



CENTLEC (SOC) LTD

MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK

2025/26 TO 2027/28



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LIST OF ACRONYMS

ESKOM	Electricity Supply Commission
NERSA	National Energy Regulator of South Africa
MTREF	Medium Term Revenue and Expenditure Framework
AGSA	Auditor-General of South Africa
mSCOA	Municipal Standard Chart of Accounts
IDP	Individual Development Plan
MMM	Mangaung Metropolitan Municipality

PART 1 – ANNUAL BUDGET

1. CHAIRPERSON'S REPORT

A budget within any organisation reflects the choices and decisions assembled as a monitoring tool to achieve its strategic, economic and development objectives. Furthermore, a budget outlines projected spending levels (expenditure) and anticipating income collection (revenue), to achieve its goals. Importantly a budget's prime purpose intends to assist an organisation to accomplish its goals through increasing' accountability relating to its mandate to improve the livelihoods of the citizens of this Country.

The Medium-Term Revenue and Expenditure Framework (MTREF) Budget of 2025/26 - 2027/28 is compiled in a recovered distressed global economic outlook, with an aim to focus on reforms that must enable the Company's budget to be funded, revenue management is optimised, assets management is efficient to the capacity, digitalized change management processes to align and adhered to the mSCOA reforms accurately and ensure that audited findings raised by AGSA are addressed.

In the context of weaker global growth and risks to the domestic outlook, it remains an obligation for the company to repositioning and remodel its position in the energy landscape economically for sustainable growth and resilience. Furthermore, it is vital to emphasis that the combination of a stable macroeconomic framework, the rapid implementation of economic and structural reforms and improvements in state capacity remains central to achieving higher growth, employment and competitiveness.

Considering the macro-economic forecasts the National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June 2024, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead. GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. The pace of

growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.

Growth in household consumption expenditure is expected to improve to 1.2 per cent in 2024, up from 0.7 per cent in 2023. Households have seen growth in real incomes as this year progressed and inflation has cooled, while consumer confidence has been buoyed by several factors, including stable electricity supply and expectations of improving financial conditions following a September cut in interest rates. Real purchasing power is expected to be bolstered by a further moderation in inflation and lower interest rates supporting household balance sheets. The newly implemented two-pot retirement system, which allows consumers to withdraw a portion of their savings before retirement, may also boost household consumption over the next few years depending on the eventual use of the withdrawn funds.

During 2024, headline inflation has cooled to its lowest rate in over three years, supported by lower food and transport prices. Underlying inflation – measured by the core inflation rate, which excludes volatile items such as food, non-alcoholic beverages, fuels, and energy – has also moderated to two-year lows, supported by lower imported inflation. Headline inflation is projected to stabilise around the midpoint of the 3–6 per cent inflation target range in the medium term. Lower food prices, a stronger rand and comparatively low oil prices present favourable risks. Meanwhile, unfavourable risks to the outlook include higher administered prices and unfavourable weather conditions for agriculture.

Even though confidence of the consumers has been uplifted by the improved economy, households are still struggling to pay municipal accounts and that has a negative impact on municipal own revenues.

To accelerate GDP growth after an extended period of weak economic performance, it is evident that the country is in need of large-scale private investment. Government and its state owned entities are working to improve the fiscal position, complete structural reforms

and bolster the capacity of the state to reduce borrowing costs, raise confidence, increase investment, and put the economy on a higher job creating growth path.

It is evident that expeditious determined implementation of energy and logistics reforms remains critical to boosting economic growth. The company aid the remodeling towards automation of all business processes to reach full optimised transformation that will secure to function optimally, effectively, efficiently and transparently. The company envisages to maximise their revenue generating potential and collect monies for services rendered concurrently to eliminate wasteful and non-core spending.

New infrastructure developments should be obliged to consider and incorporate energy efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis. Affordable and sustainable energy supply can unlock economic potential by encouraging investment in the city and the province and thereby propelling the province to an above national economic growth rate. The company intends to venture into alternative energy sources during the coming medium term revenue and expenditure framework period as part of its revenue enhancement strategy.

Furthermore, the company will prioritise its resources towards maintenance of the current ageing network in order to minimise power outages and shorten supply disruption. Own funded expansion programs will be held back; however, service delivery will not be compromised and be prioritised as the prime mandate for the company. Grant funded expansion programs. However, will be fully implemented and will carry a high priority.

Efforts to collect revenue will be strengthened and the company will adopt zero tolerance on electricity theft, non-payment of bills, misuse of resources and network vandalism.

In view of the above a brief summary of the Medium Term Revenue and Expenditure Framework (MTREF) Budget of 2025/26 - 2027/28:

The trading revenue for the MTREF budget totals to a projected revenue of R 4,7 billion in 2025/26, representing an increase of R 145 million or 3% on that of 2024/25 Adjustment Budget (R 4,5 billion.) with a regulated tariff increase of 13.50% on sale of electricity as the main component within the revenue stream. The allocation for the two outer years of the MTREF period is R 5 billion in 2026/27 and R 5,2 billion in 2027/28.

The operational expenditure totals to a projected expenditure of R 4,3 billion for 2025/26, representing an increase of R 394 million or 10% increase from that of the 2024/25 Adjustments Budget of (R 3,8 billion) with an approved bulk purchase tariff increase of 12.7% as the main component of the operating expenditure. The allocation for the two outer years of the MTREF period is R 4,6 billion in 2026/27 and R 4.8 billion in 2027/28.

The capital expenditure budget of the company herewith presented amount to R 321 million for 2025/26, representing decrease of R 21 million or a 6% decrease from 2024/25 Adjustments Budget of R 343 million, with internal revenue generating projects being a 75% contributor and 25% relating to conditional grant funding. The allocation for the two outer years of the MTREF period is projected at R 316 million in 2026/27 and R 281 million in 2027/28.

The table below illustrates the above synopsis of the high level overlook of the MTREF 2025-26 to 2027-28 budget:

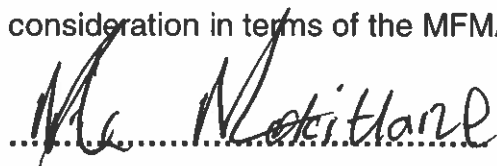
Details	MTREF 2024-25	ADJUSTMENT BUDGET 2024-25	Growth% as per MTREF 2025-26	MTREF 2025-26	MTREF 2026-27	MTREF 2027-28
Revenue	-R 4 260 956 916	-R 4 549 857 479	3%	-R 4 695 544 367	-R 4 983 051 091	-R 5 195 402 751
Operating Expenditure	R 3 672 243 263	R 3 896 343 826	10%	R 4 290 526 135	R 4 577 343 431	R 4 817 685 350
(Surplus)/Deficit	-R 588 713 653	-R 653 513 653	-38%	-R 405 018 232	-R 405 707 660	-R 377 717 401
Capital Expenditure	R 278 844 800	R 343 644 800	-6%	R 321 660 000	R 316 410 700	R 281 480 580
(Gains)/Loss	R 306 277 869	R 306 277 869	-75%	R 76 401 199	R 81 479 444	R 87 915 214
Total (Surplus)/Deficit	-R 3 590 984	-R 3 590 984	94%	-R 6 957 032	-R 7 817 516	-R 8 321 607

Table 1.1: Overview of MTREF 2025-26. Source: D-Schedules Budget Statements

All the projects are derived from the parent municipality's integrated development plan and will be consolidated in the Municipal Budget. The company is positioned to continue to perform on its mandate of assisting the parent municipality achieve its goals of making energy accessible to all communities within the metro boundaries. Good governance and firm internal controls are maintained to ensure the retention of improved audit opinion from the Auditor General (AGSA) received in the previous year. The budget further takes cognizance of, and address issues raised by the AGSA in the previous financial years.

The 2025/26 MTREF is prepared within the parameters set by all applicable prescripts, legislation, assessment of parent municipality including the MTREF Budget MFMA Circulars No. 126, 128 & 129 Guidelines, the Recommendations on the Budget Benchmarking Assessment provided by National Treasury, the Assessment on the D-Forms by the National Energy Regulator of South Africa (NERSA) on energy tariffs to accelerate service delivery and strengthen the company's cash flow position are addressed in the proposed MTREF.

The 2025/26 budget of the Company is herewith presented to the Parent Municipality for consideration in terms of the MFMA 87 (2).

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CHAIRPERSON OF THE BOARD

2. EXECUTIVE SUMMARY

The purpose of the 2025/26 to 2027/28 MTREF is to guide the company's allocated resources to achieve its service delivery objectives as required by the Act MFMA (No 56 of 2003). Fostering towards a inclusive growth the company's thrives to achieve faster growth that remains anchored on the following four pillars:

- Maintaining macroeconomic stability
- Implementing structural reforms
- Improving state capability
- Accelerating infrastructure investment

In maintaining macroeconomic stability, inclusive of prudent fiscal policy, promotes stable prices, lowers interest rates and enhances resilience to external shocks. This creates a conducive environment for investment. Additionally, the implementation of structural reforms surely will remove impediments to growth and creates a solid foundation for high and sustained economic growth. Furthermore, the Budget serves to bring to light the current institutional priorities in align to the sustainable pillars as outline in the Financial Recovery Plan:

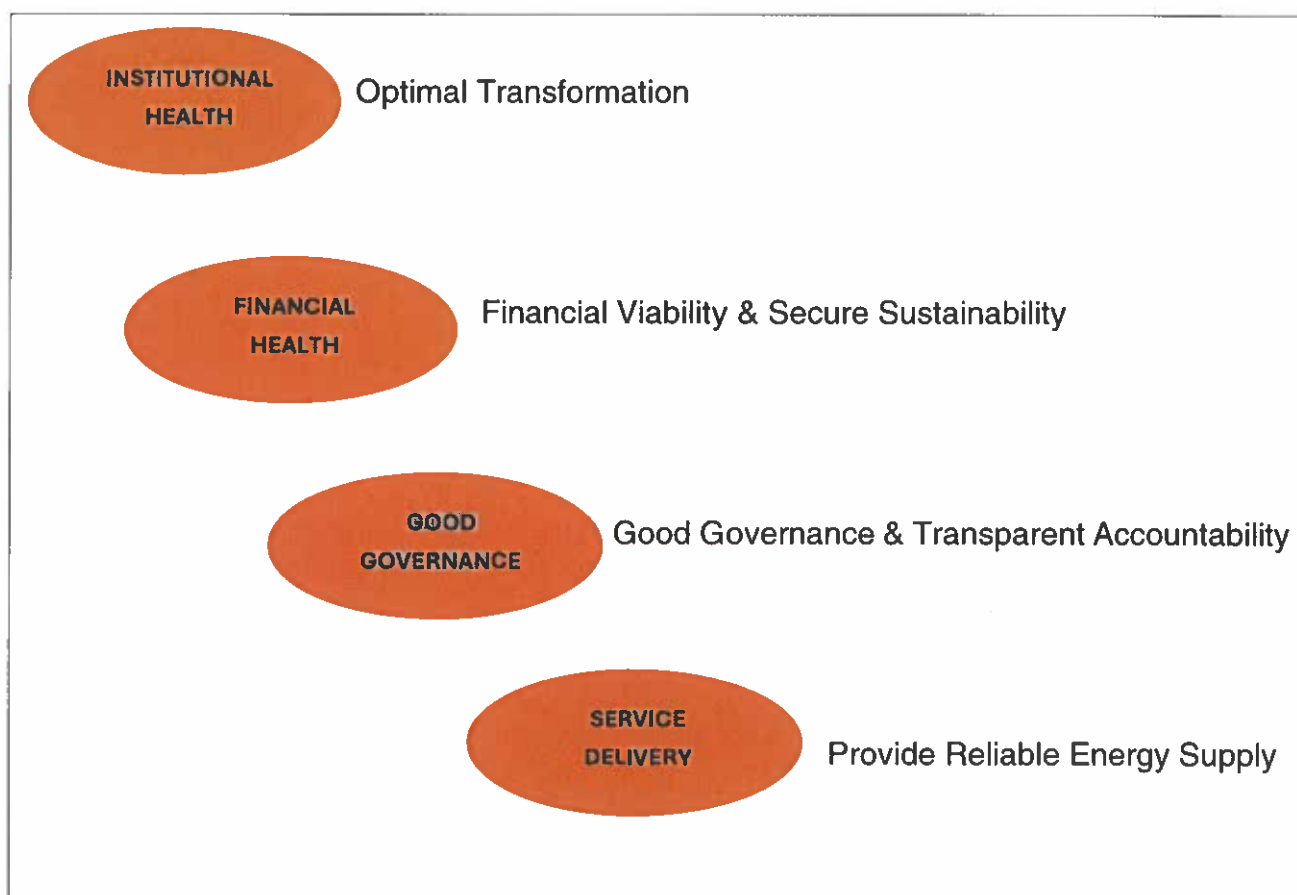


Table 1.2: Sustainable Pillars. Source: FRP2024/25

The tabling of the budget is the start of a journey towards the final approval stage before implementation in the start of the new financial year. The budget is an instrument which the Municipality and Municipal Companies engages the communities of the Metro to ensure proper public participation, and if any concerns and or needs raised, such community's needs be included in the Integrated Development Plan (IDP) and eventually translated into the budget for implementation. It serves to initiate many processes both politically and administratively, amongst others, consultations with communities throughout the municipal area.

2.1 PAST AND CURRENT PERFORMANCE, ACHIEVEMENTS AND CHALLENGES (BUDGET IMPLEMENTATION)

2.1.1 PAST PERFORMANCE AND SPENDING LEVELS

(i) Source of Funding

The below table provides the funding mix of capital expenditure budgeted projects of the company for the past three years as follows:

Funding Sources	Approved Budget 2022/23	Adjustment Budget 2022/23	Approved Budget 2023/24	Adjustment Budget 2023/24	Approved Budget 2024/25	Adjustment Budget 2024/25
	R	R	R	R	R	R
Urban Settlement Development Grant - (USDG)	20 000 000	26 000 000	25 000 000	25 000 000	10 360 000	25 360 000
Informal Settlements Upgrading Grant- (ISUPG)	-	21 276 390	28 000 000	28 000 000	24 700 000	37 700 000
Public Contributions	14 300 000	14 300 000	14 300 000	14 300 000	14 000 000	14 000 000
Revenue / Surplus (Internal funds)	230 925 272	162 014 576	141 393 446	101 809 800	229 784 800	266 584 800
TOTAL	265 225 272	223 590 966	208 693 446	169 109 800	278 844 800	343 644 800

Table 1.3: CAPEX-Funding Mix. Source: D-Schedule Budget Statements

(ii) Performance: Budget vs. Actual – Capital Expenditure

The below table illustrates the percentage performance of capital expenditure budget for the past ten years as follows:

Financial Year	Approved Budget	Adjustments Budget	Actual Expenditure	% Spent Adjustments Budget
2014/15	R 298 963 243	R 299 093 299	R 283 233 659	95%
2015/16	R 325 356 851	R 246 122 724	R 242 344 543	98%
2016/17	R 200 739 976	R 233 176 385	R 222 562 922	95%
2017/18	R 116 468 682	R 97 110 329	R 118 986 263	123%
2018/19	R 96 647 180	R 186 035 358	R 178 299 145	96%
2019/20	R 145 638 821	R 119 158 821	R 110 238 627	93%
2020/21	R 169 725 001	R 179 285 774	R 129 106 054	72%
2021/22	R 217 751 825	R 258 451 825	R 154 174 821	60%
2022/23	R 265 225 272	R 223 590 966	R 147 960 694	66%
2023/24	R 208 693 446	R 169 109 800	R 155 271 306	92%

Table 1.4: CAPEX - Performance. Source: D-Schedule Budget Statements

(iii) Capital Expenditure per Category

The table below indicate the breakdown of the company's capital expenditure over the past five audited years. The bias in terms of the spending being towards infrastructural related projects.

Capital Expenditure	Actuals 2019/20	Actuals 2020/21	Actuals 2021/22	Actuals 2022/23	Actuals 2023/24
	R	R	R	R	R
IMPLEM BUSINESS CONT DISASTER RECOV INF	-	2 800 000	668 281	-	-
SERVITUDES LAND (INCL INVEST REMUNE REG	186 280	600 000	-	-	-
UPGRADING AND EXTENTION OF LV NETWORK	89 907	-	486 206	1 168 892	839 415
REFURBISHMENT OF HIGH MAST LIGHTS	4 013 235	-	2 593 090	5 936 001	5 218 529
SHIFTING OF CONNECTION AND REPLACEMENT S	-	1 005 275	824 930	1 058 836	560 840
BOTSHABELO: ESTABLISHMENT OF 132KV (INDU	-	5 000 000	37 670	-	-
REPLACEMENT OF OIL PLANT	-	200 000	-	-	-
EXTENSION AND UPGRADING OF THE 11KV NETW	9 297 519	-	4 187 261	4 716 301	-
INSTALL PREPAID METERS (INDIGENT)	58 397	300 000	100 523	499 142	457 441
ELECTRIFICATION (USDG GRANT)	23 964 187	20 466 030	25 211 072	24 801 458	25 848 047
ELECTRIFICATION PROJECTS (ISUPG)	-	-	-	12 748 530	23 671 731
ELECTRIFICATION PROJECTS ISUPG	-	-	-	7 354 408	29 008 780
METER PROJECT	10 019 714	-	12 780 903	24 778 907	17 731 403
FURNITURE AND OFFICE EQUIPMENT	4 998 015	515 100	219 137	1 210 420	14 123 531
PUBLIC ELECTRICITY CONNECTIONS	9 578 176	13 000 000	10 355 079	9 348 200	9 710 010
COMPUTER EQUIPMENT (COVID-19)	740 144	1 004 297	1 642 945	-	-
OFFICE BUILDING	1 728 503	2 718 850	-	854 462	175 134
VEHICLES	-	50 000 000	25 967 740	22 606 629	-
TRAINING & DEVELOPMENT	187 829	574 174	62 580	-	-
BULK METER REFURBISHMENT	553 550	-	-	-	-
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	118 751	-	290 766	115 104	658 555
S/LIGHTS REPLACE POLE TRNS POLES SECTION	4 852 605	-	2 374 949	2 970 385	4 138 299
REPLACEMENT OF 110V BATTERIES	-	-	-	2 557 179	1 317 680
INSTALLATION OF PUBLIC LIGHTING	8 929 622	8 000 000	10 713 235	10 135 120	1 156 048
ELECTRIFICATION INTERNAL PROJECTS	11 604 446	6 431 192	14 714 998	2 777 220	1 124 416
INFRA CATALYST PROJECTS	-	8 000 000	4 013 058	4 759 747	-
REP BRITTLE OVERHEAD CONNECTIONS	42 890	-	-	332 718	-119 646
REPAIR MMM DIST DIST CENTRE	-	11 133 919	12 804 702	837 950	-
REPAIR VISTA DIST DIST CENTRE	2 280 076	-	-	-	-
REPLACEMENT OF 32V BATTERIES	-	-	23 498	1 546 710	-
REMEDIAL WORK 132KV SOUTHERN LINES	-	-	-	-	753 594
UPGRADE & REFURB COMPUTER NETWORK	14 053 818	1 537 427	15 452 436	4 747 929	7 657 936
REPLACEMENT OF 11KV SWITCHGEARS	-	-	709 371	98 445	894 802
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 990 964	-	-	-	-
TRANSFORMER REPLACE & OTHER RELATED EQUI	950 000	-	7 940 392	-	10 344 759
TOTAL	110 238 627	129 106 084	154 174 822	147 960 694	155 271 306

Table 1.5: CAPEX – Audited Performance. Source: D-Schedule Budget Statements

2.1.2 RISKS FACING THE COMPANY

- Declining customer base due to the constraints on supply side viz. customers heeding to energy conservation as well as the protracted economic climate resulting in suppressed demand in general.
- Maintenance backlogs in respect of service delivery infrastructure and utilities.
- The low economic growth impacting on collection of debt.
- Unfilled vacancies that put pressure on service delivery and prudent administration.

2.1.3 AUDIT OUTCOME 2023-2024

Centlec (SOC) Ltd Audit Report:

- The audited outcome of the company for the 2023/24 financial year was an unqualified audit opinion.
- The company remains steadfast and striving towards a clean audit.

2.2 BUDGET SUMMARY

2.2.1 CONSOLIDATED MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK OUTLOOK: 2025/26 – 2027/28

A. OPERATING REVENUE BUDGET - HIGHLIGHTS ON MAJOR CATERGORIES

For the Municipal Entity to continue with its quality service provision, it must sustain high revenue collection levels and add other sustainable sources in the revenue streams. In the budget year the company will seek to add other energy sources to its distribution licence to secure financial sustainability. The total revenue budget is projected at R 4,7 billion in 2025/26, representing an increase in revenue of R 146 million (3%) on the 2024/25 Adjustments Budget of R 4,5 billion. The allocation for the outer two years of the MTREF period is R 5 billion and R 5,2 billion respectively. Revenue generated from services charges forms a significant part of the revenue basket of the company. Services charges constitutes 94% of the budgeted revenue for 2025-26, 2026-27 & 2027-28 which excludes capital grants and transfers.

The below table displays the details of all Revenues by source as outlined:

REVENUE PER SOURCE	MTREF 2024/25	ADJUSTMENT BUDGET 2024/25	Growth% as per MTREF 2025-26	MTREF 2025/26	% OF TOTAL REVENUE	MTREF 2026/27	MTREF 2027/28
	R	R	%	R	%	R	R
FINES AND PENALTIES	5 227 910	5 227 910	4%	5 457 938	0.12%	5 703 545	5 846 134
PUBLIC CONTRIBUTIONS	15 557 900	15 557 900	4%	16 242 448	0.35%	16 973 358	17 397 692
CAPITAL CONDITONAL GRANTS & SUBSIDIES (USDG)	10 360 000	25 360 000	30%	33 000 000	0.70%	34 485 000	35 347 125
INFORMAL SETTLEMENTS UPGRADING GRANT (ISUPG)	24 700 000	37 700 000	-10%	34 000 000	0.72%	35 530 000	36 418 250
SERVICE CHARGES	4 140 318 777	4 272 279 047	3.20%	4 409 115 099	93.66%	4 689 534 820	5 026 712 373
INTEREST EARNED	43 082 337	43 082 337	18%	50 784 303	1.08%	53 069 597	54 396 337
OPERATIONAL REVENUE	11 986 843	11 986 843	-64%	4 258 998	0.09%	4 450 653	4 561 919
RECONNECTION TEST AND REMOVAL - METERS	5 232 899	5 232 899	70%	8 896 948	0.19%	9 297 310	9 529 743
SALES OF GOODS AND RENDERING OF SERVICES	4 490 250	4 490 250	8%	4 848 340	0.10%	5 066 515	5 193 178
DEBT WAIVED	-	128 940 293	0%	128 940 293	2.74%	128 940 293	-
DISPOSAL OF ASSETS (LOSS)/GAINS	11 284 581	11 284 581	4%	11 781 103	0.25%	12 311 252	12 619 033
TOTALS	4 272 241 497	4 561 142 060	3%	4 707 325 470	100%	4 995 362 344	5 208 021 785

Table 1.6: MTREF25/26 – Revenue. Source: D-Schedule Budget Statement

Subsequently, the statistical data of Table 1.6 graphically illustrates the Revenue sources of the company as projected over the MTREF period, as follows:

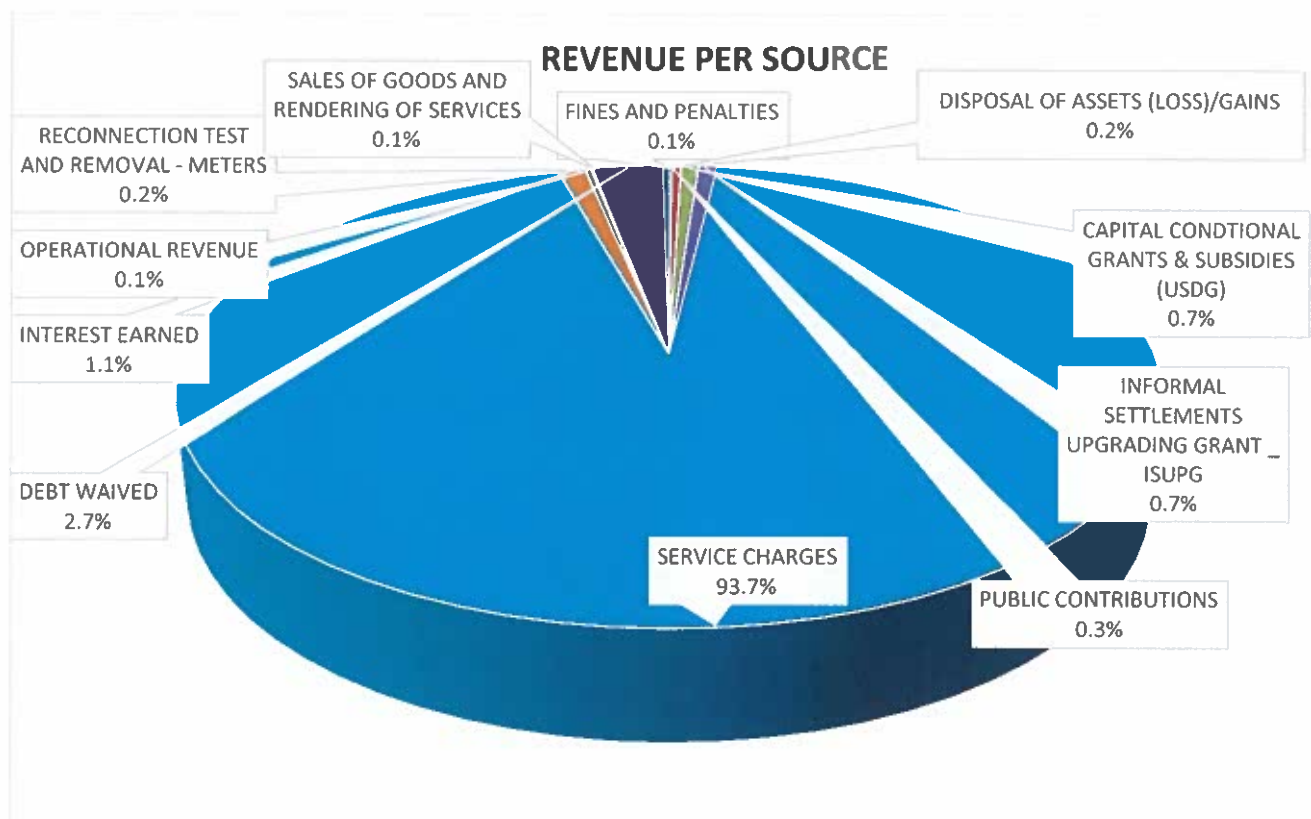


Table 1.7: MTREF25/26 – Revenue Source: Graph

Narration on the Operating Revenue Budget – Highlights on major categories:

Service Charges

The services charges revenue increased by R 136 million (3.20%) from the 2024/25 adjustment budget of R 4,2 billion. This increase is a combination of factors however main contributors remains the regulatory tariff increase approval by NERSA, the growth in the number of indigents, the demand in growth within the spatial planning framework of the city, besides the ESKOM electricity bulk purchases increase of 12.7% for 2025/26. The allocation for the outer two years of the MTREF period is R 4,7 billion and R 5 billion respectively. The service charges constitute 93.66% of the total budgeted revenue for the 2025/26 budget year.

Capital Grants and Subsidies (USDG)

Capital grants from the Provincial and National Governments relating to the USDG category increased by R 7,6 million from the 2024/25 adjustment budget of R 25.3 million. The total USDG capital grant is allocated to the Parent Municipality within the gazetted allocation for the metro as per the DORA. Mangaung as the municipality in turn allocates a portion of the USDG to Centlec (SOC) Ltd. The total allocation for USDG from MMM increased by R7.6 million to a value of R33 million. The allocations for the 2026/27 is R 34.4 million and R 35.3 million in 2027/28. The conditional grants allocation constitutes 0.7% of the total budgeted revenue for the 2025/26 budget year.

Capital Grants and Subsidies (ISUPG)

Capital grants from the Provincial and National Governments relating to ISUPG decreased by R 3,7 million from the 2024/25 adjustment budget of R 37.7 million. The total ISUPG capital grant is allocated to the Parent Municipality within the gazetted allocation for the metro as per the DORA. Mangaung as the municipality in turn allocates a portion of the USDG to Centlec (SOC) Ltd. The total allocation for ISUPG from MMM decreased by R 3,7 million to a value of R 34 million. The allocations for the 2026/27 is R 35,5 million and R 36,4 million in 2027/28. The conditional grants allocation constitutes 0.72% of the total budgeted revenue for the 2025/26 budget year.

Other Operational Revenues (excluding Grants & Service Charges)

All other operating revenues as detailed in Table 1.7 above was increased or decreased respectively based on the 2024/25 year to date actual values, estimated projections and historic trends. On average all other operating revenues excluding Capital Grants and Service Charges in total increased by 2% and in total combined constitutes 4.91% of the total budgeted revenue for the 2025/26 budget year.

B. OPERATING EXPENDITURE

The Municipal Company's expenditure for the 2025/26 budget and MTREF is informed by the following:

- Modelling of feasible and sustainable budgets over the medium term;
- National Treasury guidelines;
- NERSA tariffs guideline;
- Growth in the City and continued economic development;
- Cognisance of national and local economic and fiscal conditions;
- Expenditure limits driven by realistic and realisable revenue levels;
- Relevant (budget and other) legislative imperatives.

The operating expenditure budget increases from the adjustments budget amount of R 3,8 billion in 2024/25 to R 4,3 billion (representing an increase of 10% (R 394 million) in 2025/26. The allocation of the outer two years of the MTREF period is R 4,6 billion and R 4,8 billion respectively.

The following table is a high level summary of the MTREF Budget for 2025/26 to 2027/28 (classified per main type of operating expenditure):

EXPENDITURE BY TYPE	ADJUSTMENT BUDGET 2024/25	Growth% as per MTREF 2025- 26	MTREF 2025/26	% OF TOTAL EXPENDITURE	MTREF 2026/27	MTREF 2027/28
	R	%	R	%	R	R
EMPLOYEE RELATED COSTS	503 859 879	17%	590 979 657	14%	621 629 926	647 508 233
REMUNERATION OF DIRECTORS	1 277 126	-48%	665 784	0.02%	700 738	728 767
OPERATIONAL COST	163 133 292	-2%	160 481 554	4%	167 845 590	172 119 222
CONTRACTED SERVICES	183 232 932	2%	186 118 714	4%	194 187 806	198 517 501
BULK PURCHASES	2 721 111 612	9%	2 974 984 862	69%	3 134 444 051	3 328 466 138
INVENTORY - CONSUMABLES	103 541 340	6%	110 020 175	3%	116 402 083	122 851 475
DIVIDENDS PAID	120 000 000	0%	120 000 000	3%	120 000 000	120 000 000
INTEREST ON FINANCE LEASES	55 645	4%	58 093	0.001%	60 708	62 225
DEPRECIATION AND AMORTISATION	93 500 000	52%	141 717 296	3%	216 325 031	221 540 601
OPERATING LEASES	6 632 000	-17%	5 500 000	0.13%	5 747 500	5 891 188
TOTALS	3 896 343 826	10%	4 290 526 135	100%	4 577 343 431	4 817 685 350

Table 1.8: MTREF25/26 – Expenditure (OPEX). Source: D-Schedule Budget Statement

Subsequently, the statistical data of Table 1.8 graphically illustrates the Expenditure spending levels of the company as projected over the MTREF period, as follows:

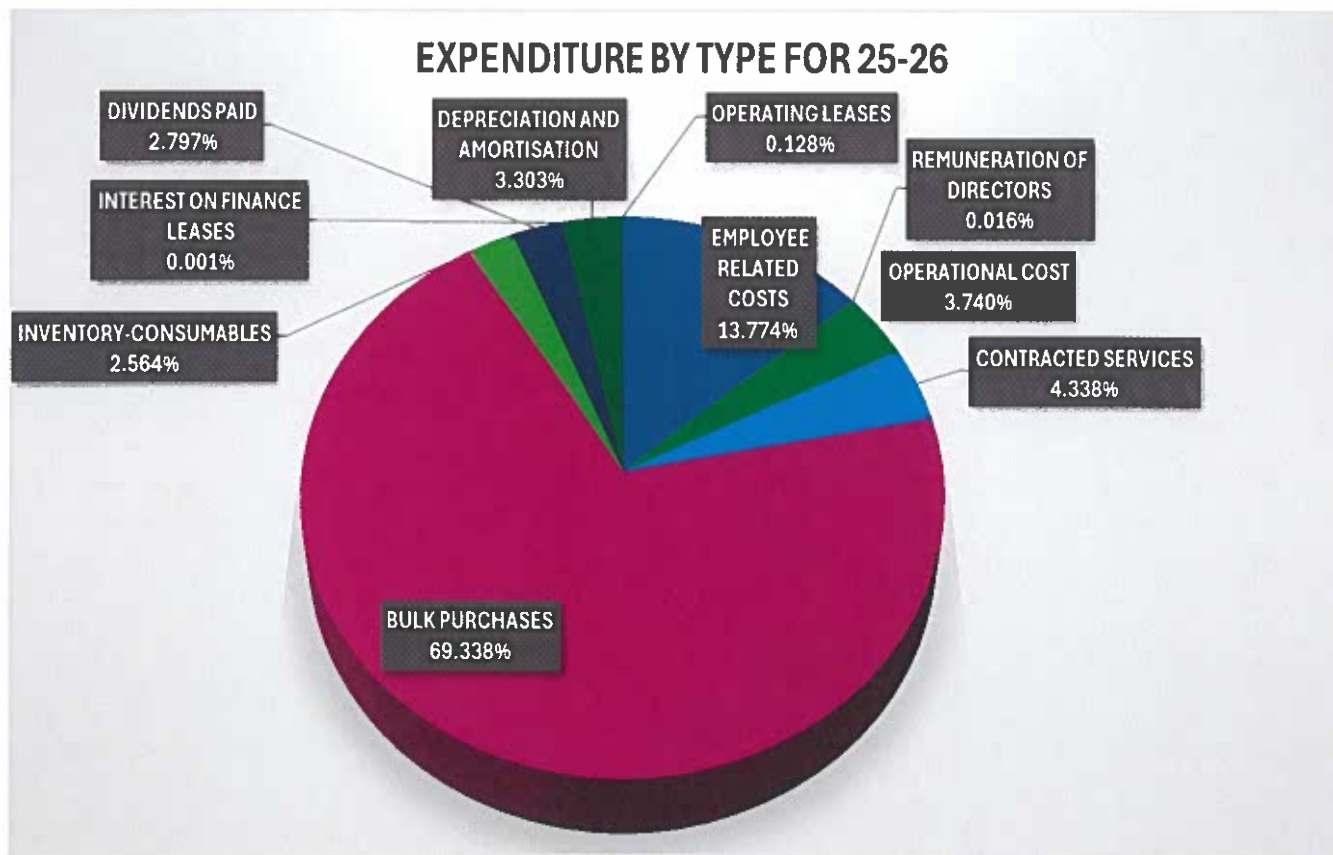


Table 1.9: MTREF25/26 – Expenditure (OPEX). Source: Graph

Narration on the Operating Expenditure Budget – Highlights on major categories:

Salaries, Wages and Allowances

Employee costs increased by R 87.1 million from the 2024/25 Adjustments Budget of R 503 million to R 590 million in 2025/26. The main reason for the 17% increase is to make provision for the normal annual increase, expected new appointments, expected retirements and disaster management employee related costs. The allocation for the two outer years of the MTREF period is R 621 million and R 647 million respectively. Total employee related costs constitute 14% of the total budgeted operating expenditure for the 2025/26 budget year. This is well within the budget principal parameter of not exceeding 30% of the aggregate operating expenditure budget component of the annual budget.

Remuneration of Directors

The budget of this line item is aligned to the Determination Resolution. The 2024/25 Adjustments budget of R 1,2 million decreased to R 665 thousand in 2025/26. The allocation for the two outer years of the MTREF period is R 700 thousand and R 728 thousand respectively.

Operational Cost

The operational cost decreased by R 2,6 million from the 2024/25 Adjustments Budget of R 163 million to R 160 million in the 2025/26 budget year. This 2% decrease was based on the 2025/26 year to date actual values, estimated projections, operational plans and historic trends. The allocation for the two outer years of the MTREF period is R 168 million and R 172 million respectively. Cost Containment principles as outlined in the MFMA Circular No. 82 has been used as a guiding tool in the projections.

Contracted Services

Contracted Services increased by R 2.8 million to R 186 million in the 2025/26 budget year from a base of R 183 million in the 2024/25 Adjustments budget. This 2% increase was based on the 2025/26 year to date actual values, estimated projections, operational plans and historic trends. The allocation for the two outer years of the MTREF period is R 194 million and R 198 million respectively.

Bulk Purchases

Bulk purchases increased by R 253 million against the 2024/25 Adjustments budget of R2,7 billion, to the proposed amount of R 3 billion for the 2025/26 budget year. This 9% increase was based on the NERSA approved ESKOM bulk purchases increase of 12.7%, factoring in the effect of the reduction in the NMD. The allocation for the two outer years of the MTREF period is R 3,1 billion and R 3,3 billion respectively.

Inventory (Consumables)

The budgeted consumable inventory increased by R 6 million against the 2024/25 adjustments budget of R 103.5 million to an amount of R 110 million for 2025/26. This 6% increase was based on the 2025/26 year to date actual values, estimated projections, operational plans, historic trends and higher total expected repairs & maintenance costs during 2025/26. The allocated amount for the two outer years of the MTREF period is R 116 million and R 122 million respectively.

Interest on Finance Leases

The budgeted interest on finance leases increased by R 2 thousand against the 2024/25 adjustments budget of R 55 thousand to an amount of R 58 thousand for 2025/26. This 4% increase was based on the CPI annual growth rate.

Depreciation and Amortisation

The budgeted depreciation increased by R 48 million from a 2024-25 adjustment budget value of R 93 million to an amount of R 141 million for 2025/26. The main reason for the 52% increase is to align and normalize the budget with the audited outcomes, however remains suppressed with the parameters as set out by the Parent Municipality. The allocated amount for the two outer years of the MTREF period is R 216 million and R 221 million respectively.

Operating leases

The budgeted operating leases decreased by R 1,1 million from a 2024-25 adjustment budget value of R 6,6 million to an amount of R 5,5 million for 2025/26. This 17% decrease was based on the 2025/26 year to date actual values, estimated projections, historic trends and to make provision for new and ending planned lease agreements in 2025/26. The allocated amount for the two outer years of the MTREF period is R 5,7 million and R 5,8 million respectively.

C. CAPITAL BUDGET

The capital budget decreased by R 21,9 million for the 2025/26 financial year to R 321 million as compared to the approved Adjustments Budget of R 343 million for the 2024/25 period. The projected capital expenditure budget for the two outer years of the MTREF period has been set at R 316 million and R 281 million respectively. The 2025-26 capital expenditure budget for projects is funded mainly from internally generated sources and augmented by conditional grant funding.

CAPITAL FUNDING BY SOURCE

The table below display the capital budget by finding sources for the new budget cycle as follows:

FUNDING BY SOURCE	MTREF 2024/2025	ADJUSTMENT BUDGET 2024/25	MTREF 2025/2026	MTREF 2026/2027	MTREF 2027/2028
ELECTRIFICATION (USDG GRANT)	10 360 000	25 360 000	33 000 000	34 485 000	35 347 125
PUBLIC ELECTRICITY CONNECTIONS	14 000 000	14 000 000	14 500 000	15 152 500	15 531 313
ELECTRIFICATION PROJECTS (ISUPG)	24 700 000	37 700 000	34 000 000	35 530 000	36 418 250
REVENUE / SURPLUS(INTERNAL FUNDS)	229 784 800	266 584 800	240 160 000	231 243 200	194 183 893
TOTAL	278 844 800	343 644 800	321 660 000	316 410 700	281 480 580

Table 1.10: MTREF25/26 – Expenditure (CAPEX). Source: D-Schedule Budget Statement

Conditional Grant Funding (USDG)

Within the total capital budget the table below illustrates the main priority to be undertaken out of the (USDG conditional grant) allocation as follows:

URBAN SETTLEMENTS DEVELOPMENT GRANT	MTREF 2024/2025	ADJUSTMENT BUDGET 2024/25	MTREF 2025/2026	MTREF 2026/2027	MTREF 2027/2028
ELECTRIFICATION (USDG GRANT)	10 360 000	25 360 000	33 000 000	34 485 000	35 347 125
TOTAL	10 360 000	25 360 000	33 000 000	34 485 000	35 347 125

Table 1.11: MTREF25/26 – Expenditure (CAPEX). Source: D-Schedule Budget Statement

Conditional Grant Funding (ISUPG)

Within the total capital budget the table below illustrates the main priority to be undertaken out of the (ISUPG conditional grant) allocation as follows:

INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT	MTREF 2024/2025	ADJUSTMENT BUDGET 2024/25	MTREF 2025/2026	MTREF 2026/2027	MTREF 2027/2028
ELECTRIFICATION PROJECTS (ISUPG)	24 700 000	37 700 000	34 000 000	35 530 000	36 418 250
TOTAL	24 700 000	37 700 000	34 000 000	35 530 000	36 418 250

Table 1.12: MTREF25/26 – Expenditure (CAPEX). Source: D-Schedule Budget Statement

Public Contributions

The public contributions allocation is outline in the table below as follows:

PUBLIC CONTRIBUTIONS	MTREF 2024/2025	ADJUSTMENT BUDGET 2024/25	MTREF 2025/2026	MTREF 2026/2027	MTREF 2027/2028
PUBLIC ELECTRICITY CONNECTIONS	14 000 000	14 000 000	14 500 000	15 152 500	15 531 313
TOTAL	14 000 000	14 000 000	14 500 000	15 152 500	15 531 313

Table 1.13: MTREF25/26 – Expenditure (CAPEX). Source: D-Schedule Budget Statement

Own Funded Projects

Included in the capital budget are internally revenue generated funded projects to the value of R 240 million for the 2025/26 year. The allocation of the two MTREF period outer years is R 231 million and R 194 million respectively as follows:

STATEMENT OF FINANCIAL PERFORMANCE - CENTLEC (ENTITY)					
CAPITAL EXPENDITURE OWN FUNDED PROJECTS	MTREF 2024-25	ADJUSTMENT BUDGET	MTREF 2025-26	MTREF 2026-27	MTREF 2027-28
SUPPORT PROJECTS:	71 200 000	109 300 000	107 825 000	87 974 625	55 912 491
VENDING BACK OFFICE	6 000 000	23 000 000	500 000	522 500	535 563
TRAINING & DEVELOPMENT	800 000	-	-	-	-
DIGITAL RADIO SYSTEM	1 100 000	2 100 000	1 500 000	1 250 000	1 000 000
IMPLEM BUSINESS CONT DISASTER RECOV INF	500 000	10 000 000	40 000 000	10 000 000	5 000 000
UPGRADE & REFURB COMPUTER NETWORK	4 000 000	4 500 000	10 000 000	10 450 000	2 000 000
BULK SMART METER INSTALLATION	-	-	500 000	522 500	535 563
VEHICLES	7 000 000	-	8 000 000	8 360 000	4 000 000
FURNITURE AND OFFICE EQUIPMENT	1 700 000	2 200 000	200 000	209 000	214 225
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	15 000 000	-	9 675 000	10 110 375	10 363 134
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	21 000 000	34 000 000	9 000 000	9 405 000	9 640 125
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	5 000 000	20 000 000	4 500 000	4 702 500	4 820 063
INFRA CATALYST PROJECTS	-	-	7 650 000.00	7 994 250	6 194 106
SECURITY EQUIPMENT	2 000 000	3 500 000	3 000 000	6 000 000	3 075 000
OFFICE BUILDING	5 000 000	8 000 000	10 000 000	15 000 000	5 000 000
PROTECTION TEST UNIT	2 000 000	2 000 000	1 800 000	1 881 000	1 928 025
COMPUTER EQUIPMENT	-	-	1 500 000	1567500	1606687.5
SERVICE DELIVERY PROJECTS:	51 234 800	58 424 800	57 770 000	60 369 650	58 714 310
METER PROJECT	30 000 000	36 000 000	35 000 000	36 575 000	37 489 375
EXTENSION AND UPGRADING OF THE 11KV NETW	4 000 000	4 000 000	3 600 000	3 762 000	3 856 050
SERVITUDES LAND (INCL INVEST REMUNE REG	700 000	700 000	630 000	658 350	674 809
INSTALLATION OF PUBLIC LIGHTING	6 000 000	6 000 000	5 040 000	5 266 800	5 398 470
INSTALL PREPAID METERS (INDIGENT)	500 000	500 000	450 000	470 250	482 006
UPGRADING AND EXTENTION OF LV NETWORK	3 000 000	3 000 000	3 150 000	3 291 750	3 374 044
SHIFTING OF CONNECTION AND REPLACEMENT S	2 005 275	2 005 275	2 250 000	2 351 250	2 410 031
REFURBISHMENT OF HIGH MAST LIGHTS	5 029 525	6 219 525	7 650 000	7 994 250	5 029 525
REPAIRS AND MAINTENANCE PROJECTS:	26 300 000	27 300 000	28 800 000	31 896 000	30 661 594
BOTSHABELO: ESTABLISHMENT OF 132KV (INDU	12 300 000	12 300 000	4 050 000	6 032 250	4 151 250
INSTALLATION OF HIGH VOLTAGE TEST EQUIPM	2 500 000	4 500 000	2 250 000	2 351 250	2 410 031
TRANSFORMER REPLACE & OTHER RELATED EQUI	11 500 000	10 500 000	22 500 000	23 512 500	24 100 313
REFURBISHMENT PROJECTS (renewal)	75 050 000	65 560 000	41 715 000	46 770 675	44 557 442
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	700 000	4 200 000	1 890 000	1 975 050	2 024 426
REP BRITTLE OVERHEAD CONNECTIONS	850 000	850 000	1 125 000	1 175 625	1 205 016
S/LIGHTS REPLACE POLE TRNS POLES SECTION	3 000 000	6 000 000	3 150 000	3 291 750	3 374 044
REPLACEMENT OF 110V BATTERIES	1 500 000	1 500 000	1 800 000	1 881 000	1 928 025
REPLACEMENT OF 11KV SWITCHGEARS	2 000 000	4 000 000	3 150 000	3 291 750	3 374 044
REPLACEMENT OF OIL PLANT	1 000 000	1 000 000	900 000	940 500	964 013
REPLACEMENT OF 32V BATTERIES	1 500 000	1 500 000	1 800 000	1 881 000	1 928 025
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000	2 200 000	900 000	940 500	964 013
REPAIR MMM DIST DIST CENTRE	2 500 000	2 500 000	1 800 000	1 881 000	1 928 025
REPAIR VISTA DIST DIST CENTRE	26 000 000	26 000 000	4 500 000	4 702 500	4 820 063
REMEDIAL WORK 132KV SOUTHERN LINES	10 000 000	5 000 000	7 200 000	7 524 000	7 712 100
RENEWABLE PROJECTS	5 000 000	-	2 250 000	2 351 250	2 410 031
UPGRADE 132/11KV, 20MVA DC, SHANNON B	8 000 000	-	2 700 000	6 000 000	2 767 500
REPLACEMENT OF DECRIPIT CABLES (MV-HV)	7 000 000	7 000 000	6 300 000	6 583 500	6 748 088
REPLACEMENT OF DECRIPIT CABLES (MV-HV)	5 000 000	3 810 000	2 250 000	2 351 250	2 410 031
INTERNAL ELECTRIFICATION PROJECTS:	6 000 000	6 000 000	4 050 000	4 232 250	4 338 056
ELECTRIFICATION INTERNAL PROJECTS	6 000 000	6 000 000	4 050 000	4 232 250	4 338 056
TOTAL OWN FUNDED PROJECTS	229 784 800	266 584 800	240 160 000	231 243 200	194 183 893

Table 1.14: MTREF25/26 – Expenditure (CAPEX). Source: D-Schedule Budget Statement

Capital Budget per wards and GPS Co-ordinates

The table below is giving an outline of where the budget is going to be spent within the municipal boundaries per wards & GPS Co-ordinates:

Description	Ward Location	GPS CO-ORDINATES	MTREF 2025/26	MTREF 2026/27	MTREF 2027/28
VENDING BACK OFFICE	Ward (19)	S29.127093, 26.224371	500 000	522 500	535 563
DIGITAL RADIO SYSTEM	Ward (19)	S29.127093, 26.224371	1 500 000	1 250 000	1 000 000
IMPLEM BUSINESS CONT DISASTER RECOV INF	Ward (19)	S29.127093, 26.224371	40 000 000	10 000 000	5 000 000
UPGRADE & REFURB COMPUTER NETWORK	Ward (19)	S29.127093, 26.224371	10 000 000	10 450 000	2 000 000
COMPUTER EQUIPMENT	Wards (1 - 51)	multiple locations	1 500 000	1 567 500	1 606 688
METER PROJECT	Wards (1 - 51)	multiple locations	35 000 000	36 575 000	37 489 375
BULK SMART METER INSTALLATION	Wards (1 - 51)	multiple locations	500 000	522 500	535 563
ELECTRIFICATION (USDG GRANT)	Wards (1, 5, 6, 7, 11, 12, 17, 37, 39, 40, 46, 51)	multiple locations	33 000 000	34 485 000	35 347 125
ELECTRIFICATION PROJECTS (ISUPG)	Ward (27, 51)	S29.224647, 26.256804;	34 000 000	35 530 000	36 418 250
BOTSHABELO: ESTABLISHMENT OF 132KV (INDU	Ward (30)	S29.197988, 26.694160	4 050 000	6 032 250	4 151 250
ELECTRIFICATION INTERNAL PROJECTS	Ward (11, 16, 17)	S29.297927, 26.705297;	4 050 000	4 232 250	4 338 056
EXTENSION AND UPGRADING OF THE 11KV NETW	Ward (1 - 51)	multiple locations	3 600 000	3 762 000	3 856 050
INFRA CATALYST PROJECTS	Ward (1 - 51)	multiple locations	7 650 000	7 994 250	6 194 106
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	Ward (36)	S29.257080, 26.580982	9 675 000	10 110 375	10 363 134
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	Ward (19)	S29.127093, 26.224371	9 000 000	9 405 000	9 640 125
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	Ward (48)	S29.054360, 26.227047	4 500 000	4 702 500	4 820 063
PUBLIC ELECTRICITY CONNECTIONS	Ward (1 - 51)	Various - Dependant on customer address	14 500 000	15 152 500	15 531 313
UPGRADING AND EXTENTION OF LV NETWORK	Ward (1 - 51)	multiple locations	3 150 000	3 291 750	3 374 044
SERVITUDES LAND (INCL INVEST REMUNE REG	Ward (1 - 51)	multiple locations	630 000	658 350	674 809
INSTALLATION OF PUBLIC LIGHTING	Ward (1 - 51)	multiple locations	5 040 000	5 266 800	5 398 470
INSTALL PREPAID METERS (INDIGENT)	Ward (1 - 51)	multiple locations	450 000	470 250	482 006
RENEWABLE PROJECTS	Ward (17)	S29.142442, 26.414702	2 250 000	2 351 250	2 410 031
Upgrade 132/11kV, 20MVA DC, Shannon B	Ward (47)	S29.189758, 26.295717	2 700 000	6 000 000	2 767 500
REMEDIAL WORK 132KV SOUTHERN LINES	Kwaggafontein Area,	S29°07'48.6"S, 26°08'26.9"E	7 200 000	7 524 000	7 712 100
	Ferreira Road	S29°11'23.4"S, 26°10'38.8"E			
	Max Steel	S29°17'12640, 26.2136260			
SHIFTING OF CONNECTION AND REPLACEMENT S	Ward (1 - 51)	multiple locations	2 250 000	2 351 250	2 410 031
REFURBISHMENT OF HIGH MAST LIGHTS	Van Stadensrus - Ward (50)	S29°59'38", 27°2'8", 325"	7 650 000	7 994 250	5 029 525
	Bloemfontein - Batho	S29°8'7", 26°13'50"			
	Bloemfontein - Ward (3)	S29°9'25", 26°14'17"			
	Bloemfontein - Ward (5)	S29°9'48", 26°14'18"			
	Bloemfontein - Ward (14)	S29°11'50", 26°14'22"			
	Botshabelo - Ward (67)	S29°15'50", 26°40'41"			
	Botshabelo - Section (F)	S29°13'3", 26°40'55"			
	Botshabelo - Section (W)	S29°15'14", 26°40'55"			
	Thaba Nchu - Ward (49)	S29°11'15", 26°50'34"			
	Thaba Nchu - Ward (46)	S29°11'38", 26°48'35"			
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	Ward (1 - 51)	multiple locations	1 890 000	1 975 050	2 024 426
REP BRITTLE OVERHEAD CONNECTIONS	Ward (1 - 51)	multiple locations	1 125 000	1 175 625	1 205 016
REPLACE DECRYPT CABLES MV-HV (NETWORKS)	Ward (1 - 51)	multiple locations	6 300 000	6 583 500	6 748 088
S/LIGHTS REPLACE POLE TRNS POLES SECTION	Ward (1 - 51)	multiple locations	3 150 000	3 291 750	3 374 044
REPLACE DECRYPT CABLES MV-HV (SFS & THABA NCHU)	Ward (1 - 51)	multiple locations	2 250 000	2 351 250	2 410 031
PROTECTION TEST UNIT	Ward (1 - 51)	multiple locations	1 800 000	1 881 000	1 928 025
REPLACEMENT OF 110V BATTERIES	Ward (1 - 51)	multiple locations	1 800 000	1 881 000	1 928 025
		S29 06 24.5 E26 12 34.4			
		S29 07 26.6 E26 09 33.3			
		S29 07 08.7 E26 13 07.9			
		S29 06 58.5 E26 13 36.8			
		S29 06 58.5 E26 13 36.8			
		S29 01 46.2 E26 19 42.5			
		S29 07 46.4 E26 14 25.1			
REPLACEMENT OF 11KV SWITCHGEARS	Ward (1 - 51)	multiple locations	3 150 000	3 291 750	3 374 044
		S29 08 43.2 E26 12 39.5			
		S29 07 00.4 E26 13 27.1			
		S29 06 59.3 E26 13 05.2			
		S29 08 44.8 E26 15 31.8			
REPLACEMENT OF 32V BATTERIES	Ward (1 - 51)	multiple locations	1 800 000	1 881 000	1 928 025
		S29 10 44.5 E26 13 08.0			
		S29 06 38.0 E26 11 55.6			
		S29 06 28.9 E26 11 58.8			
		S29 08 44.1 E26 15 47.8			
		S29 12 38.5 E26 50 33.1			
		S29 08 24.2 E26 14 46.7			
		S29 14 01.2 E26 42 25.5			
		S29 08 18.9 E26 16 11.6			
		S29 08 03.3 E26 14 19.6			
		S29 09 07.8 E26 15 24.4			
		S29 09 50.6 E26 13 14.8			
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	Ward (1 - 51)	multiple locations	900 000	940 500	964 013
TRANSFORMER REPLACE & OTHER RELATED EQUI	Ward (1 - 51)	multiple locations	22 500 000	23 512 500	24 100 313
		S29 10 14.5 E26 14 34.4			
		S29 03 44.8 E26 19 56.5			
INSTALLATION OF HIGH VOLTAGE TEST EQUIPM	Ward (19)	multiple locations	2 250 000	2 351 250	2 410 031
REPLACEMENT OF OIL PLANT	Ward (20)	S29 07 31.2 E26 13 29.8	900 000	940 500	964 013
REPAIR MMM DIST DIST CENTRE	Ward (6)	S29 10 14.5 E26 14 34.4	1 800 000	1 881 000	1 928 025
REPAIR VISTA DIST DIST CENTRE	Ward (19)	S29 10 38.7 E26 12 48.7	4 500 000	4 702 500	4 820 063
VEHICLES	Ward (19)	S29.127093, 26.224371	8 000 000	8 360 000	4 000 000
SECURITY EQUIPMENT (CCTV)	Ward (19)	S29.127093, 26.224371	3 000 000	6 000 000	3 075 000
FURNITURE AND OFFICE EQUIPMENT	Ward (19)	S29.127093, 26.224371	200 000	209 000	214 225
OFFICE BUILDING	Ward (19)	S29.127093, 26.224371	10 000 000	15 000 000	5 000 000
TOTAL CAPEX			321 660 000.00	316 410 700.00	281 480 580.00

D. SUMMARY OF THE BUDGET

The projected financial outcome of this budget at the end of the 2025/26 budget year can be summarized as follows:

Centlec - Table D1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
Financial Performance									
Service charges	2 807 119	2 814 545	3 203 117	4 145 552	4 277 512	4 277 512	4 418 012	4 698 832	5 036 242
Investment revenue	784	2 347	3 651	5 688	5 688	5 688	11 745	12 273	12 580
Other own revenue	158 233	189 316	182 282	70 384	199 324	199 324	194 326	197 269	70 037
Total Revenue (excluding capital transfers and contributions)	2 966 136	3 006 208	3 389 050	4 221 624	4 482 524	4 482 524	4 624 083	4 908 374	5 118 859
Employee costs	412 994	450 649	524 377	503 860	503 860	503 860	590 980	621 630	647 508
Remuneration of councillors	-	-	1 138	1 277	1 277	1 277	666	701	729
Depreciation and Debt impairment	309 709	219 454	301 990	411 062	411 062	411 062	229 900	310 116	322 075
Finance charges	219 620	283 737	280 116	56	56	56	58	61	62
Inventory consumed and bulk purchases	2 085 460	2 169 740	2 509 079	2 643 601	2 824 653	2 824 653	3 085 005	3 250 846	3 451 318
Transfers and subsidies	-	-	-	120 000	120 000	120 000	120 000	120 000	120 000
Other expenditure	234 254	271 601	300 144	309 950	352 998	352 998	352 100	367 781	376 528
Total Expenditure	3 262 037	3 395 181	3 916 845	3 989 806	4 213 906	4 213 906	4 378 708	4 671 134	4 918 220
Surplus/(Deficit)	(295 902)	(388 973)	(527 795)	231 818	268 618	268 618	245 375	237 240	200 639
Transfers and subsidies - capital (monetary allocations)	24 753	41 110	72 174	50 618	78 618	78 618	83 242	86 988	89 163
Surplus/(Deficit) after capital transfers & contributions	(271 149)	(347 863)	(455 621)	282 436	347 236	347 236	328 617	324 228	289 802
Income Tax	(79 727)	(96 817)	(141 611)	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(191 422)	(251 046)	(314 010)	282 436	347 236	347 236	328 617	324 228	289 802
Capital expenditure & funds sources									
Capital expenditure	154 175	147 961	155 271	278 845	343 645	343 645	321 660	316 411	281 481
Transfers recognised - capital	35 566	54 253	88 239	49 060	77 060	77 060	81 500	85 168	87 297
Internally generated funds	118 609	93 708	67 033	229 785	266 585	266 585	240 160	231 243	194 184
Total sources of capital funds	154 175	147 961	155 271	278 845	343 645	343 645	321 660	316 411	281 481
Financial position									
Total current assets	774 040	832 884	877 586	854 416	854 416	854 416	817 001	827 179	849 128
Total non current assets	7 658 177	7 600 484	7 630 733	7 604 854	7 604 854	7 604 854	7 747 803	7 788 246	7 789 435
Total current liabilities	1 014 345	1 018 830	1 569 244	1 126 367	1 126 367	1 126 367	1 559 939	1 511 291	1 486 019
Total non current liabilities	3 042 668	3 276 769	3 211 965	1 532 185	1 532 185	1 532 185	1 335 469	1 384 730	1 410 269
Community wealth/Equity	4 375 204	4 137 769	3 727 109	5 800 717	5 800 717	5 800 717	5 669 396	5 719 403	5 742 275
Cash flows									
Net cash from (used) operating	137 925	180 591	140 576	253 640	257 511	257 511	237 442	228 435	190 303
Net cash from (used) investing	(149 148)	(157 641)	(152 193)	(230 360)	(230 167)	(230 167)	(229 825)	(220 443)	(183 113)
Net cash from (used) financing	(1 584)	(1 669)	(1 567)	(1 861)	(5 925)	(5 925)	(6 186)	(6 464)	(6 303)
Cash/cash equivalents at the year end	3 013	24 295	11 111	32 529	32 529	32 529	33 961	35 489	36 376

1. Table D1 is a budget summary and provides a concise overview of the consolidated company's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
2. The table provides an overview of the amount approved by Council for operating performance, resources deployed to capital expenditure, financial positions, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the company's budget being funded. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the capital budget. The budget summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF period
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget
 - ii. Borrowing is incorporated in the net cash from financing on the cash flow budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the capital budget.

3. BUDGET RELATED RESOLUTIONS

- 3.1 That in terms of Section 24 of the Municipal Financial Management Act, 56 of 2003, the operating revenue of R 4,7 billion, operating expenditure of R 4,3 billion and capital expenditure of R 321 million for the financial year 2025/26 and allocations for the two projected outer years 2026/27 and 2027/28, be tabled as set out on the following tables:
- (a) Table D2 - Budgeted Financial Performance (revenue and expenditure)
 - (b) Table D3 - Multi-Year and Single-Year capital appropriations (by vote, standard classification and Associated funding by source)
- 3.2 That the financial position, cash flow, asset management and basic service delivery targets be tabled as set in the following tables:
- (a) Table D4 - Budgeted Financial Position
 - (c) Table D5 - Budgeted Cash-Flow
- 3.3 Supply of electricity tariffs as set out in **(Annexure A)** attached, be noted for approval for the 2025/26 fiscal year.
- 3.4 Supply of service tariffs as set out in **(Annexure B)** attached, be noted for approval for the 2025/26 fiscal year.
- 3.5 That the Amendment Policy Register as set out in **(Annexure C)** be noted for approval for the 2025/26 financial year.
- 3.6 That the Training Tariffs as set out in **(Annexure D)** be noted for approval for the 2025/26 fiscal year.
- 3.7 That the Conditional Grants allocation as set out in **(Annexure E)** be noted for approval for the 2025/26 fiscal year.
- 3.8 That the Employee Related Costs as set out in **(Annexure G)** be noted for approval for the 2025/26 fiscal year.
- 3.9 That the Bulk Purchases as set out in **(Annexure H)** be noted for approval for the 2025/26 fiscal year.

Table D2 - Budgeted Financial Performance (Revenue and Expenditure)

Table D2 gives an overview of the budgeted financial performance in relation to the revenue by source and expenditure by type. This table facilitates the view of the budgeted operating performance in relation to the sources of funding and on what activities are the scarce resources to be spend on.

Centlec - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue									
Service charges - Electricity	2 807 119	2 814 545	3 203 117	4 145 552	4 277 512	4 277 512	4 418 012	4 698 832	5 036 242
Sale of Goods and Rendering of Services	122 720	132 286	135 906	8 570	8 570	8 570	9 107	9 517	9 755
Agency services	5 942	6 228	7 279	7 907	7 907	7 907	-	-	-
Interest earned from Receivables	24 515	24 796	37 808	37 394	37 394	37 394	39 040	40 796	41 816
Interest earned from Current and Non Current Assets	784	2 347	3 651	5 688	5 688	5 688	11 745	12 273	12 580
Non-Exchange Revenue									
Fines, penalties and forfeits	3 818	22 010	1 133	5 228	134 168	134 168	134 398	134 644	5 846
Gains on disposal of Assets	-	-	-	9 900	9 900	9 900	10 335	10 800	11 070
Other Gains	1 237	3 997	156	1 385	1 385	1 385	1 446	1 511	1 549
Discontinued Operations									
Total Revenue (excluding capital transfers and contributions)	2 966 136	3 006 208	3 389 050	4 221 624	4 482 524	4 482 524	4 624 083	4 908 374	5 118 859
Expenditure									
Employee related costs	412 994	450 649	524 377	503 860	503 860	503 860	590 980	621 630	647 508
Remuneration of directors	-	-	1 138	1 277	1 277	1 277	666	701	729
Bulk purchases - electricity	2 061 863	2 140 676	2 470 251	2 569 190	2 721 112	2 721 112	2 974 985	3 134 444	3 328 466
Inventory consumed	23 597	29 064	38 828	74 411	103 541	103 541	110 020	116 402	122 851
Debt impairment	77 201	(56 752)	68 360	317 562	317 562	317 562	88 182	93 791	100 534
Depreciation and asset impairment	232 507	276 206	233 630	93 500	93 500	93 500	141 717	216 325	221 541
Finance charges	219 620	283 737	280 116	56	56	56	58	61	62
Contracted services	91 490	101 599	130 004	164 761	183 233	183 233	186 119	194 188	198 518
Transfers and subsidies	-	-	-	120 000	120 000	120 000	120 000	120 000	120 000
Operational costs	133 302	141 720	166 830	145 188	169 765	169 765	165 982	173 593	178 010
Losses on disposal of Assets	9 463	28 282	3 310	-	-	-	-	-	-
Total Expenditure	3 262 037	3 395 181	3 916 845	3 989 806	4 213 906	4 213 906	4 378 708	4 671 134	4 918 220
Surplus/(Deficit)	(295 902)	(388 973)	(527 795)	231 818	268 618	268 618	245 375	237 240	200 639
Transfers and subsidies - capital (monetary allocations)	24 753	41 110	72 174	50 618	78 618	78 618	83 242	86 988	89 163
Surplus/(Deficit) after capital transfers & contributions	(271 149)	(347 863)	(455 621)	282 436	347 236	347 236	328 617	324 228	289 802
Income Tax	(79 727)	(96 817)	(141 611)	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(191 422)	(251 046)	(314 010)	282 436	347 236	347 236	328 617	324 228	289 802
Surplus/(Deficit) for the year	(191 422)	(251 046)	(314 010)	282 436	347 236	347 236	328 617	324 228	289 802

Table D3 - Budgeted Capital expenditure by vote, standard classification and funding

Table D3 outlines a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations) capital expenditure by standard classification and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Centlec - Table D3 Capital Budget by asset class and funding

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
Capital expenditure by Asset Class/Sub-class									
Infrastructure	95 521	117 703	133 315	222 145	263 345	263 345	241 860	260 587	253 448
Electrical Infrastructure	95 521	117 703	133 315	222 145	263 345	263 345	241 860	260 587	253 448
Power Plants	-	-	-	5 000	-	-	2 250	2 351	2 410
HV Substations	38	2 557	1 318	15 800	17 300	17 300	8 850	13 913	9 154
HV Transmission Conductors	-	(190)	754	10 000	5 000	5 000	7 200	7 524	7 712
MV Networks	27 576	8 069	13 203	27 000	29 200	29 200	36 900	38 561	39 525
LV Networks	67 908	107 267	118 040	164 345	211 845	211 845	186 660	198 238	194 647
Community Assets	14 703	1 692	175	34 300	36 500	36 500	16 300	21 584	11 748
Community Facilities	14 640	1 692	175	33 500	36 500	36 500	16 300	21 584	11 748
Centres	14 640	1 692	175	33 500	36 500	36 500	16 300	21 584	11 748
Training Centres	63	-	-	800	-	-	-	-	-
Computer Equipment	17 764	4 748	7 658	4 500	14 500	14 500	51 500	22 018	8 607
Computer Equipment	17 764	4 748	7 658	4 500	14 500	14 500	51 500	22 018	8 607
Furniture and Office Equipment	219	1 210	14 124	7 700	25 200	25 200	700	732	750
Furniture and Office Equipment	219	1 210	14 124	7 700	25 200	25 200	700	732	750
Machinery and Equipment	-	-	-	1 200	2 100	2 100	1 500	1 250	1 000
Machinery and Equipment	-	-	-	1 200	2 100	2 100	1 500	1 250	1 000
Transport Assets	25 968	22 607	-	9 000	2 000	2 000	9 800	10 241	5 928
Transport Assets	25 968	22 607	-	9 000	2 000	2 000	9 800	10 241	5 928
Total capital expenditure on assets	154 175	147 961	155 271	278 845	343 645	343 645	321 660	316 411	281 481
Funded by:									
National Government	25 211	44 904	78 529	35 060	63 060	63 060	67 000	70 015	71 765
Parent Municipality	10 355	9 348	9 710	14 000	14 000	14 000	14 500	15 153	15 531
Transfers recognised - capital	35 566	54 253	88 239	49 060	77 060	77 060	81 500	85 168	87 297
Internally generated funds	118 609	93 708	67 033	229 785	266 585	266 585	240 160	231 243	194 184
Total Capital Funding	154 175	147 961	155 271	278 845	343 645	343 645	321 660	316 411	281 481

Table D4 - Budgeted Financial Position

Table D4 is consistent with international standards of good financial management practice and improves understanding of the councillors and management of the impact of the budget on the statement of financial position (balance sheet).

Centlec - Table D4 Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
ASSETS									
Current assets									
Cash and cash equivalents	3 013	24 295	11 111	32 529	32 529	32 529	33 961	35 489	36 376
Trade and other receivables from exchange transactions	512 823	533 983	449 346	616 205	616 205	616 205	515 810	496 486	477 885
Receivables from non-exchange transactions	132 878	147 360	195 435	97 623	97 623	97 623	131 611	165 688	208 588
Inventory	125 051	127 054	221 628	108 058	108 058	108 058	135 619	129 516	126 279
Other current assets	274	191	66	-	-	-	-	-	-
Total current assets	774 040	832 884	877 586	854 416	854 416	854 416	817 001	827 179	849 128
Non current assets									
Investments	300	108	-	-	-	-	-	-	-
Property, plant and equipment	6 219 525	6 087 345	5 998 987	6 191 959	6 191 959	6 191 959	6 178 930	6 279 015	6 338 955
Intangible assets	95 574	98 177	97 327	74 254	74 254	74 254	101 609	106 182	108 836
Other non-current assets	1 342 778	1 414 854	1 534 419	1 338 640	1 338 640	1 338 640	1 467 264	1 403 048	1 341 643
Total non current assets	7 658 177	7 600 484	7 630 733	7 604 854	7 604 854	7 604 854	7 747 803	7 788 246	7 789 435
TOTAL ASSETS	8 432 217	8 433 368	8 508 319	8 459 270	8 459 270	8 459 270	8 564 804	8 615 425	8 638 563
LIABILITIES									
Current liabilities									
Financial liabilities	1 988	1 511	-	28 982	28 982	28 982	30 258	31 619	32 410
Consumer deposits	130 374	160 496	158 707	128 808	128 808	128 808	165 690	173 146	177 475
Trade and other payables from exchange transactions	655 760	602 132	1 128 897	926 922	926 922	926 922	1 079 225	1 030 660	1 004 894
Provision	2 489	613	1 970	41 654	41 654	41 654	43 487	45 444	46 580
VAT	217 130	247 523	252 383	-	-	-	241 278	230 421	224 660
Other current liabilities	6 604	6 554	27 286	-	-	-	-	-	-
Total current liabilities	1 014 345	1 018 830	1 569 244	1 126 367	1 126 367	1 126 367	1 559 939	1 511 291	1 486 019
Non current liabilities									
Financial liabilities	854 289	1 112 809	985 874	-	-	-	-	-	-
Provision	1 358 072	1 333 331	1 311 285	1 532 185	1 532 185	1 532 185	1 335 469	1 384 730	1 410 269
Long term portion of trade payables	830 308	830 628	914 806	-	-	-	-	-	-
Total non current liabilities	3 042 668	3 276 769	3 211 965	1 532 185	1 532 185	1 532 185	1 335 469	1 384 730	1 410 269
TOTAL LIABILITIES	4 057 013	4 295 599	4 781 209	2 658 553	2 658 553	2 658 553	2 895 408	2 896 021	2 896 288
NET ASSETS	4 375 204	4 137 769	3 727 109	5 800 717	5 800 717	5 800 717	5 669 396	5 719 403	5 742 275
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	213 373	(37 673)	(442 397)	1 353 940	1 353 940	1 353 940	(113 780)	210 449	500 251
Reserves and funds	4 161 831	4 175 443	4 169 506	4 446 777	4 446 777	4 446 777	5 783 175	5 508 955	5 242 024
TOTAL COMMUNITY WEALTH/EQUITY	4 375 204	4 137 769	3 727 109	5 800 717	5 800 717	5 800 717	5 669 396	5 719 403	5 742 275

Table D5 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Centlec - Table D5 Budgeted Cash Flow

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Service charges	2 868 571	2 974 169	3 058 149	3 573 458	3 750 311	3 750 311	4 086 661	4 346 420	4 658 524
Other revenue	-	-	-	21 567	22 559	22 559	23 552	24 612	25 227
Transfers and Subsidies - Capital	28 571	63 120	41 811	70 598	73 845	73 845	77 094	80 564	82 578
Interest	25 299	27 143	41 458	34 217	35 791	35 791	50 784	53 070	54 396
Payments									
Suppliers and employees	(2 774 842)	(2 834 697)	(2 993 399)	(3 325 971)	(3 504 744)	(3 504 744)	(3 880 388)	(4 155 955)	(4 510 141)
Finance charges	(9 675)	(49 144)	(7 443)	(229)	(251)	(251)	(262)	(274)	(281)
Transfers and Subsidies	-	-	-	(120 000)	(120 000)	(120 000)	(120 000)	(120 000)	(120 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES	137 925	180 591	140 576	253 640	257 511	257 511	237 442	228 435	190 303
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	275	274	234	9 740	10 188	10 188	10 335	10 800	11 070
Payments									
Capital assets	(149 423)	(157 914)	(152 427)	(240 100)	(240 355)	(240 355)	(240 160)	(231 243)	(194 184)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(149 148)	(157 641)	(152 193)	(230 360)	(230 167)	(230 167)	(229 825)	(220 443)	(183 113)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	(1 584)	(1 669)	(1 567)	(1 861)	(5 925)	(5 925)	(6 186)	(6 464)	(6 303)
Payments									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 584)	(1 669)	(1 567)	(1 861)	(5 925)	(5 925)	(6 186)	(6 464)	(6 303)
NET INCREASE/(DECREASE) IN CASH HELD	(12 808)	21 282	(13 185)	21 419	21 419	21 419	1 431	1 528	887
Cash/cash equivalents at the year begin:	15 821	3 013	24 295	11 111	11 111	11 111	32 529	33 961	35 489
Cash/cash equivalents at the year end:	3 013	24 295	11 111	32 529	32 529	32 529	33 961	35 489	36 376

SUPPLEMENTARY SCHEDULES TO TABLES D2 TO D5

a. Support Table SD1: Supporting details to Measurable Performance Targets

The table on Measurable Performance Objectives seeks to outline how the company intends to manage and monitor service delivery progress against identified strategic objectives and priorities by the respective directorates.

Performance target description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
1500 dwellings provided with electricity connections	Monthly, quarterly progress report	1550 dwellings not provided with electricity connections	Indicator exempted for reporting by National Treasury for 2022/23 FY	479 dwellings provided with electricity connections	2000 dwellings provided with electricity connections	1500 dwellings provided with electricity connections	1500 dwellings provided with electricity connections	1500 dwellings provided with electricity connections	1500 dwellings provided with electricity connections	1500 dwellings provided with electricity connections	1500 dwellings provided with electricity connections
90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	Monthly, quarterly progress report	The Percentage of valid customer applications is 45.37%. Two hundred and eighty-four (284) completed and three hundred and forty-eight (348) applications are not yet constructed.	54% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards by June 2023	58% (89/153) of valid customer applications for new electricity connections processed	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards	90% of valid customer applications for new electricity connections processed as a percentage in terms of municipal service standards
Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 047 (2019) a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: 98% within 24 hours as per NERSA requirement b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	Monthly, quarterly progress report	a)25.65% b)56.63% c)91.47% d)100.00%	Indicator exempted for reporting by National Treasury for 2022/23 FY	94.37%	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: d) 98% within 24 hours as per NERSA requirement	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: d) 98% within 24 hours as per NERSA requirement	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: d) 98% within 24 hours as per NERSA requirement	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: d) 98% within 24 hours as per NERSA requirement	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: 98% within 24 hours and as per NERSA requirement	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: 98% within 24 hours and as per NERSA requirement	a) After unplanned interruptions which affects more than one customer i.e., multiple customer interruption/outage, the customers supply should be restored as follows: 98% within 24 hours and as per NERSA requirement
			Indicator exempted for reporting by National Treasury for 2022/23 FY	77.27%	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement	b) After an unplanned interruption which affects a single i.e., individual customer interruption / outage, the customers supply should be restored as follows: 98 % within 24h as per NERSA requirement

Centlec - Supporting Table SD1 Measurable performance targets

Performance target description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Complete 95% of planned maintenance	Monthly, quarterly progress report	One hundred forty-nine (149) planned interruptions were restored as per NRS 047 only three (3) were not restored within the required timeframe.	One hundred and forty-two (142) notices were issued as per NERSA license requirement in terms of NRS 047 (2019) - 4.5.5.1 One hundred and thirty-seven (137) notices were submitted 48 hours before the execution of planned interruptions. Ninety-one (91) notices, power was restored as per NERSA license requirement in terms of NRS 047 (2019) - 4.5.5.1 The average percentage success reported was	99% (129/131) of Notices were submitted 48 hours before the execution of planned interruptions. 97% (112/115) of submitted Notices, power was restored as per NERSA license requirement	Complete 95% of planned maintenance	Complete 95% of planned maintenance	Complete 95% of planned maintenance	Complete 95% of planned maintenance	Complete 95% of planned maintenance	Complete 95% of planned maintenance	Complete 95% of planned maintenance
Total capacity of one (1) MVA commissioned embedded generation plants on the Municipal network	Monthly, quarterly progress report	750 KVA Installed capacity small-scale embedded generators on the municipal distribution network.	Four (4) installations of approved and commissioned embedded generation plants with a total capacity of 0.9 MVA	Total capacity of 3.183 MVA SSEG has been commissioned for the year.	Total capacity (MVA) of all commissioned embedded generation plants on the Municipal network by 30 June 2024	Total capacity (MVA) of all commissioned embedded generation plants on the Municipal network by 30 June 2024	Total capacity (MVA) of all commissioned embedded generation plants on the Municipal network by 30 June 2024	Total capacity (MVA) of all commissioned embedded generation plants on the Municipal network by 30 June 2024	Total capacity of one (1) MVA commissioned embedded generation plants on the Municipal network by 30 June 2026	Total capacity of one (1) MVA commissioned embedded generation plants on the Municipal network by 30 June 2027	Total capacity of one (1) MVA commissioned embedded generation plants on the Municipal network by 30 June 2027

b. Supporting Table SD2: Financial and Non-Financial Indicators

The table below provides the benchmark ratios based on the actual results of the last three (3) financial years and the outlook for the MTREF period.

Centlec - Supporting Table SD2 Financial and non-financial indicators

Description of indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management										
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure	14%	16%	13%	2%	2%	2%	3%	5%	5%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital										
Gearing	Long Term Borrowing / Funds & Reserves	20%	27%	26%	0%	0%	0%	0%	0%	0%
Liquidity										
Current Ratio	Current assets / current liabilities	0.76	0.82	0.56	0.76	0.76	0.76	0.52	0.55	0.57
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	0.76	0.82	0.56	0.76	0.76	0.76	0.52	0.55	0.57
Liquidity Ratio	Monetary Assets / Current Liabilities	0.00	0.02	0.01	0.03	0.03	0.03	0.02	0.02	0.02
Revenue Management										
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		97.9%	100.9%	91.6%	86.0%	87.5%	87.5%	98.2%	98.2%	98.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22%	23%	19%	17%	16%	16%	14%	13%	13%
Other Indicators										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	167 996	142 852	109 506	140 118	140 118	140 118	104 688	99 977	97 478
	Total Cost of Losses (Rand '000)	241 915	213 877	202 219	219 337	219 337	219 337	193 322	184 622	180 007
	% Volume (units purchased and generated less units sold)/units purchased and generated	10.96%	9.81%	7.67%	10.27%	10.27%	10.27%	7.33%	7.00%	6.83%
Employee costs	Employee costs/Total Revenue - capital revenue	13.9%	15.0%	15.5%	12%	11%	11%	13%	13%	13%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	13.9%	15.0%	15.5%	12.0%	11.3%	11.3%	12.8%	12.7%	12.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	3.7%	3.7%	4.9%	4%	5%	5%	4%	4%	4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.2%	18.6%	15.2%	2%	2%	2%	3%	4%	4%
Financial viability indicators										
i. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	23%	24.2%	20.1%	17%	17%	17%	15%	14%	14%
ii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.6	3.6	3.3	3.0	2.8	2.8	2.8	2.6	2.5

c. Supporting Table SD3: Budgeted Investment Portfolio

The table below provides to the reader the monetary investment particulars by type and maturity.

Centlec - Supporting Table SD3 Budgeted Investment Portfolio

Investments by Maturity	Type of Investment	Variable or Fixed interest rate	Interest Rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID								
ABSA - 1 Day Account	Call Account	Variable	0% - 7.05%	839	2 114	(721 166)	745 396	27 183
		-	-	839	2 114	(721 166)	745 396	27 183

ANNEXURE A

PROPOSED TARIFFS

Electricity Tariffs

It is recommended:

- i. That Centlec electricity tariffs be increased by 13.5% for 2025/26 financial year;
- ii. That, electricity tariffs set out in the attached Annexure A for 2025/26 financial year be approved;
- iii. That, the new electricity tariffs for 2025/26 be implemented from 1 July 2025.
- iv. That, for the calculation of electricity accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates and with winter and summer component for all tariffs; and

ANNEXURE B

Service Tariffs

It is recommended:

- i. That, the amendments of the service charges as set out in the attached Annexure B for the 2025/26 financial year be approved;
- ii. That, the service Tariffs for 2025/26 be implemented from 1 July 2025.

ANNEXURE C

Policies

It is recommended:

- i. That, the amendments of the policies as set out in the attached Annexure C for the 2025/26 financial year be approved;
- ii. That, the newly approved policies for 2025/26 be implemented from 1 July 2025.

ANNEXURE D

Training Tariffs

It is recommended:

- i. That, the training tariffs as set out in the attached Annexure D for the 2025/26 financial year be approved;
- ii. That, the training tariffs for 2025/26 be implemented from 1 July 2025.

ANNEXURE E

Conditional Grants Allocation

It is recommended:

- i. That, the conditional grants as set out in the attached Annexure E for the 2025/26 financial year be approved;
- ii. That, the conditional grants for 2025/26 be implemented from 1 July 2025.

ANNEXURE G

Employee Related Cost

It is recommended:

- i. That, the Employee Related Costs as set out in the attached Annexure G for the 2025/26 financial year be approved;
- ii. That, the Employee Related Costs for 2025/26 be implemented from 1 July 2025.

ANNEXURE H

Bulk Purchases

It is recommended:

- i. That, the Bulk purchases tariffs as set out in the attached Annexure H for the 2025/26 financial year be approved;
- ii. That, the Bulk Purchases tariffs for 2025/26 be implemented from 1 July 2025.

PART 2 - SUPPORTING DOCUMENTATION

2.1. OVERVIEW OF ANNUAL BUDGET PROCESS

In terms of section 87 of MFMA The board of directors of a municipal entity must for each financial year submit a proposed budget for the entity to its parent municipality not later than 150 days before the start of the entity's financial year or earlier if requested by the parent municipality. This implies that the entity's budget must be submitted to the Municipality on or before the end of 20 January each year. The parent municipality must then consider the proposed budget by the entity, assess the entity's priorities and objectives and make recommendations.

The entity must then consider these recommendations and, if necessary, submit a revised budget to the parent municipality not later than 100 days before the start of the financial year which is approximately on or before the 21st of March each year. Thereafter the following will lead to the approval of the budget:

The mayor of the parent municipality must table the proposed budget of the municipal entity in the council when the annual budget of the municipality for the relevant year is tabled.

- The board of directors of a municipal entity must approve the budget of the municipal entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality.
- The framework within which the budget must be compiled is as follows:
 - It must be balanced, deficit budget is not allowed;
 - It must be consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality;
 - It must be within any limits determined by the entity's parent municipality, including any limits on tariffs, revenue, expenditure and borrowing;
 - It must include a multi-year business plan for the entity that—
 - (i) sets key financial and non-financial performance objectives and measurement criteria as agreed with the parent municipality;
 - (ii) is consistent with the budget and integrated development plan of the entity's parent municipality;
 - (iii) is consistent with any service delivery agreement or other agreement between the entity and the entity's parent municipality; and

- (iv) reflects actual and potential liabilities and commitments, including particulars of any proposed borrowing of money during the period to which the plan relates;
- The above prescripts are as per the MFMA and directly also relates to Centlec as a stated owned company.

2.1.1. BUDGET PRINCIPLES:

The following budget principles shall apply:

- The budget shall be prepared on the cashed backed funded and combination method.
- The budget shall only be approved if it has been properly balanced.
- All expenses shall be cash-funded.
- At least 6% of the operating budget component shall be set aside for maintenance.
- The budget for salaries, allowances and salaries-related benefits shall be separately prepared and shall not exceed 30% of the aggregate operating budget component of the annual budget. For purposes of applying this principle, the remuneration of the Board of Directors shall be excluded from this limit.

2.1.2. BUDGET PROCESS PLAN:

CENTLEC BUDGET PROCESS PLAN FOR THE BUDGET YEAR 2024/2025				
BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION	STATUS
PREPARATION PHASE	Centlec - Budget Process Plan 2025/26 submission to the Board for approval	23-Aug-24	Office of the Company Secretary	Done
	MMM - Tabling of the IDP and Budget Process Plan for 2025/2026 financial year to Council	31-Aug-24	MMM	Done
	MMM -Initiate Public Participation process in line with MTREF 2025/26 to solicit inputs and comments from MMM public for the review of IDP and its sectoral plan	02 Sept 2024 to 27 Sept 2024	MMM	Done
	Centlec - User Departments to start preparing departmental adjustment budget aligning with the budget framework issued by Budget Office	02 Sept 2024 to 30 Sept 2024	User Departments	Done
	Centlec - Submission of the 1st Quarter Financial Reports ending 30 September 2024 to EXCO for consideration and be submitted to Finance Committee	16-Oct-24	Office of the Company Secretary	Done
	Centlec - Submission of the 1 st Quarter Financial Reports for the period ending 30 September 2024 on the implementation of the budget and financial state of affairs of the entity to the Finance Committee	21-Oct-24	Office of the CFO (Financial Information) / Office of the CEO (Non-Financial Performance)	Done
	Centlec - Board Approves the 1st Quarter Reports	31-Oct-24	Office of the Company Secretary	Done
	Centlec - Budget Office start with preparation of budget framework in terms of NT Circulars and MMM parameters for the MTREF 2025/26 to 2027/28	04-Nov-24	Office of the CFO	Done
	Centlec - User Departments to start preparing MTREF budgets TREF 2025/26 to 2027/28 aligning with the budget framework issued by Budget Office	12 Nov 2024 to 29 Nov 2024	User Departments	Done

**CENTLEC BUDGET PROCESS PLAN FOR THE
BUDGET YEAR 2024/2025**

BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION	STATUS
STRATEGY PHASE	Centlec - User Departments to start preparing departmental adjustment budget and MTREF budgets 2019-20 to 2021-22 aligning with the budget framework issued by Budget Office	12-Nov to 23-Dec-18	User Departments	Done
	Centlec - Adjustment Budget 2025/26 to be considered by EXCO	04-Dec-24	Office of the CFO	Done
	Centlec - MTREF Budget 2025/26 to be considered by EXCO	04-Dec-24	Office of the CFO	Done
	Centlec - Consideration ,review ,and inclusion of any relevant and new information	18-Dec-18	Office of the CFO	Done
	Centlec - EXCO to consider the (MTREF 2025/26 to 2027/28 Budget Pack, Adjustment Budgets 2025/26 , Mid Year Budget and Performance Assesment Report Section 88 as at 31 December 2024) including 2nd Quarter Reports	08-Jan-25	Office of the Company Secretary	Done
	Centlec - Finance Committee to consider the (MTREF 2025/26 to 2027/28 Budget Pack, Adjustment Budget 2025/26 , Mid Year Budget and Performance Assesment Report Section 88 as at 31 December 2024) including 2nd Quarter Reports	13-Jan-25	Office of the Company Secretary	Done
	Centlec - Board Sitting to consider the Adjustment Budget for 2025/26 and 1st Draft MTREF 2025/26 to 2027/28 budget pack for submission to the MMM	17-Jan-25	Office of the Company Secretary	Done
	Centlec - Submission of Mid-Year & Adjustment Budget 2025/26, MTREF budget for 2025/26 to 2027/28 ,Business Plans and Performane Assessment Report for 2025/26 financial year to the MMM as legislated	20-Jan-25	Office of the CFO	Done
	Centlec - Review tariffs and budget related policies	04 Febr 2025 to 21 Feb 2025	User Departments	Done
	MMM - provides Centlec with comments on the Adjustment budget 2025/26	14-Feb-25	MMM	Done

**CENTLEC BUDGET PROCESS PLAN FOR THE
BUDGET YEAR 2024/2025**

BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION	STATUS
	Centlec - 1st Draft MTREF 2025/26 to 2027/28 Budget Pack with all Annexures, Policies, Frameworks	18-Feb-25	User Departments	Done
	Centlec - MTREF 2025/26 to 2027/28; Business Plan, SDBIP 2025/26, Budget Related Policies presented to the Board	20-Feb-25	Office of the Company Secretary	Done
	Centlec - Submit the revised draft MTREF 2025/26 to 2027/28 Budget Pack	24-Feb-25	Office of the CFO	Done
	MMM - Council approves the Adjustment Budget 2025/26	28-Feb-25	MMM	Done
	MMM - provides Centlec with comments on draft business plan and MTREF budget	03-Mar-25	MMM	Done
	Centlec - Submit the revised 2nd draft MTREF 2025/26 to 2027/28 budget pack including MMM comments to EXCO to consider for submission to Finance Committee	07-Mar-25	Office of the Company Secretary	Done
	Centlec - Submit the revised 2nd MTREF 2025/26 to 2027/28 budget pack to the Finance Committee (Special Sitting)	12-Mar-25	Office of the Company Secretary	Done
	Centlec - Board to consider and approve the MTREF 2025/26 to 2027/28 budget pack for submission to MMM (Special Sitting)	14-Mar-25	Office of the Company Secretary	Done
	Centlec - Submission of the MTREF 2025/26 to 2027/28 budget pack and resolutions to the Parent Municipality (100 days before start of the new financial year)	21-Mar-25	Office of the CFO	Submitted on 20 March 2025
	MMM - Tabling of the Draft including proposed revisions and MTREF Budget and related resolutions MMM and Centlec	29-Mar-25	MMM	Done
	Centlec & MMM - Public participation process including hearings on Draft IDP and MTREF Budgets	07 April 2025 - 18 Apr 2025	MMM & CENTLEC	Done
	MMM - Budget Steering Committee meeting to review progress on the IDP and Budget	24-Apr-25	MMM	Done

**CENTLEC BUDGET PROCESS PLAN FOR THE
BUDGET YEAR 2024/2025**

BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION	STATUS
APPROVAL PHASE	Centlec - Submit the Final MTREF Budget pack for 2025/26 to 2027/28 after the Public Participation to EXCO for consideration	07-May-25	Office of the Company Secretary	Done
	MMM - IDP Budget Lekgotla	12-May-25	MMM	Done
	Centlec - Submit the Final MTREF 2025/26 to 2027/28 budget pack after the Public Participation to Finance Committee	19-May-25	Office of the Company Secretary	Done
	Centlec - Board Sitting to consider changes after Public Participation and approve the final MTREF for 2025/26 to 2027/28 budget pack (Special Sitting) 30 days before the start of new financial year	23-May-25	Office of the Company Secretary	Done
	MMM - Council meeting to approve IDP and MTREF budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year.	30-May-25	MMM	
	Centlec - Publication of approved MTREF 2025/26 to 2027/28 Budget Pack on the website .	03-Jun-25	Office of the CFO	
	Centlec - Submission of the 4 th quarter reports for the period ending 30 June 2025 on the implementation of the budget and financial state of affairs of the municipality to EXCO to consider submission to Finance Committee	09-Jul-25	Office of the Company Secretary	
	Centlec - Submission of the 4 th quarter reports for the period ending 30 June 2025 on the implementation of the budget and financial state of affairs of the municipality to the Finance Committee	18-Jul-25	Office of the CFO (Financial Information) / Office of the CEO (Non-Financial Performance)	
	Centlec - Board sitting to consider 4th Quarter Reports	28-Jul-25	Office of the Company Secretary	

**CENTLEC BUDGET PROCESS PLAN FOR THE
BUDGET YEAR 2024/2025**

BUDGET PHASES AND PERFORMANCE REPORTING	ACTIVITY	PLANNED DATES	FACILITATION	STATUS
	Centlec - Budget Process Plan 2026/27 submission to the Board for approval	22-Aug-25	Office of the Company Secretary	
	MMM - Tabling of the IDP and Budget Process Plan for 2026/2027 financial year to Council	31-Aug-25	MMM	

2.2. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH SERVICE DELIVERY AGREEMENT

The company remains wholly owned by the Mangaung Metropolitan Municipality as the parent municipality. There are no intentions by either party to effect any changes to the control and ownership of the company. The following are some of oversight processes instituted by the parent municipality:

- Approval of the company's proposed budget in terms of MFMA sec.87
- Approval of the Mid-Year and performance assessment of the company in terms of MFMA sec.88

In terms of schedule 1 of the Service Delivery Agreement between the company and the parent municipality, the company will act as the service provider and will execute on behalf of the parent municipality all services necessary as required by the electricity distribution licence conditions. The budget of the company will be funded from internal sources however a portion of capital expenditure will be funded by grants.

2.3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The Measurable Performance Objectives of the company to manage and monitor service delivery progress against identified strategic objectives and priorities by the respective directorates is attached as Annexure SDBIP

2.4. OVERVIEW OF BUDGET RELATED POLICIES

Budget Related Policies:

- a. The budget should address priorities as identified in the Mangaung Metropolitan Municipality Integrated Development Plan;
- b. Operating costs should be funded from revenues;
- c. Revenue projections should be conservative;
- d. The Company must produce a balanced budget in line with legislation; and
- e. The Company should maintain its assets adequately to ensure reliable supply to its customers.

2.4.1. Approved Policies

The following policies that govern the company's budget, compilation and/or implementation thereof were reviewed and no amended was needed for the 2025-26 year.

NO	POLICY DETAILS	POLICY NATURE
1	Whistle Blowing Policy	Non-Budget Policy
2	Consequence Management Policy	Non-Budget Policy
3	Internal Audit Policy	Non-Budget Policy
4	Delegation of Powers Policy	Non-Budget Policy
5	ICT Change Management Policy	Non-Budget Policy
6	ICT Facility and Environmental Control Policy	Non-Budget Policy
7	ICT Firewall Security Policy	Non-Budget Policy
8	ICT Governance Framework	Non-Budget Policy
9	ICT Strategic Plan	Non-Budget Policy
10	ICT Incident Management Policy	Non-Budget Policy
11	ICT Patch Management Policy	Non-Budget Policy
12	Supply Chain Management Policy	Budget Related Policy
13	Revenue Policy	Budget Related Policy
14	Credit Control Debt Collection Policy	Budget Related Policy
15	Bad Debts Policy	Budget Related Policy
16	Banking Investment Policy	Budget Related Policy
17	Borrowings Policy	Budget Related Policy
18	Budget Reporting Policy	Budget Related Policy
19	Connections & Disconnection Policy	Budget Related Policy
20	Customer Care Policy	Budget Related Policy
21	Long Terms Debtors Policy	Budget Related Policy
22	Petty Cash Policy	Budget Related Policy
23	Prepaid Electricity Policy	Budget Related Policy
24	Sundry Income Policy	Budget Related Policy
25	Tariffs Policy	Budget Related Policy
26	Unauthorised, Irregular & Fruitless	Budget Related Policy
27	VAT Policy	Budget Related Policy
28	Virement Policy	Budget Related Policy
29	Commitments Policy	Non-Budget Policy
30	Provisions Contingent Accrual Policy	Non-Budget Policy
31	Related Parties Policy	Non-Budget Policy
32	Subsequent Events Policy	Non-Budget Policy
33	Contract Management Policy	Non-Budget Policy
34	ICT Back-Up Policy	Non-Budget Policy
35	ICT Business Continuity Policy	Non-Budget Policy

NO	POLICY DETAILS	POLICY NATURE
36	ICT Disaster Discovery Policy	Non-Budget Policy
37	ICT Identity Password Management Policy	Non-Budget Policy
38	ICT - User Access Policy	Non-Budget Policy
39	ICT Security Policy	Non-Budget Policy
40	Indigent Policy	Non-Budget Policy
41	Small Scale Embedded Generation (SSEG) Policy	Non-Budget Policy
42	Provision of Bulk Infrastructure by Developers Policy	Non-Budget Policy
43	Cell phone Allowance Policy	Budget Related Policy
44	Employment Policy	Non-Budget Policy
45	Employment Equity Policy	Non-Budget Policy
46	HRM & D Strategy	Non-Budget Policy
47	Internship Work Integrated Learning Policy	Non-Budget Policy
48	Occupational Health and Safety Policy on Personal Protective Equipment (PPE)	Non-Budget Policy
49	Recognition of Prior Learning (RPL) Policy	Non-Budget Policy
50	Skills Development Policy	Non-Budget Policy
51	Task Job Evaluation Policy	Non-Budget Policy
52	Control of Official Firearm Policy	Non-Budget Policy
53	Risk Management Policy	Non-Budget Policy

2.4.2 Budget Related Policy overview for amendments and submitted for approval

The following policies that govern the company's budget, compilation and/or implementation thereof were reviewed, amended and submitted for approval for the 2025-26 year (Annexure C):

NO	POLICY DETAILS	POLICY NATURE
1	Service Connection Policy	Budget Related Policy
2	Electrical Infrastructure Maintenance Policy	Non-Budget Policy
3	Asset Management Policy	Budget Related Policy
4	Estimation Policy	Budget Related Policy
5	Subsistence & Travel Policy	Budget Related Policy
6	Creditors Payment Policy	Budget Related Policy
7	PPPFA Policy	Budget Related Policy

2.5. OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 Key Parameters

The following provisional growth rates and parameters were issued to directorates for compiling their operating budgets and tariffs;

The budget parameters were developed after the approval of the Budget Process to kick start the planning process on 31 August 2024. The parameters and the final budget outcome influenced by:

- a. The actual audit outcome especially in respect of the depreciation, debt impairment and interest on shareholders loan provisions.
- b. The audited outcomes of the 2023/24 financial year.
- c. The outcome of the current 2024/25 Adjustment Budget projections.
- d. The outcome of the proposed tariff increase by NERSA.
- e. The determination approval of the proposed bulk purchases increase by ESKOM.
- f. The consideration of all National Treasury Budget MFMA Circulars No. 126, 128 & 129 including the recommendation from the Budget Benchmarking Assessment.

The following headline inflation forecast underpins the current national MTREF period. General inflation outlook and its impact on the municipal activities.

Macroeconomic Projections 2025 - Circular 129

PARAMETERS	MFMA CIRCULAR 129 & NERSA		
	2025/26	2026/27	2027/28
CPI inflation	4.40%	4.50%	2.50%
Expenditure	4.40%	4.50%	2.50%
Bulk Purchases	12.70%	5.36%	6.19%
Salaries & Allowances	5.15%	5.25%	4.00%
Repairs & Maintenance	6.00%	6.00%	6.00%

Local government is expected to observe these inflation forecasts, as well as local economic conditions when determining their tariff rates and other charges when developing their budgets.

2.6. OVERVIEW OF BUDGET FUNDING

(a) The overview of budget funding must explain how the annual budget is to be funded, which must include at least the following –

- (i) the funding of operating and capital expenditure;
- (ii) financial plans;
- (iii) reserves;
- (iv) the fiscal viability of the company;
- (v) the overall impact on rates and tariffs; and
- (vi) allocations from or distributions to the parent municipality;

The budget of the company will be funded from the revenue raised internally as well as conditional Grants from Provincial and National Governments. It is important to note that the energy bulk purchases represent more than 70% of the company's operational budget. The revenue from the sale of electricity represents more than 94% of the operating revenue for the company.

(b) Particulars of funding measures used to determine whether operating and Capital expenditure is funded in accordance with section 18 of the Act;

- Details of the proposed tariffs on energy and Services are attached as Annexures.

(c) Particulars of tariffs and other charges;

- Details of the proposed tariffs on energy and Services are attached as Annexures

(d) The debtors' collection levels that have been estimated;

- Electricity debtors collection rate set at 95% factored in the revenue projection

(e) Particulars of planned savings and efficiencies for the medium term as detailed in the multi-year business plan;

- Data Purification through big-data analytics as part of the AI-programs
- Meter audits for maintenance
- Conversion to pre-paid metering

- Effective implementation of Automated Meter Reading (AMR)
- Smart Streetlight Management (SSM)
- Seamless Integration of all standalone systems to a (ERP) reform

(f) Particulars of the company's monetary investments by –

(i) type, and

(ii) maturity date;

Centlec - Supporting Table SD3 Budgeted Investment Portfolio

Investments by Maturity	Type of Investment	Variable or Fixed interest rate	Interest Rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID								
ABSA - 1 Day Account	Call Account	Variable	0% - 7.05%	839	2 114	(721 166)	745 396	27 183
		-	-	839	2 114	(721 166)	745 396	27 183

(g) Particulars of contributions and donations in cash or in-kind received planned to be received, specifically listing donor assistance secured by formal agreement or contract;

- None

(h) Particulars of planned proceeds from the sale of assets;

- Retired fleet
- Obsolete and/or Redundant material
- Scrap

(i) Particulars of planned proceeds from the lease of assets, where the period of the lease is three years or more;

- None

(j) Particulars of the planned use of previous years' cash backed accumulated surplus including –

- (i) any shortfall between liabilities or provisions and cash reserves set aside for this purpose;

- (ii) details of board decisions to set aside funds including time schedules for progressively meeting funding of provisions;
- (iii) details of allowances made for working capital – defined as holding sufficient funds to meet any financial obligations as they fall due; and
- (iv) details of non-statutory reserves;
 - None

(k) particulars of proposed future revenue sources;

- Refer to (a) above for particulars

(l) particulars of planned use of any bank overdrafts and reasons therefore;

- None

(m) particulars of any existing and any new borrowing proposed to be raised;

- None

(n) particulars of allocations from or distributions to/from the parent municipality;

- Urban Settlement Developmental Grant (USDG)
- Informal Settlements Upgrading Partnership Grant (ISUPG)

(o) particulars of any other transfers and grants to the company.

- None

2.7. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY

The table **D3** below outlines the allocation of grants to the company and the cash transfer to groups and individuals:

Centlec - Table D3 Capital Budget by asset class and funding

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
Funded by:									
National Government	25 211	44 904	78 529	35 060	63 060	63 060	67 000	70 015	71 765
Parent Municipality	10 355	9 348	9 710	14 000	14 000	14 000	14 500	15 153	15 531
Transfers recognised - capital	35 566	54 253	88 239	49 060	77 060	77 060	81 500	85 168	87 297
Internally generated funds	118 609	93 708	67 033	229 785	266 585	266 585	240 160	231 243	194 184
Total Capital Funding	154 175	147 961	155 271	278 845	343 645	343 645	321 660	316 411	281 481

2.8. BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The supporting table **SD4** below provides an indication of the total cost to employer of the Board and staff members over the MTREF period:

Centlec - Supporting Table SD4 Board member allowances and staff benefits

Summary of Employee and Board Member remuneration	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands	A	B	C	D	E	F	G	H	I
Remuneration									
Board Members of Entities									
Basic Salaries and Wages	-	-	1 138	1 277	1 277	1 277	666	701	729
Sub Total - Board Members of Entities	-	-	1 138	1 277	1 277	1 277	666	701	729
Senior Managers of Entities									
Basic Salaries and Wages	2 488	7 223	9 504	12 866	12 866	12 866	13 009	13 692	14 239
Pension and UIF Contributions	117	105	114	119	119	119	15	16	16
Motor Vehicle Allowance	959	965	946	1 164	1 164	1 164	-	-	-
Cellphone Allowance	85	85	51	162	162	162	154	162	168
Sub Total - Senior Managers of Entities	3 649	8 378	10 615	14 311	14 311	14 311	13 177	13 869	14 424
Other Staff of Entities									
Basic Salaries and Wages	234 534	250 268	276 467	288 448	288 448	288 448	375 318	394 646	411 444
Pension and UIF Contributions	42 975	46 059	50 888	51 158	51 158	51 158	58 357	61 421	63 877
Medical Aid Contributions	24 409	26 508	29 657	46 240	46 240	46 240	35 646	37 518	39 018
Overtime	51 665	62 177	72 372	37 872	37 872	37 872	48 942	51 512	53 572
Annual Bonus	18 757	20 032	22 514	20 567	20 567	20 567	25 527	26 867	27 942
Motor Vehicle Allowance	23 596	26 783	23 845	23 673	23 673	23 673	27 154	28 579	29 722
Cellphone Allowance	742	726	738	1 808	1 808	1 808	1 648	1 734	1 804
Housing Allowances	1 594	1 771	1 968	10 993	10 993	10 993	2 305	2 426	2 523
Other benefits and allowances	6 488	5 411	11 142	8 790	8 790	8 790	2 906	3 058	3 181
Payments in lieu of leave	817	760	5 235	-	-	-	-	-	-
Long service awards	3 769	1 775	4 448	-	-	-	-	-	-
Post-retirement benefit obligations			14 490				-	-	-
Sub Total - Other Staff of Entities	409 345	442 270	513 763	489 549	489 549	489 549	577 803	607 761	633 085
Total Municipal Entities remuneration	412 994	450 649	525 516	505 137	505 137	505 137	591 645	622 331	648 237

The supporting table **SD5** below provides an indication of the summary of personnel numbers for the MTREF period:

Centlec - Supporting Table SD5 Summary of personnel numbers

Summary of Personnel Numbers Number	2023/24			Current Year 2024/25			Budget Year 2025/26		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Board Members of municipal entities	6		6	7		7	7		7
Municipal entity employees									
CEO and Senior Managers	7	3	4	7	3	3	7	5	2
Other Managers		47			48			48	
Professionals	-	280	-	-	682	23	-	753	-
Finance		44			68	9		77	
Information Technology		13			20			20	
Electricity		177			324	11		339	
Other		46			270	3		317	
Technicians	-	384	11	-	64	2	-	68	-
Finance		13							
Electricity		167	1		64	2		68	
Other		204	10						
Clerks (Clerical and administrative)		68							
Total Personnel Numbers	13	782	21	14	797	35	14	874	9

2.9. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The supporting table **SD10** gives and insight into the size of the city staff establishment, outlining the required number of positions to be filled for effective service delivery. The company currently has no committed contracts having budgetary implications in the budget year.

Centlec - Supporting Table SD11 External mechanisms

External mechanism Name of organisation	Ref	Period of agreement 1	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2
		Years/months			
R thousands					
Total					-

2.10. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The Supporting Table SD6 provides management and users of the budget with a monthly breakdown of the budget as contained in Tables D2 to D5. These tables are to be used as a measure of performance on the budget on a monthly basis. They are to be used on the monthly Section 87 report to track management's actual implementation of the budget.

The following tables outline the monthly targets for revenue and expenditure, capital and cash flow are as follows:

Centlec - Supporting Table SD6 Budgeted monthly cash and revenue/expenditure

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands															
Operating Revenue By Source															
Exchange Revenue															
Service charges - Electricity	525 683	487 496	380 563	384 137	375 907	374 511	374 842	309 354	240 270	235 758	315 701	413 790	4 418 012	4 688 832	5 036 242
Sale of Goods and Rendering of Services	759	759	759	759	759	759	759	759	759	759	759	759	9 107	9 517	9 755
Interest earned from Receivables	4 645	4 308	3 363	3 384	3 322	3 309	3 312	2 734	2 123	2 683	2 790	3 656	39 040	40 796	41 816
Interest earned from Current and Non Current Assets	979	979	979	979	979	979	979	979	979	979	979	979	11 745	12 273	12 580
Non-Exchange Revenue															
Fines, penalties and forfeits	351	351	351	351	351	351	351	351	351	351	351	130 539	134 398	134 644	5 846
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	10 335	10 335	10 800	11 070
Other Gains	120	120	120	120	120	120	120	120	120	120	120	120	1 446	1 511	1 549
Total Revenue (excluding capital transfers and contributions)	532 538	494 013	385 134	389 748	381 438	380 029	380 363	314 287	244 602	240 650	320 700	560 179	4 624 083	4 908 374	5 118 859
Operating Expenditure By Type															
Employee related costs	41 354	41 354	41 354	41 354	41 354	41 354	41 354	41 354	41 354	41 354	41 354	136 088	580 980	621 630	647 508
Remuneration of directors	55	55	55	55	55	55	55	55	55	55	55	55	666	701	729
Bulk purchases - electricity	389 335	387 312	253 710	207 260	212 488	196 673	203 727	222 231	166 241	217 714	228 222	286 072	2 974 985	3 134 444	3 308 466
Inventory consumed	9 168	9 168	9 168	9 168	9 168	9 168	9 168	9 168	9 168	9 168	9 168	9 168	110 020	116 402	122 851
Debt impairment	7 349	7 349	7 349	7 349	7 349	7 349	7 349	7 349	7 349	7 349	7 349	7 349	88 182	93 791	100 534
Depreciation and asset impairment	11 810	11 810	11 810	11 810	11 810	11 810	11 810	11 810	11 810	11 810	11 810	11 810	141 717	216 325	221 541
Finance charges	5	5	5	5	5	5	5	5	5	5	5	5	58	61	62
Contracted services	15 510	15 510	15 510	15 510	15 510	15 510	15 510	15 510	15 510	15 510	15 510	15 510	186 119	194 188	198 518
Transfers and subsidies	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	120 000	120 000	120 000
Operational costs	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	13 832	165 982	173 593	178 010
Total Expenditure	502 417	496 395	382 793	316 342	321 670	305 795	312 809	331 313	275 323	326 797	337 305	489 889	4 378 708	4 671 134	4 918 220

Centlec - Supporting Table SD6 Budgeted monthly cash and revenue/expenditure

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands															
Capital expenditure by Asset Class/Sub-class															
Infrastructure	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	241 860	260 587	253 448
Electrical Infrastructure	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	20 155	241 860	260 587	253 448
Power Plants	188	188	188	188	188	188	188	188	188	188	188	188	2 250	2 351	2 410
HV Substations	738	738	738	738	738	738	738	738	738	738	738	738	8 850	13 913	9 154
HV Transmission Conductors	600	600	600	600	600	600	600	600	600	600	600	600	7 200	7 524	7 712
MV Networks	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	3 075	36 900	38 561	39 525
LV Networks	15 555	15 555	15 555	15 555	15 555	15 555	15 555	15 555	15 555	15 555	15 555	15 555	186 660	198 238	194 647
Community Assets	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	16 300	21 584	11 748
Community Facilities	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	16 300	21 584	11 748
Centres	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	1 358	16 300	21 584	11 748
Computer Equipment	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	51 500	22 018	8 607
Computer Equipment	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	4 292	51 500	22 018	8 607
Fixture and Office Equipment	58	58	58	58	58	58	58	58	58	58	58	58	700	732	750
Furniture and Office Equipment	58	58	58	58	58	58	58	58	58	58	58	58	700	732	750
Machinery and Equipment	125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 250	1 000
Machinery and Equipment	125	125	125	125	125	125	125	125	125	125	125	125	1 500	1 250	1 000
Transport Assets	817	817	817	817	817	817	817	817	817	817	817	817	9 800	10 241	5 928
Transport Assets	817	817	817	817	817	817	817	817	817	817	817	817	9 800	10 241	5 928
Total capital expenditure	26 805	26 805	26 805	26 805	26 805	26 805	26 805	26 805	26 805	26 805	26 805	26 805	321 660	316 411	281 481

CASH FLOW FROM OPERATING ACTIVITIES

Receipts															
Service charges	486 257	450 934	352 020	355 326	347 714	346 422	346 729	286 153	222 250	218 076	292 024	382 756	4 086 661	4 346 420	4 658 524
Other revenue	1 963	1 963	1 963	1 963	1 963	1 963	1 963	1 963	1 963	1 963	1 963	1 963	23 552	24 612	25 227
Transfer and subsidies - capital	6 425	6 425	6 425	6 425	6 425	6 425	6 425	6 425	6 425	6 425	6 425	6 425	77 094	80 564	82 578
Interest	4 232	4 232	4 232	4 232	4 232	4 232	4 232	4 232	4 232	4 232	4 232	4 232	50 784	53 070	54 396
Payments															
Suppliers and employees	(461 713)	(428 173)	(334 252)	(337 391)	(330 163)	(328 937)	(329 228)	(271 708)	(211 032)	(207 068)	(277 284)	(363 436)	(3 880 388)	(4 155 955)	(4 510 141)
Finance charges	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(262)	(274)	(281)
Transfers and Subsidies	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(120 000)	(120 000)	(120 000)
CASH FROM/(USED) OPERATING ACTIVITIES	27 141	25 359	20 366	20 532	20 148	20 083	20 098	17 041	13 815	13 695	17 337	21 947	237 442	228 435	190 303

CASH FLOWS FROM INVESTING ACTIVITIES

Receipts															
Proceeds on disposal of PPE	861	861	861	861	861	861	861	861	861	861	861	861	10 335	10 800	11 070
Payments															
Capital assets	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(20 013)	(240 160)	(231 243)	(194 184)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(19 152)	(229 825)	(220 443)	(183 113)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts															
Increase (decrease) in consumer deposits	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(5 185)	(6 464)	(6 303)
Payments															
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(5 185)	(6 464)	(6 303)

NET INCREASE/(DECREASE) IN CASH HELD	7 474	5 691	688	865	481	415	431	(2 807)	(5 852)	(6 063)	(2 330)	2 249	1 431	1 528	687
Cash/cash equivalents at the year begin.	32 529	40 003	45 694	46 392	47 256	47 737	48 152	48 583	45 957	40 105	34 042	31 711	32 529	33 961	35 489
Cash/cash equivalents at the year end.	40 003	45 694	46 392	47 256	47 737	48 152	48 583	45 957	40 105	34 042	31 711	33 961	33 961	35 489	36 376

2.11. CAPITAL EXPENDITURE DETAILS

The Supporting Table SD9 provides the details of Capital Expenditure by class and sub-class areas are provided below:

Centlec - Supporting Table SD9 Detailed capital budget

R thousand	Project Description	Ward Location	GPS Coordinates	2025/26 Medium Term Revenue & Expenditure Framework		
				Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	Remedial Work 132kv Southern Lines	Kwaggafontein Area, Ferreira Road	S29°07'48.6"S,26°08'26.9"E	7 200	7 524	7 712
		Max Steel	S29°11'23.4"S,26°10'38.8"E			
			S29°17'12640,26,2136260			
	Extension And Upgrading Of The 11kv Netw	Ward (1 - 51)	Multiple locations	3 600	3 762	3 856
	Refur Protec & Scada Systems Dist Centr	Ward (1 - 51)	Multiple locations	900	941	964
	Replacement Of Oil Plant	Ward (20)	S29 07 31.2 E26 13 29.8	900	941	964
	Refurbishment Of High Mast Lights	Van Stadensrus - Ward (50)	S29°59'38",27°2'8",325°	7 650	7 994	5 030
		Bloemfontein - Batho	S29°8'7",26°13'50"			
		Bloemfontein - Ward (3)	S29°9'25",26°14'17"			
		Bloemfontein - Ward (5)	S29°9'48",26°14'18"			
		Bloemfontein - Ward (14)	S29°11'50",26°14'22"			
		Botshabelo - Ward (67)	S29°15'50",26°40'41"			
		Botshabelo - Section (F)	S29°13'3",26°40'55"			
		Botshabelo - Section (W)	S29°15'14",26°40'55"			
		Thaba Nchu - Ward (49)	S29°11'15",26°50'34"			
		Thaba Nchu - Ward (46)	S29°11'38",26°48'35"			
	Upgrading And Extension Of Lv Network	Ward (1 - 51)	Multiple locations	3 150	3 292	3 374
	Establishment Of New 30mwp Solar Farm	Ward (19)	S29.127093, 26.224371	2 250	2 351	2 410
	Security equipment	Ward (19)	S29.127093, 26.224371	3 000	6 000	3 075
	Botshabelo: establishment of 132Kv (indu	Ward (30)	S29.197988, 26.694160	4 050	6 032	4 151
	Electrification Internal Projects	Ward (11, 16, 17)	S29.297927, 26.705297;	4 050	4 232	4 338
	Bloem: C/Y-Est 33/11kv 20mva Firm Supdc	Ward (19)	S29.127093, 26.224371	9 000	9 405	9 640
	Bloem: N/Stad-Upg 132/11kv 20mva Firm Dc	Ward (48)	S29.054360, 26.227047	4 500	4 703	4 820
	Boish: Upg Sub W (C/Work B/W 2nd Tra S/D	Ward (36)	S29.257080, 26.680982	9 675	10 110	10 363
	Electrification (Usdg Grant)	Wards (1, 5, 6, 7, 11, 12, 17, 37, 39, 40, 46, 51)	Multiple locations	33 000	34 485	35 347
	Electrification Projects (Isupg)	Ward (27, 51)	S29.224647, 26.256804;	34 000	35 530	36 418
	Infra Catalyst Projects	Ward (1 - 51)	Multiple locations	7 650	7 994	6 194
	Install Prepaid Meters (Indigent)	Ward (1 - 51)	Multiple locations	450	470	482
	Installation Of Public Lighting	Ward (1 - 51)	Multiple locations	5 040	5 267	5 398
	Meter Replacement Project	Ward (1 - 51)	Multiple locations	35 000	36 575	37 489
	Bulk Smart Meter Installation	Ward (1 - 51)	Multiple locations	500	523	536
		Various - Dependant on customer address				
	Public Electricity Connections	Ward (1 - 51)		14 500	15 153	15 531
	Rep Brittle Overhead Connections	Ward (1 - 51)	Multiple locations	1 125	1 176	1 205
	Replace Decrypt Cables Mv-Hv (Networks)	Ward (1 - 51)	Multiple locations	6 300	6 584	6 748
	Replace Decrypt Cables Mv-Hv (Thaba Nchu)	Ward (1 - 51)	Multiple locations	2 250	2 351	2 410
	S/Lights Replace Pole Trns Poles Section	Ward (1 - 51)	Multiple locations	3 150	3 292	3 374
	Servitudes Land (Incl Invest Remune Reg	Ward (1 - 51)	Multiple locations	630	658	675
	Upgrade 132/11kv 20mva Dc Shannon B	Ward (47)	S29.189758, 26.295717	2 700	6 000	2 768
	Implem Business Cont Disaster Recov Inf	Ward (19)	S29.127093, 26.224371	40 000	10 000	5 000
	Upgrade & Refurb Computer Network	Ward (19)	S29.127093, 26.224371	10 000	10 450	2 000
	Computer Equipment	Ward (19)	S29.127093, 26.224371	1 500	1 568	1 607
	Furniture And Office Equipment	Ward (19)	S29.127093, 26.224371	200	209	214
	Vending Back Office	Ward (19)	S29.127093, 26.224371	500	523	536
	Digital Radio System	Ward (19)	S29.127093, 26.224371	1 500	1 250	1 000
	Protection Test Unit	Ward (1 - 51)	Multiple locations	1 800	1 881	1 928
	Vehicles	Ward (19)	S29.127093, 26.224371	8 000	8 360	4 000
	Replacement Of 110v Batteries	Ward (1 - 51)	Multiple locations	1 800	1 881	1 928
	Replacement Of 11kv Switchgears	Ward (1 - 51)	Multiple locations	3 150	3 292	3 374
	Replacement Of 32v Batteries	Ward (1 - 51)	Multiple locations	1 800	1 881	1 928
	Transformer Replace & Other Related Equi	Ward (1 - 51)	S29 04 31.5 E26 14 43.3	22 500	23 513	24 100
	Installation Of High Voltage Test Equipm	Ward (19)	Multiple locations	2 250	2 351	2 410
	Rep Low Volt Decrepit 2/4/8 Way Boxes	Ward (1 - 51)	Multiple locations	1 890	1 975	2 024
	Shifting Of Connection And Replacement S	Ward (1 - 51)	Multiple locations	2 250	2 351	2 410
	Repair Mmm Dist Dist Centre	Ward (6)	S29 10 14.5 E26 14 34.4	1 800	1 881	1 928
	Repair Vista Dist Dist Centre	Ward (19)	S29 10 38.7 E26 12 48.7	4 500	4 703	4 820
	Office Building	Ward (19)	S29.127093, 26.224371	10 000	15 000	5 000
	Entity Capital expenditure			321 660	316 411	281 481

2.12. LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

2.12.1 In-Year Reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 87 reporting to the Executive Mayor (within 7 working days) has progressively improved and includes monthly published performance on the municipality's website.

2.12.2 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

2.12.3 Audit Committee

An Audit Committee has been established and is fully functional.

2.12.4 Risk Management

The Risk Management Committee has not been established and a Chief Risk Officer has not been appointed, however this aspect is catered under Internal Audit and Audit and Risk Committee.

2.12.5 Service Delivery and Implementation Plan

The detailed 2025/26 SDBIP document is submitted for consideration for approval as part of the 2025/26 MTREF in May 2025 directly aligned and informed by the 2025/26 MTREF.

2.12.6 Annual Report

Annual Report is compiled in terms of the MFMA and National Treasury requirements.


2.13. QUALITY CERTIFICATION AND APPROVAL

CHIEF FINANCIAL OFFICER CERTIFICATION

Prepared By:

I Z. Williams, Chief Financial Officer of Centlec (SOC) Ltd, hereby confirm that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the Parent Municipality, the service delivery agreement with the Parent Municipality and the Business Plan of the Company.

Print Name Z. Williams
CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD


Signature 
Date 09/05/2025

CHIEF EXECUTIVE OFFICER CERTIFICATION

Approved By:

I Malefane Sekoto, Chief Executive Officer of Centlec (SOC) Ltd, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the Parent Municipality, the service delivery agreement with the Parent Municipality and the Business Plan of the Company.

Print Name Malefane Sekoto
CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD

Signature 
Date 2025/05/09