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## PROVINCIAL TREASURY CIRCULAR NO. 70 OF 2018

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### TO:

THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)  
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR N DIAMOND)  
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY  
(MS S MATSI)  
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)  
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR B KHENISA)  
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY  
(MS TS MATLADI)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)  
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)  
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
(MR MA DLAMINI)  
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR IP MUTSHINYALI)  
THE ACTING MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
(MR P THWALA)  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR SF MNDEBELE)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MRS G MHLONGO NTSHANGASE)  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MM KUNENE)  
THE ACTING MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MS JG MAJOLA)  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE ACTING DIRECTOR GENERAL: OFFICE OF THE PREMIER (MR K MOHLASEDI)  
THE HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR P NYONI)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT  
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE  
THE CHIEF DIRECTORATE: PROVINCIAL ASSETS AND LIABILITIES

## INVITATION TO A NERSA COST OF SUPPLY WORKSHOP

The Electricity Pricing Policy (EPP) policy position 23 states that:-

*“Electricity distributors shall undertake Cost of Supply (COS) studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done according to the approved National Energy Regulator of South Africa (NERSA or ‘the Energy Regulator’) standard to reflect changing costs and customer behaviour”.*

In support of this position, the Energy Regulator has developed a Cost of Supply (COS) framework to guide electricity distributors (licensees) when undertaking the COS study in South Africa.

The objective of the framework is to assist licensed electricity distributors to undertake a cost of supply study (COS) for submission to the National Energy Regulator (NERSA) for consideration and approval.

The Cost of Supply (COS) study assists in designing electricity rates that are implemented to provide the service required by customers and recover costs incurred by licensees.

This is achieved by apportioning all costs required to service customers in terms of customer class in a fair and equitable manner therefore promoting sustainability of the electricity supply industry while protecting customers against unduly high prices.

It is against this background that your Municipality, based on the 18 October 2018 Municipal CFO Forum resolution, is invited to a one-day training workshop which is scheduled as follows:

### **Nkangala and Ehlanzeni District Municipalities**

(Emalahleni, Emakhazeni, Steve Tshwete, Victor Khanye, Nkomazi, Thaba Chweu, City Of Mbombela, Nkangala District and Ehlanzeni District Municipality)

**Date : 31 January 2019**

**Time : 08h30-16h00**

**Venue : Steve Tshwete Local Municipality Banquet Hall, Middelburg**

The following delegates are invited to the meeting:-

- Budget Manager
- Revenue Manager
- Technical Director (Electricity)
- District Accountant: Finance

Kindly confirm your attendance to [mohlalama@mpg.gov.za](mailto:mohlalama@mpg.gov.za) 013 766 8683 by 18 January 2019.

Your co-operation is highly appreciated.

Regards.

  
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**MS GUGU MASHITENG**  
**ACTING HEAD: PROVINCIAL TREASURY**  
**DATE: 21/1/2018**