

A - F (32 – 2026) CM 23/06/2026	FINANCE DEPARTMENT: MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) FOR 2026/27 TO 2028/29 AND THE AMENDMENT 2022/23 TO 2026/27 INTERGRATED DEVELOPMENT PLAN (IDP) (2026/27).
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9.10. That Council **APPROVE** the amended **Policies** and **By-Laws** as contained in **Annexure E** to guide the implementation of the municipality's annual budget.

POLICIES

Annexure E1	Medium – Term Budget Statement Policy (Reviewed).....
Annexure E2	Pricing Policy Statement (Reviewed).....
Annexure E3	Property Rates Policy (Reviewed).....
Annexure E4.1	Provision of Free Basic Electricity Policy (Reviewed).....
Annexure E4.2	Provision of free Basic Water supply services (Reviewed).....
Annexure E5	Waste Management Tariff Policy (Reviewed).....
Annexure E6	Consumer Deposit Policy (Reviewed).....
Annexure E7	Indigent Support Policy (Reviewed).....
Annexure E8	Credit Control & Debt Collection Policy (Reviewed).....
Annexure E9	Provision for Doubtful Debt and Debt Write-Off Policy) (Reviewed)
Annexure E10	Budget Implementation and Monitoring Policy (Reviewed).....
Annexure E11	Municipal Entity Financial Support Policy (Reviewed).....
Annexure E12	Accounting Policy (Reviewed).....
Annexure E13	Electricity Metering for Residential and business Customers (Reviewed).....
Annexure E14	Policy for the vending of pre-paid electricity (Reviewed).....
Annexure E15	Policy for the Estimation and Correction of Energy or Demand Meter Reading and Billing Data (Reviewed).....
Annexure E16	Electricity Tariff Policy (Reviewed).....
Annexure E17	Virements Policy (Reviewed).....
Annexure E18	Consumer Agreement Policy (Reviewed).....
Annexure E19	Supply Chain Management Policy (Reviewed).....
Annexure E20	Treasury Policy (Reviewed).....
Annexure E21	Expanded Public Works Programme Policy (Reviewed).....
Annexure E22	Asset Management Policy (Reviewed).....
Annexure E23	Cost Containment Policy (Reviewed).....
Annexure E24	Policy for the wheeling of Electricity (Reviewed).....
Annexure E25	Policy for Embedded Generation Ekurhuleni (Reviewed).....
Annexure E26	Ekurhuleni Community Enterprise Development Fund Policy (Reviewed).....
Annexure E27	Long Term Financial Strategy 2020/21-2029/30 (Reviewed).....
Annexure E28	Ekurhuleni Public Employment Programme & Implementation Framework Policy (Reviewed).....
Annexure E29	CoE Inventory Management Policy (Reviewed)
Annexure E30	Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy (UIFW) (Reviewed).....
Annexure E31	Investment Support Package for Developers Policy (Reviewed).....

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ELECTRICITY TARIFF POLICY

1. APPLICATION AND SCOPE

The policy is applicable to the City of Ekurhuleni.

2. OBJECTIVES OF POLICY

- ▶ To comply with guidelines received from the National Energy Regulator of South Africa
- ▶ To determine cost reflective tariffs, as far as is possible
- ▶ To ensure equitable pricing
- ▶ To ensure affordability of basic services to the community
- ▶ To ensure compliance with the Municipal Systems Act
- ▶ To comply with the provisions of the Electricity Regulation Act 4 of 2006
- ▶ To comply with the provisions of the Constitution of the Republic of South Africa
- ▶ To comply with the provisions of the Municipal Finance Management Act
- ▶ To comply with the provisions of the Electricity Bylaws
- ▶ To comply with the provisions of Electricity Pricing Policy of the South African Electricity Supply Industry - Government Gazette No. 31741
- ▶ To comply with other National Policies

3. INTRODUCTION

The COE structural tariff adjustments will be in synch with the pricing signals received from Eskom as well as the City's Cost of Supply study's cost reflectiveness, and attempt to persuade electricity customers to avoid peak periods and seasons. Any proposed increase will also be in line with the mission statement of this City in that it provides sustainable (sufficient to cover the cost of rendering the service) and people-centered electricity tariff structures and prices, that are also affordable.

Tariffs will also contain signals that encourage energy efficiency and the investment in efficient appliances or Alternative and Renewable Supplies.

Any adjustments effected to Council's tariffs should take cognisance of the above realities and need to be balanced in terms of cost-reflectivity and operational budgetary requirements, whilst at the same time meeting the regulatory requirements of the National Energy Regulator of South Africa.

Council's current Tariff A residential principle has changed from the previous NERSA's prescribed Inclining Block tariff (IBT) format to a flat rate principle, which Eskom has also already adopted. Tariff B (Residential and Bulk Residential) will be available for medium to higher use residential customers and whereas the Residential Resellers component of this tariff structure will be exclusively available for Bulk Residential complexes.

Tariff A Business is applicable to the small business component and B (Business, Mixed Business-Residential) is applicable to the small to medium business/mixed business component. Tariffs C, D, E and J are applicable to the larger business, commercial and industry component. Tariff G is applicable to wheeling of energy.

Concessions exist for NGO's, Welfare Organisations and Sporting Bodies on certain tariff components when motivated for, and subsequently approved by the HoBU: Energy or his delegate.

4. TARIFF STRUCTURE

The following is a brief description of each of COE's electricity supply tariffs intended to achieve the objectives as set out above.

#	Tariff	Description, Customers targeted
1	Tariff A (Business)	This tariff: • is available for small business only. • is for single-phase 230 V connections or multi-phase 400/230V connections with a capacity of up to 80 A per phase and will suit low consumption micro business customers. • has an export credit component is available to registered Solar PV customers.
2	Tariff A.1. (Indigents)	This tariff: • is available only for <u>residential</u> qualifying indigent customers, who normally consumes less than 700kWh a month. • first 50kWh will be levied as free basic units, thereafter the cost per unit rate will apply. Due to Eskom phasing out its Inclining Block Tariff (IBT) structure for residential customers in favour of simpler, flatter rates, CoE aligns to this approach to avoid different rates between Eskom and CoE where they are close by neighbours.
3	Tariff A.2. (Non-indigents, low income-low usage)	This tariff: • has no basic charge • Inclining Block Tariff principle has been removed and is now a flat rate tariff • is available to low income-low usage customers who consumes less than and equal to 750kWh. • is not for customers whose monthly consumption is higher than 750kWh for 6 consecutive months. Such customers will be migrated to tariff B residential. • does not allow existing A.2. customers installing SSEG (Solar PV generation) to remain on this tariff. Non-indigent Customers will be placed on either Tariff A.2. or tariff B residential. Residential customers who have Embedded Generation (Solar PV) will be migrated to tariff B Residential tariff.
3a	Tariff A Single Rate	This tariff:

		follows the conditions to tariff either A.1. (Indigent) or A.2. (Non-Indigent) conditions as listed above.
4	Tariff B Residential	This tariff: - is available for all full title residential customers single-phase 230 V or multi-phase 400/230 V connections with a capacity of up to and including 150 A per phase or 100 kVA. - This tariff is not available for medium and high voltage customers. - This tariff will suit medium to high consumption residential customers who are on prepayment or post-paid metering. An export credit component is available to registered Solar PV customers – the crediting will only be available once the City's billing system is programmed to bill the credit units.
5	Tariff B Bulk Residential Resellers	This tariff - is available for all residential customers single-phase 230 V or multi-phase 400/230 V connections for bulk sectional title residential complexes, body corporate, blocks of flats, etc., that are zoned for, or land use is exclusively for residential purposes. - caters for low, medium voltage bulk residential complex customers. - will suit medium to high consumption bulk residential complexes who are on prepayment (connection size and technology permitted) or post-paid metering. An export credit component is available to registered Solar PV body corporate customers. The export credit will only be offered to the owner (body corporate) and not to the individual sectional title unit owner – the crediting will only be available once the City's billing system is programmed to bill the credit units. Resellers are bound by the Electricity Regulation Act and the Municipal by-laws to resell electricity to end users as per the Electricity by-laws. The residential reseller's tariff shall only be applied by CoE where a bulk meter to measure the total consumption of the bulk residential complex was approved and installed.
6	Tariff B (Business, Mixed Business and Residential, Commercial or Industrial)	This tariff: - is available for all business single-phase 230 V or multi-phase 400/230 V connections with a capacity of up to 150 A per phase or 100 kVA. - is not available for medium and high voltage customers. - will suit medium to high consumption small business customers.

		An export credit component is available to registered Solar PV customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units.
7	Tariff C (Multi part tariff – not time of use)	This tariff: • is available for bulk supplies at any voltage and with a capacity of at least 25 kVA. • is for existing Tariff C customers only, no new customers will be allowed on this tariff, unless authorized by the HoBU: Energy. An export credit component is available to registered Solar PV customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units.
8	Tariff D (Multi part tariff – Time of Use)	This tariff: • is for bulk supplies at any voltage and with a capacity of at least 1 MVA and a network access charge of at least 1 MVA over the previous 12 months. • is available for new and existing customers. • will suit large business and industrial customers. An export credit component is available to registered Solar PV customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units..
9	Tariff E (Multi part tariff – Time of Use)	This tariff: • is available for bulk supplies at any voltage and with a capacity of > 25kVA and a NAC of < 1 MVA. • is available for new and existing customers. • will suit small to medium size business and industrial customers An export credit component is available to registered Solar PV customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units..
10	Tariff F	• This tariff exists for all street light and traffic light consumption
11	Tariff G	• This tariff is applicable for the reconciliation of accounts for CoE customers receiving energy from Non-Eskom generators. • This tariff is also applicable for the wheeling of Energy from IPP generators situated within COE licenced distribution area to non-CoE customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units.
12	Tariff H (Multi part tariff Residential Time of Use)	This tariff: • Is available for all residential customers single-phase 230 V or multi-phase 400/230 V connections with a capacity of up to 150 A per phase or 100 kVA.

		NOTE: The implementation of this tariff is dependent on the availability of advanced metering infrastructure and smart meters. An export credit component is available to registered Solar PV customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units..
13	Tariff I (City Power tariff)	This tariff is available to City Power only, where cross boundary supplies are applicable.
14	Tariff J	This tariff is available for bulk supplies at medium and high voltage situated in a position within COE demarcated boundaries and designated as close-coupled to the Eskom grid, upon approval by the HoBU: Energy. An export credit component is available to registered Solar PV customers – the crediting will only be available once the City’s billing system is programmed to bill the credit units.

5. MAINTENANCE FUND

4% of the electricity tariffs shall feed into a maintenance fund. This fund is used for refurbishment of the existing electricity networks. This is not a levy as defined by the Municipal Fiscal Powers and Functions Act.

6. ENERGY EFFICIENCY FUND

0.25% of the electricity tariffs shall feed into an energy efficiency fund. This fund is used for projects aimed at increasing electricity efficiency. This is not a levy as defined by the Municipal Fiscal Powers and Functions Act.

7. MISCELLANEOUS CHARGES

These are tariffs which are applicable to miscellaneous activities and services rendered as specified in the approved schedule of tariffs.

8. APPROVAL OF TARIFFS

Tariffs are approved by Council in terms of clause 24(2)(c) (11) of the Municipal Finance Management Act 56 of 2003, and by the National Energy Regulator of South Africa (NERSA) in terms of clause 4(a)(ii) of the Electricity Regulation Act 4 of 2006. If the tariffs approved by Council differ from the tariffs approved by NERSA, the Council approved tariffs shall be applied, until the matter is resolved.

9. DEVIATIONS

Any justified deviations from the policy with regard to implementation of “Special Projects” shall be considered by the HoBU: Energy and authorized if he/she is satisfied with the aims of such a project.

Similarly, any deviation from the exact wording of the tariff policy, which may be required in unique customer cases, shall be considered by the HoBU: Energy and authorized if they are satisfied with the aims of such a deviation.

NOTE: The reference to “they” in the above sentences is a reference to the Department concerned and its personnel

The term “shall” is used throughout this document to indicate those provisions which, are considered to be mandatory.

The term “should” is used to indicate those provisions which, although not mandatory, are provided as a recognized means of meeting the requirements.

The term “may” is used to indicate something which is permitted.

The term “can” is used to indicate a possibility or a capability.

