



provincial treasury

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

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Ref : MPT 12/1/1/4

## PROVINCIAL TREASURY CIRCULAR NO. 12 OF 2020

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**TO:**

**THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)**  
**THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR W KHUMALO)**  
**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 ACTING MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS T SHOBA)**  
**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 (MS B KHANYE)**  
**THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR L TSHABALALA)**  
**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 MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MS JG MAJOLA)**  
**THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)**  
**THE ACTING HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR S NGUBANE)**  
**THE CHIEF EXECUTIVE OFFICER: NERSA (MR C FORLEE)**  
**KEY ACCOUNTS MANAGER: ESKOM MP REGION (MR C LEKHULENI)**  
**THE SALGA PROVINCIAL EXECUTIVE OFFICER: (MS G LANGA)**

**INVITATION TO A PROVINCIAL MEETING WITH NERSA (NATIONAL ENERGY REGULATOR OF SOUTH AFRICA)**

The Electricity Pricing Policy (EPP) 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 and a resolution taken on the 3<sup>rd</sup> of December 2019 in a meeting between Provincial Treasury, Eskom, SALGA, CoGTA and Municipalities that a meeting be held with NERSA and ESKOM to discuss and find solutions on the impact of **Winter Tariffs** chargeable to municipalities by Eskom. Municipalities are not allowed to increase their tariffs in terms section 28(6) of the Municipal Finance Management Act, No. 56 of 2003, which reads “municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan”.

It is against this background that your Municipality is invited to a one-day working session with NERSA that is scheduled as follows:

**Date :** 13 March 2020  
**Time :** 09:00 - 16h00  
**Venue :** Gert Sibande District Municipality

The following delegates are invited to the meeting:

- a) Municipal Manager
- b) Chief Financial Officer
- c) Technical Director (Electricity)

Kindly confirm your attendance at [nhlabane@mpg.gov.za](mailto:nhlabane@mpg.gov.za) or 082 566 6523 on or before 11 March 2020.

Your co-operation will be highly appreciated.

Regards

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**MS GUGU MASHITENG**  
**HEAD: PROVINCIAL TREASURY**  
**DATE:** 10/03/2020