

ADDITIONAL ITEM

| | |
|--------------|--|
| 8.2.1 | 2018/19 ELECTRICITY TARIFF ADJUSTMENT |
|--------------|--|

Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance and Compliance

25 July 2018

1. SUBJECT: 2018/19 ELECTRICITY TARIFF ADJUSTMENT

2. PURPOSE

To obtain Council's approval for the revised electricity tariffs as approved by NERSA as well as adopting a new agriculture tariff for the Pniel/Hollandsche Molen take over from Drakenstein Municipality

3. DELEGATED AUTHORITY

FOR APPROVAL BY MUNICIPAL COUNCIL

Section 24 of the Municipal Finance Management Act (Act No 56 of 2003) prescribes to municipalities the process for the approval of municipal tariffs, which is as follow:

- (1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.
- (2) An annual budget—
 - (c) must be approved together with the adoption of resolutions as may be necessary—
 - (ii) setting any municipal tariffs for the budget year;

4. EXECUTIVE SUMMARY

To inform Council that subsequent to the adoption of the proposed 2018/19 electricity tariffs in May 2018, NERSA approved a different set of tariffs. In respect of the licensing agreement the municipality has to comply with the decision of NERSA. Also to request Council to adopt a new tariff in order to cater for the farms that would form part of the Pniel/Hollandsche Molen take over from Drakenstein Municipality.

5. RECOMMENDATIONS

- 5.1 that the electricity tariff structure as proposed by NERSA be adopted as **ANNEXURE 1B**, subject to the successful appeal by the municipality.
- 5.2 that a new Agricultural Electricity tariff be accepted at:
 - a. Basic Charge for 100 kVA either high or low voltage: R2 144.47 (Excl VAT)
 - b. Unit charge: R1.2425 R/kWh (Excl VAT)
- 5.3 that it be noted that all of the electricity tariffs are subject to NERSA approval

6. DISCUSSION / CONTENTS

6.1 Background

At a Special Council meeting on 28 May 2018, Council approved the electricity tariff structure subject to NERSA approval.

The electricity tariff structure was submitted to NERSA for approval on 18 May 2018. On 29 June 2018 NERSA rejected some of the Municipality's tariffs and advised Stellenbosch Municipality on the tariffs to be implemented, necessitating the revision of the published tariffs.

As per previous Council Resolutiond, the area of Pniel/ Hollandsche Molen is currently electrically reticulated bu Drakenstein Municipality. Stellenbosch has requested that this are, which is within the jurisdictional boundary of Stellenbosch Municipality, be taken over from Drakenstein Municipality. In order to do this Stellenbosch Municipality needs to create a new Argricultural Tariff in order to cater for a number of large farms included in the take over process.

6.2 Discussion

The electricity tariff structure for 2018/19 approved by Council is attached as ANNEXURE 1A together with the proposed changes as per ANNEXURE 1B. It's estimated that the gross electricity income will decrease with R 327 338.

The municipality is in the process of lodging an appeal against the NERSA approved tariffs. If the appeal is successful the revised electricity tariffs will be tabled in council for approval.

A new tariff is proposed to cater for all large farms within Stellenbosch, currently a number of four farms reside within the Franschoek area and another seven farms is to be taken over from Drakenstein Municipality. In order to ensure that no consumer will be negatively impacted it is necessary to create a new tariff for large farms, which Stellenbosch did not have before.

The Large Agricultural tariif is proposed as follows:

- a. Basic Charge for Agricultural Low and High Voltage supply at 100kVA: R2144.47 (Excl. VAT)
- b. Unit charge: R1.2425 R/kWh (Excl. VAT)

This particular tariif is exactly similar to the current tariffs paid by the farms to be taken over and tariff created fills a gap within the Stellenbosch Municipal set of tariffs and will therefor also benefit some four farms within the Franschoek area currently supplied by Stellenbosch Municipality.

6.3 Financial Implications

The recommendations contained in the report are supported subject to Council noting that any reduction in budgeted electricity revenue will attract an equal reduction in expenditure during the adjustment budget process of which any potential adjustment will be determined during the mid-year performance assessment.

6.4 Legal Implications

The recommendations in this report comply with Council's policies and all applicable legislation.

6.5 Staff Implications

This report has no staff implications to the Municipality.

6.6 Previous / Relevant Council Resolutions**6.6.1 SPECIAL COUNCIL MEETING: 2018-05-28: ITEM 5**

RESOLVED (majority vote)

- (a) that the High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C**; be approved;
- (b) that the Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D**, be approved;
- (c) that the proposed Grants-In-Aid allocations as set out in **APPENDIX 1 – PART 2 – SECTION J**, be approved;
- (d) that the three year Capital Budget for 2018/2019, 2019/2020 and 2020/2021, as set out in **APPENDIX 1 – PART 2 – SECTION N**, be approved;
- (e) that the proposed rates on properties in WC024, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved;
- (f) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 29**, be approved.
- (g) that Council specifically note and consider the need to take up an external loan, needed for investment in income generating infrastructure to the tune of R340 million of which R160 million will be required in year 1 and R 100 million in year 2 and R80 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirm approval of same;
- (h) that Council specifically take note of the fact that the proposed electricity charges and tariff structure is subject to NERSA approval that could change materially;
- (i) that Council takes note of MFMA circulars 89 and 91 that was published to guide the MTREF for 2018/2019 to 2020/2021 as well as the Draft Cost Containment Regulations as set out in **APPENDICES 30 – 32**; and
- (j) that Council takes note that the public comments and submissions were taken into account in the compilation of the final budget.

6.6.2 ORDINARY COUNCIL MEETING: 2018-03-28**16TH COUNCIL MEETING: 2018-03-28: ITEM 7.6.3**

RESOLVED (nem con)

- (a) that this report be noted;
- (b) that the Final MOU be accepted;
- (c) that the Municipal Manager be authorised to sign the MOU on behalf of the Municipality;

- (d) that the amount of R16 236 253 for the purchase of the Pniel/Hollandsche Molen Electricity Network from Drakenstein be considered at the setting up of the 2018/2019 Capital Budget;

6.7 **Risk Implications**

The possibility of under collection of electricity revenue.

The risk will be mitigated by determining the potential reduction in electricity revenue during the mid year performance assessment which informs the mid-year adjustments budget.

6.8 **Comments from Senior Management**

6.8.1 **Director: Infrastructure Services**

Agree with the recommendations

6.8.2 **Director: Planning and Economic Development**

Agree with the recommendations / No comments received / The

6.8.3 **Director: Community and Protection Services:**

Agree with the recommendations / No comments received / The

6.8.4 **Director: Strategic and Corporate Services:**

Agree with the recommendations / No comments received / The

6.8.5 **Director Human Settlements and Property Management**

Agree with the recommendations / No comments received / The

6.8.6 **Chief Financial Officer**

Agree with the recommendations / No comments received / The

6.8.7 **Municipal Manager**

Agree with the recommendations / No comments received / The

ANNEXURES

ANNEXURE 1A - 2018/2019 ELECTRICITY TARIFFSTRUCTURE AS APPROVED BY COUNCIL ON 28 MAY 2018

ANNEXURE 1B - 2017/2018 NERSA APPROVED ELECTRICITY TARIFF STRUCTURE

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--|
| NAME | |
| POSITION | |
| DIRECTORATE | |
| CONTACT NUMBERS | |
| E-MAIL ADDRESS | |
| REPORT DATE | |

APPENDIX 1A

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|--|-------------------------------------|--|
| 1. Domestic | | |
| Domestic: Life Line PP – 0 to 60amp single phase only (For qualifying indigent customers and receiving the first 60 units free per month) (DOM1) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.58 | 91.57 |
| Energy Rate (c/kWh) (51 - 300kWh) | 107.09 | 114.59 |
| Energy Rate (c/kWh) (301 - 600kWh) | 159.61 | 171.58 |
| Energy Rate (c/kWh) (> 600kWh) | 183.80 | 197.59 |
| Domestic PP Lifeline DOM1 BSST | 0.00 | 0.00 |
| Domestic: Regular PP (Using Prepaid Meters AND Less than 600kWh per month average previous Financial Year: 60 Ampere single and 3 - phase maximum) (DOM2) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.73 | 91.73 |
| Energy Rate (c/kWh) (51 - 300kWh) | 133.88 | 143.25 |
| Energy Rate (c/kWh) (301 - 600kWh) | 163.16 | 174.58 |
| Energy Rate (c/kWh) (> 600kWh) | 182.74 | 195.53 |
| Domestic: Regular (Using Prepaid Meters with more than 600kWh per month average previous Financial Year: 60 Ampere single and 3 - phase maximum) (DOM3) | | |
| Fixed Charge per month | 117.35 | 123.22 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.58 | 91.57 |
| Energy Rate (c/kWh) (51 - 300kWh) | 109.77 | 117.45 |
| Energy Rate (c/kWh) (301 - 600kWh) | 154.86 | 165.70 |
| Energy Rate (c/kWh) (> 600kWh) | 182.37 | 195.14 |
| Domestic: Regular (Using Credit Meters 60 Ampere single and 3-phase maximum) (DOM4) | | |
| Fixed Charge per month | 144.76 | 154.89 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.58 | 91.57 |
| Energy Rate (c/kWh) (51 - 300kWh) | 109.77 | 117.45 |
| Energy Rate (c/kWh) (301 - 600kWh) | 154.86 | 165.70 |
| Energy Rate (c/kWh) (> 600kWh) | 182.37 | 195.14 |

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|--|-------------------------------------|--|
| Domestic: Renewable Energy (DOM5) GENERATION FOR OWN USE | | |
| Domestic: Regular PP (Using Prepaid Meters AND Less than 600kWh per month average previous Financial Year: 60 Ampere single and 3 -phase maximum) | | |
| DOM 5.1: | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.73 | 91.73 |
| Energy Rate (c/kWh) (51 - 300kWh) | 133.88 | 143.25 |
| Energy Rate (c/kWh) (301 - 600kWh) | 159.61 | 170.78 |
| Energy Rate (c/kWh) (> 600kWh) | 182.74 | 195.14 |
| Domestic: Regular (Using Prepaid Meters with more than 600kWh per month average previous Financial Year: 60 Ampere single and 3-phase maximum) | | |
| DOM 5.2: | | |
| Fixed Charge per month | 117.35 | 123.22 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.58 | 91.57 |
| Energy Rate (c/kWh) (51 - 300kWh) | 109.77 | 117.45 |
| Energy Rate (c/kWh) (301 - 600kWh) | 154.86 | 165.70 |
| Energy Rate (c/kWh) (> 600kWh) | 182.37 | 195.14 |
| Domestic: Regular (Using Credit Meters 60 Ampere single and 3-phase maximum) | | |
| DOM 5.3: | | |
| Fixed Charge per month | 145.25 | 154.89 |
| Energy Rate (c/kWh) (<= 50kWh) | 85.58 | 91.57 |
| Energy Rate (c/kWh) (51 - 300kWh) | 109.77 | 117.45 |
| Energy Rate (c/kWh) (301 - 600kWh) | 154.86 | 165.70 |
| Energy Rate (c/kWh) (> 600kWh) | 182.37 | 195.14 |
| Domestic: Renewable Energy (DOM6) GENERATION FOR OWN USE & EXPORT | | |
| Reading cost R/pm | 70.00 | 75.60 |
| Basic Charge | 145.25 | 154.89 |

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| Import | | |
| Energy Rate (c/kWh) (<= 50kWh) | 85.58 | 91.57 |
| Energy Rate (c/kWh) (51 - 300kWh) | 109.77 | 117.45 |
| Energy Rate (c/kWh) (301 - 600kWh) | 154.86 | 165.70 |
| Energy Rate (c/kWh) (> 600kWh) | 182.37 | 195.14 |
| Export | | |
| Low Season | | |
| Peak c/kWh | 81.90 | 85.18 |
| Standard c/kWh | 56.36 | 58.61 |
| Off Peak c/kWh | 36.68 | 38.15 |
| High Season | | |
| Peak c/kWh | 251.04 | 261.08 |
| Standard c/kWh | 76.06 | 79.10 |
| Off Peak c/kWh | 41.31 | 42.96 |
| 2. Commercial | | |
| Commercial: Life Line (<20Ampere maximum, Single & three phase Pre Paid Only for micro entrepreneurial businesses) (COM1) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 188.88 | 202.10 |
| Commercial: Low (= 40Ampere maximum, Pre Paid single & three phase only) (COM2) | | |
| Fixed Charge per month | 141.07 | 145.30 |
| Energy Rate (c/kWh) | 145.25 | 152.51 |
| Commercial: Regular PP only (80Ampere, single and 3 - phase) (COM3) | | |
| Fixed Charge per month | 248.41 | 260.83 |
| Energy Rate (c/kWh) | 176.55 | 188.91 |
| Commercial: Credit meters (80Ampere, single and 3 - phase) (COM4) | | |
| Fixed Charge per month | 273.96 | 293.14 |
| Energy Rate (c/kWh) | 167.27 | 180.65 |

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ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| Commercial: Renewable Energy (COM 5) GENERATION FOR OWN USE | | |
| Commercial: Low (40Ampere maximum, Pre Paid single & three phase only) | | |
| COM 5.1: | | |
| Basic charge | 141.07 | 145.30 |
| Energy charge | 145.25 | 155.42 |
| Commercial: Regular PP only (80Ampere, single and 3-phase) | | |
| COM 5.2: | | |
| Basic charge | 247.57 | 259.95 |
| Energy charge | 175.96 | 188.28 |
| Commercial: Credit Meters (80Ampere, single and 3-phase) | | |
| COM 5.3: | | |
| Basic charge | 273.96 | 295.88 |
| Energy charge | 167.27 | 178.98 |
| COMMERCIAL: Renewable Energy (COM 6) GENERATION FOR OWN USE & EXPORT | | |
| Reading cost R/pm | 70.00 | 75.60 |
| Basic Charge | 273.96 | 295.88 |
| Import | | |
| Energy Rate (c/kWh) | 167.27 | 178.98 |
| Export | | |
| Low Season | | |
| Peak c/kWh | 81.90 | 85.18 |
| Standard c/kWh | 56.36 | 58.61 |
| Off Peak c/kWh | 36.68 | 38.15 |
| High Season | | |
| Peak c/kWh | 251.04 | 261.08 |
| Standard c/kWh | 76.06 | 79.10 |
| Off Peak c/kWh | 59.34 | 61.71 |
| 3. Agricultural | | |
| Agricultural: Regular (Prepaid and Credit meters maximum 80Amp 3 phase) (AGR1) | | |
| Fixed Charge per month | 287.25 | 307.36 |

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ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| Energy Rate (c/kWh) | 174.69 | 186.92 |
| AGRICULTURAL: Renewable Energy (AGRI 2) GENERATION FOR OWN USE | | |
| Fixed Charge per month | 287.25 | 307.36 |
| Energy Rate (c/kWh) | 174.69 | 186.92 |
| AGRICULTURAL: Renewable Energy (AGRI 3) GENERATION FOR OWN USE & EXPORT | | |
| Tarif fsimilar as AGRI 1 | | |
| Reading cost R/pm | 70.00 | 75.60 |
| Fixed Charge per month R/pm | 287.25 | 307.36 |
| Import | | |
| Energy Rate (c/kWh) | 174.69 | 186.92 |
| Export | | |
| Low Season | | |
| Peak c/kWh | 81.90 | 85.18 |
| Standard c/kWh | 56.36 | 58.61 |
| Off Peak c/kWh | 36.68 | 38.15 |
| High Season | | |
| Peak c/kWh | 251.04 | 261.08 |
| Standard c/kWh | 76.06 | 79.10 |
| Off Peak c/kWh | 41.31 | 42.96 |
| 4. Industrial | | |
| Industrial: Low Voltage > 80 Amp (IND1) | | |
| Fixed Charge per month | 1572.57 | 1690.51 |
| Energy Rate (c/kWh) | 83.86 | 89.73 |
| Notified Demand Charge (R/kVA) | 38.38 | 41.07 |
| Maximum Demand Charge (R/kVA) | 213.11 | 228.03 |
| INDUSTRIAL (IND1.1): Renewable Energy - GENERATION FOR OWN USE | | |
| Industrial: Low Voltage > 80 Amp (IND1) | | |
| Fixed Charge per month | 1573.27 | 1691.27 |
| Energy Rate (c/kWh) | 83.86 | 89.73 |
| Notified Demand Charge (R/kVA) | 38.38 | 39.92 |
| Maximum Demand Charge (R/kVA) | 213.11 | 224.83 |

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ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| INDUSTRIAL (IND 1.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT | | |
| Industrial: Low Voltage > 80 Amp | | |
| Fixed Charge per month | 1,573.27 | 1691.27 |
| Reading cost R/pm | 70.00 | 75.60 |
| Import | | |
| Energy Rate (c/kWh) | 83.86 | 89.73 |
| Notified Demand Charge (R/kVA) | 38.38 | 39.92 |
| Maximum Demand Charge (R/kVA) | 213.11 | 224.83 |
| Export | | |
| Low Season | | |
| Peak c/kWh | 81.90 | 85.18 |
| Standard c/kWh | 56.36 | 58.61 |
| Off Peak c/kWh | 36.68 | 38.15 |
| High Season | | |
| Peak c/kWh | 251.04 | 261.08 |
| Standard c/kWh | 76.06 | 79.10 |
| Off Peak c/kWh | 41.31 | 42.96 |
| Industrial: Medium Voltage (IND2) | | |
| Fixed Charge per month | 2974.45 | 3197.53 |
| Energy Rate (c/kWh) | 82.53 | 88.31 |
| Notified Demand Charge (R/kVA) | 37.68 | 39.19 |
| Maximum Demand Charge (R/kVA) | 211.03 | 222.64 |
| INDUSTRIAL (IND2.1): Renewable Energy - GENERATION FOR OWN USE | | |
| Fixed Charge | 2975.15 | 3198.29 |
| Energy Rate (c/kWh) | 82.53 | 88.31 |
| Notified Demand Charge (R/kVA) | 37.68 | 39.19 |
| Maximum Demand Charge (R/kVA) | 211.03 | 222.64 |
| INDUSTRIAL (IND 2.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT | | |
| Tariff similar as IND2 | | |
| Fixed Charge per month | 2975.15 | 3198.29 |
| Reading cost R/pm | 70.00 | 75.60 |

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| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|--|-------------------------------------|--|
| Import | | |
| Energy Rate (c/kWh) | 82.53 | 88.31 |
| Notified Demand Charge (R/kVA) | 37.68 | 40.32 |
| Maximum Demand Charge (R/kVA) | 211.03 | 225.80 |
| Export | | |
| Low Season | | |
| Peak c/kWh | 81.90 | 85.18 |
| Standard c/kWh | 56.36 | 58.61 |
| Off Peak c/kWh | 36.68 | 38.15 |
| High Season | | |
| Peak c/kWh | 251.04 | 261.08 |
| Standard c/kWh | 76.06 | 79.10 |
| Off Peak c/kWh | 41.31 | 42.96 |
| <p>PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.</p> | | |
| 5. Municipal | | |
| Municipal: Street and Traffic lights (MUN1) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 184.82 | 197.76 |
| Municipal: Low Voltage <80 Amp (MUN2) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 168.00 | 179.76 |
| Municipal: Low Voltage >80 Amp (MUN3) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 77.00 | 78.71 |
| Maximum Demand Charge (R/kVA) | 227.96 | 233.03 |
| Municipal: Medium Voltage (MUN4) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 68.95 | 73.78 |
| Maximum Demand Charge (R/kVA) | 221.82 | 234.02 |

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ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| 6. Non Profit Organisations | | |
| Non Profit Organisations : Single Phase 20 Amp Pre-payment (NPO1) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 188.88 | 194.55 |
| Non Profit Organisations : Low Voltage Max 80 Amp Pre payment SARS Approved (NPO2) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 177.79 | 183.12 |
| 7. Sport | | |
| Sport: Low Consumers and Pre-payment (SPO1) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 157.51 | 162.24 |
| Sport: High Consumers Maximum Demand (SPO2) | | |
| Fixed Charge per month | 0.00 | 0.00 |
| Energy Rate (c/kWh) | 72.08 | 74.24 |
| Maximum Demand Charge (R/Amp) | 0.00 | 0.00 |
| Maximum Demand Charge (R/kVA) | 227.19 | 239.69 |
| 8. Time -of-Use | | |
| 1. Low Demand- Summer | | |
| September - May | | |
| Mondays- Fridays | | |
| 12:00am - 6:00am Off Peak | | |
| 06:00am - 7:00am Standard | | |
| 07:00am - 10:00am Peak | | |
| 10:00am - 6:00pm Standard | | |
| 06:00pm - 8:00pm Peak | | |
| 08:00pm - 10:00pm Standard | | |
| 10:00pm - 6:00am Off-Peak | | |
| Saturday | | |
| 07:00am - 12:00pm Standard | | |
| 12:00pm - 06:00pm Off-Peak | | |
| 06:00pm - 08:00pm Standard | | |
| 08:00pm - 12:00am Off-Peak | | |

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**ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE
TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018**

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| Sunday 00:00- 24:00 | | |
| 2. High Demand - Winter June - August Mondays- Fridays 12:00am - 6:00am Off Peak 06:00am - 9:00am Peak 09:00am - 5:00pm Standard 5:00pm - 7:00pm Peak 07:00pm - 10:00pm Standard 10:00pm - 6:00am Off-Peak Saturday 07:00am - 12:00pm Standard 12:00pm - 06:00pm Off-Peak 06:00pm - 08:00pm Standard 08:00pm - 12:00am Off-Peak Sunday 00:00- 24:00 | | |
| Time of Use (Low Voltage) TOU1 | | |
| Fixed Charge per month | 2,846.00 | 3059.45 |
| SUMMER: Demand Charge (R/kVA) | 38.00 | 40.09 |
| Access Charge (R/kVA) | 38.00 | 39.52 |
| Peak Energy (c/kWh) | 126.24 | 135.08 |
| Standard Energy (c/kWh) | 83.18 | 89.00 |
| Off-peak Energy (c/kWh) | 62.38 | 66.75 |
| Reactive Energy (c/kVArh) | 0.00 | 0.00 |
| WINTER: Demand Charge (R/kVA) | 38.00 | 40.09 |
| Access Charge (R/kVA) | 38.00 | 39.52 |
| Peak Energy (c/kWh) | 395.86 | 423.57 |
| Standard Energy (c/kWh) | 118.81 | 127.13 |
| Off-peak Energy (c/kWh) | 69.81 | 74.70 |
| Reactive Energy (c/kVArh) | 16.51 | 17.67 |

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|--|-------------------------------------|--|
| Time of Use Low Voltage (TOU 1.1): Renewable Energy - GENERATION FOR OWN USE | | |
| Similar as TOU 1 | | |
| Fixed Charge per month | 2,846.00 | 3059.45 |
| SUMMER: Demand Charge (R/kVA) | 38.00 | 40.09 |
| Access Charge (R/kVA) | 38.00 | 39.52 |
| Peak Energy (c/kWh) | 126.24 | 135.08 |
| Standard Energy (c/kWh) | 83.18 | 89.00 |
| Off-peak Energy (c/kWh) | 62.38 | 66.75 |
| Reactive Energy (c/kVArh) | - | |
| WINTER: Demand Charge (R/kVA) | 38.00 | 40.09 |
| Access Charge (R/kVA) | 38.00 | 39.52 |
| Peak Energy (c/kWh) | 395.86 | 423.57 |
| Standard Energy (c/kWh) | 118.81 | 127.13 |
| Off-peak Energy (c/kWh) | 69.81 | 74.70 |
| Reactive Energy (c/kVArh) | 16.51 | 17.67 |
| Time of Use Low Voltage (TOU 1.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT | | |
| Import | | |
| Reading Cost R/pm | 70.00 | 75.60 |
| Fixed Charge per month | 2,846.00 | 3059.45 |
| SUMMER: Demand Charge (R/kVA) | 38.00 | 40.09 |
| Access Charge (R/kVA) | 38.00 | 39.52 |
| Peak Energy (c/kWh) | 126.24 | 135.08 |
| Standard Energy (c/kWh) | 83.18 | 89.00 |
| Off-peak Energy (c/kWh) | 62.38 | 66.75 |
| Reactive Energy (c/kVArh) | 0.00 | 0.00 |
| WINTER: Demand Charge (R/kVA) | 38.00 | 40.09 |
| Access Charge (R/kVA) | 38.00 | 39.52 |
| Peak Energy (c/kWh) | 395.86 | 423.57 |
| Standard Energy (c/kWh) | 118.81 | 127.13 |
| Off-peak Energy (c/kWh) | 69.81 | 74.69 |
| Reactive Energy (c/kVArh) | 16.51 | 17.67 |

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|--|-------------------------------------|--|
| Export | | |
| Low Season | | |
| Peak c/kWh | 83.27 | 86.60 |
| Standard c/kWh | 57.31 | 59.60 |
| Off Peak c/kWh | 36.34 | 37.79 |
| High Season | | |
| Peak c/kWh | 255.29 | R 265.50 |
| Standard c/kWh | 77.33 | R 80.42 |
| Off Peak c/kWh | 41.99 | R 43.67 |
| Time of Use (Medium Voltage) TOU2 | | |
| Fixed Charge per month | 5,128.00 | 5512.60 |
| SUMMER: Demand Charge (R/kVA) | 37.00 | 39.04 |
| Access Charge (R/kVA) | 35.00 | 36.40 |
| Peak Energy (c/kWh) | 116.50 | 124.66 |
| Standard Energy (c/kWh) | 76.21 | 81.54 |
| Off-peak Energy (c/kWh) | 57.12 | 61.12 |
| Reactive Energy (c/kVArh) | 0.00 | 0.00 |
| WINTER: Demand Charge (R/kVA) | 37.00 | 39.04 |
| Access Charge (R/kVA) | 35.00 | 36.40 |
| Peak Energy (c/kWh) | 384.84 | 411.78 |
| Standard Energy (c/kWh) | 109.32 | 116.97 |
| Off-peak Energy (c/kWh) | 64.26 | 68.76 |
| Reactive Energy (c/kVArh) | 16.51 | 17.67 |
| Time of Use Medium Voltage (TOU 2.1): Renewable Energy - GENERATION FOR OWN USE | | |
| Fixed Charge per month | 5,128.00 | 5512.60 |
| SUMMER: Demand Charge (R/kVA) | 37.00 | 39.04 |
| Access Charge (R/kVA) | 35.00 | 36.40 |
| Peak Energy (c/kWh) | 116.50 | 124.66 |
| Standard Energy (c/kWh) | 76.21 | 81.54 |
| Off-peak Energy (c/kWh) | 57.12 | 61.12 |
| Reactive Energy (c/kVArh) | 0.00 | 0.00 |
| WINTER: Demand Charge (R/kVA) | 37.00 | 39.04 |
| Access Charge (R/kVA) | 35.00 | 36.40 |
| Peak Energy (c/kWh) | 384.84 | 411.78 |
| Standard Energy (c/kWh) | 109.32 | 116.97 |

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| Off-peak Energy (c/kWh) | 64.26 | 68.76 |
| Reactive Energy (c/kVArh) | 16.51 | 17.67 |
| Time of Use Medium Voltage (TOU 2.2): Renewable Energy - GENERATION FOR OWN USE & EXPORT | | |
| Fixed Charge per month | 5,128.00 | 5512.60 |
| Reading Cost R/pm | 70.00 | 75.60 |
| Import | | |
| SUMMER: Demand Charge (R/kVA) | 37.00 | 39.04 |
| Access Charge (R/kVA) | 35.00 | 36.40 |
| Peak Energy (c/kWh) | 116.50 | 124.66 |
| Standard Energy (c/kWh) | 76.21 | 81.54 |
| Off-peak Energy (c/kWh) | 57.12 | 61.12 |
| Reactive Energy (c/kVArh) | 0.00 | 0.00 |
| WINTER: Demand Charge (R/kVA) | 37.00 | 39.04 |
| Access Charge (R/kVA) | 35.00 | 36.40 |
| Peak Energy (c/kWh) | 384.84 | 411.78 |
| Standard Energy (c/kWh) | 109.32 | 116.97 |
| Off-peak Energy (c/kWh) | 64.26 | 68.76 |
| Reactive Energy (c/kVArh) | 16.51 | 17.67 |
| Export | | |
| Low Season | | |
| Peak c/kWh | 83.27 | 86.60 |
| Standard c/kWh | 57.31 | 59.60 |
| Off Peak c/kWh | 36.00 | 37.44 |
| High Season | | |
| Peak c/kWh | 255.29 | 265.50 |
| Standard c/kWh | 77.33 | 80.42 |
| Off Peak c/kWh | 41.99 | 43.67 |

PLEASE NOTE, FOR ALL TARIFFS WHERE THERE IS A MAXIMUM DEMAND CHARGE AS PART OF THE TARIFF: In the event that the access demand is exceeded more than once in a financial year, a 10% additional fee (to be used for Bulk-Levy Contributions) will be levied as from the second month that the demand has exceeded and for each month exceeding thereafter.

STELLENBOSCH MUNICIPALITY

TARIFF DESIGN MODEL

ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2018

| | Approved 2017/2018 (VAT Excl) | Application 2018/2019 (VAT Excl) |
|---|-------------------------------------|--|
| 9. Own Generation for Own Use | | |
| Customers who wants to connect an Own Generation for Own Use only 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. | | |
| 10. Own Generation for Use and Export | | |
| Customers who wants to connect an Own Generation for Own Use and Export system to the municipal electrical grid and who wants to be reimbursed will have to do the following: | | |
| <ol style="list-style-type: none"> 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. | | |
| 11. Wheeling Tariff | | |
| | VAT Excluded | 2018/2019 Energy Charge R/kWh |
| All classes Non Firm | NEW | R 0.16 |
| <p>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.</p> | | |
| 11. Availability Fees (Per Annum) | | |
| Availability | R 2,982.46 | R 3,730.00 |
| ALL TARIFFS EXCLUSIVE OF VAT | | |

APPENDIX 1B



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
www.nersa.org.za



Enquiries: Mbulelo Ncetezo
Tel. (012) 401-4616
Fax. (012) 401-4700
Email: Mbulelo.Ncetezo@nersa.org.za

Ref. NER/D/WC024/2018-19

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

Per Email: municipal.manager@stellenbosch.gov.za

Dear Ms Mettler,

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2018 – 30 JUNE 2019

Your application dated 18 May 2018 refers.

The Energy Regulator at its meeting held on 25 April 2018 approved the guideline increase of 6.84% for municipalities applicable for 2018/19 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2018 - 30 June 2019 and approved the tariffs as follows:

Domestic Tariffs

- **Domestic (Dom 1) Prepaid Lifeline**

| <i>Tariff blocks</i> | <i>c/kWh</i> |
|-------------------------|--------------|
| Block 1 (0-50 kWh) | 91.44 |
| Block 2 (51 – 300 kWh) | 114.42 |
| Block 3 (301 – 600 kWh) | 170.54 |
| Block 4 (>600 kWh) | 196.38 |

Regulator Members: Mr JRD Modise (Chairperson) Ms MMD Nkomo (Deputy Chairperson) *Mr C Forlee (Chief Executive Officer)
Mr Y Adam *Ms N Maseti *Mr MW Mkhize Mr FK Sibanda
*Full-Time Regulator Members

- **Domestic (Dom 2) Regular Prepaid**

| <i>Tariff blocks</i> | <i>c/kWh</i> |
|-------------------------|--------------|
| Block 1 (0-50 kWh) | 91.60 |
| Block 2 (51 – 300 kWh) | 134.00 |
| Block 3 (301 – 600 kWh) | 174.33 |
| Block 4 (>600 kWh) | 195.25 |

- **Domestic (Dom 3) Regular Prepaid**

| <i>Tariff blocks</i> | <i>c/kWh</i> |
|-------------------------|--------------|
| Block 1 (0-50 kWh) | 91.44 |
| Block 2 (51 – 300 kWh) | 117.29 |
| Block 3 (301 – 600 kWh) | 165.46 |
| Block 4 (>600 kWh) | 194.85 |

| | |
|-----------------------|--------|
| Basic charge(R/month) | 125.39 |
|-----------------------|--------|

- **Domestic (Dom 4) Regular Conventional**

| <i>Tariff blocks</i> | <i>c/kWh</i> |
|-------------------------|--------------|
| Block 1 (0-50 kWh) | 91.44 |
| Block 2 (51 – 300 kWh) | 117.29 |
| Block 3 (301 – 600 kWh) | 165.46 |
| Block 4 (>600 kWh) | 194.85 |

| | |
|-----------------------|--------|
| Basic charge(R/month) | 154.67 |
|-----------------------|--------|

- **Domestic Renewable Energy Generation For Own Use**

| <i>Tariff blocks</i> | <i>c/kWh</i> |
|----------------------|--------------|
| Block 1 (0-50 kWh) | 91.44 |

| | |
|-------------------------|--------|
| Block 2 (51 – 300 kWh) | 117.29 |
| Block 3 (301 – 600 kWh) | 165.46 |
| Block 4 (>600 kWh) | 194.85 |

| | |
|---------------------------|--------|
| Basic charge(R/month) | 154.67 |
| Reading costs(R/month) | 70.00 |
| Reactive energy (c/kVArh) | 17.97 |

Exports Rates for domestic, commercial and agriculture

- **Low season**
 - Energy charge
 - Peak: 87.35c/kWh
 - Standard: 60.49c/kWh
 - Off-peak: 39.47c/kWh
- **High season**
 - Energy charge
 - Peak: 269.42c/kWh
 - Standard: 81.63c/kWh
 - Off-peak: 44.34c/kWh

Commercial Tariffs

- **Commercial Low<=20Amp (1 and 3 phase prepaid)**
 - Energy charge: 198.00c/kWh
- **Commercial Low (Com 2),non-profitable charities 40Amp and own generation (1 and 3 phase prepaid)**
 - Basic charge: R155.00/month
 - Energy charge: 159.00c/kWh
- **Commercial Low (Com 3) Regular 80Amp Prepaid and own generation (1 and 3 phase)**
 - Basic charge: R265.41/month
 - Energy charge: 188.64c/kWh
- **Commercial Low (Com 4) Regular 80Amp Credit Meter and own generation (1 and 3 phase)**
 - Basic charge: R287.93/month

- Energy charge: 175.80/kWh
- **Commercial (Com 5) Renewable Energy Generation For Own Use & Generation**
 - Basic charge: R290.50/month
 - Reading cost: R70/month
 - Energy charge: 175.80c/kWh
 - Reactive Energy: 17.97c/kVArh

Agricultural Tariffs

- **Agricultural: Regular (Prepaid and Credit meters 80 Amp 3 Phase) (AGR1) and own generation**
 - Basic charge: R306.97/month
 - Energy charge: 190.00c/kWh
- **Agricultural: Renewable Energy (AGRI 1.1) Generation For Own Use & Export**
 - Basic charge: R306.91/month
 - Reading cost: R70.00/month
 - Energy charge: 186.57/kWh
 - Reactive Energy: 17.97c/kVArh

Industrial Tariffs

- **Large Power Low Voltage > 80 Amp and generation for own use (IND1)**
 - Basic charge: R1 621.21/month
 - Energy charge: 86.46/kWh
 - Maximum Demand Charge: R219.71/kVA
 - Notified Demand Charge: R39.57/kVA
- **Industrial: (IND 1.1): Renewable Energy - Generation For Own Use & Export**
 - Basic charge: R1 621.21/month
 - Reading cost: 70.00/month
 - Energy charge: 86.46/kWh
 - Maximum Demand Charge: R219.71/kVA
 - Notified Demand Charge: R39.57/kVA
 - Reactive Energy: 17.97c/kVArh
- **Industrial: Medium Voltage (IND2)**
 - Basic charge: R3 073.89/month
 - Energy charge: 85.29/kWh
 - Maximum Demand Charge: R218.09/kVA
 - Notified Demand Charge: R38.94/kVA

- **Industrial: (IND 2.1): Renewable Energy - Generation For Own Use & Export**
 - Basic charge: R3 073.89/month
 - Reading cost: 70.00/month
 - Energy charge: 85.29/kWh
 - Maximum Demand charge: R218.09/kVA
 - Notified Demand charge: R38.94/kVA
 - Reactive Energy: 17.97c/kVArh
- **NGO Single Phase 20 Amp Prepayment (NPO1)**
 - Energy charge: 198.00/kWh
- **NGO: Low Voltage Max 80 Amp Prepayment SARS Approved (NPO2)**
 - Energy charge: 189.96/kWh
- **Municipal Street and Traffic Lights (Mun 1)**
 - Energy charge: 197.47c/kWh
- **Municipal: Low Voltage Max 80 Amp (MUN2)**
 - Energy charge: 179.50c/kWh
- **Municipal: Low Voltage >80 Amp (MUN3)**
 - Energy charge: 82.27c/kWh
 - Demand Charge: R243.56/kVA
- **Municipal: Medium Voltage (MUN4)**
 - Energy charge: 73.67c/kWh
 - Demand Charge: R237.00/kVA
- **Sport: Low Consumers Max 80 Amp and Prepayment (SPO1)**
 - Energy charge: 168.29/kWh
- **Sport: High Consumers Maximum Demand (SPO2)**
 - Demand charge: R242.74/kVA
 - Energy charge: 77.01c/kWh

Time of use Tariffs

Time of Use Low Voltage>80 Amp and for own generation use (TOU 1)

- Basic charge: R3 098.00/month
- Demand charge: R42.00/kVA
- Access charge: R42.00/kVA

- Reactive energy: 17.91c/kVArh
- **Low Season**
 - Energy Charge
 - Peak: 137.40/kWh
 - Standard: 90.54c/kWh
 - Off-Peak: 67.90c/kWh
- **High Season**
 - Energy charge:
 - Peak: 430.87c/kWh
 - Standard: 129.32c/kWh
 - Off-Peak: 75.98c/kWh

Time of Use (TOU 1.1) Renewable Energy - Generation for Own Use & Export

- Basic charge: R3 098.00/month
- Reading Cost: R70.00/month
- Demand charge: R42.00/kVA
- Access Charge: R42.00/kVA
- Reactive Energy: 17.97c/kVArh
- **Low Season**
 - Energy charge
 - Peak: 137.40c/kWh
 - Standard: 90.54c/kWh
 - Off-Peak: 67.90c/kWh
- **High Season**
 - Energy charge
 - Peak: 430.87c/kWh
 - Standard: 129.32c/kWh
 - Off-Peak: 75.98c/kWh

Exports Rates for time of use and industrial

- **Low season**
 - Energy charge
 - Peak: 89.36c/kWh
 - Standard: 61.51c/kWh
 - Off-peak: 39.01c/kWh
- **High season**
 - Energy charge
 - Peak: 273.96c/kWh
 - Standard: 82.99c/kWh
 - Off-peak: 45.07c/kWh

Time of Use Medium Voltage for generation for own use(TOU 2)

- Basic Charge: R5 633.00/month
- Demand charge: R41.00/kVA
- Access charge : R39.00/kVA
- Reactive energy: 18.14c/kVArh
- **Low Season**
 - Energy charge
 - Peak: 127.97c/kWh
 - Standard: 83.71c/kWh
 - Off-Peak: 62.74c/kWh
- **High Season**
 - Energy charge
 - Peak: 422.74c/kWh
 - Standard: 120.08c/kWh
 - Off-Peak: 70.59c/kWh

Time of Use Medium (TOU 2.1) Renewable Energy - Generation For Own Use & Export

- Basic Charge: R5 633.00/month
- Reading Cost: R70.00/month
- Demand charge: R41.00/kVA
- Access charge : R39.00/kVA
- Reactive energy: 18.14c/kVArh
- **Low Season**
 - Energy charge
 - Peak: 127.97c/kWh
 - Standard: 83.71c/kWh
 - Off-Peak: 62.74c/kWh
- **High Season**
 - Energy charge
 - Peak: 422.74c/kWh
 - Standard: 120.08c/kWh
 - Off-Peak: 70.59c/kWh

Wheeling Tariffs

- Customer Receives Power at LV(400V) Energy Charge: 66.78 c/kWh
- Customer Receives Power at MV (400V) Energy Charge: 43.33 c/kWh

The Energy Regulator further directs that the municipality should should reduce the number of its tariffs to a reasonable number, this includes reducing its renewable tariffs and the overall tariffs for the municipality.

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 Miss G Mabundza in the Electricity Pricing and Tariffs Department on (012) 401 4786 or email: gavaza.mabundza@nersa.org.za.

Yours sincerely,



Chris Forlee
Chief Executive Officer

Date: 29/06/2018

ADDITIONAL ITEM

| | |
|--------------|---|
| 8.2.2 | ELECTION OF AN ACTING SPEAKER IN TERMS OF SECTION 41 OF THE LOCAL GOVERNMENT STRUCTURES ACT, ACT 117 OF 1998 |
|--------------|---|

Collaborator No:

IDP KPA Ref No:

Meeting Date: 25 July 2018

1. SUBJECT: ELECTION OF AN ACTING SPEAKER IN TERMS OF SECTION 41 OF THE LOCAL GOVERNMENT STRUCTURES ACT, ACT 117 OF 1998

2. PURPOSE

To elect an acting Speaker in terms of Section 41 of the Local Government Municipal Structures Act, No 117 of 1998.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Council elects a Speaker in terms of Section 36 of the Local Government Municipal Structures Act, no 117 of 1998, and Section 41 of the Act further provides for the election of an Acting Speaker if the Speaker is absent or not available to perform the functions of the Speaker or during a vacancy.

The Speaker elected at the first meeting of Council, Councillor Donovan Joubert, resigned as Speaker from 25 July 2018. The letter sent to the Municipal Manager dated 23 July 2018, is attached as **Appendix A**. There is therefore a vacancy amongst the office bearers and Council must either elect an acting Speaker in terms of Section 41 or elect a new Speaker in terms of Section 36 (fill the vacancy).

Section 36 that provides for the process to elect a Speaker for Council does not refer to the election an acting speaker. The provisions in Section 36 are therefore not used when an acting speaker is elected, but applicable to the permanent filling of a vacancy. Council may elect an acting Speaker only to chair a specific meeting or for a period until the vacancy of the Speaker is filled for the duration of the term of Council.

5. RECOMMENDATION

that Council considers the appointment of an acting Speaker in terms of Section 41 of the Structures Act.

6. DISCUSSION / CONTENTS

6.1 Background

Council elects a Speaker in terms of Section 36 of the Local Government Municipal Structures Act, no 117 of 1998 and must appoint an acting Speaker under the circumstances referred to in Section 41 or fill the vacancy in terms of Section 36(2) of the said Act.

6.2 Discussion

The Speaker elected at the first meeting of Council, Cllr Donovan Joubert, resigned as Speaker. The letter to the Municipal Manager is attached as **Appendix A**. There is therefore a vacancy in the ranks of the office bearers and Council must then elect a new Speaker in terms of Section 36 or an acting Speaker in terms of Section 41 of the Local Government Structures Act.

The election of a Speaker in terms of Section 36 must take place in terms of Schedule 3 of the Local Government Municipal Structures Act. The election of an acting Speaker in terms of Section 41 of the said Act is not subject to Schedule 3 and can take place by a show of hands after a proposal was made.

6.3 Financial Implications

Council meetings are funded from the approved budget. Additional Council meetings to those planned on the calendar will need to be called from time to time and Council must provide for such occasions on the budget. The acting Speaker will receive the remuneration in terms of the Upper Limits for the period that he/she is acting.

6.4 Legal Implications

The provisions in the legislation are discussed above.

6.5 Staff Implications

No additional staff implications.

6.6 Previous / Relevant Council Resolutions:

Resolution – election of Speaker on 15 August 2016.

6.7 Risk Implications

Non-compliance if the legislative prescriptions are not followed that may lead to court actions.

6.8 Comments from Senior Management:

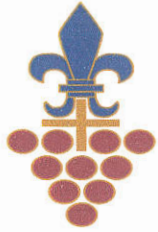
The item was not circulated for comment.

Annexures:

Appendix A: Letter from Councillor Donovan Joubert, dated 23 July 2018

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|--|
| NAME | Geraldine Mettler |
| POSITION | <i>Municipal Manager</i> |
| DIRECTORATE | <i>Municipal Manager</i> |
| CONTACT NUMBERS | <i>021 808 8025</i> |
| E-MAIL ADDRESS | <i>Geraldine.Mettler@stellenbosch.gov.za</i> |
| REPORT DATE | <i>23 July 2018</i> |



STELLENBOSCH
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MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

OFFICE OF THE SPEAKER

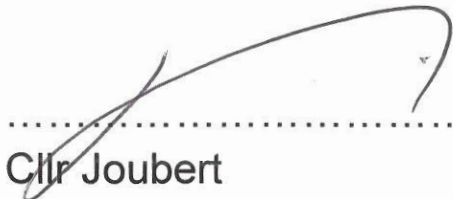
23 July 2018

The Municipal Manager
Stellenbosch Municipality

Dear MM

I herewith submit my resignation as Speaker of Stellenbosch Council effective 25 July 2018.

Regards


.....
Clr Joubert

ADDITIONAL ITEM

| | |
|-------|--|
| 8.2.3 | REPLACEMENT OF DA REPRESENTATIVE ON THE DISTRICT LOCAL COUNCIL (CAPE WINELANDS DISTRICT COUNCIL) IN TERMS OF SECTION 27(e) OF THE LOCAL GOVERNMENT STRUCTURES ACT, NO 117 OF 1998 |
|-------|--|

Collaborator No:

IDP KPA Ref No:

Meeting Date: 25 July 2018

1. SUBJECT: REPLACEMENT OF DA REPRESENTATIVE ON THE DISTRICT LOCAL COUNCIL (CAPE WINELANDS DISTRICT COUNCIL) IN TERMS OF SECTION 27(e) OF THE LOCAL GOVERNMENT STRUCTURES ACT, NO 117 OF 1998.

2. PURPOSE

To inform Council that the DA replaced one of the representatives on the Cape Winelands District Council in terms of Section 27(e) of the Local Government Municipal Structures Act, No 117 of 1998.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The District Council consists of directly elected councillors in terms of Section 23 (1)(a) of the Structures Act and Councillors appointed in terms of Section 23(1)(b) of the Act. Stellenbosch Municipality has 5 representatives in terms of Section 23(1)(b) on the Cape Winelands District Municipality. The 5 (five) councillors are 3 DA, 1 EEF and 1 ANC councillor. Section 27(e) provides that a councillor on the District Council, *inter alia*, ceases to be a member of the District Council if such councillor was appointed to the district council by the local council and the local council replaces the councillor as its representative in the district council.

The Municipal Manager received a letter from the DA, dated 24 July 2018, indicating that the DA wishes to replace Councillor N S Louw with Councillor DD Joubert as one of the three (3) DA representatives from Stellenbosch Municipality on the Cape Winelands District Council. The letter is attached as **APPENDIX A**.

5. RECOMMENDATIONS

(a) that Council takes note that Councillor DD Joubert will replace Councillor NS Louw in terms of Section 27(e) of the Local Government Structures Act, Act 117 of 1998, as one of the three DA councillors to represent Stellenbosch Municipality on the Cape Winelands District Council; and

(b) that the replacement be effective from 25 July 2018.

6. DISCUSSION / CONTENTS

6.1 Background

The District Council consists of directly elected councillors in terms of Section 23 (1)(a) of the Structures Act and Councillors appointed in terms of Section 23(1)(b) of the Act. Stellenbosch Municipality has 5 representatives in terms of Section 23(1)(b)

on the Cape Winelands District Municipality. The 5 (five) councillors are 3 DA, 1 EEF and 1 ANC councillor.

6.2 Discussion

Section 27(e) provides that a councillor on the District Council, *inter alia*, ceases to be a member of the District Council if such councillor was appointed to the district council by the local council and the local council replaces the councillor as its representative in the district council.

The Municipal Manager received a letter from the DA, dated 24 July 2018, indicating that the DA wishes to replace Councillor N S Louw with Councillor DD Joubert as one of the three (3) DA representatives from Stellenbosch Municipality on the Cape Winelands District Council. The letter is attached as **APPENDIX A**.

6.3 Financial Implications

No additional financial implications – the salaries of Councillors are provided for in the budget and district Councils pay the representatives an additional amount as per the Upper Limits.

6.4 Legal Implications

The provisions in the legislation are discussed above.

6.5 Staff Implications

No staff implications.

6.6 Previous / Relevant Council Resolutions:

Resolution 6.7 – election of representatives to Cape Winelands District Council dated 15 August 2016.

6.7 Risk Implications

Non-compliance if the legislative prescriptions are not followed may lead to court actions and irregular expenditure.

6.8 Comments from Senior Management

The item was not circulated for comment.

Appendix A: Letter from Councillor P Crawley – DA caucus chair: Stellenbosch Municipality, dated 24 July 2018.

FOR FURTHER DETAILS CONTACT:

| | |
|------------------------|---------------------------------------|
| NAME | Geraldine Mettler |
| POSITION | <i>Municipal Manager</i> |
| DIRECTORATE | <i>Municipal Manager</i> |
| CONTACT NUMBERS | 021 808 8025 |
| E-MAIL ADDRESS | Geraldine.Mettler@stellenbosch.gov.za |
| REPORT DATE | 24 July 2018 |


WESTERN CAPE PROVINCIAL OFFICE
Interim Provincial Leader: Bonginkosi Madikizela

Chairperson: Anton Bredell

Managing Director: Han-marié Marshall-van Zyl

Tel: +27 21 481 4300

www.da.org.za
42 Burg Street, 7th Floor, Cape Town, 8000

From / Van: COUNCILLOR CRAWLEY
To / Aan: MUNICIPAL MANAGER
Date / Datum: 24 JULY 2018
Re / Insake: APPOINTMENT TO THE DISTRICT REPRESENTATIVE

Dear Municipal Manager

This correspondence is about the replacement of the DA representative Councillors to the Cape Winelands District Municipality. I am therefore writing this letter as the DA Caucus Chair of Stellenbosch Municipal Council. The first Council meeting held on 15 August 2016 after the 03 August 2016 Local Government Elections appointed members of this Local Council to the Cape Winelands District Municipality.

The DA has subsequently made changes to their representatives by replacing Councillor NS Louw with Councillor DD Joubert. This is in line with the Municipal Structures Act, 117 of 1998 on the vacation of office of Councillors. Section 27 (e) of the Municipal Structures Act stipulates that: A councillor vacate office during a term of office if that councillor "is a representative of a Local Council in a District Council**or is replaced by the local council as its representative in the district council**". The latter applies to replacement of Councillor NS Louw with Councillor DD Joubert.

I hope this correspondence is in order and for any clarity feel free to contact me.

Yours Sincerely

P CRAWLEY

DA CAUCUS CHAIR: STELLENBOSCH MUNICIPAL COUNCIL

FREEDOM. FAIRNESS. OPPORTUNITY.

LEADER: Mmusi Maimane | **CHAIRPERSON:** Athol Trollip