

Understanding Electricity Tariffs 2024/25



↑ 12.7%

Residential Prepaid Low (Indigent)

The City of Johannesburg for FY2024/25 split the residential prepaid tariff into Prepaid Low (Indigent) and Prepaid High. The objective is to cushion the indigent customers from adverse tariff increases in consideration of the current economic climate while allowing the rest of the residential prepaid customer to start to contribute for the fixed network operating and maintenance cost.

The City FY2024/25 budget approval included an average increase of 12.72% for the electricity tariff. However, the average increase to a typical indigent customer was limited to 6.21% as they are the most vulnerable customer category.

Residential Prepaid Low (Indigent (FY2023/24))

Assumed monthly usage			374
	Size	Tariff (/kWh)	
Block 1	350	209,67	R 733,85
Block 2	500	240,51	R 57,72
Block 3	>500	274,05	R 0,00
Total Charge for the Month			R 791,57
Average Selling Price (c/kWh)			R 211,65

Therefore, the Residential Low prepaid customer that consumes 374kWh per month will pay an extra R49.17 for the same 374kWh, increasing the total charge to from R791.57 to R840.74. The customer will however for the first 350kWh per month pay R2.2162/kWh compared to R2,0967/kWh for the current financial year, which will be R41.83 more per month. The next 24kWh will cost R65.06 which is R7.52 more than what it is costing now.

The Residential Prepaid Low (Indigent) tariff will continue to be based on the inclining block tariff methodology as prescribed by NERSA.

The applicable rate charged per kWh increases as actual monthly consumption exceeds the threshold for respective blocks, i.e. the threshold for block 1 is 350kWh, block 2 500kWh and block 3 any monthly usage greater than 500kWh. In other words, monthly consumption up to 350kWh will be at R2.2162/kWh, the next 150kWh for the month at R2.7110/kWh, while any usage above 500kWh per month will be at a unit charge of R3.2261/kWh.

All the amounts are exclusive of VAT and are still subject to NERSA approval.

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Residential Prepaid Low (indigent (FY2024/25))

Assumed monthly usage			374	Increase (R)	Increase %
	Size	Tariff (/kWh)	44,37028106		
Block 1	350	221,62	R 775,67	R 41,83	5,70%
Block 2	500	271,10	R 65,06	R 7,34	12,72%
Block 3	>500	322,61	R 0,00	R 0,00	17,72%
		-			0,00%
Total Charge for the Month			R 840,74	R 49,17	6,21%
Average Selling Price (c/kWh)			R 224,80	R 13,15	6,21%

Residential Prepaid High

The City for FY2024/25 split the residential prepaid tariff into Prepaid Low (Indigent) and Prepaid High. The split allows the City to enable the residential prepaid high customer to start to contribute for the fixed network operating and maintenance cost.

Residential Prepaid High (FY2023/24)

Assumed monthly usage			800
	Size	Tariff (/kWh)	
Block 1	350	209,67	R 733,85
Block 2	500	240,51	R 360,77
Block 3	>500	274,05	R 822,15
Sub-total			R 1916,76
Total Fixed Charges			R 0,00
Service Charge			
Capacity Charge			
Total Charge for the Month			R 1916,76
Average Selling Price (c/kWh)			R 239,60

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The City FY2024/25 budget approval included an average increase of 12.72% for the electricity tariff. As a result, the average increase to the energy charges to the residential prepaid customers is 12.72%. However, this customer category will also attract an additional R70/month as a service charge and R130/month in the form of a network capacity charge.

Residential Prepaid High (FY2024/25)

Assumed monthly usage			800	Increase (R)	Increase %
	Size	Tariff (/kWh)	44,37028106		
Block 1	350	236,34	R 827,19	R 93,35	12,72%
Block 2	500	271,10	R 406,65	R 45,89	12,72%
Block 3	>500	308,91	R 926,73	R 104,58	12,72%
Sub-total			R 2160,57	R 243,81	12,72%
Total Fixed Charges			R 200,00	R 200,00	New
Service Charge			R 70,00	R 70,00	New
Capacity Charge			R 130,00	R 130,00	New
Total Charge for the Month			R 2360,57	R 443,81	New

Therefore, the Residential Prepaid High customer that consumes 800kWh per month will pay some R443.81 more for the same 800kWh, increasing the total charge to from R1 916.76 to R2 360.57. The customer will however for the first 350kWh per month pay R2.3634/kWh compared to R2,0967/kWh for the current financial year, which will be R93.35 more per month per kWh. The next 150kWh will cost R406.65 which is 45.89 more than what it is costing now. Any usage above 500kWh a month will cost the customer R3.0891/kWh. In addition to the above increases in energy charges the customer will be charged an additional R200.00 fixed charges per month.

The Residential Prepaid High tariff will otherwise continue to be based on the inclining block tariff methodology as prescribed by NERSA.

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