21 financial year was 4.6% on the 2019/20 rates.

In the appeal letter (reference 10/2/3), Stellenbosch Municipality undertook to base the 2021/22 rates on the outcome of a new Cost of Supply (COS) study. Such a COS study has since been undertaken but has not been submitted to NERSA yet. Based on the Draft tariff guideline document dated 12 March 2021, NERSA requires six months to process COS studies. It is therefore too late to consider the COS study results for the 2021/22 financial year. In light thereof, it is proposed that the 2020/21 rates be increased by the 14.59% guideline increase as shown in Table 3. The actual percentage increases differ slightly due to rounding to the second decimal.





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**Table 3: 2020/21 Approved and Proposed 2021/22 external wheeling tariff rates**

Tariff	NERSA approved external wheeling rate for 2020/21	Proposed external wheeling tariff for 2021/22	% Increase
Customer receiving power at low voltage (<400V) in c/kWh	22.65	25.95	14.57%
Customer receiving power at medium voltage (>400V) in c/kWh	19.62	22.48	14.58%

The COS study referred to earlier will be submitted well in advance of the six month requirement by NERSA so that it can be considered when setting the rates for 2022/23.



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#### 4. LIST OF PROPOSED TARIFFS

The current tariff, proposed tariff for 2021/22 as well as the percentage increase is shown in the tables below.

	Approved 2020/2021	Application 2021/2022	Percentage increase
<b>1. Co-generation/small scale embedded generation tariff</b>			
Buyback rates for surplus renewable energy that can be sold back to the municipality. Available on DOM4, COM4, AGRI1, IND1, IND2, TOU1 and TOU2 tariffs			
Reading Cost (R/month)	84.07	96.34	14.59%
<b>Import (low and high season)</b>			
Reactive Energy Rate (c/kVArh) (all except TOU2)	21.58	24.73	14.60%
Reactive Energy Rate (c/kVArh) (TOU2 only)	22.38	25.98	16.09%
<b>Export</b>			
<b>Low Season</b>			
Peak (c/kWh)	104.67	126.02	20.40%
Standard (c/kWh)	72.03	86.72	20.39%
Off Peak (c/kWh)	45.70	55.02	20.39%
<b>High Season</b>			
Peak (c/kWh)	320.91	386.34	20.39%
Standard (c/kWh)	97.22	117.05	20.40%
Off Peak (c/kWh)	52.79	63.56	20.40%
<b>2. External Wheeling</b>			
Customer received power at low voltage (<400V) in c/kWh	22.65	25.95	14.57%
Customer received power at medium voltage (>400V) in c/kWh	19.62	22.48	14.58%
Upon a successful application Stellenbosch Municipality will permit the retail wheeling of electricity through its network by another electricity supplier that is licensed for the trading of electricity in terms of the Electricity Regulation Act to the customers of this electricity supplier.			
<b>3. Generation for Own Use</b>			



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Customers that want to connect their own generation system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.

## 4. Generation for Own Use and Export

Customers that want to connect their own generation system to the municipal electrical grid for own use and export and who want to be reimbursed for exported energy will have to do the following:

- 1 The Municipality shall provide and install the requisite meters at the customer's cost.
- 2 The customer will stay on the existing purchase tariff.
- 3 For reimbursement the basic charge will be increased to include the automated meter reading cost
- 4 The reimbursement will only be for the export energy.
- 5 Customer not allowed to generate more than his total consumption per financial year.

## 5. Time of use periods

<p><b>1. Low Demand - Summer</b>  <b>September to May</b>  <b>Monday to Friday</b>            00:00 - 06:00 Off Peak            06:00 - 07:00 Standard            07:00 - 10:00 Peak            10:00 - 18:00 Standard            18:00 - 20:00 Peak            20:00 - 22:00 Standard            22:00 - 24:00 Off Peak  <b>Saturday</b>            00:00 - 07:00 Off Peak            07:00 - 12:00 Standard            12:00 - 18:00 Off Peak            18:00 - 20:00 Standard            20:00 - 24:00 Off Peak  <b>Sunday</b>            00:00 - 24:00 Off Peak</p>	<p><b>2. High Demand - Winter</b>  <b>June to August</b>  <b>Monday to Friday</b>            00:00 - 06:00 Off Peak            06:00 - 09:00 Peak            09:00 - 17:00 Standard            17:00 - 19:00 Peak            19:00 - 22:00 Standard            22:00 - 24:00 Off Peak  <b>Saturday</b>            00:00 - 07:00 Off Peak            07:00 - 12:00 Standard            12:00 - 18:00 Off Peak            18:00 - 20:00 Standard            20:00 - 24:00 Off Peak  <b>Sunday</b>            00:00 - 24:00 Off Peak</p>
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**All tariffs exclusive of VAT**



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**5. CONCLUSION**

We hereby request that the proposed tariffs be approved for the municipal financial year of 2021/2022.

Sincerely

**MS GERALDINE METTLER**

**Municipal Manager**

8/6/2021,

**Date**

# **ANNEXURE B**



Kulawula House  
526 Madiba Street  
Arcadia 0083  
Pretoria, SOUTH AFRICA

PO Box 40343  
Arcadia 0007  
Pretoria  
SOUTH AFRICA  
Tel: +27(0)12 401 4600  
Fax: +27(0)12 401 4700  
Email: [info@nersa.org.za](mailto:info@nersa.org.za)  
[www.nersa.org.za](http://www.nersa.org.za)



@NERSA\_ZA



@NERSAZA

**Enquiries: Zingisa Mavuso**  
Tel. (012) 401-4794  
Fax. (012) 401-4700  
Email: [Zingisa.Mavuso@nersa.org.za](mailto:Zingisa.Mavuso@nersa.org.za)

Ref. NER/D/NC053/2021-22

**Ms Geraldine Mettler**  
The Municipal Manager  
**Stellenbosch Municipality**  
P O Box 17  
Stellenbosch  
7599

Per Email: [municipal.manager@stellenbosch.gov.za](mailto:municipal.manager@stellenbosch.gov.za)

Dear Ms Mettler,

## **ELECTRICITY TARIFFS FOR THE PERIOD 01 JULY 2021 – 30 JUNE 2022**

Your application dated 09 June 2021 refers.

The Energy Regulator at its meeting held on **07 May 2020** approved the guideline increase of 14.59% for municipalities applicable for the 2021/22 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 01 July 2021 - 30 June 2022 and approved the tariffs as follows:

### **Domestic Tariffs**

- Domestic Lifeline Prepaid (DOM1)**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	125.84
Block 2 (51 – 300 kWh)	157.47

#### **Regulator Members:**

Ms MMD Nkomo (Deputy Chairperson)

\*Mr N Gumede \*Ms N Maseti \*Mr MW Mkhize Mr S Mokoena Ms Z Mpungose Mr FK Sibanda

\*Full-Time Regulator Members

Block 3 (301 – 600 kWh)	234.70
Block 4 (>600 kWh)	270.00

- **Domestic Regular Prepaid (DOM2)**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	126.05
Block 2 (51 – 300 kWh)	162.14
Block 3 (301 – 600 kWh)	228.03
Block 4 (>600 kWh)	268.14

- **Domestic Regular Prepaid (DOM3)**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	125.84
Block 2 (51 – 300 kWh)	161.42
Block 3 (301 – 600 kWh)	227.72
Block 4 (>600 kWh)	268.16

Basic charge(R/month)	172.57
-----------------------	--------

- **Domestic Regular Conventional (DOM4)**

<i>Tariff blocks</i>	<i>c/kWh</i>
Block 1 (0-50 kWh)	125.84
Block 2 (51 – 300 kWh)	161.42
Block 3 (301 – 600 kWh)	227.72
Block 4 (>600 kWh)	268.16

Basic charge(R/month)	212.87
-----------------------	--------

## Commercial Tariffs

- **Commercial Life Line <=20Amp (1 and 3 phase prepaid) (COM1)**
  - Energy charge: 272.51
  
- **Commercial Low 40Amp and own generation (1 and 3 phase prepaid) (COM2)**
  - Basic charge: R213.32/month
  - Energy charge: 218.82c/kWh
  
- **Commercial Low Regular 80Amp Prepaid and own generation (1 and 3 phase) (COM3)**
  - Basic charge: R356.28/month
  - Energy charge: 259.63c/kWh
  
- **Commercial Low Regular 80Amp Credit Meter and own generation (1 and 3 phase) (COM4)**
  - Basic charge: R396.26/month
  - Energy charge: 241.95c/kWh

#### **Agricultural Tariffs**

- **Agricultural: Regular (Prepaid and Credit meters 80 Amp 3 Phase) and own generation (AGR1)**
  - Basic charge: R432.84/month
  - Energy charge: 263.41c/kWh

#### **Industrial Tariffs**

- **Large Power Low Voltage > 80 Amp and generation for own use (IND1)**
  - Basic charge: R2 231.20/month
  - Energy charge: 118.99c/kWh
  - Maximum Demand Charge: R302.38/kVA
  - Notified Maximum Demand Charge: R54.45/kVA
  
- **Industrial: Medium Voltage (IND2)**
  - Basic charge: R4 230.48/month
  - Energy charge: 117.39c/kWh
  - Maximum Demand Charge: R300.15/kVA
  - Notified Maximum Demand Charge: R53.59/kVA
  
- **Non Profit Organisations: Single Phase 20 Amp Prepayment (NPO1)**
  - Energy charge: 272.51c/kWh
  
- **Non Profit Organisations: Low Voltage Max 60 Amp Prepayment SARS Approved (NPO2)**
  - Energy charge: 261.44c/kWh



- **Municipal: Street and Traffic Lights (MUN1)**
  - Energy charge: 271.77c/kWh
- **Municipal: Low Voltage <80 Amp (MUN2)**
  - Energy charge: 247.03c/kWh
- **Municipal: Low Voltage >80 Amp (MUN3)**
  - Energy charge: 107.84c/kWh
  - Maximum Demand Charge: R335.20/kVA
- **Sport: Low All Consumers (<80A) and Prepaid (SPO1)**
  - Energy charge: 231.62c/kWh
- **Sport: High Consumers (>80A) Maximum Demand (SPO2)**
  - Maximum Demand charge: R334.08/kVA
  - Energy charge: 106.00c/kWh

#### Time of use Tariffs

- **Time of Use Low Voltage>80 Amp and for generation for own use (TOU1)**
  - Basic charge: R4 263.65/month
  - **Low Season**
    - Maximum Demand charge: R57.80/kVA
    - Access Demand Charge: R57.80/kVA
    - Peak energy charge: 189.10c/kWh
    - Standard energy charge: 124.61c/kWh
    - Off-Peak energy charge: 93.45c/kWh
    - Reactive energy charge: 0c/kVArh
  - **High Season**
    - Maximum Demand charge: R57.80kVA
    - Access Demand Charge: R57.80/kVA
    - Peak energy charge: 592.98c/kWh
    - Standard energy charge: 177.97c/kWh
    - Off-Peak energy charge: 104.56c/kWh
    - Reactive energy charge: 24.73/kVArh
- **Time of Use Medium Voltage and for generation for own use (TOU2)**
  - Basic Charge: R8 070.53/month
  - **Low Season**

- Maximum Demand charge: R58.757kVA
- Access Demand charge: R55.87/kVA
- Peak energy charge: 183.35c/kWh
- Standard energy charge: 119.93c/kWh
- Off-Peak energy charge: 89.89c/kWh
- Reactive energy: 0c/kVArh
- **High Season**
  - Maximum Demand charge: R58.75kVA
  - Access Demand charge: R55.87/kVA
  - Peak energy charge: 605.66c/kWh
  - Standard energy charge: 172.05c/kWh
  - Off-Peak energy charge: 101.13c/kWh
  - Reactive energy: 25.98c/kVArh

### Co-generation/ Small Scale Embedded Generation Tariff

- **Buyback rates for surplus renewable energy that can be sold back to the Municipality. Available on DOM4, COM4, AGRI1, IND1, IND2, TOU1 and TOU2)**
  - Reading Cost: R96.34/month
  - **Import (Low and High season)**
    - Reactive energy (all except TOU2): R0/kVArh
    - Reactive energy (TOU2 only): 0c/kVArh
  - **Export Low Season**
    - Peak energy charge: 126.02c/kWh
    - Standard energy charge: 86.72c/kWh
    - Off-Peak energy charge: 55.02c/kWh
  - **Export High Season**
    - Peak energy charge: 386.34c/kWh
    - Standard energy charge: 117.05c/kWh
    - Off-Peak energy charge: 63.56c/kWh

### External Wheeling Tariffs

- Customer Receives Power at LV (<400V) Energy Charge: 25.95c/kWh
- Customer Receives Power at MV (>400V) Energy Charge: 22.48c/kWh

Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004), National Energy Regulator is entrusted to perform all the functions that the National Electricity Regulator used to perform, and amongst others, to review and approve tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariffs without approval of the Energy Regulator is a contravention of the license conditions issued to you.

It is therefore important that provision is made in your planning / budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration.

Should you have any enquiries please do not hesitate to contact Phumla Botha in the Electricity Pricing and Tariffs Department on (012) 401 600 or email: [Phumla.Botha@nersa.org.za](mailto:Phumla.Botha@nersa.org.za)

Yours sincerely,

***NCP Sithole***

Adv. Nomalanga Sithole

**Acting Chief Executive Officer**

Date: ***06 July 2021***

# **ANNEXURE C**

# STELLENBOSCH MUNICIPALITY

## ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022

Applicable to services rendered from 1 July 2021

Approved 2020/2021

Application 2021/2022

### 1. Domestic

#### Domestic: Life Line PP - 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 100 units free per month) (DOM1)

Fixed Charge per month	-	-
Domestic PP Lifeline DOM1 (c/kWh) (<= 50 kWh)	109,82	125,84
Domestic PP Lifeline DOM1 (c/kWh) (51 – 300 kWh)	137,42	157,47
Domestic PP Lifeline DOM1 (c/kWh) (300 – 600 kWh)	204,82	234,70
Domestic PP Lifeline DOM1 (c/kWh) (> 600 kWh)	235,86	270,00
Domestic PP Lifeline DOM1 BSST	-	-

#### Domestic: Regular PP meters- (0 to 60amp single and three phase AND Less than 600kWh per month average consumption during the previous financial year and for generation for own use) (DOM2)

Fixed Charge per month	-	-
Energy Rate (c/kWh) (<= 50kWh)	110,00	126,05
Energy Rate (c/kWh) (51 - 300kWh)	141,50	162,14
Energy Rate (c/kWh) (301 - 600kWh)	199,00	228,03
Energy Rate (c/kWh) (> 600kWh)	234,00	268,14

#### Domestic: Regular PP meters- (0 to 60 Amp single and three phase using more than 600 kWh per month average consumption during the previous financial year and for generation for own use) (DOM3)

Fixed Charge per month	150,60	172,57
Energy Rate (c/kWh) (<= 50kWh)	109,82	125,84
Energy Rate (c/kWh) (51 - 300kWh)	140,87	161,42
Energy Rate (c/kWh) (301 - 600kWh)	198,73	227,72
Energy Rate (c/kWh) (> 600kWh)	234,02	268,16

#### Domestic: Regular (Using Credit Meters 60 Ampere single and three phase maximum and for generation for own use) (DOM4)

Fixed Charge per month	185,77	212,87
Energy Rate (c/kWh) (<= 50kWh)	109,82	125,84
Energy Rate (c/kWh) (51 - 300kWh)	140,87	161,42
Energy Rate (c/kWh) (301 - 600kWh)	198,73	227,72
Energy Rate (c/kWh) (> 600kWh)	234,02	268,16

	Approved 2020/2021	Application 2021/2022
<b>Domestic: Renewable Energy ( DOM5 ) Generation for own use and export</b>		
Reading cost R/pm	84,07	96,34
Basic Charge	185,77	212,87
<b>Import</b>		
Energy Rate (c/kWh) (<= 50kWh)	109,82	125,84
Energy Rate (c/kWh) (51 - 300kWh)	140,87	161,42
Energy Rate (c/kWh) (301 - 600kWh)	198,73	227,72
Energy Rate (c/kWh) (> 600kWh)	234,02	268,16
Reactive Energy Rate (c/kVArh)	21,58	** 24,73
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	126,02
Standard c/kWh	72,03	86,72
Off Peak c/kWh	45,70	55,02
<b>High Season</b>		
Peak c/kWh	320,91	386,34
Standard c/kWh	97,22	117,05
Off Peak c/kWh	52,79	63,56
<b>2. Commercial</b>		
<b>Commercial: Life Line (&lt;20Ampere maximum, Single &amp; three phase Pre Paid Only for micro entrepreneurial businesses) (COM1)</b>		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237,81	272,51
<b>Commercial: Low (40Ampere maximum, Pre Paid single &amp; three phase only and for generation for own use ) (COM2)</b>		
Fixed Charge per month	186,16	213,32
Energy Rate (c/kWh)	190,96	218,82
<b>Commercial: Regular PP only (80Ampere, single and three phase and for generation for own use) (COM3)</b>		
Fixed Charge per month	318,77	365,28
Energy Rate (c/kWh)	226,57	259,63
<b>Commercial: Credit meters (80Ampere, single and three phase and for generation for own use) (COM4)</b>		
Fixed Charge per month	345,81	396,26
Energy Rate (c/kWh)	211,14	241,95
<b>Commercial: Renewable Energy ( COM 5) Generation for own use and export</b>		
Reading cost R/pm	84,07	96,34
Basic Charge	345,81	396,26
<b>Import</b>		
Energy Rate (c/kWh)	211,14	241,95
Reactive Energy Rate (c/kVArh)	21,58	** 24,73
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	126,02
Standard c/kWh	72,03	86,72
Off Peak c/kWh	45,70	55,02
<b>High Season</b>		
Peak c/kWh	320,91	386,34
Standard c/kWh	97,22	117,05
Off Peak c/kWh	52,79	63,56

	Approved 2020/2021	Application 2021/2022
<b>3. Agricultural</b>		
<b>Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase and for generation for own use) (AGR1)</b>		
Fixed Charge per month	377,73	432,84
Energy Rate (c/kWh)	229,87	263,41
<b>AGRICULTURAL: Renewable Energy (AGRI 1.1 ) Generation for own use and export</b>		
<b>Tariff similar as AGRI 1</b>		
Reading cost R/pm	84,07	96,34
Fixed Charge per month R/pm	377,73	432,84
<b>Import</b>		
Energy Rate (c/kWh)	229,87	263,41
Reactive Energy Rate (c/kVArh)	21,58	** 24,73
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	126,02
Standard c/kWh	72,03	86,72
Off Peak c/kWh	45,70	55,02
<b>High Season</b>		
Peak c/kWh	320,91	386,34
Standard c/kWh	97,22	117,05
Off Peak c/kWh	52,79	63,56
<b>4. Industrial</b>		
<b>Industrial: Low Voltage &gt; 80 Amp and for generation for own use (IND1)</b>		
Fixed Charge per month	1 947,12	2 231,20
Energy Rate (c/kWh)	103,84	118,99
Notified Maximum Demand (R/kVA)	47,52	54,45
Maximum Demand Charge (R/kVA)	263,88	302,38
<b>Industrial (IND 1.1): Low Voltage&gt;80 Amp: Renewable Energy- Generation for own use and export</b>		
Fixed Charge per month	1 947,12	2 231,20
Reading cost R/pm	84,07	96,34
<b>Import</b>		
Energy Rate (c/kWh)	103,84	118,99
Notified Maximum Demand (R/kVA)	47,52	54,45
Maximum Demand Charge (R/kVA)	263,88	302,38
Reactive Energy Rate (c/kVArh)	21,58	** 24,73
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	126,02
Standard c/kWh	72,03	86,72
Off Peak c/kWh	45,70	55,02
<b>High Season</b>		
Peak c/kWh	320,91	386,34
Standard c/kWh	97,22	117,05
Off Peak c/kWh	52,79	63,56

	Approved 2020/2021	Application 2021/2022
<b>Industrial: Medium Voltage and for generation for own use (IND2)</b>		
Fixed Charge per month	3 691,84	4 230,48
Energy Rate (c/kWh)	102,44	117,39
Notified Maximum Demand (R/kVA)	46,77	53,59
Maximum Demand Charge (R/kVA)	261,93	300,15
<b>Industrial Medium Voltage (IND 2.1): Renewable Energy - Generation for own use and export</b>		
<b>Tariff similar as IND2</b>		
Fixed Charge per month	3 691,84	4 230,48
Reading cost R/pm	84,07	96,34
<b>Import</b>		
Energy Rate (c/kWh)	102,44	117,39
Notified Maximum Demand (R/kVA)	46,77	53,59
Maximum Demand Charge (R/kVA)	261,93	300,15
Reactive Energy Rate (c/kVArh)	21,58	** 24,73
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	126,02
Standard c/kWh	72,03	86,72
Off Peak c/kWh	45,70	55,02
<b>High Season</b>		
Peak c/kWh	320,91	386,34
Standard c/kWh	97,22	117,05
Off Peak c/kWh	52,79	63,56
<b>PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand or Notified Demand is exceeded more than once in a municipal year, the following additional charges will apply.</b>		
1. A 10% of the total Access Demand Charge/Notified Maximum Demand will be added to your municipal account on the 2nd occasion.		
2. A 20% of the total Access Demand Charge/Notified Maximum Demand will be added to your municipal account on the 3rd occasion.		
3. A 30% of the total Access Demand Charge/Notified Maximum Demand will be added to your municipal account on the 4th occasion.		
4. On the 5th occasion the municipality reserves the rights to disconnect your electricity supply and only when the electricity supply has been upgraded and bulk levy contribution paid will the supply be restored.		
* Occasion refers to the number of times/events the Access Demand/Notified Maximum Demand has been exceeded.		



	Approved 2020/2021	Application 2021/2022
<b>5. Municipal</b>		
<b>Municipal: Street and Traffic lights (MUN1)</b>		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237,17	271,77
<b>Municipal: Low Voltage &lt;80 Amp (MUN2)</b>		
Fixed Charge per month	-	396,26
Energy Rate (c/kWh)	215,58	215,33
<b>Municipal: Low Voltage &gt;80 Amp (MUN3)</b>		
Energy Rate (c/kWh)	98,81	113,23
Maximum Demand Charge (R/kVA)	292,52	335,20
<b>6. Non Profit Organisations</b>		
<b>Non Profit Organisations : Single Phase 20 Amp Prepaid (NPO1)</b>		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	237,81	272,51
<b>Non Profit Organisations : Low Voltage Max 60 Amp Prepaid SARS Approved (NPO2)</b>		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	228,15	261,44
<b>7. Sport</b>		
<b>Sport: Low All Consumers (&lt;80A) and Prepaid (SPO1)</b>		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	202,13	231,62
<b>Sport: High Consumers (&gt;80A) Maximum Demand (SPO2)</b>		
Fixed Charge per month	-	-
Energy Rate (c/kWh)	92,50	106,00
Notified Maximum Demand	-	-
Maximum Demand Charge (R/kVA)	291,54	334,08
<b>8. Time-of-Use</b>		
<b>Time of Use (Low Voltage&gt;80Amp and for generation for own use) TOU1</b>		
<b>Fixed Charge per month</b>	<b>3 720,79</b>	<b>4 263,65</b>
<b>SUMMER:</b> Maximum Demand Charge (R/kVA)	50,44	57,80
Access Demand Charge (R/kVA)	50,44	57,80
Peak Energy (c/kWh)	165,02	189,10
Standard Energy (c/kWh)	108,74	124,61
Off-peak Energy (c/kWh)	81,55	93,45
Reactive Energy (c/kVArh)	-	-
<b>WINTER:</b> Maximum Demand Charge (R/kVA)	50,44	57,80
Access Demand Charge (R/kVA)	50,44	57,80
Peak Energy (c/kWh)	517,48	592,98
Standard Energy (c/kWh)	155,31	177,97
Off-peak Energy (c/kWh)	91,25	104,56
Reactive Energy (c/kVArh)	21,58	24,73

	Approved 2020/2021	Application 2021/2022
<b>Time of Use Low Voltage (TOU 1.1): Renewable Energy - Generation for own use and export</b>		
Reading Cost R/pm	84,07	96,34
Fixed Charge per month	3 720,79	4 263,65
<b>Import</b>		
<b>SUMMER:</b> Maximum Demand Charge (R/kVA)	50,44	57,80
Access Demand Charge (R/kVA)	50,44	57,80
Peak Energy (c/kWh)	165,02	189,10
Standard Energy (c/kWh)	108,74	124,61
Off-peak Energy (c/kWh)	81,55	93,45
Reactive Energy (c/kVArh)	21,58	** 24,73
<b>WINTER:</b> Maximum Demand Charge (R/kVA)	50,44	57,80
Access Demand Charge (R/kVA)	50,44	57,80
Peak Energy (c/kWh)	517,48	592,98
Standard Energy (c/kWh)	155,31	177,97
Off-peak Energy (c/kWh)	91,25	104,56
Reactive Energy (c/kVArh)	21,58	** 24,73
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	126,02
Standard c/kWh	72,03	86,72
Off Peak c/kWh	45,70	55,02
<b>High Season</b>		
Peak c/kWh	320,91	386,34
Standard c/kWh	97,22	117,05
Off Peak c/kWh	52,79	63,56
<b>Time of Use (Medium Voltage and for generation for own use) TOU2</b>		
Fixed Charge per month	6 951,96	8 070,53
<b>SUMMER:</b> Maximum Demand Charge (R/kVA)	50,61	58,75
Access Demand Charge (R/kVA)	48,13	55,87
Peak Energy (c/kWh)	157,94	183,35
Standard Energy (c/kWh)	103,31	119,93
Off-peak Energy (c/kWh)	77,43	89,89
Reactive Energy (c/kVArh)	-	-
<b>WINTER:</b> Maximum Demand Charge (R/kVA)	50,61	58,75
Access Demand Charge (R/kVA)	48,13	55,87
Peak Energy (c/kWh)	521,72	605,66
Standard Energy (c/kWh)	148,20	172,05
Off-peak Energy (c/kWh)	87,11	101,13
Reactive Energy (c/kVArh)	22,38	25,98
<b>Time of Use Medium Voltage (TOU 2.1): Renewable Energy - Generation for own use and export</b>		
Fixed Charge per month	6 951,96	8 070,53
Reading Cost R/pm	84,07	96,34
<b>Import</b>		
<b>SUMMER:</b> Maximum Demand Charge (R/kVA)	50,61	58,75
Access Demand Charge (R/kVA)	48,13	55,87
Peak Energy (c/kWh)	157,94	183,35
Standard Energy (c/kWh)	103,31	119,93
Off-peak Energy (c/kWh)	77,43	89,89
Reactive Energy (c/kVArh)	22,38	** 25,98
<b>WINTER:</b> Maximum Demand Charge (R/kVA)	50,61	58,75
Access Demand Charge (R/kVA)	48,13	55,87
Peak Energy (c/kWh)	521,72	605,66
Standard Energy (c/kWh)	148,20	172,05
Off-peak Energy (c/kWh)	87,11	101,13
Reactive Energy (c/kVArh)	22,38	** 25,98

	Approved 2020/2021	Application 2021/2022
<b>Export</b>		
<b>Low Season</b>		
Peak c/kWh	104,67	<b>126,02</b>
Standard c/kWh	72,03	<b>86,72</b>
Off Peak c/kWh	45,70	<b>55,02</b>
<b>High Season</b>		
Peak c/kWh	320,91	<b>386,34</b>
Standard c/kWh	97,22	<b>117,05</b>
Off Peak c/kWh	52,79	<b>63,56</b>
<b>PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand or Notified Demand is exceeded more than once in a municipal year, the following additional charges will apply.</b>		
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2. A 20% of the total Access Demand Charge/Notified Maximum Demand will be added to your municipal account on the 3rd occasion.		
3. A 30% of the total Access Demand Charge/Notified Maximum Demand will be added to your municipal account on the 4th occasion.		
4. On the 5th occasion the municipality reserves the rights to disconnect your electricity supply and only when the electricity supply has been upgraded and bulk levy contribution paid will the supply be restored.		
* Occasion refers to the number of times/events the Access Demand/Notified Demand has been exceeded.		
<b>9. Co-generation/small scale embedded generation tariff</b>		
<b>Buyback rates for surplus renewable energy that can be sold back to the municipality. Available on DOM4, COM4, AGR1, IND1, IND2, TOU1 and TOU2 tariffs</b>		
Reading Cost (R/month)	84,07	<b>96,34</b>
<b>Import (low and high season)</b>		
Reactive Energy Rate (c/kVArh) (all except TOU2)	21,58	<b>** 24,73</b>
Reactive Energy Rate (c/kVArh) (TOU2 only)	22,38	<b>** 25,98</b>
<b>Export</b>		
<b>Low Season</b>		
Peak (c/kWh)	104,67	<b>126,02</b>
Standard (c/kWh)	72,03	<b>86,72</b>
Off Peak (c/kWh)	45,70	<b>55,02</b>
<b>High Season</b>		
Peak (c/kWh)	320,91	<b>386,34</b>
Standard (c/kWh)	97,22	<b>117,05</b>
Off Peak (c/kWh)	52,79	<b>63,56</b>
<b>10. External Wheeling Tariffs</b>		
Customer received power at low voltage (<400V) in c/kWh	22,65	<b>25,95</b>
Customer received power at medium voltage (>400V) in c/kWh	19,62	<b>22,48</b>
Upon a successful application Stellenbosch Municipality will permit the retail wheeling of electricity through its network by another electricity supplier that is licensed for the trading of electricity in terms of the Electricity Regulation Act to the customers of this electricity supplier.		

	Approved 2020/2021	Application 2021/2022
<b>11. Generation for Own Use</b>		
Customers that want to connect their own generation system to the municipal electrical grid without being compensated for reverse power flow can remain on their current tariff and continue to use their current meter.		
<b>12. Generation for Own Use and Export</b>		
Customers that want to connect their own generation system to the municipal electrical grid for own use and export and who want to be reimbursed for exported energy will have to do the following:		
<ol style="list-style-type: none"> <li>1 The Municipality shall provide and install the requisite meters at the customer's cost.</li> <li>2 The customer will stay on the existing purchase tariff.</li> <li>3 For reimbursement the basic charge will be increased to include the automated meter reading cost</li> <li>4 The reimbursement will only be for the export energy.</li> <li>5 Customer not allowed to generate more than his total consumption per financial year.</li> </ol>		
<b>13. Availability Fees (Per Annum)</b>		
Availability (R/year)	3510,53	** 3580,74
<b>14. Time of use periods</b>		
<b>1. Low Demand - Summer</b> <b>September to May</b> <b>Monday to Friday</b> 00:00 - 06:00 Off Peak 06:00 - 07:00 Standard 07:00 - 10:00 Peak 10:00 - 18:00 Standard 18:00 - 20:00 Peak 20:00 - 22:00 Standard 22:00 - 24:00 Off Peak  <b>Saturday</b> 00:00 - 07:00 Off Peak 07:00 - 12:00 Standard 12:00 - 18:00 Off Peak 18:00 - 20:00 Standard 20:00 - 24:00 Off Peak  <b>Sunday</b> 00:00 - 24:00 Off Peak	<b>2. High Demand - Winter</b> <b>June to August</b> <b>Monday to Friday</b> 00:00 - 06:00 Off Peak 06:00 - 09:00 Peak 09:00 - 17:00 Standard 17:00 - 19:00 Peak 19:00 - 22:00 Standard 22:00 - 24:00 Off Peak  <b>Saturday</b> <b>00:00 - 07:00 Off Peak</b> <b>07:00 - 12:00 Standard</b> <b>12:00 - 18:00 Off Peak</b> <b>18:00 - 20:00 Standard</b> <b>20:00 - 24:00 Off Peak</b>  <b>Sunday</b> 00:00 - 24:00 Off Peak	
<b>All tariffs exclusive of VAT</b>		

<b>7.10</b>	<b>MUNICIPAL MANAGER</b>
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<b>7.10.1</b>	<b>JOINT STATEMENT BY ALL POLITICAL PARTIES REPRESENTED IN THE COUNCIL OF THE STELLENBOSH MUNICIPALITY</b>
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**Collaborator No:**  
**IDP KPA Ref No:** Valley of Opportunity  
**Meeting Date:** 21 July 2021

**1. SUBJECT: JOINT STATEMENT BY ALL POLITICAL PARTIES REPRESENTED IN THE COUNCIL OF THE STELLENBOSH MUNICIPALITY**

**2. PURPOSE**

To present all political parties in Council to endorse a joint statement on possible unrest and to request calmness and stability.

**3. DELEGATED AUTHORITY**

Council

**4. EXECUTIVE SUMMARY**

Mr Ivan Meyer, Minister of the Western Cape Provincial Agriculture, at an Extended Cabinet Meeting requested that the speaker with the relevant party leader represented in Council issue a joint statement on possible unrest and to request calmness and stability. Attached statement for endorsement.

**5. RECOMMENDATION**

that Council endorse the attached joint statement.

**6. DISCUSSION / CONTENT**

**6.1 Background**

Given the unrest in South Africa, in particular Kwa-Zulu Natal and Gauteng, that was triggered by the incarceration of the former President, Jacob Zuma, the Minister of the Western Cape Agriculture has call upon all the Speakers in collaboration with the relevant party leaders to represent to Council a joint statement on possible unrest to bring about calmness and stability.

Council to take note of the following statement:

- The incidents of looting, violence and attack on properties in especially KZN and Gauteng;
- The theft, the violence and scenes of criminality have on the constitutional democracy and the rule of law in South Africa.
- That South Africa is currently at lockdown Level 4, during Wave 3 of the Covid-19.
- The safety of people and property is a constitutional responsibility of the State.

Therefore, the following political parties represented in the Council of Stellenbosch Municipality:

- Call for peace and stability within the WC024 jurisdiction.
- Appreciate the work of the law enforcement agencies, neighbourhood watches, private security industry, community safety officers, farm watches in maintaining law and order.
- Will work with all communities as elected councillors and public representatives to maintain law and order and provide the necessary leadership to create calmness in our communities.
- Appeal to our residents across our Municipality to refrain from circulating fake news and unverified news. Spreading of fake news is a punishable offence and should be stopped at all costs.
- Work towards protecting our people as well as private, public and municipal property and
- Call on all our interfaith leaders within Stellenbosch Municipality to lead us in prayer for peace and stability in our nation, Province and Municipality.

**Signed and support by:-****All leaders presented in the Council**

Democratic Alliance

African National Congress

Economic Freedom Fighters

Democratic New Civic Association

People Democratic Movement

African Christian Democratic Party

Speaker

Executive Mayor

**6.2 Financial Implications**

None

**6.3 Staff Implications**

There are no staff implications, should the recommendations be considered.

**6.4 Previous / Relevant Council Resolutions**

None

**6.5 Risk Implications**

None

**6.6 Comments from Senior Management**

The item was not distributed for Senior Managers to comment.

**ANNEXURES**

**APPENDIX 1:** JOINT STATEMENT BY ALL POLITICAL PARTIES IN THE COUNCIL OF STELLENBOSCH MUNICIPALITY

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	Geraldine Mettler
<b>POSITION</b>	<b>Municipal Manger</b>
<b>DIRECTORATE</b>	Office of the Municipal Manager
<b>CONTACT NUMBERS</b>	021-8088025
<b>E-MAIL ADDRESS</b>	municipal.manager@ Stellenbosch.gov.za
<b>REPORT DATE</b>	2021-07-19

# APPENDIX 1



**JOINT STATEMENT BY ALL POLITICAL PARTIES REPRESENTED IN THE COUNCIL OF THE STELLENBOSCH MUNICIPALITY**

**Noting**

- The current incidents of looting, violence and attack on properties in especially KZN and Gauteng;
- The theft, the violence and scenes of criminality have on the constitutional democracy and the rule of law in South Africa.
- That South Africa is currently at lockdown Level 4, during Wave 3 of the Covid-19.
- The safety of people and property is a constitutional responsibility of the State.

Therefore, the following political parties represented in the Council of Stellenbosch Municipality :

- Call for peace and stability within the WC024 jurisdiction.
- Appreciate the work of the law enforcement agencies, neighbourhood watches, private security industry, community safety officers, farm watches in maintaining law and order.
- Will work with all communities as elected councillors and public representatives to maintain law and order and provide the necessary leadership to create calmness in our communities.
- Appeal to our residents across our Municipality to refrain from circulating fake news and unverified news. Spreading of fake news is a punishable offence and should be stopped at all costs.
- Work towards protecting our people as well as private, public and municipal property and
- Call on all our interfaith leaders within Stellenbosch Municipality to lead us in prayer for peace and stability in our nation, Province and Municipality.

**Signed and support by:-**

**All leaders presented in the Council**

Democratic Alliance \_\_\_\_\_

African National Congress \_\_\_\_\_

Economic Freedom Fighters \_\_\_\_\_

Democratic New Civic Association \_\_\_\_\_

People Democratic Movement \_\_\_\_\_

African Christian Democratic Party \_\_\_\_\_

Speaker \_\_\_\_\_

Executive Mayor \_\_\_\_\_