

USE OF SYSTEM SCHEDULE OF STANDARD PRICES FOR URBAN_p DISTRIBUTION CONNECTED GENERATORS– 1 APRIL 2020 TO 31 MARCH 2021*

1. STANDARD PRICES

The standard prices contained in this schedule to be charged by Eskom for electricity supplied or made available by Eskom to customers, shall, subject to the provisions of the Electricity Regulation Act (Act No 4 of 2006), or its successor-in-title, be as set out hereunder.

These terms, conditions and prices contained in this schedule are approved by NERSA and are valid until Eskom's next price increase or tariff changes as approved by NERSA from time to time.

2. DEFINITIONS

For the purpose of this Schedule the following words and phrases shall have the same meanings as assigned to them herein:

Account means the invoice received by a customer for a single **POD/point of supply** or if consolidated, multiple **points of delivery/supply** for electricity supplied and/or use of the **System**.

Active energy charge or energy charge means the charge for each unit of energy consumed, typically charged for as c/kWh.

Administration charge means the daily fixed charge payable per **POD/point of supply/service agreement** to recover administration-related costs such as meter reading, billing and meter capital. It is based on the **monthly utilised capacity** or **monthly maximum exported capacity** per **POD/point of supply/service agreement**.

Affordability subsidy charge means the transparent charge indicating socio-economic subsidies related to the supply of electricity to **residential tariffs** and is payable on Eskom related active energy sales to **non-local authority tariffs**.

Ancillary Service charge means the charge that recovers the cost of providing ancillary services by the System Operator.

Annual utilised capacity means the higher of the **notified maximum demand (NMD)** or the **maximum demand**, per **POD/point of supply** measured in kVA, and registered during a rolling 12-month period.

Annual maximum export capacity means the higher of the notified **maximum export capacity (MEC)** or the actual **maximum exported capacity**, per **point of supply** measured in kW, and registered during a rolling 12-month period.

Chargeable demand means the highest average demand measured in kVA in a billing month during the chargeable time periods specified for each tariff. For WEPS, Megaflex and Megaflex Gen, the chargeable period is during these tariffs peak and standard periods and for Nightsave Urban (Large and Small) and Nightsave Rural during Nightsave's peak periods.

Code means the Distribution Code, the South African Grid Code, the Grid Connection Code for Renewable Power Plants or any other code, published by NERSA, as applicable, and as amended, modified, extended, replaced or re-enacted from time to time.

Distribution means the regulated business unit through which Eskom constructs, owns, operates and maintains the **Distribution System** in accordance with its licence and the **Code**.

Distribution connected means connected to the **Distribution system**.

Distribution losses charge means the production-based (energy) incentive to generators. The losses charge is based on the approved loss factors, the load factor, the amount of energy produced seasonally and TOU and the WEPS energy rate (excluding losses).

Distribution network capacity charge (previously known as the **Distribution network access charge**) means the R/kVA or **R/POD** fixed network charge raised to recover **Distribution** network costs and

depending on the tariff is charged on the **annual utilised capacity** or **maximum export capacity** where **maximum demand** is measured or the **NMD** where **maximum demand** is not measured.

Distribution network demand charge means the R/kVA or c/kWh variable network charge raised to recover Distribution network costs and depending on the tariff may be charged on the **chargeable demand** or the active energy.

Distribution System means Eskom's network infrastructure consisting of assets operated at a nominal voltage of 132 kV or less, not classified as transmission transformation equipment.

Distribution use-of-system (DUoS) charges means the network tariffs charged for making capacity available, connecting to and for the use of the **Distribution System**. The **DUoS** charges are the source of the **Distribution** network charge components in the retail tariff structures.

DUoS charge (generators) means the **DUoS** charges payable by generators. These **DUoS** charges for generators comprise the **network capacity charge** based on **maximum export capacity**, the **losses charge**, the **ancillary service charge**, the **service charge** and the **administration charge**.

DUoS charge (loads) means the **DUoS** charges payable by loads. These **DUoS** charges comprise the **network capacity charge**, the **network demand charge**, the **urban low voltage subsidy charge**, the **ancillary service charge**, the **service charge**, the **administration charge** and the **electrification and rural network subsidy charge**.

Electrification and rural network subsidy charge means the **DUoS charge** transparently indicating the contribution towards socio-economic network-related subsidies for Residential and **Rural_p** tariffs and is payable by loads that use the **Distribution** or **Transmission System** for the delivery of energy.

Energy demand charge means the seasonally differentiated charge per **POD** that recovers peak energy costs, and based on the **chargeable demand**.

Embedded Transmission use-of-system (ETUoS) charge means the **TUoS** charges payable by customers connected to the **Distribution** network.

Excess network capacity charge (previously known as the **excess network access charge**) means the charge payable with reference to the **NMD rules** and is based on the maximum demand exceeding the **NMD** multiplied by the **event number** (recorded every time the **NMD** is exceeded) multiplied by the applicable **network capacity charges** for the tariff.

High-demand season means the **TOU** Period from 1 June to 31 August of each year.

High voltage (HV) networks usually consist of equipment supplied at a voltage greater than 22 kV and consist of the distribution substations and networks. A substation is considered an **HV** substation when the primary side of the substation is supplied at a voltage > 22 kV.

Key customer means a customer that consumes more than 100 GWh per annum on a contiguous site under a single management structure, or is prepared to pay to be a Key Customer.

Local authority tariffs means tariffs applicable to municipal bulk points of supply.

Loss factors mean the factor indicating the cost or benefit of technical energy losses on the **Transmission** and the **Distribution System**. The **Distribution loss factors** differ per voltage category and per **Rural_p** and **Urban_p** categories. The **Transmission loss factors** differ for generators and loads and are based on the **Transmission zones**.

Losses charge means the charge payable based on the applicable **loss factors** and the **WEPS** rate excluding losses.

Low-demand season means the **TOU** Period from 1 September to 31 May of each year.

Maximum demand/exported capacity means the highest average demand measured in kVA or kW at the **POD/point of supply** during a 30 minute integrating period in a billing month.

Maximum export capacity (MEC) means the maximum capacity at the **point(s) of supply** notified by the customer and accepted by Eskom for the transmission of electrical energy between a generator and the **Transmission or Distribution System**. *Note: The notification of the maximum export capacity shall be governed by the **NMD and MEC rules**.*

Medium voltage (MV) networks consist of the networks above 1 kV up to 22 kV. Eskom has specifically designated some rural networks with a voltage of 33 kV as rural reticulation networks. A substation is considered a **MV** substation when the primary side of the substation is supplied at a voltage ≤ 22 kV.

Monthly maximum exported capacity means the higher of the notified **maximum export capacity (MEC)** or the actual **maximum exported capacity**, measured in kW registered during the billing month.

Monthly utilised capacity means the higher of the **notified maximum demand (NMD)** or the **maximum demand**, measured in kVA or kW registered during the billing month.

Network capacity charge (previously known as the **network access charge**) means the R/kVA or R/POD fixed network charge raised to recover network costs and depending on the tariff is charged on the **annual utilised capacity** or **maximum export capacity** where **maximum demand** is measured or the **NMD** where **maximum demand** is not measured.

Network demand charge means the R/kVA or c/kWh variable network charge raised to recover network costs and depending on the tariff may be charged on the **chargeable demand** or the active energy.

Non-local authority tariffs means the tariffs applicable to Eskom's direct customers (i.e. customers within Eskom's licensed area of supply) and exclude the **non-local authority tariffs**.

Notified maximum demand (NMD) means the contracted **maximum demand**, notified in writing by the customer and accepted by Eskom **per POD/point of supply**. *Note: The notification of demand shall be governed by the **NMD and MEC rules**.*

NMD and MEC rules means the rules approved by NERSA and as amended from time to time for the notification of demand or maximum export capacity or changes to or exceedances of the **NMD or MEC**.

Off-peak period means the **TOU periods** of relatively low **system** demand.

Peak period means the **TOU periods** of relatively high system demand.

Point of delivery (POD)/point of supply, means either a single point of supply, or a specific group of points of supply on Eskom's **System**, from where electricity is supplied to the customer by Eskom, or from where the customer supplies electricity to Eskom's **System** located within a single substation, at which electricity is supplied/delivered to the customer at the same declared voltage and tariff. *Note: This can be a metering or summation point.*

Public holidays means the treatment of charges on **public holidays** as specified by Eskom.

Reactive energy charge means a c/kVAh charge based on the power factor and tariff of the **POD**.

Residential tariffs means the Homelight and Homepower suite of tariffs.

Rural_p means areas classified as rural by Eskom for the purposes of tariff design and classification.

Service agreement means each tariff /transaction/contract linked to an account.

Service and administration charge means the monthly charge payable per **account/service agreement** for service and administration related costs. (Also see **service charge** and **administration charge**).

Service charge means the daily fixed charge payable per **account** to recover service-related costs and is based on the sum of the **monthly utilised capacity(s)** or **maximum export capacity(s)** of all **PODs** linked to an **account**.

Standard period means the **TOU periods** of relatively mid system demand.

Standard charge/fee means the fees/charges described in paragraph 8.

System means the **Transmission** and **Distribution** network infrastructure consisting of all lines and substation equipment.

Time-of-use (TOU) tariff means a tariff with energy charges that change during different **TOU periods** and seasons.

TOU periods means time blocks based on the volume of electricity demand during high, mid and low demand periods and may differ per tariff. The **TOU periods** typically are **peak**, **standard** and **off-peak** periods and differ during in **high** and **low demand seasons**.

Transmission means the regulated business unit through which Eskom constructs, owns, operates and maintains the **Transmission System** in accordance with its licence and the **Code**.

Transmission connected means connected to the **Transmission system**.

Transmission system means Eskom's electricity **system** consisting of all lines and substation equipment where the nominal voltage is above 132 kV or where the nominal voltage is lower than or equal to 132 kV and there are no **Distribution System** assets.

Transmission use-of-system (TUoS) charges means the network tariffs charged for making capacity available, connecting to and for the use of the **Transmission System**. The **TUoS** charges are the source of the **ETUoS** and the **Transmission network charge** components in the retail tariff structures.

Transmission network access charge means the same as **Transmission network charge**.

Transmission network charge means the network related **TUoS** charge.

Transmission zone(s) means the geographic differentiation applicable to **Transmission** network charges and **loss factors**, to indicate the costs associated with the delivery and transmission of energy.

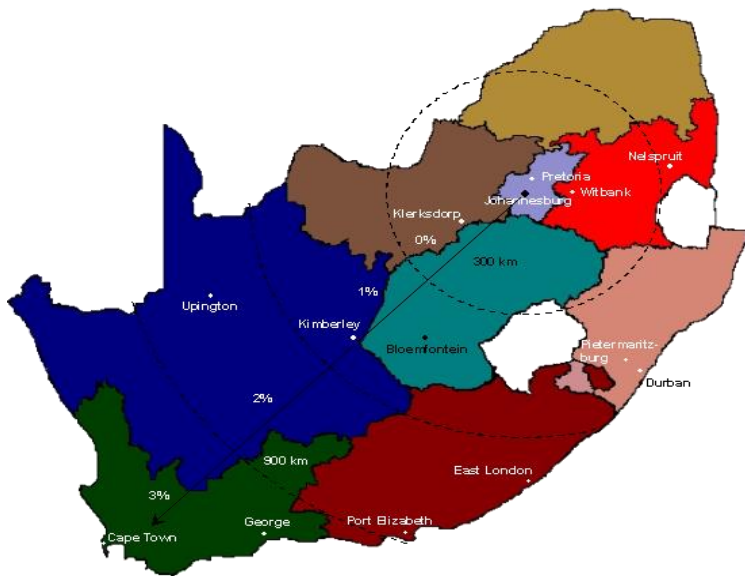
Urban_p areas means areas classified by Eskom as urban for the purposes of tariff design and classification.

Urban low voltage subsidy charge means the charge transparently indicating the network-related cross subsidy payable by ≥ 66 kV **Urban_p** connected supplies for the benefit of < 66 kV connected **Urban_p** supplies.

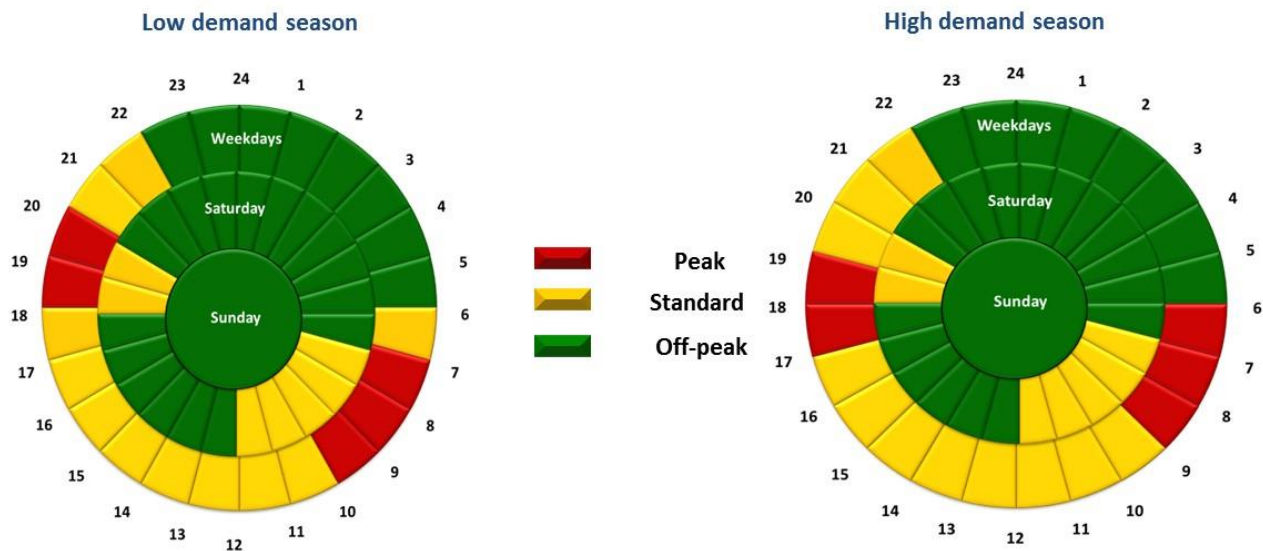
Utilised capacity means the same as **annual utilised capacity**.

3. TRANSMISSION ZONES

| | |
|-----------------------|----|
| ≤ 300 km | 0% |
| > 300 km and ≤ 600 km | 1% |
| > 600 km and ≤ 900 km | 2% |
| > 900 km | 3% |



4. TIME OF USE PERIODS



5. PUBLIC HOLIDAYS

The table below indicates the treatment of public holidays for the Nightsave (Urban Large & Small), WEPS, Megaflex, Megaflex Gen and Miniflex tariffs for the period 1 April 2020 to until 30 June 2021. The relevant seasonally differentiated energy charges, energy demand charges and network demand charges will be applicable on these days. Any unexpectedly announced public holiday not listed below will be treated as the day of the week on which it falls.

- The following public holidays will always be treated as a Sunday for Miniflex, Megaflex, Megaflex Gen and WEPS tariffs; New Year's Day, Good Friday, Family Day, Christmas Day and Day of Goodwill. All other days will be treated as a Saturday unless it falls on a Sunday in which case it will be treated as a Sunday.
- For Nightsave Urban Large and Small, all public holidays will be treated as a Sunday.

- All public holidays for the Nightsave Rural, Ruraflex and Ruraflex Gen tariffs will be treated as the day of the week on which it falls.

| Date | Day | Actual day of the week | TOU day treated as | |
|-------------------|-----------------------|------------------------|--|---|
| | | | Nightsave Urban Large Nightsave Urban Small | Megaflex, Miniflex, WEPS, Megaflex Gen |
| 10 April 2020 | Good Friday | Friday | Sunday | Sunday |
| 13 April 2020 | Family Day | Monday | Sunday | Sunday |
| 27 April 2020 | Freedom Day | Monday | Sunday | Saturday |
| 1 May 2020 | Workers Day | Friday | Sunday | Saturday |
| 16 June 2020 | Youth Day | Tuesday | Sunday | Saturday |
| 9 August 2020 | National Women's Day | Sunday | Sunday | Sunday |
| 10 August 2020 | Public Holiday | Monday | Sunday | Saturday |
| 24 September 2020 | Heritage Day | Thursday | Sunday | Saturday |
| 16 December 2020 | Day of Reconciliation | Wednesday | Sunday | Saturday |
| 25 December 2020 | Christmas Day | Friday | Sunday | Sunday |
| 26 December 2020 | Day of Goodwill | Saturday | Sunday | Sunday |
| 1 January 2021 | New Year's Day | Friday | Sunday | Sunday |
| 21 March 2021 | Human Rights Day | Sunday | Sunday | Sunday |
| 22 March 2021 | Public Holiday | Monday | Sunday | Saturday |
| 02 April 2021 | Good Friday | Friday | Sunday | Sunday |
| 05 April 2021 | Family Day | Monday | Sunday | Sunday |
| 27 April 2021 | Freedom Day | Tuesday | Sunday | Saturday |
| 1 May 2021 | Worker's Day | Saturday | Sunday | Saturday |
| 16 June 2021 | Youth Day | Wednesday | Sunday | Saturday |

6. Value-added tax (VAT)

The standard prices as specified in this Schedule include value-added tax (VAT) at the current prescribed tax rate of 15%. In cases of electricity supplies where the said tax is not applicable or partly or wholly exempt, the customer concerned will be informed in writing of the effective prices payable.

The charges and rates excluding VAT are also shown as these are used in the monthly electricity account to calculate the individual tariff charges before VAT is added on. This is done for the convenience of the customer so as to facilitate the claiming of input tax where applicable and to allow for part exemptions and zero rating.

7. CHARGES PAYABLE MONTHLY

All electricity accounts payable by a customer in terms of this Schedule shall be rendered monthly by Eskom and shall be payable monthly in accordance with the provisions of the electricity supply agreement. If, in terms of the electricity supply agreement, meter readings are made at three-monthly intervals, Eskom shall render provisional accounts for the months in which no meter reading is made, 2020/21 (Rev March 2020)

based upon the monthly consumption in the previous three-monthly period or upon an estimated amount, and a final account, incorporating an adjustment of the provisional accounts, based upon the actual consumption for the period.

If the commencing date or the termination date of any supply is such that the supply was available for a portion of a month then the monthly charges payable in terms of this Schedule shall be calculated pro rata to the portion of a month of 30 (thirty) days during which the supply was available.

In addition to the charges payable in terms of this Schedule, a connection charge and/or standard charges/fees may be raised for costs not recovered through the tariff charges for the provision of new or additional capacity, or for additional services rendered to the customer.

8. STANDARD FEES/CHARGES FOR SERVICES RENDERED

In addition to the standard tariff charges set out in this schedule, Eskom may raise additional standard fees/charges for direct services rendered to a customer s e.g. the provision of service mains, the installation of equipment in the customer's substation, for the taking of any special meter readings, for reconnection of the supply after disconnection (i) either at the request of the customer or (ii) caused by the customer in failure to carry out its obligations, and for special/additional work done for the customer by Eskom. Refer to www.eskom.co.za/tariffs for the list of standard/charges/fees applicable.

9. USE OF SYSTEM CHARGES CHARACTERISTICS FOR DISTRIBUTION CONNECTED GENERATORS

A use of system tariff for Urban, Distribution connected generator customers with the following charges:

- the R/kW/month **Distribution network capacity charge** (generators) based on the voltage of the supply and the **maximum export capacity** measured at the **POD** applicable during all time periods; less
- a **distribution losses charge** based on **loss factors**, which shall rebate the **network capacity charge**, but not beyond extinction,
- a c/kWh **ancillary service charge** applied on the total active energy produced in the month based on the voltage of the supply applicable during all time periods ;
- a R/account/day **service charge** based on the **monthly maximum exported capacity** of all points of supply/points of delivery linked to an account;
- a R/day **administration charge** based on the **monthly maximum exported capacity** of each **POD/point of supply/service agreement** linked to an account; and
- additional charges in the event of an **MEC** exceedance in accordance with the **NMD and MEC rules**.

| Distribution loss factors | | | Transmission loss factors for loads | | |
|--------------------------------|-------------------|-------------------|-------------------------------------|------|-------------|
| Voltage | Urban loss factor | Rural loss factor | Distance from Johannesburg | Zone | Loss factor |
| < 500V | 1.1111 | 1.1527 | ≤ 300km | 0 | 1.0107 |
| ≥ 500V & < 66kV | 1.0957 | 1.1412 | > 300km & ≤ 600km | 1 | 1.0208 |
| ≥ 66kV & ≤ 132kV | 1.0611 | | > 600km & ≤ 900km | 2 | 1.0310 |
| > 132kV/Transmission connected | 1.0000 | | > 900km | 3 | 1.0413 |

10. RATES:

10.1. Distribution network charges for generators

| DUoS network charges for generators | |
|-------------------------------------|----------------------------------|
| Voltage | Network capacity charge [R/kW/m] |
| | VAT incl |
| < 500V | |
| ≥ 500V & < 66kV | |
| ≥ 66kV & ≤ 132kV | R 16.68 R 19.18 |

10.2. Energy rates for the calculation of the network charge rebate

| Active energy charge excluding losses [c/kWh] | | | | | | | | | | | |
|---|----------|----------|----------|----------|-------|-------------------------------|----------|----------|-------|-------|-------|
| High demand season [Jun - Aug] | | | | | | Low demand season [Sep - May] | | | | | |
| Peak | Standard | | Off Peak | | Peak | Standard | | Off Peak | | | |
| | VAT incl | VAT incl | VAT incl | VAT incl | | VAT incl | VAT incl | VAT incl | | | |
| 322.39 | 370.75 | 97.66 | 112.31 | 53.04 | 61.00 | 105.19 | 120.97 | 72.38 | 83.24 | 45.93 | 52.82 |

10.3. Ancillary service charges

| DUoS ancillary service charge Urban _p | Charge [c/kWh] | |
|--|----------------|----------|
| | | VAT incl |
| < 500V | 0.48 | 0.55 |
| ≥ 500V & < 66kV | 0.47 | 0.54 |
| ≥ 66kV & ≤ 132kV | 0.45 | 0.52 |

10.4. Service and administration charges

| DUoS service and administration charges (urban _p) | | | | |
|--|--------------------------------|------------|-----------------------------------|----------|
| Customer categories utilised capacity / maximum export capacity [kVA or MVA = loads] [kW or MW = generators] | Service charge [R/account/day] | | Administration charge [R/POD/day] | |
| | | VAT incl | | VAT incl |
| ≤ 100 kVA/kW | R 16.85 | R 19.38 | R 3.70 | R 4.26 |
| > 100 kVA/kW & ≤ 500 kVA/kW | R 76.94 | R 88.48 | R 21.58 | R 24.82 |
| > 500 kVA/kW & ≤ 1 MVA/MW | R 236.74 | R 272.25 | R 42.85 | R 49.28 |
| > 1 MVA/MW | R 236.74 | R 272.25 | R 106.69 | R 122.69 |
| Key customers or Transmission connected | R 4 639.20 | R 5 335.08 | R 148.16 | R 170.38 |