



SETSOTO LOCAL MUNICIPALITY

Public Notice

IMPLEMENTED PREPAID TARIFFS

Notice is hereby given to all prepaid electricity consumers within the boundaries of Setsoto Local Municipality regarding the implementation of the approved NERSA electricity tariffs on 1 July 2026.

Purchases:

During the electricity purchase process, no specific kWh units are purchased upfront. Instead, the amount paid is credited to the prepaid meter as a monetary value. Electricity is then consumed against this credit, with charges deducted according to the applicable Inclining Block Tariff (IBT) structure.

Inclining Block Tariff (IBT)

The Inclining Block Tariff divides residential electricity consumption into four tariff blocks. The first block is charged at the lowest tariff rate. As monthly consumption increases and exceeds the threshold of each block, consumption is charged at progressively higher rates in Blocks 2, 3, and 4, with Block 4 attracting the highest tariff.

The NERSA-approved tariffs are programmed into the Municipality's prepaid electricity vending system and prepaid meters, ensuring that all electricity consumption is charged in accordance with the approved tariff structure and the applicable Inclining Block Tariff (IBT) methodology.

Domestic Tariffs: Prepaid - Consumption tariff			
IBT	RANGE	NO VAT	VAT inclusive
Block 1	0 - 50 kwh	2.1093	2.4257
Block 2	51 - 350 kwh	2.8123	3.2341
Block 3	351 - 600 kwh	3.6646	4.2143
Block 4	600 > kwh	4.0907	4.7043

All correspondence to be addressed to Head Office /Allekorrespondensiegerigmoet word aanHoofkantoor
/Mangoloohe a lebisweNtlokolo

"Re sebeletsakatheho"
www.setsoto.info.co.za

Example Cost to household for consumption of 750kWh per month

RESIDENTIAL					
IBT	RANGE	kWh Consumption	VAT Exclusive	Vat inclusive	Cost per Block
Block 1	0 - 50 kwh	50	2.1093	2.4257	121.28
Block 2	51 - 350 kwh	300	2.8123	3.2341	970.24
Block 3	351 - 600 kwh	300	3.6646	4.2143	1 264.29
Block 4	600 > kwh	100	4.0907	4.7043	470.43
Number of kWh or units used		750	Cost of 750 kWh		2 826.25

The IBT is reset every month-on-month end at 0h00 to start at block 1.

NERSA

The National Energy Regulator of South Africa (NERSA) is the regulatory authority responsible for regulating the electricity, piped gas, and petroleum pipeline industries in South Africa. One of its key functions is to approve and regulate electricity tariffs for both Eskom and municipalities licensed to distribute electricity.

For the 2026/2027 financial year, Setsoto Local Municipality will implement the electricity tariffs approved by NERSA, inclusive of the applicable 15% Value Added Tax (VAT). The approved tariff structure reflects an average increase of 9% compared to the tariffs applicable during the previous financial year.

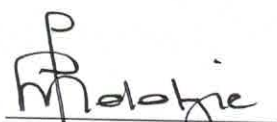
The NERSA-approved tariffs are programmed into the Municipality's prepaid electricity vending system and prepaid meters, ensuring that all electricity purchases and consumption are charged in accordance with the approved tariff structure and the applicable Inclining Block Tariff (IBT) methodology.

Factors Contributing to Increased Electricity Expenditure from 1 July 2026

Consumers should take the following factors into consideration when comparing electricity purchases before and after 1 July 2026:

- The onset of extremely cold winter weather will increase electricity consumption due to the greater use of geysers, heaters, electric blankets, and lighting for longer periods.
- The NERSA-approved electricity tariff increases for the 2026/2027 financial year, as implemented by **Setsoto Local Municipality**, will result in higher electricity charges compared to the previous financial year.

As a result, consumers may find that the same monetary amount now purchases less electricity than before.


Mrs. N.F. Malatjie
Municipal Manager
 24/06/2026

All correspondence to be addressed to Head Office /Allekorespondensiegerigmoet word aan Hoofkantoor
 /Mangoloohe a lebisweNtlokolo

“Re sebeletsakatleho”
www.setsoto.info.co.za