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City Power Johannesburg

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MEDIA STATEMENT

03 JULY 2023

City Power announces NERSA approved tariffs

City Power has to implement the National Energy Regulator of SA (Nersa) approved tariffs from the month of July 2023. The increase follows intensive consultation with the public during the recent Integrated Development Plan (IDP), and other regulated consultation processes before the entity made its application to Nersa.

The IDP process is a pivotal instrument that empowers residents to influence the direction of their municipality. It gives community members an opportunity to engage with municipal authorities on how to prioritise service delivery issues.

City Power tariff application to Nersa was in line with the consideration of the current economic conditions where most of our residents are affected by the rising costs of living, recovering from the impact of Covid-19, and the weighted average increase for its customers limited to 14.97%, in order to cushion residents while ensuring sustainable service delivery continues.

To simplify it, our prepaid customer with a usage of 350 kWh monthly, will increase to R2.10/kWh for block 1 or by R95.55 to R733.85 per month exclusive of VAT. Customers using 374kWh/m will be charged an additional R7.52 paying R57.72 at block 2 tariffs (R2.41/kWh) for the additional 24kWhs, the total cost will be R791.57/m (R103.07 extra).

City Power prepaid tariff is based on the inclining block tariff methodology as prescribed by Nersa. The tariff applicable increases as actual monthly consumption exceed the respective threshold for blocks 1, block 2 and block 3 of 350kWh, 500kWh and any usage above 500kWh

To save cost customers are advised to at the beginning of the month buy electricity 350kWh only, for R733.85 plus VAT (R843.93) and to use it sparingly.

Non-Executive Directors: B Ramokhele (Chairperson of the Board), B Damoyi, M Kekana, N Kgope, M Mashabela, S Nduna, P Ragimana, N Ramotebele, L Ratsiku, M Seopela, T Sibeko
Executive Director: T Mashava (Chief Executive Officer)- Company Secretary: M Smith
Registration number: 2000/030051/30 - **VAT number:** 4710191182

For alternative energy tariffs, City Power is working on implementing a feed-in tariff, where customers with PV solar systems can feedback their excess power to the grid and reduce their monthly electricity bill. Residential embedded generator is approved for 85,50 c/kWh and for business and LPU embedded generator (<=1 MW) is approved for 70,85 c/kWh.

Moreover, City Power has different tariffs for its four different categories namely residential, business, agricultural and large power users. Although Nersa has approved most of the tariff increases as applied, it has changed City Power's application with regards to the Business Tariffs affecting business prepaid, conventional and business conventional reseller customers also to 14.97%.

In addition, changes will be applied to the Large Power User Demand Tariff and LPU Demand TOU customers which NERSA has set at a 14.97% increase.

| Customer Segments | Nersa Application % | Approved % |
|-----------------------------------|----------------------------|-------------------|
| Large Power User (MV-TOU) | 14,56% | 14,97% |
| Large Power User (LV-TOU) | 14,83% | 14,97% |
| Large Power User (MV-Demand) | 14,67% | 14,97% |
| Large Power User (LV-Demand) | 15,51% | 14,97% |
| Business Conventional | 14,80% | 14,97% |
| Business Prepaid | 13,83% | 14,97% |
| Agricultural | 14,97% | 14,97% |
| Residential Conventional | 14,97% | 14,97% |
| Domestic Prepaid | 14,97% | 14,97% |
| Reseller Residential Conventional | 14,97% | 14,97% |
| Reseller Business Conventional | 1,42% | 14,97% |
| Overall Average Increase | 14,97% | 14,97% |

All customers will in addition to the above charges be liable for a Network Surcharge of 6c/kWh. Residential customers are, however, exempt from the Network Surcharge for the first 500kWh consumed per month. All business and large power user customers are to be levied a 2% surcharge as well.

As some of these tariffs are different from what was approved by Council, the approved Nersa tariffs will have to go back to the City of Johannesburg Council for rectification.

City Power in its operations, always strives to ensure that electricity is available and is affordable for our customers who are already buckling under tough economic conditions.

ENDS

Issued by City Power,

Isaac Mangena, Spokesperson