# ESKOM'S PRICES FOR PRODUCTS AND SERVICES

1923-1998

ESKOM

75 YEARS

1998

# ESKOM ANNOUNCES A 5% PRICE INCREASE FOR 1998

*Chairman of the Electricity Council, Reuel Khoza*

The average price of electricity supplied by Eskom will rise by 5% on 1 January 1998. This has been announced by the Chairman of the Electricity Council, Reuel Khoza.

Mr Khoza said: "We estimate that consumer price inflation will be approximately 7,5% in 1998, so our 5% increase will give our customers a price reduction in real terms of 2,5% for the year. Eskom has consistently reduced the real price of electricity over the past twelve years, so that the real price of electricity today is 67% of the price in 1985. Eskom is committed to reduce the real price by 15% between 1995 and the year 2000."

He also sounded a note of caution, however: "Recognising the considerable uncertainty that exists within the electricity supply industry, a further price adjustment may be considered in 1998 if a new financial framework so requires."

Mr Khoza said that changes to tariff structures for both small and large power consumers were continuing according to plans announced in 1996. These changes would influence the effect of the current increase as far as certain individual customers were concerned.

*Eskom's Chief Executive, Allen Morgan*

Eskom's Chief Executive, Allen Morgan, said: "Eskom is determined to remain one of the world's lowest cost producers of electricity for growth and prosperity. This will result in significant benefits to the South African economy and make electricity more affordable to a larger number of people. The real electricity price reductions achieved to date and forecast for the future will provide a major boost to the international competitiveness of South African companies."

Eskom's continued drive to lower real prices by 15% between 1995 and the end of the century is taking place in a volatile environment. There is uncertainty and some risk associated with regulation of the industry by government and the restructuring of the electricity supply industry.



# THE PRICING COMPACT

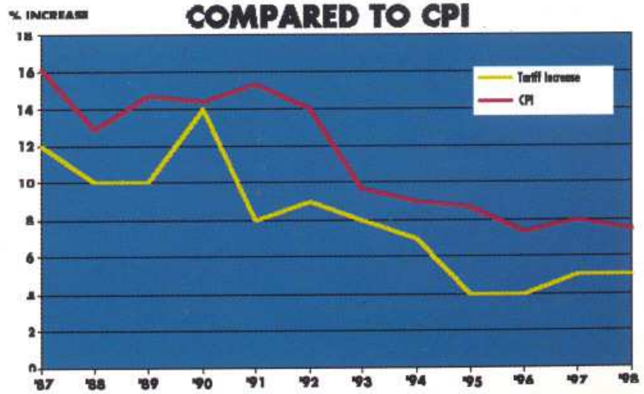
Eskom's tariffs are increased annually. This usually takes place on 1 January each year. The tariff increases differ each year as can be seen from the table below, where the tariff increases for the past twelve years have been listed.

| YEAR | TARIFF INCREASE | INFLATION RATE |
|---|---|---|
| Jan 1987 | 12% | 16,10% |
| Jan 1988 | 10% | 12,80% |
| Jan 1989 | 10% | 14,70% |
| Jan 1990 | 14% | 14,40% |
| Jan 1991 | 8% | 15,30% |
| Jan 1992 | 9% | 14,00% |
| Jan 1993 | 8% | 9,70% |
| Jan 1994 | 7% | 9,00% |
| Jan 1995 | 4% | 8,70% |
| Jan 1996 | 4% | 7,35% |
| Jan 1997 | 5% | 8,50% (Projected) |
| Jan 1998 | 5% | 7,50% (Projected) |

In 1991 Eskom made a compact to reduce the real price of electricity by 20% for the period 1992 to 1996. In 1994 a second RDP compact was made in which the company committed to a further 15% reduction in the real price of electricity for the period 1995 to 2000. Eskom's announced price increase for 1998 is on average 5%, which is again below the anticipated inflation rate of 7,50%.

Inflation figures have had a sharp decline since 1994, thus, putting some constraints on Eskom's ability to meet the compact. Current projections are that if inflation averages 9%, Eskom will meet the compacts with a comfortable margin to spare.

**ESKOM TARIFF INCREASE COMPARED TO CPI**



# STANDARDRATE

## NON RURAL-RETICULATION NETWORK SUPPLIES

**Typical Standardrate Customers:** Large customers with:
- a notified maximum demand of at least 25 kW/kVA,
- a relatively constant demand pattern,
- a supply not taken from rural reticulation networks.

**Connection fee:** The greater of **R 2 500,00** or 5% of actual project cost.

**Basic Charge:** R 150, 72 + VAT = **R 171,82** per month for each point of delivery whether electricity is consumed or not.

**Demand Charge:** Per **kVA** of maximum demand supplied per month. 30-minute integrating periods are applicable.

R34,69 + VAT = **R39,55**

Per **kW** of maximum demand supplied per month.*(**) 60-minute integrating periods are applicable.

R 38,31 + VAT = **R 43,67**

Where a **kW** charge is applicable, the power factor under all loading conditions shall not be less than 0,85 lagging and shall not lead under any circumstances.

**Active Energy Charge:** 6,26c + VAT = **7,14c/kWh** consumed in the month.

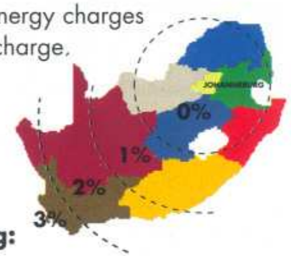
***Maximum Charge:*** *If the total of the demand charge plus the active energy charge above, divided by the number of kWh supplied in the month, exceed 28,96c + VAT =* ***33,01c/kWh,*** *then the customer will be charged at a rate of 28,96c + VAT =* ***33,01c/kWh*** *of energy supplied in the month.*

**Voltage Discount:** This is calculated as a percentage of demand and active energy charges.

| Supply Voltage | Percentage Discount |
|---|---|
| > 132 kV | 9,25% |
| ≤ 132 kV and ≥ 66kV | 5,80% |
| < 66 kV and ≥ 500V | 2,90% |
| < 500 V | 0,00% |



**Transmission percentage surcharge:** The demand charge and active energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.




**Distance from Johannesburg:**

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

**Monthly Rental:** When imposed in addition to the standard tariffs as above, this is subject to rebate (not beyond extinction) at the following rates:
- R 2,00 per kVA or kW of chargeable demand when the energy and demand charges are applicable.
- 1,35c/kWh of active energy consumption when the maximum charge is applicable.

** Customers previously supplied in terms of Eskom's Rand and Orange Free State Licence 1983, with supply agreements originally concluded before 1 January 1984, can have their maximum demand measured in kilowatts. Unless or until they request that their maximum demand be measured in kilovolt amperes, this will be determined in kW.*

*** From 1 April 1998 and subject to successful promulgation, Eskom will introduce charges for excess demand, at the same rates as above. Excess demand will be calculated as follows:*
*Excess demand = Actual demand in kVA x 0.85 - Actual demand in kW.*

# STANDARDRATE

## RURAL-RETICULATION NETWORK SUPPLIES

**Typical: Standardrate Customers:** Large customers with:
- a notified maximum demand of at least 25 kW/kVA,
- a relatively constant demand pattern,
- a supply voltage of ≤ 22 kV fed off a rural-reticulation network.

**Connection fee:** The greater of **R 2 500,00** or 5% of actual project cost.

**Basic Charge:** R 150,72 + VAT = **R 171,82** per month for each point of delivery whether electricity is consumed or not.

**Demand Charge:** Per **kVA** of maximum demand supplied per month. 30-minute integrating periods are applicable.

R 36,00 + VAT = **R 41,04**

Per **kW** of maximum demand supplied per month.*(**) 60-minute integrating periods are applicable.

R 39,77 + VAT = **R 45,34**

Where a **kW** charge is applicable, the power factor under all loading conditions shall not be less than 0,85 lagging and shall not lead under any circumstances.

**Active Energy Charge:** 6,51c + VAT = **7,42c/kWh** consumed in the month.

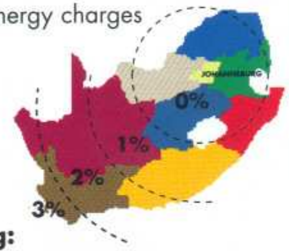
***Maximum Charge:*** *If the total of the demand charge plus the active energy charge above, divided by the number of kWh supplied in the month, exceed 30,06c + VAT =* ***34,27c/kWh,*** *then the customer will be charged at a rate of 30,06c + VAT* ***34,27c/kWh*** *of energy supplied in the month.*



**Voltage Discount:** This is calculated as a percentage of demand and active energy charges.

| Supply Voltage | Percentage Discount |
|---|---|
| ≤ 22kV and ≥ 500V | 2,90% |
| < 500V | 0,00% |

**Transmission percentage surcharge:** The demand charge and active energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.




**Distance from Johannesburg:**

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

**Monthly Rental:** When imposed in addition to the standard tariffs as above, this is subject to rebate (not beyond extinction) at the following rates:
- R 2,00 per kVA or kW of chargeable demand when the energy and demand charges are applicable.
- 1,35c/kWh of active energy consumption when the maximum charge is applicable.

** Customers previously supplied in terms of Eskom's Rand and Orange Free State Licence 1983, with supply agreements originally concluded before 1 January 1984, can have their maximum demand measured in kilowatts. Unless or until they request that their maximum demand be measured in kilovolt amperes, this will be determined in kW.*

*** From 1 April 1998 and subject to successful promulgation, Eskom will introduce charges for excess demand, at the same rates as above. Excess demand will be calculated as follows:*
*Excess demand = Actual demand in kVA x 0.85 - Actual demand in kW.*

# NIGHTSAVE

## NON RURAL-RETICULATION NETWORK SUPPLIES

**Typical Nightsave Customers:**

Large customers:
- with a notified maximum demand of 25kW/kVA or more and,
- who elect to pay for demand measured only during peak periods,
- who can move all or part of their electricity demand to Eskom's off-peak period between 22:00 and 06:00 on weekdays and the entire Saturday, Sunday and public holidays,
- with a supply not taken from rural-reticulation networks.

**Connection fee:** The greater of **R 2 500,00** or 5 % of actual project cost.

**Basic Charge:** R 334,98+ VAT = **R 381,88** per month per point of delivery whether electricity is consumed or not.

**Demand Charge:** Per **kVA** of maximum demand supplied per month. 30-minute integrating periods are applicable.

R 34,69 + VAT = **R 39,55**

Per **kW** of maximum demand supplied per month.*(**) 60-minute integrating periods are applicable.

R 38,31 + VAT = **R 43,67**

No demand charge is applicable during off-peak periods. Where a kW charge is applicable, the power factor under all loading conditions shall not be less than 0,85 lagging and shall not lead under any circumstances.

**Active Energy Charge:** 6,26c + VAT = **7,14c/kWh** consumed in the month.

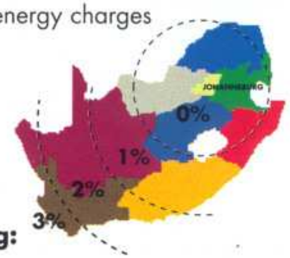
**Maximum Charge:** If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceed 28,96c + VAT = **33,01c/kWh,** then the customer will be charged at a rate of 28,96c + VAT = **33,01c/kWh** of energy supplied in the month.



**Voltage Discount:** This is calculated as a percentage of Demand and Active energy charges.

| Supply Voltage | Percentage Discount |
|---|---|
| > 132 kV | 9,25% |
| ≤ 132 kV and ≥ 66kV | 5,80% |
| < 66 kV and ≥ 500V | 2,90% |
| < 500 V | 0,00% |

**Transmission percentage surcharge:** The Demand charge and Active energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.




**Distance from Johannesburg:**

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

**Monthly Rental:** When imposed in addition to the standard tariffs as above, this is subject to rebate (not beyond extinction) at the following rates:
- R 2,00 per kVA or kW of chargeable demand when the energy and demand charges are applicable.
- 1,35c/kWh of active energy consumption when the maximum charge is applicable.

** Customers previously supplied in terms of Eskom's Rand and Orange Free State Licence 1983, with supply agreements originally concluded before 1 January 1984, can have their maximum demand measured in kilowatts. Unless or until they request that their maximum demand be measured in kilovolt amperes, this will be determined in kW.*

*** From 1 April 1998 and subject to successful promulgation, Eskom will introduce charges for excess demand, at the same rates as above. Excess demand will be calculated as follows:*
*Excess demand = Actual demand in kVA x 0.85 - Actual demand in kW.*

# NIGHTSAVE

## RURAL-RETICULATION NETWORK SUPPLIES

**Typical Nightsave Customers:**

Large customers:
- with a notified maximum demand of 25kW/kVA or more and,
- who elect to pay for demand measured only during peak periods,
- who can move all or part of their electricity demand to Eskom's off-peak period between 22:00 and 06:00 on weekdays and the entire Saturday, Sunday and public holidays,
- with a supply of ≤22kV fed off a rural reticulation network.

**Connection fee:** The greater of **R 2 500,00** or 5% of actual project cost.

**Basic Charge:** R 334,98 + VAT = **R 381,88** per month per point of delivery whether electricity is consumed or not.

**Demand Charge:** Per **kVA** of maximum demand supplied per month. 30-minute integrating periods are applicable.

R 36,00 + VAT = **R 41,04**

Per **kW** of maximum demand supplied per month.*(**) 60 minute integrating periods are applicable.

R 39,77 + VAT = **R 45,34**

No demand charge is applicable during off-peak periods. Where a kW charge is applicable, the power factor under all loading conditions shall not be less than 0,85 lagging and shall not lead under any circumstances.

**Active Energy Charge:** 6,51c + VAT = **7,42c/kWh** consumed in the month.

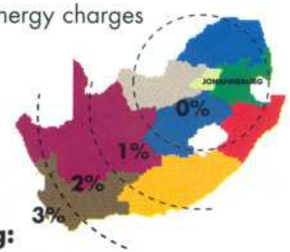
**Maximum Charge:** If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceed 30,06c + VAT = **34,27c/kWh,** then the customer will be charged at a rate of 30,06c + VAT = **34,27c/kWh** of energy supplied in the month.



**Voltage Discount:** This is calculated as a percentage of demand and active energy charges.

| Supply Voltage | Percentage Discount |
|---|---|
| ≤ 22 kV and ≥ 500V | 2,90% |
| < 500V | 0,00% |

**Transmission percentage surcharge:** The demand charge and active energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.




**Distance from Johannesburg:**

| | |
|---|---|
| ≤ 300km | 0% |
| > 300km and ≤ 600km | 1% |
| > 600km and ≤ 900km | 2% |
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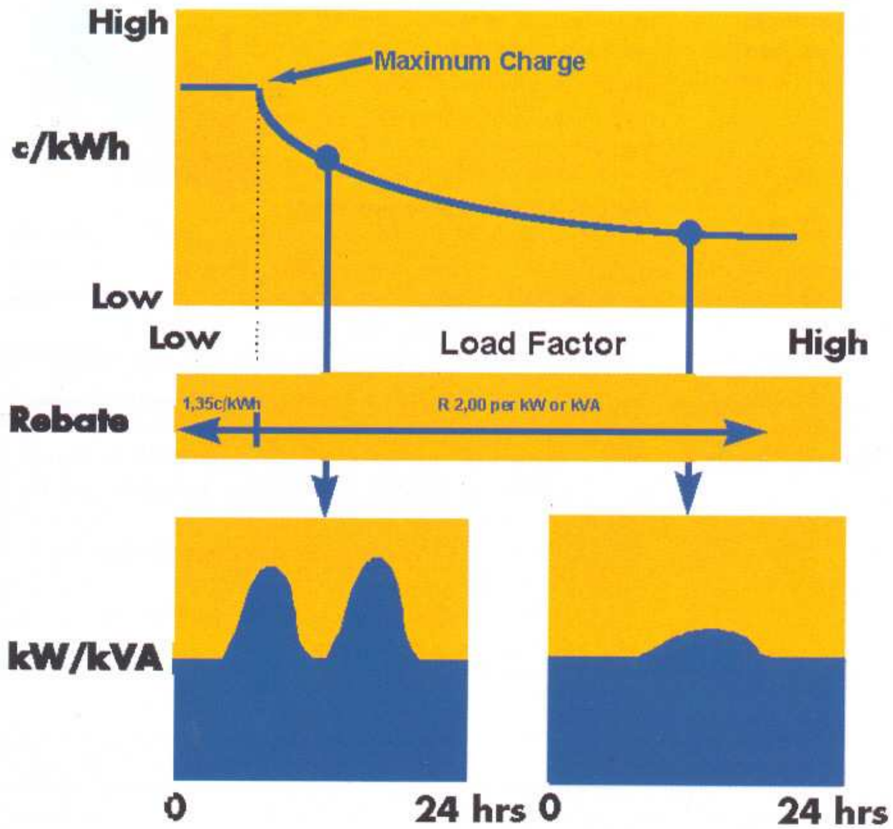
**Monthly Rental:** When imposed in addition to the standard tariffs as above, this is subject to rebate (not beyond extinction) at the following rates:
- R 2,00 per kVA or kW of chargeable demand when the energy and demand charges are applicable.
- 1,35c/kWh of active energy consumption when the maximum charge is applicable.

** Customers previously supplied in terms of Eskom's Rand and Orange Free State Licence 1983, with supply agreements originally concluded before 1 January 1984, can have their maximum demand measured in kilowatts. Unless or until they request that their maximum demand be measured in kilovolt amperes, this will be determined in kW.*

*** From 1 April 1998 and subject to successful promulgation, Eskom will introduce charges for excess demand, at the same rates as above. Excess demand will be calculated as follows:*
*Excess demand = Actual demand in kVA x 0.85 - Actual demand in kW.*

# STANDARD RATE

## AVERAGE PRICE vs LOAD FACTOR

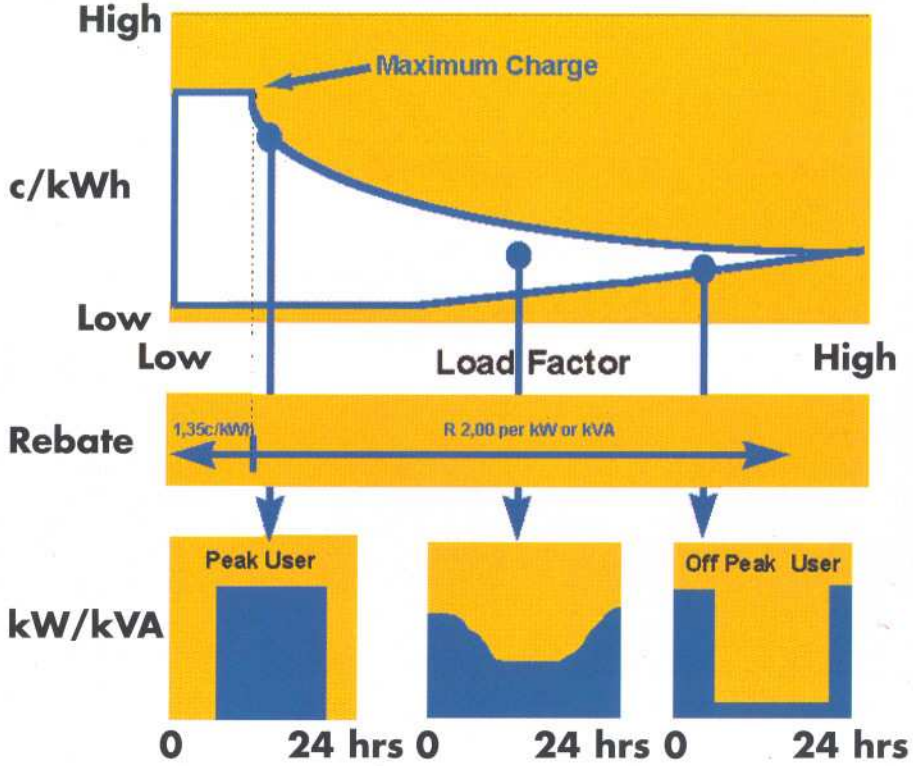



The figure indicates the effect of the load factor and load shape on the average c/kWh price paid for electricity. It also portrays the applicable rebate.



# NIGHT SAVE

## AVERAGE PRICE vs LOAD FACTOR




The figure indicates the effect of the load factor and load shape on the average c/kWh price paid for electricity. It also portrays the applicable rebate.

# MEGAFLEX

**Typical Megaflex Customers:** Large customers:
- with supplies of 1 MVA and above,
- who can shift their load to defined time periods,
- who are not being fed off rural-reticulation networks.

**Connection fee:** The greater of **R 2 500,00** or 5% of actual project cost.

**Basic Charge:** R 53,05 + VAT = **R 60,48** per month per point of delivery whether electricity is consumed or not.

**Maximum Demand Charge:** Payable in peak or standard periods on weekdays and Saturdays. The integrating period is 30 minutes.

**High Demand** *(April - September)*
R 11,09 + VAT = **R 12,64/kW**
**Low Demand** *(October - March)*
R 10,00 + VAT = **R 11,40/kW**

No demand charge is applicable during the off-peak periods.

**Active Energy Charge:**

**High Demand** *(April - September)*

| | | |
|---|---|---|
| Peak | 20,02c + VAT = | **22,82c/kWh** |
| Standard | 11,23c + VAT = | **12,80c/kWh** |
| Off-peak | 6,44c + VAT = | **7,34c/kWh** |

**Low Demand** *(October - March)*

| | | |
|---|---|---|
| Peak | 18,02c + VAT = | **20,54c/kWh** |
| Standard | 10,08c + VAT = | **11,49c/kWh** |
| Off-peak | 5,80c + VAT = | **6,61c/kWh** |

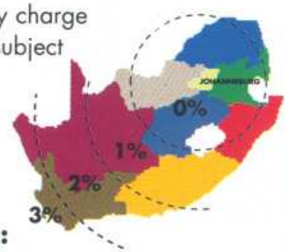
**Voltage Discount:** This is calculated as a percentage of demand and active energy charges.

| Supply Voltage | Percentage Discount |
|---|---|
| > 132 kV | 9,25% |
| ≤ 132 kV and ≥ 66kV | 5,80% |
| < 66 kV and ≥ 500V | 2,90% |
| < 500 V | 0,00% |

**Reactive Energy Charge:** 2,32c + VAT = **2,64c/kvarh**
Supplied in excess of 30% (0,96PF) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period.



**Transmission percentage surcharge:** The demand charge, active energy charge and reactive energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.

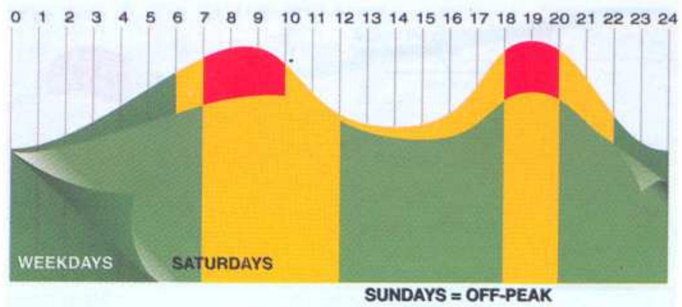



**Distance from Johannesburg:**

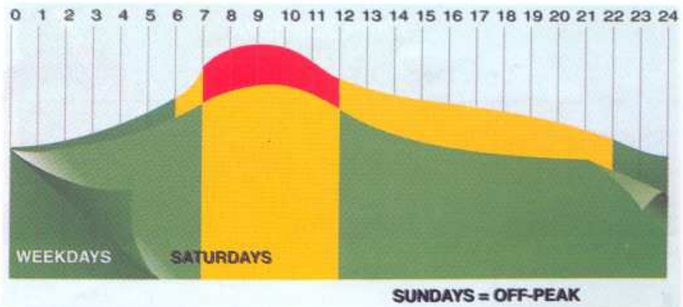
| | |
|---|---|
| ≤ 300km | 0% |
| > 300km and ≤ 600km | 1% |
| > 600km and ≤ 900km | 2% |
| > 900km | 3% |

**Monthly Rental:** When imposed in addition to the standard tariff, as above, this is subject to rebate (not beyond extinction) at R 2,00 per kW of chargeable maximum demand.

**HIGH DEMAND**
April - September
Peak
Standard
Off-peak




**LOW DEMAND**
October - March
Peak
Standard
Off-peak



# MINIFLEX

**Typical Miniflex Customers:** Large customers:
- with suppliers of 100 kVA to 5 MVA,
- who can shift their load to defined time periods,
- who are not being fed off rural-reticulation networks.

**Connection fee:** The greater of **R 2 500,00** or 5% of actual project cost.

**Basic Charge:** R 53,05 + VAT = **R 60,48** per month per point of delivery whether electricity is consumed or not.

**Maximum Demand Charge:** Not applicable.

**Active Energy Charge:**

**High Demand** *(April - September)*

| | |
|---|---|
| Peak | 30,54c + VAT = **34,82c/kWh** |
| Standard | 11,23c + VAT = **12,80c/kWh** |
| Off-peak | 6,44c + VAT = **7,34c/kWh** |

**Low Demand** *(October - March)*

| | |
|---|---|
| Peak | 27,49c + VAT = **31,34c/kWh** |
| Standard | 10,08c + VAT = **11,49c/kWh** |
| Off-peak | 5,80c + VAT = **6,61c/kWh** |

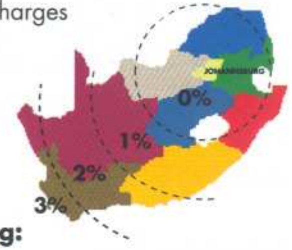
**Voltage Discount:** This is calculated as a percentage of the active energy charge.

| **Supply Voltage** | **Percentage Discount** |
|---|---|
| > 132 kV | 9,25% |
| ≤ 132 kV and ≥ 66kV | 5,80% |
| < 66 kV and ≥ 500V | 2,90% |
| < 500 V | 0,00% |

**Reactive Energy Charge:** 1,16c + VAT = **1,32c/kvarh**
Supplied in excess of 30% (0,96PF) of the kWh recorded during the entire billing period. The excess reactive energy is determined using the billing period totals.



**Transmission percentage surcharge:** The active and reactive energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.

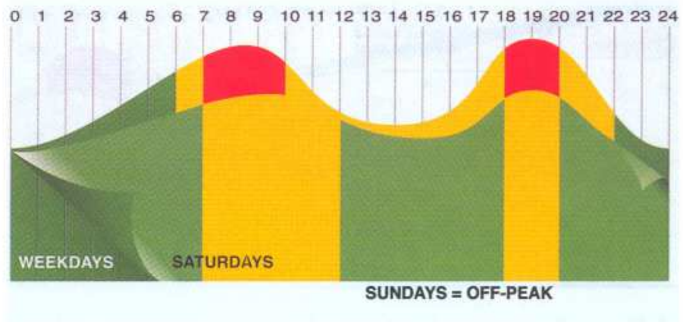



**Distance from Johannesburg:**

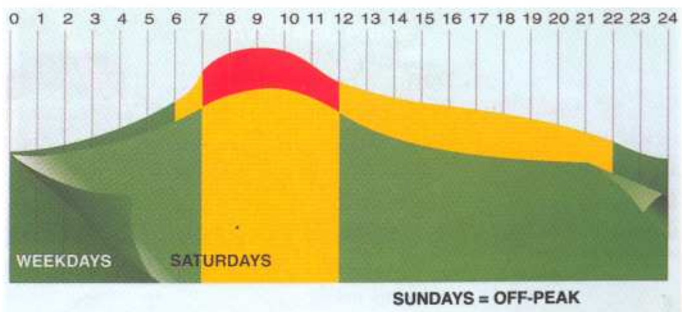
| | |
|---|---|
| ≤ 300km | 0% |
| > 300km and ≤ 600km | 1% |
| > 600km and ≤ 900km | 2% |
| > 900km | 3% |

**Monthly Rental:** When imposed in addition to the standard tariff as above, this is subject to rebate (not beyond extinction) at 1,81c/kWh of all active energy consumed during peak periods.

**HIGH DEMAND**
April - September
Peak
Standard
Off-peak




**LOW DEMAND**
October - March
Peak
Standard
Off-peak



# RURAFLEX

**Typical Ruraflex Customers:** Large customers:
- with 3-phase supplies fed off rural-reticulation networks,
- who can shift their load to defined time periods,
- who take supply from 400V up to and including 22kV.

**Connection fee:** The greater of **R 2 500,00** or 5% of actual project cost.

**Basic Charge:** Payable per point of delivery whether electricity is consumed or not.

**Ruraflex 1:**
R 286,93 + VAT = **R 327,10** per month.
Applicable to customers with an installed capacity of up to and including 50kVA.

**Ruraflex 2:**
R 318,81 + VAT = **R 363,44** per month.
Applicable to customers with an installed capacity above 50kVA.

**Active Energy Charge:**

**High Demand** *(April - September)*

| | | |
|---|---|---|
| Peak | 35,48c + VAT = | **40,45c/kWh** |
| Standard | 13,40c + VAT = | **15,28c/kWh** |
| Off-peak | 7,79c + VAT = | **8,88c/kWh** |

**Low Demand** *(October - March)*

| | | |
|---|---|---|
| Peak | 31,85c + VAT = | **36,31c/kWh** |
| Standard | 12,02c + VAT = | **13,70c/kWh** |
| Off-peak | 6,98c + VAT = | **7,96c/kWh** |

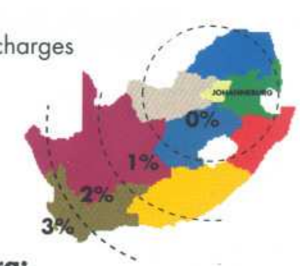
**Voltage Discount:** This is calculated as a percentage of the active energy charge.

| **Supply Voltage** | **Percentage Discount** |
|---|---|
| ≤ 22kV and ≥ 500V | 2,90% |
| < 500V | 0,00% |

**Reactive Energy Charge:** 1,16c + VAT = **1,32c/kvarh**
Supplied in excess of 30% (0,96PF) of the kWh recorded during the entire billing period.
The excess reactive energy is determined using the billing period totals.



**Transmission percentage surcharge:** The active and reactive energy charges are subject to a transmission surcharge, after the voltage discount has been granted, depending on the distance from Johannesburg.



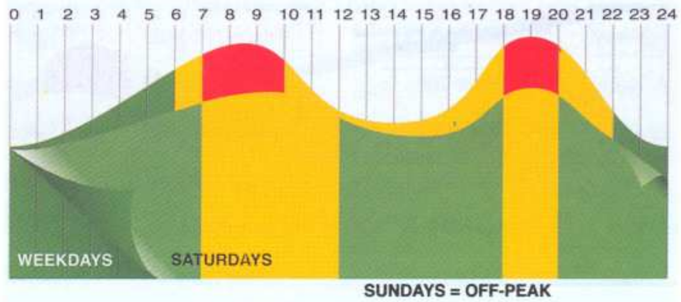

**Distance from Johannesburg:**

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

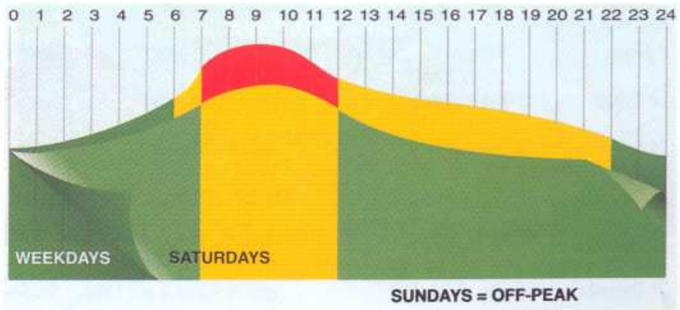
**Monthly Rental:** The tariff connection fee covers the cost of the complete installation up to 50kVA (Ruraflex 1) or 100kVA (Ruraflex 2) plus 200m of line.

When imposed in addition to the standard tariff as above, this is subject to rebate (not beyond extinction) at 1,81c/kWh of all active energy consumed during peak periods.

**HIGH DEMAND**
April - September
- Peak
- Standard
- Off-peak




**LOW DEMAND**
October - March
- Peak
- Standard
- Off-peak



# TIME OF USE CONVERSION

Time-of-use tariffs are appropriate for customers who are able to manage their energy consumption and maximum demand according to Eskom's specified time schedule. These tariffs are available once a satisfactory supply contract has been negotiated with Eskom.

Existing customers converting to T-O-U, where an impact study indicated a financial saving due to the conversion, will be subject to a conversion surcharge. The percentage payable in year of conversion as indicated in the table will be reduced every 12 months by 18 % until the conversion surcharge is fully phased out.

| MONTHS AFTER CONVERSION | YEAR OF CONVERSION 1998 | 1999 | 2000 |
|---|---|---|---|
| 1 - 12 | 54% | 36% | 18% |
| 13 - 24 | 36% | 18% | |
| 25 - 36 | 18% | | |

# TREATMENT OF PUBLIC HOLIDAYS

| Date | Day | NIGHTSAVE | MEGAFLEX MINIFLEX |
|---|---|---|---|
| 1 January | New Year's Day | Sunday (Off-peak) | Sunday (Low demand) |
| 21 March | Human Rights Day | Sunday (Off-peak) | Saturday (Low demand) |
| 10 April | Good Friday | Sunday (Off-peak) | Sunday (High demand) |
| 13 April | Family Day | Sunday (Off-peak) | Sunday (High demand) |
| 27 April | Freedom Day | Sunday (Off-peak) | Saturday (High demand) |
| 1 May | Worker's Day | Sunday (Off-peak) | Saturday (High demand) |
| 16 June | Youth Day | Sunday (Off-peak) | Saturday (High demand) |
| 9 August | National Women's Day | Sunday (Off-peak) | Sunday (High demand) |
| 10 August | Public Holiday | Sunday (Off-peak) | Saturday (High demand) |
| 24 September | Heritage Day | Sunday (Off-peak) | Saturday (High demand) |
| 16 December | Day of Reconciliation | Sunday (Off-peak) from | Saturday (Low demand) |
| 25 December | Christmas Day | 22:00 on 15 Dec 1998 | Sunday (Low demand) |
| 26 December | Day of Goodwill | until 06:00 on 4 Jan 1999 | Sunday (Low demand) |



# PRICE COMPONENTS

**The following is payable regarding large customer tariffs:**

**Connection fee:**
The connection fee is payable upfront for the connection of a new supply point, and is required as a cash contribution towards the cost of providing the supply.

**Basic charge:**
A fixed monthly charge for each point of delivery which is payable whether electricity is consumed or not. This charge increases every year with the annual price increase.

**Demand charge:**
Payable for each kVA or kW of the maximum demand supplied during the month. It is calculated by integrating the measured demand over half hourly or hourly periods.

**Active energy charge:**
A charge for each kilowatt hour (kWh) of active energy consumed.

**Reactive energy charge:**
This charge applies only to Megaflex, Miniflex and Ruraflex. It is levied on every excess kilovar-hour (kvarh) registered. This means that if the customer's installation is operating at a power factor of 0,96 or better, there will be no reactive energy charge. The method of calculating this excess differs between Megaflex, Miniflex and Ruraflex and is described with the respective tariff.

**Voltage discount:**
Electricity is transmitted at as high a voltage as practical to make transmission efficient. At times it has to be transformed to a lower voltage before being supplied to a customer. The lower the supply voltage, the lower the voltage discount granted. This is calculated as a percentage of demand (where applicable) and active energy charges.

**Transmission percentage surcharge:**
The demand charge (where applicable), active energy charges and reactive energy charges (where applicable) are subject to a transmission surcharge, depending on the distance from Johannesburg.

**Monthly Rental:**
The monthly rental is a contribution to the capital cost of providing a supply and is payable each month in addition to the tariff charges. Monthly rentals are calculated using a 16% discount rate, and can be paid over any period up to 25 years. (The capitalisation factor for 25 years is 1,276% per month.) Cash payments are also allowed. The monthly rental is rebated (not beyond extinction) as described in the respective tariffs.

# LARGE CUSTOMER PRICING OPTIONS

## NON-ESKOM GENERATION

Special pricing policy has been developed for customers who have their own generation which is used to supply all or part of their electricity requirements. Unique aspects of this type of supply arrangement, which are covered by the policy are:

- The supply of energy to the customer to supplement his own generation.
- The provision of standby capacity to the customer to back his generation up.
- The provision of standby energy to the customer when his generation fails.
- The purchase of any surplus energy, by Eskom, which the customer may be generating from time to time.

## MOBILE TRANSFORMER

The Mobile Transformer (MT) is a product aimed at parties that require a supply for a short period of time and entities that frequently move around (e.g. diggers) and require a supply point at different locations. The MT is intended for "run of line" applications i.e. where the MT can be tapped from existing Eskom lines without having to build additional lines. Please contact AGRELEK or INDUSTRELEK for further information.

## PREMIUM POWER

Eskom supplies quality power at a standard higher or equal to the standard specified by the National Electricity Regulator. Premium power is a power quality product which enables customers to negotiate power quality, superior to the existing quality. This is achieved through the installation of dedicated equipment at the cost of the individual benefitting customer. Various financial options are available to assist the customer, including a leasing option. A specific power quality performance contract is then established which includes maintenance and performance reporting. More information in this regard is obtainable from the Quality of Supply Department at (011) 629-5111.



## PRICING FOR INTERRUPTIBLE SUPPLIES

Eskom offers incentives for supplies which are interruptible. These incentives can be offered because of the cost savings incurred by Eskom when these supply interruptions are used as follows:

- To match available supply with demand and hence retain power system stability and integrity.
- To schedule the most economic option, thus interrupting supply to a customer rather than scheduling more expensive generation.
- To defer long term capital investment by having interruptible capacity available and taking it into consideration when doing system planning
- Additional revenue can be generated by allowing non-firm marginal sales for customers with interruptible supplies during periods of uncertain surplus capacity.

The following pricing options are available:

| OPTION | 1 Short term interruptable base sales | 2 Short term curtailable base sales | 3 Short term interruptable marginal sales | 4 Short term emergency base sales | 5 Long term interruptable base & marginal sales |
|---|---|---|---|---|---|
| **Contract period** | | | | | |
| ≤ 5 years | ✔ | ✔ | ✔ | ✔ | |
| ≥ 15 years | | | | | ✔ |
| **Notice period** | | | | | |
| No notice | ✔* | ✔* | ✔ | ✔ | ✔ |
| < 4 hours | ✔* | ✔* | | | |
| **Used by Eskom** | | | | | |
| Tight conditions | ✔ | ✔ | ✔ | | ✔ |
| Contingencies | ✔ | ✔ | ✔ | | ✔ |
| Emergencies | | | | ✔ | |
| Postpone capacity | | | | | ✔ |
| **Price incentive** | | | | | |
| Pre-event tariff discount | | | ✔ | | ✔ |
| Post-event energy rebate | ✔ | ✔ | | ✔ | ✔ |

*Option 1 and 2 can be structured with or without a notice period, or a combination of both.

The maximum incentive to be negotiated is based on the following:

| | | |
|---|---|---|
| Option 1 | No Notice<br>Notice | Maximum of 80 % x avoided cost<br>60 % x avoided cost |
| Option 2 | No Notice<br>Notice | 60 % x avoided cost<br>40 % x avoided cost |
| Option 3 | | Based on profit sharing between Eskom and the customer |
| Option 4 | | Cost of unserved energy to the contracted customer |
| Option 5 | | Determined based on individual study |

Eskom's avoided cost is revised annually and is 52,40c/kWh in 1998.

The conditions of the interruptible agreements:

- Minimum interruptions of 1 hour, 20 times per year.
- Customer with notice option can be placed on standby in which case an incentive will be paid.
- Customers buying through a request for curtailment will do so at the rate payable to a no-notice interruptible customer.

Any such option will be subject to suitable arrangements being made in respect of systems and the signing of an agreement between the involved parties.



# SMALL CUSTOMERS

# LANDRATE

## ELECTRICITY TARIFF FOR FARMERS AND RURAL BUSINESSES

**Typical Landrate Customers:** Supplies in low density rural areas normally supplied from 11kV or 22kV networks at a nominal voltage lower than 500 volts and where the maximum demand may not exceed 100kVA. Typical customers are farmers, rural businesses and telecommunication installations.

**Deposit:** Normally equivalent to 3 consecutive month's electricity bill.

**Connection fees:**

Single phase supply: R 789,47 + VAT = **R 900,00****
(Conventional or prepayment meter)

Three phase supply: R 1 578,95 + VAT = **R 1 800,00****
(Conventional meter)

Three phase supply: R 1 929,82 + VAT = **R 2 200,00****
(Prepayment meter)

*** The fees listed are the minimum cash amounts payable. Additional charges based on actual costs may be raised as per current policy.*

# LANDRATE 1 2 3

Suitable for supplies where there is consistently more than 1 000kWh per month being consumed. Typically for agricultural usage.

**Basic Charge:** The basic charge is payable each month for each point of supply whether electricity is consumed or not, and is graded according to the maximum demand of supply at the following rates:

| | | |
|---|---|---|
| 1 | R 97,71 + VAT = **R111,39** | $\leq$25kVA |
| 2 | R124,36 + VAT = **R141,77** | > 25kVA and $\leq$ 50kVA |
| 3 | R174,39 + VAT = **R198,80** | > 50kVA and $\leq$100kVA |

**Energy Charge:** The energy charge is divided into 2 block rates.

**High rate:** 28,83c + VAT = **32,87c/kWh** for the first 800kWh consumed in the month.

**Low rate:** 16,67c + VAT = **19,00c/kWh** for energy consumed above 800kWh each month.



# LANDRATE 4

Suitable for supplies where there is consistently less than 1 000kWh per month being consumed. The notified maximum demand may not exceed 25 kVA. Typically for domestic supplies on farms.

**Basic Charge:** A basic charge of R 73,40 + VAT = **R 83,68** is payable each month for each point of supply, whether electricity is consumed or not.

**Energy Charge:** A single energy charge of 28,83c + VAT = **32,87c/kWh**

# LANDRATE Dx

Suitable for low-usage non-metered supplies limited to 10A. Typically for small telecommunications installations where the electricity usage is low enough not to warrant metering.

**Fixed Charge:** A fixed charge of R 211,61 + VAT = **R 241,24** is payable each month for each point of supply, whether electricity is consumed or not.

**Capital Expenditure:** A monthly rental and/or cash payment may be applied in addition to the above standard tariffs, in order for Eskom to recover any additional capital expenditure incurred in the cost of providing the supply, not covered by the tariff (i.e. the transformer, metering equipment and 200 m of line).

*Please note for:*

***Landrate 4:*** *Where low consumption is expected, the rebate will be reduced accordingly.*

***Landrate Dx:*** *Any additional capital expenditure not covered by the tariff is to be paid as cash upfront, and no monthly rentals are allowed.*

# BUSINESSRATE

## ELECTRICITY TARIFF FOR SMALL BUSINESSES IN URBAN AREAS

**Typical Businessrate Customers:** Small businesses supplied at low voltage within an area designated by Eskom as urban or high density. The supply is to be made available at a nominal voltage lower than 500 volts and the maximum demand may not exceed 100kVA.

**Deposit:** Normally equivalent to 3 consecutive month's electricity bill.

**Connection fees:**

Single phase supply: R 701,75 + VAT = **R 800,00****
(Conventional or prepayment meter)

Three phase supply: R 1 403,51 + VAT = **R1 600,00****
(Conventional meter)

Three phase supply: R 1 754,39 + VAT = **R2 000,00****
(Prepayment meter)

*** The fees listed are minimum cash amounts payable. Additional charges based on actual cost may be raised as per current policy.*

**Basic Charge:** Payable each month for each point of supply, whether electricity is consumed or not. The basic charge is graded according to the notified maximum demand of supply at the following rates:

1. R 43,35 + VAT = **R 49,42** ≤ 25kVA
2. R 70,04 + VAT = **R 79,85** > 25kVA and ≤ 50kVA
3. R120,07 + VAT = **R136,88** > 50kVA and ≤ 100kVA

**Energy Charge:** The energy charge is divided into 2 block rates.

**High rate:** 28,83c + VAT = **32,87c/kWh** for the first 500kWh consumed in the month.

**Low Rate:** 16,67c + VAT = **19,00c/kWh** for energy consumed above 500kWh each month.

**Capital Expenditure:** A monthly rental and/or cash payment may be applied in addition to the above standard tariffs, in order for Eskom to recover any additional capital expenditure incurred in the cost of providing supply not covered by the tariff.



# HOMEPOWER

## ELECTRICITY TARIFF FOR MEDIUM TO HIGH-USAGE RESIDENTIAL CUSTOMERS

**Typical Homepower Customers:** Electricity supply to customers within an area designated by Eskom as urban or high density. Typically for residential usage but can also be applied to churches, schools, halls, old-age homes or similar premises.

**Deposit:** Normally equivalent to 3 consecutive month's electricity bill.

**Connection fees:**

Single phase supply: R526,32 + VAT = **R 600,00*(**)**
(Conventional or prepayment meter)

Three phase supply: R1 228,07 + VAT = **R1 400,00*(**)**
(Conventional meter)

Three phase supply: R1 578,95 + VAT = **R1 800,00****
(Prepayment meter)

** *The fees listed are minimum cash amounts payable. Additional charges based on actual cost may be raised as per current policy.*

* *If the supply is conventionally metered and Eskom supplies the meter box, add for single phase supplies R 131,35 + VAT = **R 150,00** and for three phase supplies R 219,30 + VAT = **R 250,00** to the fee indicated.*

**Basic Charge:** R 35,81 + VAT = **R 40,82** is payable each month for each point of supply whether electricity is consumed or not.

**Energy Charge:** 19,46c + VAT = **22,18c/kWh** for energy consumed each month.

**Capital Expenditure:** A monthly rental and/or cash payment may be applied in addition to the above standard tariffs, in order for Eskom to recover any additional capital expenditure incurred in the cost of providing supply, not covered by the tariff.

# HOMELIGHT

## ELECTRICITY TARIFF FOR LOW-USAGE RESIDENTIAL CUSTOMERS

**Typical Homelight Customers:** Customers requiring a low usage single-phase supply of electricity within an area designated by Eskom as urban or high density. The tariff has different energy rates based on the supply capacity required and provides for a subsidy to low usage customers. Typically for residential usage but can also be applied to churches, schools, halls or similar premises.

**Deposit:** Not applicable to prepayment supplies. If the supply is conventionally metered, a deposit normally equivalent to 3 consecutive month's electricity bill is payable.

**Connection fees:**

**2.5A** No charge (Offered in pilot projects only)
**20A** R 65,79 + VAT = **R 75,00*(**)**
(Conventional or prepayment meter)
**60A** R 526,32 + VAT = **R 600,00*(**)**
(Conventional or prepayment meter)

** *The fees listed are the minimum cash amounts payable. Additional charges based on actual costs may be raised as per current policy.*
* *If the supply is conventionally metered and Eskom supplies the meter box, add for single phase supplies R 131,58 + VAT =* ***R 150,00*** *to the fee indicated.*

# HOMELIGHT 1

Applicable where the capital cost of providing the supply, up to a fixed limit, is recovered by the tariff. Any costs in addition to the amount covered by the tariff is payable as a cash amount.

**Energy Charge:**

**2.5A** R8,77 + VAT = **R10,00** per month (Pilot projects only)

**20A** 27,01c + VAT = **30,79 c/kWh**
**60A** 29,02c + VAT = **33,08 c/kWh**



# HOMELIGHT 2

Applicable where the capital cost of the local electricity infrastructure excluding the service connection costs (service cable/line, electricity dispenser, ready board, etc.) has been paid for in advance by the customer/s or another party.

**Energy Charge:**

**20A** 23,25c + VAT = **26,51 c/kWh**
**60A** 25,26c + VAT = **28,80 c/kWh**

**WHAT IS THE DIFFERENCE BETWEEN A 2.5A , 20A AND A 60A SUPPLY ?**

**2.5A = 525 watts**
**20A = 4 200 watts**
**60A = 12 500 watts**
**= MAXIMUM WATTS**

**2.5A** Suitable for homes with few electrical appliances. This supply is designed to meet the basic energy needs in the home, and alternative energy sources (paraffin, gas, wood) will be needed to supplement the electricity supply. A maximum of 525 watts of electricity can be used at any one time.
**Typical appliances that can be used at the same time with this supply are radio, TV and lights.**

**20A** Suitable for homes with a selection of appliances, where some management of the appliance usage takes place. Not all appliances can be used at the same time. A maximum of 4200 watts of electricity can be used at any one time.
**Typical appliances that can be used at the same time are radio, TV, lights, refrigerator, iron and a two-plate hot plate.**

**60A** Suitable for homes where many appliances are used at the same time. A maximum of 12 500 watts of electricity can be used at any one time.
**Typical appliances that can be used at the same time are radio, TV, lights, refrigerator, iron, two-plate hot plate, geyser, kettle and microwave oven.**

*Where it is difficult to meet electricity needs with the supply size chosen, an alternative supply size can be chosen depending on the electricity needs and affordability. The local Eskom Service Centre or electricity vendor will determine whether an upgrade is necessary or provide advice on better appliance management.*

# PUBLIC LIGHTING

In order to provide a public lighting service in its licensed area of supply, Eskom will enter into a supply agreement with a recognised representative body with legal powers i.e. local authority, traffic department etc. who normally in turn provides a service to the general public. Eskom will not enter into an agreement with individual customers.

Typical supplies provided on this tariff are:

- Street lights
- Lights in telephone booths
- Traffic lights
- Neon and billboard signs

Note: This tariff is only available in an Eskom designated urban area.



The charges for public lighting are as follows:

**Connection fee:**
R 26,23 + VAT = **R 30,00** per pole
R 131,58 + VAT = **R150,00** per high-mast

**Energy Charge:** A public lighting supply is not metered and a fixed energy charge is payable per month per light fitting. This energy charge is based on the number of hours the supply will be used in a day, and the time at which the electricity will be used. The fixed energy charge is calculated using either the R/100W/month energy rate or the c/kWh energy rate. Where the c/kWh energy rate is used, the kWh's are calculated as follows :
kWh's = number of lights x light wattage x hours in use

| Dusk to midnight | All night | 24 Hours |
|---|---|---|
| (166,67 hours per month) | (333,3 hours per month) | (730 hours per month) |
| 15,23c/kWh + VAT = **17,36c/kWh** | 12,12c/kWh + VAT = **13,81c/kWh** | 14,31c/kWh + VAT = **16,32c/kWh** |
| OR | OR | OR |
| R2,54/100W/month + VAT = **R2,90/100W/month** | R 4,04/100W/month + VAT = **R4,61/100W/month** | R10,44/100W/month + VAT = **R11,90/100W/month** |

**Maintenance charge:** A monthly maintenance charge is payable, where Eskom is required to maintain the public lighting network. If the customer chooses to pay the monthly maintenance charge, and actual maintenance costs are much higher than the monthly charge, provision can be made to charge the higher fees. The maintenance charge does not recover refurbishment costs.

| Per Streetlight | Per High-mast light |
|---|---|
| R 7,57 + VAT = **R 8,63** per month<br>OR actual costs | R 176,62 + VAT = **R 201,35** per month<br>OR actual costs |

**Capital Financing:** If Eskom finances the public lighting, the capital spent can be repaid by the customer in monthly instalments called a monthly rental. The monthly rental is calculated using a 16% (1998) discount rate, and can be paid over any period up to 15 years. (The capitalisation factor for 15 years is 1,395% per month). The customer has an option of making a cash payment instead of the monthly payments.

# PREPAYMENT SUPPLIES

Prepayment meters are available to all small customer supplies up to a supply size of 65kVA. The meter cannot cater for larger supplies.

**Connection Fee:** See the applicable tariff.

**Deposits:** The deposit is normally equivalent to three consecutive month's electricity bill and is based on charges included in the bill.
Example: A prepayment Homepower customer would pay a deposit for the basic charge and monthly rental if applicable, and not for energy consumption.

**Tariffs:** As the normal prepayment meters cannot accommodate a tariff with a basic charge and energy rate, a monthly account will be received for the basic charge and the monthly rental (if applicable) only. A customer must sign a debit order for this amount, which means that the basic charge will automatically be deposited into Eskom's account therefore requiring very little administration.

The Landrate and Businessrate tariffs have a high and a low energy rate, and therefore the meter can only accommodate one energy rate. Eskom has therefore modified these prepayment tariffs by increasing the basic charge to include the high energy rate and selling all energy at the low energy rate, as indicated in the table below.

| Tariff | Basic Charge | Energy Charge |
|---|---|---|
| Businessrate 1 | R 104,15 + VAT = **R 118,73** | 16,67c + VAT = **19,00c/kWh** |
| Businessrate 2 | R 130,83 + VAT = **R 149,15** | 16,67c + VAT = **19,00c/kWh** |
| Businessrate 3 | R 180,86 + VAT = **R 206,18** | 16,67c + VAT = **19,00c/kWh** |
| Landrate 1 | R 194,99 + VAT = **R 222,29** | 16,67c + VAT = **19,00c/kWh** |
| Landrate 2 | R 221,64 + VAT = **R 252,67** | 16,67c + VAT = **19,00c/kWh** |
| Landrate 3 | R 271,67 + VAT = **R 309,70** | 16,67c + VAT = **19,00c/kWh** |
| Landrate 4 | R 73,40 + VAT = **R 83,67** | 28,83c + VAT = **32,87c/kWh** |
| Homepower | R 35,81 + VAT = **R 40,82** | 19,46c + VAT = **22,18c/kWh** |
| Homelight 1 20A | | 27,01c + VAT = **30,79c/kWh** |
| Homelight 1 60A | | 29,02c + VAT = **33,08c/kWh** |
| Homelight 2 20A | | 23,25c + VAT = **26,51c/kWh** |
| Homelight 2 60A | | 25,26c + VAT = **28,80c/kWh** |

**Meter Change Fee:** A change in meter type fee is payable when converting from/to a conventional to/from a prepayment meter (See Standard Charges List)

**Capital Expenditure:** Monthly rentals are allowed with the above prepayment tariffs, with the exception of the Homelight tariff.



# PRICE COMPONENTS

**The following is payable regarding small customer tariffs:**

**Deposit:**
A deposit is required for all supplies that have signed agreements, and is normally equivalent to an estimated three consecutive month's electricity bill. This includes the basic charge, energy charge and monthly rental, if applicable.

**Connection fee:**
The connection fee is payable upfront for the connection of a new supply point, and is required as a cash contribution towards the cost of providing supply.

**Basic charge:**
A fixed charge that is payable each month for each point of supply, whether electricity is consumed or not. This charge increases every year with the annual price increase and is a contribution towards Eskom's fixed costs, such as capital, meter reading, billing and maintenance.

**Energy charge:**
A charge for each kilowatt hour (kWh) or unit of energy consumed. This charge increases every year with the annual price increase.

**Monthly Rental:**
All small customer tariffs have a certain amount of capital included in the tariff rates. A monthly rental is payable when the cost of providing supply exceeds the capital amount that the tariff is based on. The monthly rental is therefore a contribution to the capital cost not recovered by the tariff, and is a fixed payment that the customer must make each month in addition to the tariff charges. Monthly rentals are calculated using a 16% (1998) discount rate, and can be paid over any period up to a maximum of 25 years. (The capitalisation factor for 25 years is 1,276% per month). The customer has an option of making a cash payment instead of the monthly payments.

# UNDERSTANDING YOUR ELECTRICITY BILL

### What is a watt?

Electricity is measured in units of power called watts. A watt is such a small amount of power that the more commonly used measurement is the kilowatt, which represents 1000 watts.

Some appliances require more electricity to operate than others.

**DELUXE KETTLE**
MODEL: DELUXE
SERIAL NO: 176552/NHGFF/87
SUPPLY 230V 50Hz
INPUT 2000 W
HOKASHI CORPORATION

**2 000 watts**

**Wattage**

Most appliances have a label that shows the amount of electricity the particular appliance requires to operate. This can normally be found at the back or underneath the appliance.

The higher the wattage or kilowatt rating of a particular appliance, the more electricity it requires to operate.

This table shows some typical appliances and their approximate wattages.

| Appliance | Wattage | Appliance | Wattage |
|---|---|---|---|
| Video recorder | 35 | Iron | 1000 |
| Light bulb (60w) | 60 | Toaster (pop up) | 1100 |
| Television (70cm colour) | 100 | Microwave oven | 1300 |
| Food mixer | 150 | Heater : 2 bars | 1300 |
| HI-FI 30 watt speakers | 180 | Two plate hotplate | 2000 |
| Home computer | 180 | Lawn-mower | 2000 |
| Refrigerator (no freezer) | 250 | Kettle | 2400 |
| Pool pump | 750 | Geyser | 3000 |

The above wattages are guidelines. Please check the particular appliance that is being used to determine the correct wattage for the appliance.

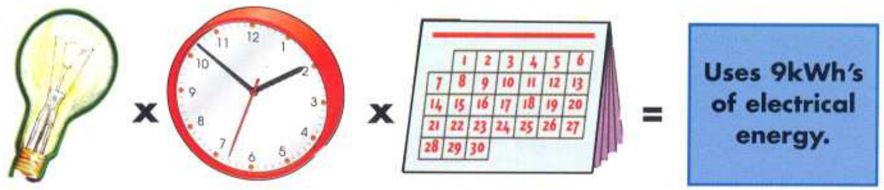


### What is a kilowatt-hour?

The amount of electricity a customer uses over a period of time is measured in kilowatt-hours (kWh). Kilowatt-hours are determined by multiplying the number of kilowatts required by the number of hours of use.

**For example:**

- If you use a 60 watt light bulb 5 hours a day for 30 days, you have used 60 watts of power for 150 hours.
- 60 watts x 150 hours = 9000 watt-hours of electrical energy.
- Divide the 9000 watt hours by 1000 to get to 9 kilowatt-hours (kWh).




**One 60W light bulb used for 5 hours a day for 30 days**

### HOW MUCH DOES IT COST TO USE AN APPLIANCE?

Once you have calculated the amount of kilowatt-hours you are using per month for a particular appliance, you must calculate what this means in Rand terms.

For Eskom's small customer tariffs, the electricity is sold in cents per kilowatt-hour (c/kWh). This is called the energy charge. The energy charge differs, depending which tariff you are on.

Multiply the amount of kWh consumed by the energy rate (c/kWh) applicable to your tariff in order to calculate the cost of running the appliance and divide by 100 to get to the Rand value.

**Example:**

The **HOMEPOWER** tariff energy rate is **22,18c/kWh** (including VAT).
In the above example, 9 kWh of energy was consumed.
9 kWh x **22,18c/kWh** = 199,62 cents or R 2,00.

***It will cost the Homelight customer R 2,00 to use a 60 watt light bulb 5 hours a day for 30 days.***

# PRICING OPTIONS

### ELECTRIFICATION OF WORKER HOUSES

Eskom supports the electrification of worker houses on Eskom customer premises in rural areas. Eskom will assist financially by paying a maximum of a R1000 incentive towards the costs of electrification for each worker house electrified, with the requirement that the Eskom customer complies with certain conditions. This incentive is applicable where an Eskom customer extends an existing supply point, or takes a new Eskom supply point to supply electricity to the worker houses, and is applicable for any number of worker houses. The workers are consumers of the Eskom customer and not direct Eskom customers. These connections will be treated as part of Eskom's electrification targets.

### REMOTE AREA POWER SUPPLIES (RAPS)

Remote area power supplies include the following systems: Wind Power, Solar Power, Hydro Power and Hybrid (combination of more than one) systems. These systems are considered by Eskom when a grid extension is impractical or uneconomical, even in the medium to long term.

### RESIDENTIAL DEMAND SIDE MANAGEMENT (RDSM)

Due to the electrification drive and usage patterns of residential customers, the residential sector will have the greatest influence on the forecast 17% deterioration in the ratio of peak to off-peak of demands in the next two decades. Such a deterioration in the load factor means that electricity supply capacity cannot be used effectively and this will bring forward the need to add costly supply infrastructure. Based on the capital cost of the Majuba power station in today's terms, new generating capacity will cost the country about R12,5 billion for 4 000 MW.

The alternative is the development of demand side management options, particularly RDSM options. Two of the main RDSM strategies involve the motivation of residential customers to shift their use of electricity from peak to off-peak periods and the motivation of customers to use less electricity for the same benefit or the same electricity for greater benefit.

With water and space heating making up a large percentage (over 50%) of residential demand in South Africa, two RDSM focus areas are water heating and the thermal efficiency of homes. Another focus area is electricity-efficient end-use equipment such as lighting and appliances. Time of use tariffs for residential customers as well as limited circuit breaker capacity options for newly electrified customers are also being investigated.

The RDSM initiatives will have a large positive environmental impact by reducing the use of valuable water and coal resources as well as minimising the emission of greenhouse gases. At the same time RDSM will benefit everyone by helping to keep the cost of electricity low.



# HOW TO PAY

### Post

You may post your cheque or postal order to the address printed on your electricity bill. You must enclose the counterfoil at the bottom of the bill with the cheque or postal order. Please do not send cash through the post.

### Mail transfer

You may also arrange through the postal services for mail transfer of money or postal order.

### Personally

Call in at your local Eskom office and pay your account in cash, or by cheque or postal order.

### Direct debit

Sign a special agreement with Eskom for your electricity bill to be debited directly from your bank account each month and receive a discount (R2 per bill - Small Customers only). You will receive your bill in the normal manner, and on a set day each month the total (up to a limit set by yourself) will be deducted from your account. Should your electricity bill exceed the limit you have set, the onus is on you to pay the balance using any of the above methods.

### Prepayment

A personal token - a card or a number - can be purchased. This token is used to credit the meter with the purchased electricity and also serves as a receipt. Tokens can be purchased from your nearest Eskom office or in specific areas of supply at your local supermarket, general dealer or at mobile supply points.

### Late payments

Contact your nearest Eskom office to directly deposit your payment into Eskom's bank account.

# ADVISORY SERVICES

Eskom provides a number of advisory services to a large spectrum of customers ranging from manufacturing to residential customers. These services form part of a series of brands which endeavour to meet different customer needs. Eskom has trained advisors specialising in various customer categories. The advisory service is free of charge except in the case where a particular detailed study is undertaken on request by an industrial, commercial, agricultural or redistributor customer.

### ELEKTROWISE
ELECTRICITY ADVICE FOR THE HOME

ElektroWise provides residential customers with free advice that will make their lives a little easier. This includes information on the safe and economic use of electricity. Further information is provided regarding available appliances so that customers can instantly experience the benefits of electricity. ElektroWise customers include rural and urban residential customers of all income groups. Examples of products developed for this market include basic appliance packages (e.g. hot places, kettles and irons) at cost and a bucket hot water system. For further information, phone your nearest Eskom office.

### ELEKTROSERVE
ELECTRICAL ADVICE FOR YOUR BUSINESS

ElektroServe provides professional advice on energy use to commercial customers. This may include analysis and assessment studies to determine where wastage of energy is taking place, or introducing the customer to electrically powered technology that can improve profitability and customer satisfaction. ElektroServe customer include owners and decision-makers of commercial concerns who use electricity in providing a service to customers. Technologies include hot water systems and medical waste disposal systems. For further information, phone 0 800 036 333 toll free or your nearest Eskom office.

### AGRELEK
AN ADVISORY SERVICE FOR AGRICULTURE

Agrelek renders an advisory service to agriculture. Agrelek advisors introduce farmers to new electro-technologies that will help them to farm more cost-effectively. New technologies are investigated in the field of food processing, irrigation and drying. Agrelek customers include established commercial farmers and small and medium scale farmers. For further information, phone 0 800 037 333 toll free or your nearest Eskom office.

### INDUSTRELEK
AN ADVISORY SERVICE FOR INDUSTRY

Industrelek provides industrial customers with solutions to their energy problems. This includes advice on the wider and wiser use of electricity, optimisation of production processes, information on new electrical technologies and cost-effective tariffs. Advice is available on the following sectors: chemicals (e.g. process drying), the non-metallic sector (e.g. waste management applications), paper and pulp sector (e.g. infra-red heating) and the textile sector (e.g. fabric drying). For further information, phone 0 800 036 333 toll free or your nearest Eskom office.

### UTILIMARK
BETTER BUSINESS THROUGH POWER MARKETING

Utilimark is a team of skilled and experienced marketers from Eskom dedicated to the provision of products and services which will help local authority electricity distributors to enhance customer service and improve profitability. Areas of focus include: Marketing Planning, Market Research, Marketing Communication, Pricing and Demand Information Management. For further information, phone your nearest Eskom office.



# CONTACT NUMBERS

Should you require any further information, please consult your nearest Eskom office:

| | | | |
|---|---|---|---|
| Bellville | (021) 915-9111 | Nelspruit | (013) 755-9000 |
| Benoni | (011) 422-3900 | Newcastle | (03431) 5-1274 |
| Bethal | (0172) 7-1200 | Nigel | (011) 814-1212 |
| Bethlehem | (058) 303-5133 | Oudtshoorn | (0442) 79-1667 |
| Bloemfontein | (051) 404-2111 | Parys | (0568) 2341 |
| Bothaville | (0565) 2118 | Phalaborwa | (01524) 8-7331 |
| Brits | (01211) 2-0438 | Pietermaritzburg | (0331) 94-7351 |
| Colesberg | (051) 753-0741 | Pietersburg | (0152) 297-2279 |
| Delareyville | (053) 948-1228 | Piketburg | (0261) 3-1180 |
| Durban | (031) 204-5600 | Pinetown | (031) 701-1201 |
| East London | (0431) 39-2111 | Port Elizabeth | (041) 34-3424 |
| Edgemead (CT) | (021) 58-1150 | Potchefstroom | (0148) 293-0232 |
| Empangeni | (0351) 92-5131 | Pretoria | (012) 348-4055 |
| George | (044) 801-2911 | Randfontein | (011) 693-5348 |
| Germiston | (011) 871-3481 | Rustenburg | (0142) 97-2570 |
| Grabouw | (021) 859-5303 | Sandton | (011) 803-5464 |
| Grahamstown | (0461) 2-7031 | Senekal | (05848) 3801 |
| Groblersdal | (01202) 4039 | Somerset West | (021) 851-7117 |
| Harrismith | (05861) 3-1788 | Soweto | (011) 494-4320 |
| Johannesburg | (011) 711-9111 | Thabazimbi | (014773) 7-1638 |
| Kimberley | (0531) 80-5758 | Thohoyandou | (0159) 2-3291 |
| Klerksdorp | (018) 464-6666 | Upington | (054) 38-1111 |
| Kraaifontein | (021) 988-7457 | Vanderbijlpark | (0169) 81-4030 |
| Kroonstad | (0562) 3-2757 | Vereeniging | (016) 421-3410 |
| Kuruman | (05373) 2-2151 | Vredenburg | (02281) 3-1153 |
| Ladysmith | (0361) 31-0370 | Vredendal | (0271) 3-1020 |
| Lichtenburg | (01441) 2-6284 | Vryburg | (05391) 7-1116 |
| Lydenburg | (013235) 2314 | Warmbaths | (014) 736-2140 |
| Malmesbury | (0224) 7-1530 | Welkom | (057) 913-3000 |
| Margate | (03931) 7-6363 | Witbank | (0135) 93-3111 |
| Middelburg | (0132) 46-1631 | Wolmaransstad | (018) 2-2515 |
| Midrand | (011) 315-2060 | Worcester | (0231) 2-2394 |