

OFFICE OF THE CHIEF EXECUTIVE OFFICER



80 Independence Avenue
WINDHOEK, NAMIBIA



The Gateway to Endless Opportunities

Tel: (+264) 61 290 2615

e-mail: CEO@windhoekcc.org.na

www.cityofwindhoek.org.na

MEDIA RELEASE

Friday, 27 June 2025

Clarification on Proposed Electricity Tariff Adjustment for the 2025/2026 Financial Year

The City of Windhoek acknowledges the article published in *New Era* newspaper on 24 June 2025 titled “*AR trashes City’s electricity tariff hike*”. We wish to provide clarification and context regarding the proposed electricity tariff adjustments to address any public misconceptions and reaffirm that the proposed changes are legal, transparent, and based on sound technical and financial assessments as previously communicated in our media release dated 8 June 2025.

As outlined in that communication, the City has proposed a **modest 4% increase** in electricity tariffs for the 2025/2026 financial year. This adjustment is aligned with the **Electricity Control Board (ECB)** guidelines and is essential for cost recovery to ensure continued, reliable service delivery. We therefore provide the following clarification:

1. Cost Recovery and Regulatory Compliance

As a distributor, the City does not generate electricity but purchases electricity in bulk from the national electricity utility, NamPower, and must recover these costs through end-user tariffs. The proposed 4% increase is in line with NamPower’s already approved average increase of 3.8% and accounts for necessary operational and maintenance costs. Therefore, the City must adjust tariffs to maintain the integrity and sustainability of service delivery.

2. Transparency and Public Engagement

The proposed tariff was presented during a public consultation facilitated by the ECB, allowing attendees to seek clarification and provide input. The supporting data formed part of the City’s broader budget submission to both the **Ministry of Urban and Rural Development** and the **ECB**, who independently review and approve such applications in accordance with their respective mandates. The City remains committed to transparency, accountability, and participatory governance.

3. No Unfair Financial Burden

The claims that the City is unduly burdening residents are unfounded. The 4% increase is moderate and necessary to maintain service standards. Even after the adjustment, Windhoek’s electricity tariffs remain **among the lowest in Namibia**. Failure to recover costs, through tariff adjustment, could compromise both service quality and infrastructure maintenance.

4. Alignment with Legal Framework

The City's proposed tariff adjustment fully complies with the **Electricity Act (Act 4 of 2007)**, its regulations, and ECB guidelines. On the issue of disconnections, we operate strictly within the legal framework, particularly under **Electricity Regulation 20**, which states:

"If the fees, charges, or other monies due to the Council... are not paid by a consumer before the expiry of the last day specified for such payment in the account, the Council may forthwith suspend the supply of electricity... until the amount due is paid by the consumer, together with the charges referred to in sub-regulation (3)."

This ensures that disconnections are only carried out **after a fair payment period has lapsed**. Reconnection is facilitated once outstanding charges and fees are settled. This process is not punitive it is a necessary measure to ensure financial responsibility and continued service delivery for all residents.

5. Commitment to Fiscal Responsibility

The City is committed to prudent financial management and evidence-based decision-making. Any suggestion that the City seeks to avoid public or regulatory oversight is **misleading and incorrect**. We value constructive engagement with all stakeholders, including the **Affirmative Repositioning Movement**, but call for public discourse that is factual and informed.

6. Affordability and Comparative Tariffs

The table below illustrates how Windhoek's domestic prepaid tariff compares with other distributors in Namibia and selected South African cities. The figures confirm that **residents in Windhoek continue to receive value for money**.

Namibia – Domestic Prepaid Tariffs	
Utility	Energy (N\$/kWh)
City of Windhoek	2.4400
Erongo RED	2.7300
CENORED	2.5800
OPE	2.6300

South Africa – Domestic Prepaid Tariffs	
Utility	Energy (R/kWh)
City of Cape Town	3.9000
eThekweni	3.3400
Ekurhuleni	3.6900

For more information about this statement, please contact our Corporate Communications Section at Tel.: 061 290 3797, or email: cowcommunication@windhoekcc.org.na

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ISSUED BY:

City of Windhoek
OFFICE OF THE CHIEF EXECUTIVE OFFICER
Corporate Communications, Marketing, and Public Participation