johan@novtel.com

From:	Mossel Bay Ratepayers Association <info@mossrates.co.za>
Sent:	Monday, 20 July 2026 10:04
To:	Graham Paulse
Cc:	alan.winde@westerncape.gov.za; Azaria Babu-Rosekrans; Thembelihle Nkosi; minister.localgovernment@westerncape.gov.za; apotgieter@mosselbay.gov.za
Subject:	Fwd: Request for the Recognition and Oversight Support - Mossrates NPC Mossel Bay Local Municipality
Attachments:	Letter to Mr Brauteseth.pdf; MosselBay COS Errors Report Final.pdf; Mossel Bay Rates cheap evaluation 2022.pdf; Representativity, Legal Standing.pdf; Legal threat 5.pdf; Power consumption losses.xlsx; Legal Treat 7.pdf; Legal Threat 10.pdf; Legal threat 8.pdf; Legal Threat 9.pdf

Subject: National COGTA Referral (Ref: 11/1/5) – Continued Failure of Participatory Governance within Mossel Bay Municipality

Dear Mr Paulse

I refer to the referral issued on 14 January 2026 by the Director-General of National COGTA, requesting that the Western Cape Department attend to MossRates' request for Provincial oversight concerning governance within Mossel Bay Municipality.

I also acknowledge Minister Bredell's recent response concerning the Rules Regulating the Conduct of Council Meetings. That correspondence addressed a narrow legal question regarding the Rules of Order. It did not address the broader concerns regarding participatory governance that formed the basis of the Director-General's referral.

The matter requiring Provincial oversight extends well beyond the Rules of Council.

Continued Administrative Gatekeeping

Over an extended period, virtually every attempt by MossRates to engage the Municipality on engineering, financial management, infrastructure planning, governance and public accountability has been diverted away from substantive technical engagement and into procedural and legal processes.

Rather than addressing the underlying issues, the Municipality has repeatedly:

- questioned MossRates' legal standing
- demanded internal organisational and membership documentation
- focused on MossRates' representativity after its legal existence and authorised representation had been established
- refused a Rule 37 deputation
- redirected technical correspondence through external attorneys
- insisted that requests for information be pursued through formal legal processes
- failed to provide complete responses to information requests via PAIA requests
- instructed municipal staff not to engage with MossRates

- instructed MossRates to refrain from corresponding with Provincial and National oversight bodies.

Technical matters requiring straightforward engineering, financial or administrative explanation have consequently become procedural disputes, while the underlying governance concerns remain unresolved.

Two recent discoveries materially escalate these concerns.

1. Apparent Post-Approval Alteration of the 2026/27 Budget

Council approved the 2026/27 annual budget on 28 May 2026 following the statutory public-participation process.

Revised budget schedules were subsequently processed on 25 June and published on 29 June 2026, immediately before the commencement of the new financial year.

The subsequently published schedules materially altered the financial position presented to the public and approved by Council, including:

- total service-charge revenue increasing by approximately R101 million
- electricity service-charge revenue increasing by approximately R126 million
- total municipal revenue increasing by approximately R48 million
- operating expenditure increasing by approximately R22 million
- capital expenditure decreasing by approximately R93 million.

These are not immaterial corrections. They materially change the Municipality's revenue assumptions, expenditure programme, electricity-trading position and capital budget.

MossRates has requested an explanation of:

- who authorised the changes
- the Council resolution under which they were made
- whether an amended budget was formally adopted
- what calculations support the revised figures
- why the revised schedules differ from those subjected to public participation
- why the public was not afforded an opportunity to consider the materially altered budget.

Until these matters are explained, the changes create a reasonable concern of apparent post-approval budget manipulation after the conclusion of public participation and Council adoption.

If material figures can be altered after public participation and approval without transparent explanation, the statutory budget-participation process becomes meaningless.

2. Failure to Establish a Valid Electricity Cost-of-Supply Model

https://www.facebook.com/photo?fbid=122146386561046261&set=a.122105565237046261

NERSA has now supplied MossRates with the Mossel Bay Cost-of-Supply report and what it described as the Municipality's Cost-of-Supply Tool.

A comparison of these documents with the version published by Mossel Bay Municipality has revealed serious concerns.

The available record establishes that:

- structural electricity tariff changes and fixed charges were implemented on 1 July 2023
- the disclosed CVW Cost-of-Supply report was completed only in October 2023
- the report was presented to the Infrastructure Services Committee for acceptance only in February 2024
- the municipal committee report confirms that the study commenced in 2022 and was based on 2020/21 information
- the native Excel workbook supplied by NERSA was last modified in June 2024
- the workbook does not reproduce the results published in the CVW report
- it contains obsolete information and data relating to other municipalities
- it contains unresolved external references, proxy assumptions, manually calculated information and broken formulas
- it produces customer, consumption, revenue and Cost-of-Supply outputs that do not reconcile with the published CVW report or Mossel Bay Municipality's published financial information
- it incorrectly imports annual energy-cost allocations into cells represented as unit costs, producing mathematically impossible per-kWh results
- it double-counts electricity sales in calculating the average selling price.

MossRates has carefully distinguished between a workbook **supplied by NERSA** and any model that may actually have been used or approved by NERSA.

We have formally requested that NERSA identify and provide:

- the exact original model used to generate the October 2023 report;
- the model relied upon when the tariffs implemented on 1 July 2023 were assessed;
- the original submission dates, filenames and version history;
- NERSA's technical assessment and reconciliation; and
- the working papers supporting the tariff determinations for 2023/24 through 2026/27.

At present, neither the Municipality nor NERSA has disclosed a complete, coherent and auditable Cost-of-Supply model that reconciles with the published report and supports the structural tariff changes implemented in July 2023.

This is particularly serious because ratepayers have experienced increases approaching or exceeding 100% in certain municipal rates, tariffs and fixed charges over approximately three years.

Ratepayers are entitled to proof that these charges were calculated from complete, accurate and reconciled information and are genuinely cost-reflective.

Broader Unresolved Governance Matters

The broader matters requiring Provincial oversight include:

- long-term water security, sustainable yield and bulk-resource planning
- A 100% increase to most ratepayers rates and fixed charges in just 3 years
- Non-municipal linked NPOs—diluting employment costs/asset base and allowing for no oversight
- material inconsistencies in purified, distributed and billed water volumes and customer numbers
- electricity losses and unrecovered electricity costs
- financial reconciliation discrepancies across municipal budgets, annual reports and financial statements
- the continuing deterioration in the affordability of municipal services
- capital-investment priorities and the use of Capital Replacement Reserve funding
- land-disposal transactions, development-contribution shortfalls and infrastructure-funding arrangements
- public participation in strategic planning, including the Draft Spatial Development Framework
- compliance with statutory obligations relating to transparency, accountability and administrative justice.

Each matter is supported by official documentation and forms part of a structured series of technical evidence registers being prepared by MossRates for independent review.

Failure of Meaningful Participatory Governance

This is not merely a localised disagreement between MossRates and the Municipality.

It raises the broader question of whether the statutory framework for participatory local government is functioning in practice.

Meaningful participation cannot exist where:

- material information is withheld or remains unreconciled
- technical submissions are redirected into legal disputes
- the standing of those raising concerns receives more attention than the evidence
- municipal officials are discouraged from engaging
- public deputations are refused
- material budget figures are altered after public participation
- ratepayers cannot obtain the calculations supporting the charges imposed upon them.

Under these circumstances, participation may exist procedurally, but it does not function meaningfully as contemplated by Chapter 4 of the Municipal Systems Act.

Request for Provincial Intervention

MossRates respectfully requests that the Department:

1. Review the matters raised in this correspondence cumulatively rather than as isolated complaints.
2. Investigate the authority and process under which the 2026/27 budget schedules were materially altered after Council approval and public participation.
3. Require the Municipality to identify and disclose the complete Cost-of-Supply studies, native models and working papers supporting its electricity tariffs from 2023/24 through 2026/27.
4. Facilitate a structured technical engagement between the Municipality, MossRates and the relevant Provincial officials.
5. Require the Municipality to establish a practical framework for ongoing engagement with organised civic and ratepayer bodies.
6. Confirm what intervention the Department intends taking pursuant to the National COGTA referral dated 14 January 2026.

The inability to establish even a voluntary framework for structured civic engagement reinforces our concern that meaningful participatory governance within Mossel Bay Municipality is no longer functioning as contemplated by the Municipal Systems Act and now requires urgent Provincial oversight.

MossRates remains committed to constructive and evidence-based engagement. Our objective is not confrontation. It is to ensure that transparency, accountability and meaningful public participation are given practical effect for the benefit of all residents and ratepayers of Mossel Bay.

Attachments

1. **Letter to Mr Brauteseth.pdf** – National COGTA referral and basis for Provincial involvement
2. **Legal Threat x 4** – redirection of technical engagement into legal processes
3. **Representativity, Legal Standing.pdf** – administrative gatekeeping and refusal to engage
4. **Mossel Bay COS Errors Report Final.pdf** – Cost-of-Supply technical evidence register
5. **Power Consumption Losses.xlsx** – supporting electricity-loss and solar-impact analysis
6. **Mossel Bay Rates Cheap Evaluation 2022.pdf** – affordability context and Provincial rates comparison

The relevant approved and subsequently published 2026/27 budget schedules can also be provided for direct reconciliation.

Yours faithfully

Peter Brauteseth

MossRates
NPC (2025/800784/08)

info@mossrates.co.za

mossrates.co.za

---------- Forwarded message ---------
From: **Thembelihle Nkosi** <ThembelihleN@cogta.gov.za>
Date: Mon, 19 Jan 2026 at 12:01
Subject: Request for the Recognition and Oversight Support - Mossrates NPC Mossel Bay Local Municipality
To: info@mossrates.co.za <info@mossrates.co.za>
Cc: Marna Dunkle-Kock <MarnaK@cogta.gov.za>, Margaretha Dunkle-Kock <MargarethaD@cogta.gov.za>, Siyanda Nkehli <SiyandaN@cogta.gov.za>, Nhlamulo Mathye <NhlamuloM@cogta.gov.za>, Wandile Khumalo <WandileK@cogta.gov.za>, Isaac Kambule <IsaacK@cogta.gov.za>

Dear Mr Brauteseth,

The attached letter is submitted for your attention.

Please acknowledge receipt.

Kind regards,

Ms Thembelihle Nkosi

Chief Directorate: Municipal Governance

Directorate: Demarcation and Structures Implementation

Tell: (012) 334 4992

Email: ThembelihleN@cogta.gov.za

cooperative governance
Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA