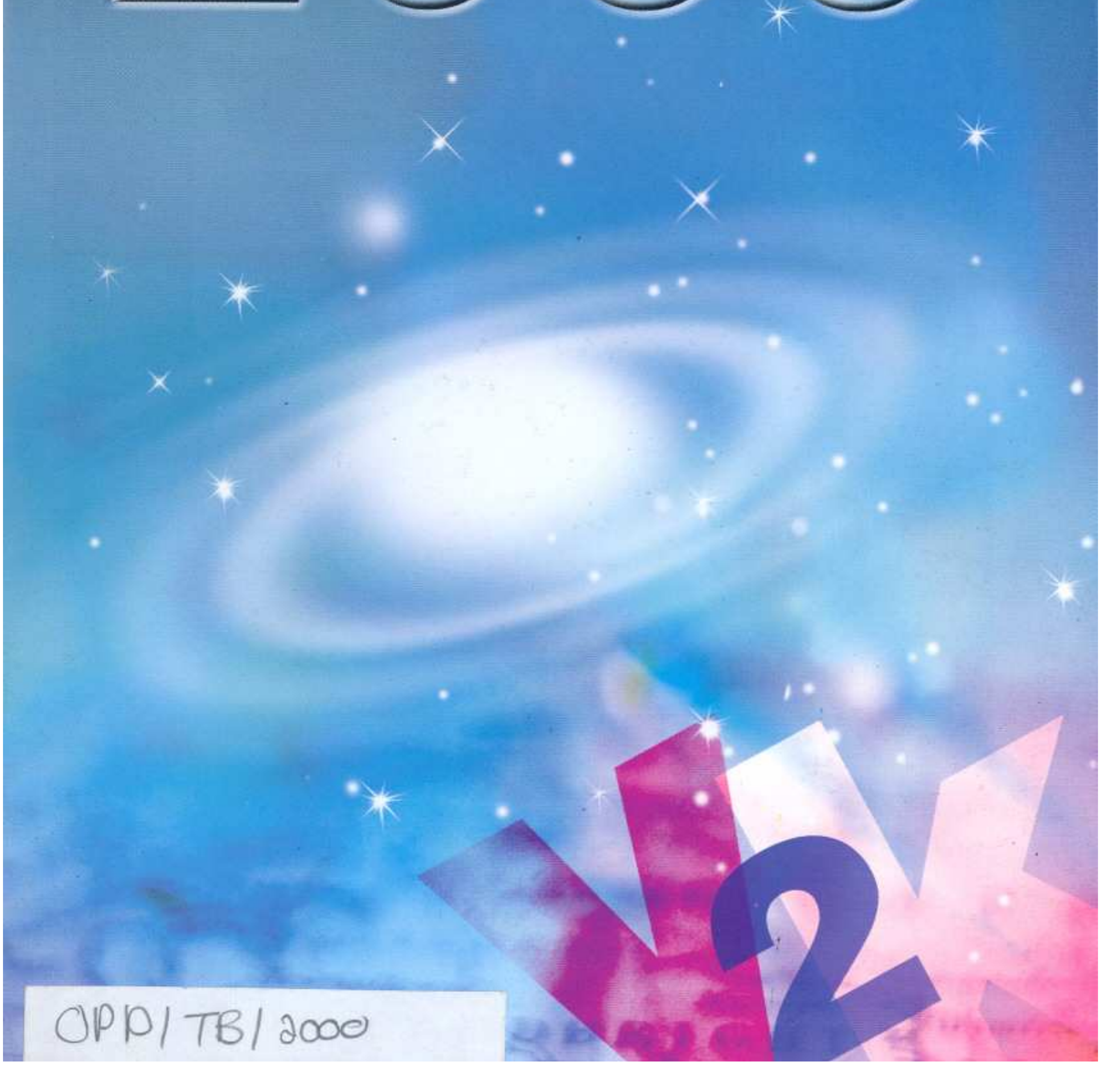
Eskom's
Tariffs & Charges
2000



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Eskom Advisory Services:

	Tel	Website
ElektroWise	(011) 800-6399	www.elektrowise.co.za
ElektroServe	0800 002 079	www.elektroserve.co.za
Agrelek	0860 037 333	www.agrelek.co.za
Industrelek	0800 036 333	www.industrelek.co.za
Utilimark	(011) 800-4203	www.utilimark.co.za

Tariff information on the Web: www.eskom.co.za/tariffs

Contents

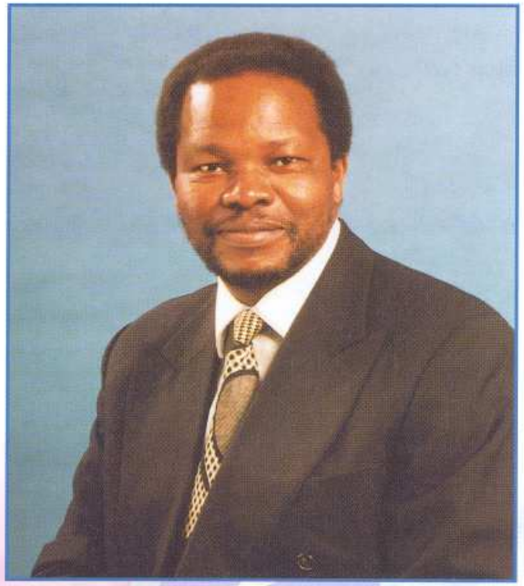
Price Announcement

The average price of electricity supplied by Eskom will rise by 5,5% on 1 January 2000. This has been announced by the Chairman of the Electricity Council, Reuel Khoza.

"The annual price adjustment has been pegged at an average of 5,5% for the year, an adjustment which we believe is vital to maintain financial health and viability in prevailing circumstances."

As a result of its focus on keeping increases as low as possible, Eskom's prices have been among the lowest, if not the lowest in the world, for many years. This situation has helped the economy weather some difficult times. At present, the electricity industry is experiencing considerable declines in sales as economic cycles go through a 'trough' and minerals beneficiation industries cut back their production.

Eskom at the same time announced structural tariff adjustments to align their tariff structures more with the guidelines given in the Energy White Paper. The effect of the structural changes will be that some customers will experience an effective price increase of either below or above the 5,5% average increase.



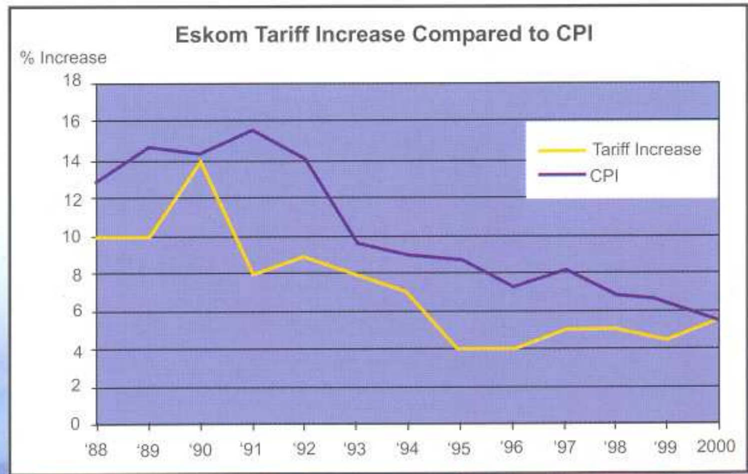
Chairman of the Electricity Council, Reuel Khoza

The Pricing Compact

Eskom's tariffs are increased on an annual basis, usually 1 January. The average tariff increases for the last 13 years are indicated in the table below. Some tariffs, due to structural changes, have experienced higher or lower increases than the average tariff increase.

Year	Tariff increase	Inflation rate
Jan 1988	10,00%	12,80%
Jan 1989	10,00%	14,70%
Jan 1990	14,00%	14,40%
Jan 1991	8,00%	15,30%
Jan 1992	9,00%	14,00%
Jan 1993	8,00%	9,70%
Jan 1994	7,00%	9,00%
Jan 1995	4,00%	8,70%
Jan 1996	4,00%	7,35%
Jan 1997	5,00%	8,60%
Jan 1998	5,00%	6,90%
Jan 1999	4,50%	(projected) 6,50%
Jan 2000	5,50%	(projected) 5,40%

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 (Reconstruction and Development Programme) compact was made in which the company committed itself to a 15% reduction in the real price of electricity for the period 1995 to 2000. Eskom, however, achieved a 15,4% reduction a year earlier, in 1999. This marks the conclusion of Eskom's commitment to reduce the real price of electricity as set out in the RDP compact.



Large Customer Tariff Components

The following is applicable to large customer tariffs:

Connection fee

The connection fee is payable upfront in cash for the connection of a new supply point and is a 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 kilovolt ampere (kVA) or kilowatt (kW) of the maximum demand supplied during the month. It is calculated by integrating the measured demand over half-hourly periods for kVA measured supplies or hourly periods for kW measured supplies.

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 kilovarhour (kvarh) registered. 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 higher the supply voltage, the higher 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 charge (where applicable) are subject to a transmission surcharge after the voltage discount has been granted, depending on the distance from Johannesburg.

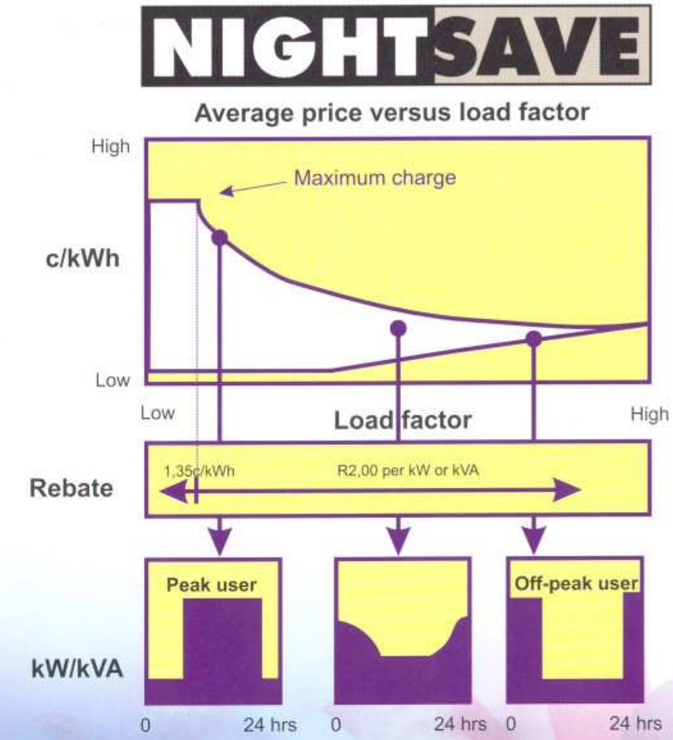
Monthly rental

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 15,50% (2000) discount rate, and can be paid over any period of up to 25 years. (The capitalisation factor for 25 years is 1,242% per month.) The customer has an option of making a cash payment instead of the monthly payments. The monthly rental is rebated (not beyond extinction) as described with the respective tariffs.

Merging of Standardrate and Nightsave

As from 1 January 2000 the Standardrate and Nightsave tariffs have been merged into a single tariff, called Nightsave. The new Nightsave tariff has exactly the same structure as in the past, except that the basic charge has been reduced to the level that Standardrate used to be.

Customers who already have metering equipment that meets the specification for the Nightsave tariff will automatically benefit from demand peaks during the designated off-peak hours. Customers who do not have the appropriate metering can apply to Eskom to have their metering upgraded to the correct specification in order to benefit from load shifting and demand peaks during off-peak hours. The cost of the metering upgrade will be for the customer's account.



NIGHTSAVE

Non-Rural Reticulation Network Supplies

Typical Nightsave customers:

Previous Standardrate (non-rural reticulation) customers and customers:
- with a notified maximum demand of at least 25 kW/kVA; 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 R2 412,28 **(VAT excl.)** or 5% of actual project cost **(VAT excl.)** payable per point of delivery.

Basic charge:

R166,16 + VAT = **R189,42** per month per point of delivery whether electricity is consumed or not.

Monthly rental:

When imposed in addition to the tariff, this is subject to a rebate (not beyond extinction) at the following rates:
- R2,00 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.

Demand charge:

Per **kVA** of maximum demand supplied during peak periods per month.
30-minute integrating periods are applicable.
R38,24 + VAT = **R43,59**

Per **kW** of maximum demand supplied per month. (1,2)
60-minute integrating periods are applicable.
R43,39 + VAT = **R49,46**

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:

6,90c + VAT = **7,87c/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, exceeds 33,67c + VAT = **38,38c/kWh**, then the customer will be charged at a rate of 33,67c + VAT= **38,38c/kWh** of energy supplied in the month.

Voltage discount:

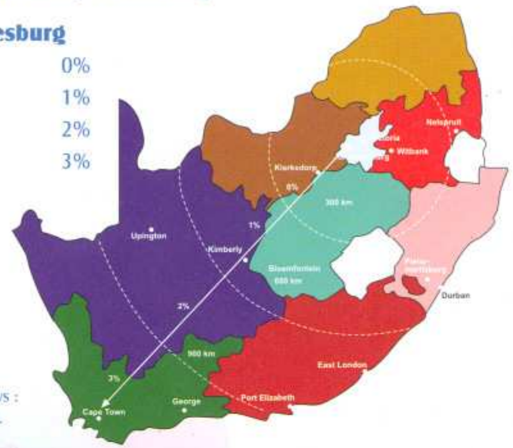
This is calculated as a percentage of demand and active energy charges.

Supply voltage	**Percentage discount**
< 500 V	0,00%
≥ 500 V and < 66 kV	5,33%
≥ 66 kV and ≤ 132 kV	7,13%
> 132 kV	12,75%

Transmission percentage surcharge:

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

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



1) 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 (kW). Unless or until they request that their maximum demand be measured in kilovolt amperes (kVA), this will be determined in kW.

2) From April 1998 Eskom introduced charges for excess demand, at the same rate 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: Previous Standardrate (rural reticulation) customers and customers:
- with a notified maximum demand of at least 25 kW/kVA; 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 and Sunday;
- with a supply of ≤ 22 kV* fed off a rural reticulation network.

Connection fee: The greater of R2 412,28 **(VAT excl.)** or 5% of actual project cost **(VAT excl.)** payable per point of delivery.

Basic charge: R166,16 + VAT = **R189,42** per month per point of delivery whether electricity is consumed or not.

Monthly rental: When imposed in addition to the tariff, this is subject to a rebate (not beyond extinction) at the following rates:
- R2,00 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.

Demand charge: Per **kVA** of maximum demand supplied during peak periods per month. 30-minute integrating periods are applicable.
R41,22 + VAT = **R46,99**
Per **kW** of maximum demand supplied per month. [1,2]
60-minute integrating periods are applicable.
R46,75 + VAT = **R53,30**
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: 7,45c + VAT = **8,49c/kWh** consumed in the month.

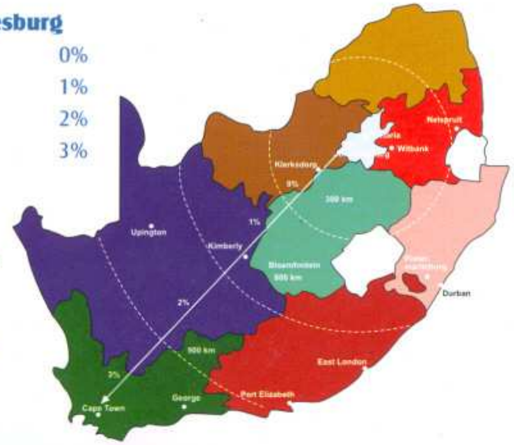
Maximum charge: If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceeds 39,12c + VAT = **44,60c/kWh**, then the customer will be charged at a rate of 39,12c + VAT = **44,60c/kWh** of energy supplied in the month.

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

Supply voltage	Percentage discount
< 500 V	0,00%
≥ 500 V and ≤ 22 kV*	5,33%

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

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



* Note that some rural networks with a voltage greater than 22 kV have been specifically designated by Eskom as reticulation networks.

1) 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 (kW). Unless or until they request that their maximum demand be measured in kilovolt amperes (kVA), this will be determined in kW.

2) From April 1998 Eskom introduced charges for excess demand, at the same rate as above. Excess demand will be calculated as follows : Excess demand = Actual demand in kVA x 0,85 - Actual demand in kW.

Treatment of Public Holidays

Public holidays are treated differently throughout the year. The table below indicates the treatment of public holidays for 2000.

Note that with effect from 1 January 2000 all public holidays for the **Nightsave rural reticulation** tariff will be treated as the day of the week on which it falls. Public holidays will therefore only be treated as off-peak periods if they fall on a Saturday, a Sunday or within the general off-peak period from 22:00 on 15 December 2000 until 06:00 on 2 January 2001.

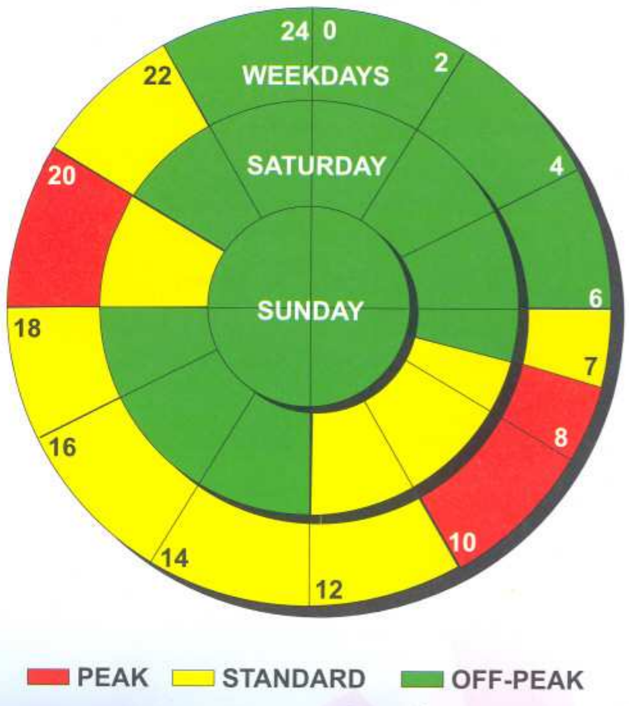
Date	Day	NIGHTSAVE Non-rural reticulation	MEGAFLEX MINIFLEX
1 January	New Year's Day	Sunday (Off-peak)	Sunday (Low demand)
2 January	Y2K Day	Sunday (Off-peak)	Sunday (Low demand)
3 January	Public holiday	Sunday (Off-peak)	Sunday (Low demand)
21 March	Human Rights Day	Sunday (Off-peak)	Saturday (Low demand)
21 April	Good Friday	Sunday (Off-peak)	Sunday (High demand)
24 April	Family Day	Sunday (Off-peak)	Sunday (High demand)
27 April	Freedom Day	Sunday (Off-peak)	Saturday (High demand)
1 May	Workers 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)	Saturday (High demand)
24 September	Heritage Day	Sunday (Off-peak)	Sunday (High demand)
25 September	Public holiday	Sunday (Off-peak)	Saturday (High demand)
16 December	Day of Reconciliation	Sunday (Off-peak) from 22:00 on 15 Dec 2000 until 06:00 on 2 Jan 2001	Saturday (Low demand)
25 December	Christmas Day		Sunday (Low demand)
26 December	Day of Goodwill		Sunday (Low demand)

Time-of-Use Tariffs

Time-of-Use (TOU) 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 TOU, where an impact study indicated a financial saving due to the conversion, will be subject to a conversion surcharge of 18% for the year 2000. This conversion surcharge is payable for a 12 month period.

The defined daily TOU periods throughout the year for Megaflex, Miniflex and Ruraflex are the same, while the rates applicable to high demand season (April to September) differs from the low demand season (October to March). The daily time periods are:



MEGAFLEX

Typical Megaflex customers: 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 R2 412,28 **(VAT excl.)** or 5% of actual project cost **(VAT excl.)** payable per point of delivery.

Basic charge: R58,49 + VAT = **R66,68** per month per point of delivery whether electricity is consumed or not.

Monthly rental: When imposed in addition to the tariff, this is subject to a rebate (not beyond extinction) at the following rates:

R2,00 per kVA or kW of chargeable demand when the energy and demand charges are applicable.

1,81c/kWh of peak period active energy consumption when the maximum charge is applicable.

Time periods: Refer to page no. 13.

Maximum demand charge: Payable in peak or standard periods on weekdays and Saturdays. The integrating period is 30 minutes.

High demand (April - September)
R12,23 + VAT = **R13,94/kW**

Low demand (October - March)
R11,02 + VAT = **R12,56/kW**

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

Active energy charge:

High demand (April - September)

Peak	22,07c + VAT =	**25,16c/kWh**
Standard	12,39c + VAT =	**14,12c/kWh**
Off-peak	7,10c + VAT =	**8,09c/kWh**

Low demand (October - March)

Peak	19,87c + VAT =	**22,65c/kWh**
Standard	11,11c + VAT =	**12,67c/kWh**
Off-peak	6,39c + VAT =	**7,28c/kWh**

Maximum charge: If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceeds 33,67c + VAT = **38,38c/kWh**, then the customer will be charged a rate of 33,67c + VAT = **38,38c/kWh** of energysupplied in the month.

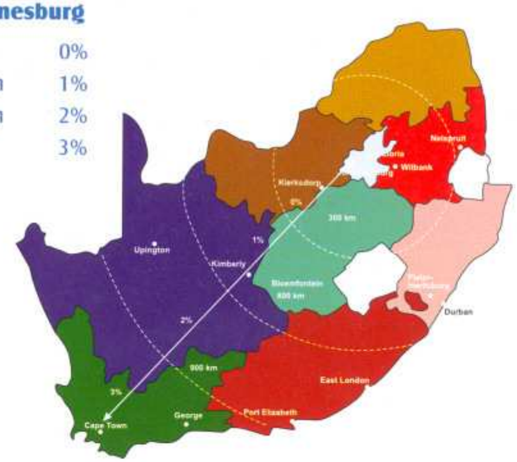
Voltage discount: This is calculated as a percentage of demand and active energy charges.

Supply voltage	Percentage discount
< 500 V	0,00%
≥ 500 V and < 66 kV	5,33%
≥ 66 kV and ≤ 132 kV	7,13%
> 132 kV	12,75%

Reactive energy charge: 2,55c + VAT = **2,91c/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 and accumulated for the month.

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

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



MINIFLEX

Typical Miniflex customers: Customers:
- with supplies 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 R2 412,28 **(VAT excl.)** or 5% of actual project cost **(VAT excl.)** payable per point of delivery.

Basic charge: R58,49 + VAT = **R66,68** per month per point of delivery whether electricity is consumed or not.

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

Time periods: Refer to page no. 13.

Maximum demand charge: Not applicable.

Active energy charge:

High demand (April - September)

Peak	33,67c + VAT = **38,38c/kWh**
Standard	12,39c + VAT = **14,12c/kWh**
Off-peak	7,10c + VAT = **8,09c/kWh**

Low demand (October - March)

Peak	30,31c + VAT = **34,55c/kWh**
Standard	11,11c + VAT = **12,67c/kWh**
Off-peak	6,39c + VAT = **7,28c/kWh**

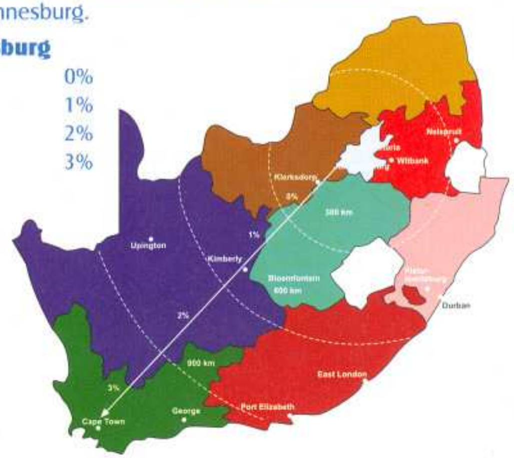
Voltage discount: This is calculated as a percentage of the active energy charges.

Supply voltage	Percentage discount
< 500 V	0,00%
≥ 500 V and < 66 kV	5,33%
≥ 66 kV and ≤ 132 kV	7,13%
> 132 kV	12,75%

Reactive energy charge: 1,28c + VAT = **1,46c/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	
≤ 300 km	0%
> 300 km and ≤ 600 km	1%
> 600 km and ≤ 900 km	2%
> 900 km	3%



RURAFLEX

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

Connection fee:
The greater of R2 412,28 **(VAT excl.)** or 5% of actual project cost **(VAT excl.)** payable per point of delivery.

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

Ruraflex 1:
R316,33 + VAT = **R360,62** per month.
Applicable to customers with an installed capacity of up to and including 50 kVA.

Ruraflex 2:
R351,48 + VAT = **R400,69** per month.
Applicable to customers with an installed capacity above 50 kVA.

Monthly rental:
The tariff rebate covers the cost of the transformer up to 50 kVA (Ruraflex 1) or 100 kVA (Ruraflex 2) plus 200 m of line.

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

Time periods:
Refer to page no. 13.

Active energy charge: **High demand (April - September)**

Peak	39,12c + VAT = **44,60c/kWh**
Standard	14,77c + VAT = **16,84c/kWh**
Off-peak	8,59c + VAT = **9,79c/kWh**

Low demand (October - March)

Peak	35,11c + VAT = **40,03c/kWh**
Standard	13,25c + VAT = **15,11c/kWh**
Off-peak	7,69c + VAT = **8,77c/kWh**

Voltage discount:
This is calculated as a percentage of the active energy charges.

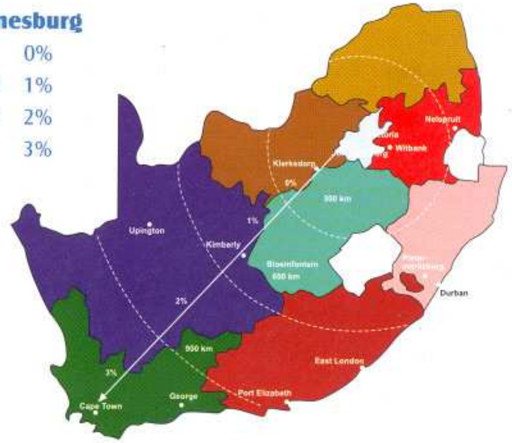
Supply voltage	**Percentage discount**
< 500 V	0,00%
≥ 500 V and ≤ 22 kV*	5,33%

Reactive energy charge:
1,28c + VAT = **1,46c/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

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



* Note that some rural networks with a voltage greater than 22 kV have been specifically designated by Eskom as reticulation networks.

Large Customer Special Pricing Options

Real Time Pricing (RTP)

For selected customers who meet Eskom's qualification criteria, a Real Time Pricing option is available. This pricing option exposes customers' incremental consumption decisions to the short-term value of electricity, as determined by the Eskom Power Pool.

For more information contact your customer executive or your nearest Eskom Office.

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. Contact Agrelek or Industrelek for further information.

Premium power

Eskom supplies quality power at a standard that is 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 customer. Various financial options are available to assist the customer, including a leasing option. A specific power quality performance contract, which includes maintenance and performance reporting, is then established. More information in this regard is obtainable from the Quality of Supply Department at (011) 629-5111.

Interruptible supplies

Eskom offers incentives for supplies which are interrupted. These incentives, which are based on Eskom's avoided cost of 62,38c/kWh (VAT excl.) for 2000, can be offered due to the cost saving to Eskom when supplies are interrupted to match the supply and demand of energy. Various options are available from which the customer can choose. Any such option will be subject to suitable arrangements being made and the signing of an Interruptible Supply Agreement.

Methods of Payment

Post

You may post your cheque or postal order to the address printed on your electricity bill. You must enclose the counterfoil/receipt stub 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, by cheque or postal order.

Debit orders

Sign a special agreement with Eskom for your electricity bill to be debited directly from your bank account each month and receive a discount (R2,00 per bill). 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 other methods. You may also instruct/request Eskom to add this 'exceeded' amount to the amount to be deducted the next month. If you have more than one account with Eskom, you may arrange to have the outstanding amount debited against your bank account as one amount, thereby saving further on bank charges. You will still receive your discount for every account.

Credit cards

Payments may be made through your credit card to a limit of R5 000,00. This may be done telephonically via a toll-free telephone number, or you may call at an Eskom office to effect payment.

Direct debit

You may pay your account directly into an Eskom bank account after which the payment will be transferred electronically to your Eskom electricity account.

Prepayment

A personal token (a card or a number) can be purchased. This token is used to credit the meter with the electricity purchased 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 mobile supply points.

For Multiple Points of Supply the following methods of payment can be used:

- If the points are within a small geographic area they can be linked to one account, i.e. only make one payment.
- Automatic debit order per account.
- Mail a cheque to the address on the account with instructions for payment allocations.
- Make a separate deposit for each account.

Small Customer Tariff Components

The following charges are applicable regarding small customer tariffs:

Deposit

A deposit is required for all supplies where agreements have been signed and is normally equivalent to three consecutive months' electricity bill. This bill is based on the basic charge, energy charge and monthly rental (if applicable). A deposit is not applicable to Homelight or Businessrate 4 prepayment supplies.

Connection fee

The connection fee is payable upfront in cash for the connection of a new supply point, and is a contribution towards the cost of providing the supply.

Basic charge

A fixed charge is payable each month for each point of delivery, 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, maintenance, etc.

Energy charge

A charge linked to 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. The monthly rental is a monthly contribution to the capital cost not recovered through the tariff, and is payable in addition to the tariff charges. Monthly rentals are calculated using a 15,50% (2000) discount rate, and can be repaid over any period up to a maximum of 25 years. (The capitalisation factor for 25 years is 1,242% per month). The customer has an option of making a cash payment instead of the monthly payments. No monthly rentals are allowed on Homelight, Businessrate 4 and Landrate Dx.

HOMEPOWER

Electricity tariff for medium to high-usage residential customers

Homepower is a tariff applicable to residential supplies in areas designated by Eskom as urban or high-density. This tariff is suitable for medium to high-usage residential customers, churches, schools, halls, old age homes or similar premises.

Deposit: Normally equivalent to 3 consecutive months' electricity bill.

Connection fees:

Single-phase supply (Conventional or prepayment meter):
R877,19 + VAT = **R1 000,00***

Three-phase supply (Conventional meter):
R1 754,39 + VAT = **R2 000,00***

Three-phase supply (Prepayment meter):
R2 105,26 + VAT = **R2 400,00***

Capital costs: In order for Eskom to recover additional capital costs not covered by the tariff, that are incurred in providing the supply, a monthly rental and/or cash payment may be applied in addition to the above standard tariff.

Basic charge: R39,48 + VAT = **R45,01** is payable each month for each point of delivery whether electricity is consumed or not.

Energy charge: A single energy charge of 21,46c + VAT = **24,46c/kWh**

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

HOMELIGHT

Electricity tariff for low-usage residential customers

The Homelight range of tariffs is applicable to single-phase supplies in areas 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. Typical supplies are residential dwellings with low usage but can also be applied to churches, schools, halls or similar premises with low usage.

Subject to further notice from the National Electricity Regulator the 2,5 A tariff will only be available to pilot projects that were approved prior to 1 December 1999.

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

Connection fees: **2.5 A (Piloted tariff): No charge**

20 A (Conventional or prepayment meter):
R131,58 + VAT = **R150,00***

60 A (Conventional or prepayment meter):
R877,19 + VAT = **R1 000,00***

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

HOMELIGHT1

Applicable to supplies where Eskom will spend up to a maximum of R2 150,00 + VAT = **R2 451,00,** towards the cost of providing the supply. Any cost in addition to the amount covered by the tariff is payable as a cash amount.

Energy charge: A single energy charge.

2,5 A: 31,48c + VAT = **35,89c/kWh**
20 A: 31,48c + VAT = **35,89c/kWh**
60 A: 35,41c + VAT = **40,37c/kWh**

HOMELIGHT2

Applicable to supplies where Eskom will spend up to a maximum of R1 000,00 + VAT = **R1 140,00,** towards the cost of providing the supply. Any cost in addition to the amount covered by the tariff is payable as a cash amount.

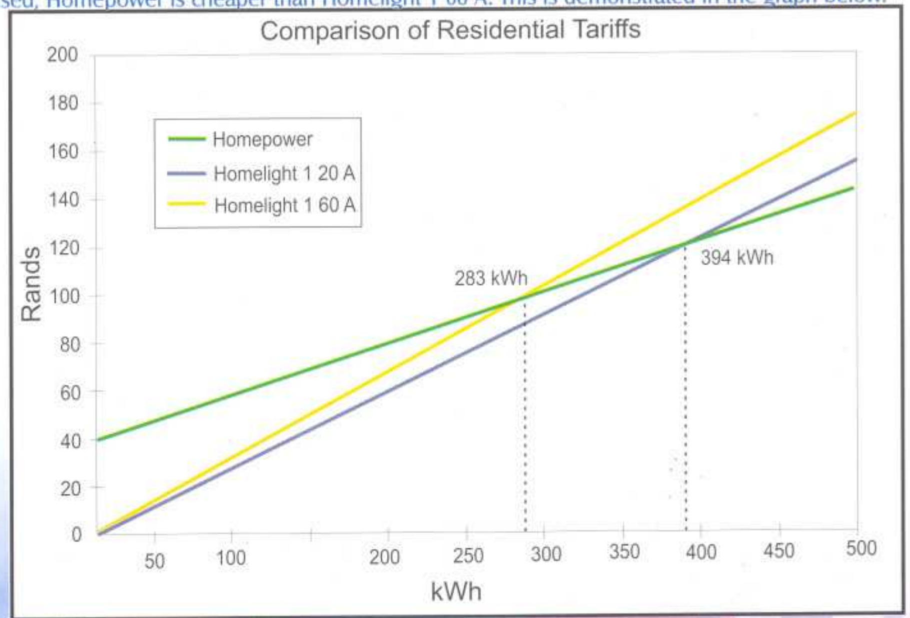
Energy charge: A single energy charge.

20 A: 27,34c + VAT = **31,17c/kWh**
60 A: 31,26c + VAT = **35,64c/kWh**

The maximum wattage (indicates how many appliances can be used at the same time) for each supply size is given in the following diagram.

20A - 4 180 watts
60A - 12 500 watts
= MAXIMUM WATTS

The break-even point between Homelight 1 60 A and Homepower is 283 kWh/month. If less than 283 kWh/month is used, Homelight 1 60 A is cheaper than Homepower. If more than 283 kWh/months is used, Homepower is cheaper than Homelight 1 60 A. This is demonstrated in the graph below.



LANDRATE

Electricity tariff for farmers and rural businesses

The Landrate range of tariffs is applicable to supplies in low density rural areas. Typical customers are farmers, rural businesses and rural telecommunication systems. Landrate is usually supplied from 11 or 22 kV* overhead networks at a nominal voltage lower than 500 V. No supplies greater than 100 kVA may be supplied on Landrate.

Landrate 1, 2, 3: Suitable for supplies where consistently **more** than 1 000 kWh per month is being used. The basic charge is payable each month for each point of delivery and is graded according to the notified maximum demand of the supply.

Landrate 4: Suitable for supplies where consistently **less** than 1 000 kWh per month is being used. The notified maximum demand may not exceed 25 kVA. Landrate 4 is typically for domestic or small supplies on farms. The basic charge is payable for each point of delivery.

Landrate Dx: This tariff is applicable to very low usage single-phase supplies where the notified maximum demand may not exceed 16 kVA and the supply capacity is limited to 10 A. Typically suited for small telecommunication installations, where the electricity usage is low enough not to warrant metering for billing purposes. A fixed charge is payable each month for each point of delivery.

Deposit: Normally equivalent to 3 consecutive months' electricity bill.

Connection fees:

Single-phase supply (Conventional or prepayment meter):
R1 052,63 + VAT = **R1 200,00****

Three-phase supply (Conventional meter):
R2 105,26 + VAT = **R2 400,00****

Three-phase supply (Prepayment meter):
R2 456,14 + VAT = **R2 800,00****

* Note that some rural networks with a voltage greater than 22 kV have been specifically designated by Eskom as reticulation networks.

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

Capital costs: In order for Eskom to recover additional capital costs not covered by the tariff that are incurred in providing the supply, a monthly rental and/or cash payment may be applied in addition to the above standard tariffs.

For Landrate supplies the cost of 200m of single-phase line, 135m of three-phase line or 320 m of SWER line, plus the transformer bank and metering equipment is covered by the tariff.

Where Eskom does the construction of a line, the cost per km (VAT excluded) of line built is as follows:

Three-phase line:	R53 000,00
Single-phase line:	R35 775,00
SWER*:	R22 359,00

The above cost may be converted into a monthly rental.

** This option can only be offered to customers where a SWER infrastructure is available.*

Landrate 4: Where low consumption is expected, the rebate must 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.

Charges applicable:

	Notified Maximum Demand Category	Basic Charge Per Month	Energy Rate Per Month	Fixed Charge Per Month
Landrate 1	≤ 25 kVA	R134,53 + VAT = **R153,36**	First 600 kWh @ 31,79c + VAT = **36,24c/kWh** > 600 kWh @ 18,38c + VAT = **20,95c/kWh**	N/A
Landrate 2	> 25 kVA and ≤ 50 kVA	R163,92 + VAT = **R186,87**	First 600 kWh @ 31,79c + VAT = **36,24c/kWh** > 600 kWh @ 18,38c + VAT = **20,95c/kWh**	N/A
Landrate 3	> 50 kVA and ≤ 100 kVA	R219,07 + VAT = **R249,74**	First 600 kWh @ 31,79c + VAT = **36,24c/kWh** > 600 kWh @ 18,38c + VAT = **20,95c/kWh**	N/A
Landrate 4	≤ 25 kVA	R80,92 + VAT = **R92,25**	31,79c + VAT = **36,24c/kWh**	N/A
Landrate Dx	16 kVA single-phase	N/A	N/A	R233,29 + VAT = **R265,95**

BUSINESSRATE

Electricity tariff for small businesses in urban areas

The Businessrate range of tariffs is applicable to supplies with a notified maximum demand of 100 kVA or less, in areas designated by Eskom as urban or high-density. Typical customers are small businesses, but the tariff can be applied to governmental institutions or similar supplies.

Businessrate 1, 2, 3: Suitable for supplies where consistently **more** than 500 kWh per month is used. The basic charge is payable each month for each point of delivery and is graded according to the notified maximum demand of the supply.

Businessrate 4: Suitable for supplies where consistently **less** than 500 kWh per month is being used. The notified maximum demand of the tariff may not exceed 25 kVA. Businessrate 4 is typically suited for small businesses with low-usage. (There is no basic charge on Businessrate 4.)

Deposit: Normally equivalent to 3 consecutive months' electricity bill.

Connection fees:

Single-phase supply (Conventional or prepayment meter):
R877,19 + VAT = **R1 000,00***

Three-phase supply (Conventional meter):
R1 754,39 + VAT = **R2 000,00***

Three-phase supply (Prepayment meter):
R2 105,26 + VAT = **R2 400,00***

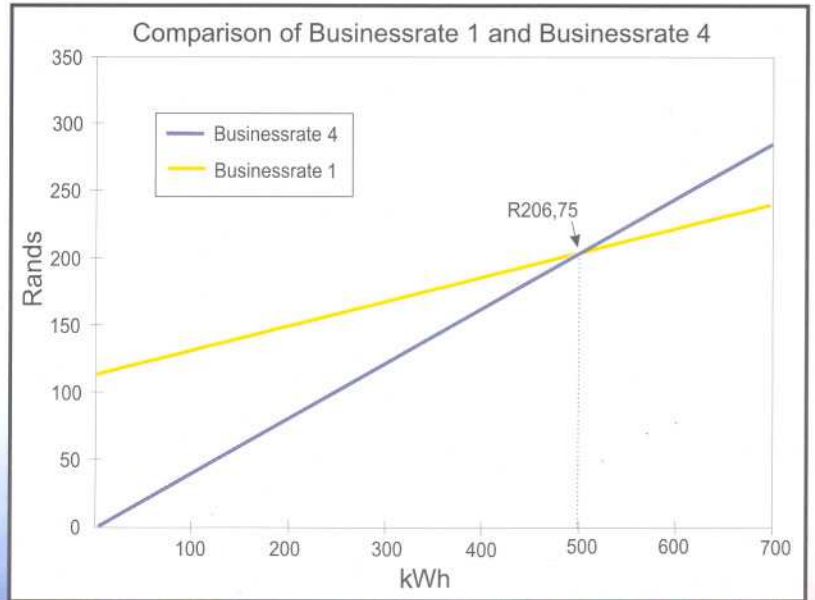
Capital cost: In order for Eskom to recover additional capital costs not covered by the tariff, that are incurred in providing the supply, a monthly rental and/or cash payment may be applied in addition to the above standard tariffs. No monthly rentals will be allowed for Businessrate 4.

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

Charges applicable:

	Notified Maximum Demand Category	Basic Charge Per Month	Energy Rate Per Month
Businessrate 1	≤ 25 kVA	R114,83 + VAT = **R130,91**	18,38c + VAT = **20,95c/kWh**
Businessrate 2	> 25 kVA and ≤ 50 kVA	R144,25 + VAT = **R164,45**	18,38c + VAT = **20,95c/kWh**
Businessrate 3	> 50 kVA and ≤ 100 kVA	R199,41 + VAT = **R227,33**	18,38c + VAT = **20,95c/kWh**
Businessrate 4	≤ 25 kVA	N/A	41,35c + VAT = **47,14c/kWh**

The break-even point between Businessrate 1 and 4 is 500 kWh/month. If less than 500 kWh/month is used, Businessrate 4 is cheaper than Businessrate 1. If more than 500 kWh/month is used, Businessrate 1 is cheaper than Businessrate 4. This is demonstrated in the graph below.



Public Lighting

Applicable only in an Eskom-designated urban area

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

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

Connection fees:
R30,70 + VAT = **R35,00** per connection
R153,51 + VAT = **R175,00** per high-mast connection

Energy charge:
A public lighting supply is usually 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/100 W/month energy rate or the c/kWh energy rate. In exceptional cases where metering is provided for, the charge would not be based on the Public Lighting tariff but on the applicable standard tariff. Where the c/kWh energy rate is used, the kilowatt-hours (kWh's) are calculated as kWh's = number of lights x light wattage x hours in use.

Dusk to midnight: 166,67 hours per month
16,80c/kWh + VAT = **19,15c/kWh OR**
R2,80/100 W/month + VAT = **R3,19/100 W/month**

All night: 333,3 hours per month
13,37c/kWh + VAT = **15,24c/kWh OR**
R4,45/100 W/month + VAT = **R5,07/100 W/month**

24 Hours: 730 hours per month
15,77c/kWh + VAT = **17,98c/kWh OR**
R11,51/100 W/month + VAT = **R13,12/100 W/month**

Telkom urban
A further option is available for small Telkom urban supplies. This is an unmetered fixed monthly charge based on a consumption of 200 kWh/month.
R27,67 + VAT = **R31,54/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 street light luminaire: R8,54 + VAT = **R9,74** per month or actual costs depending on maintenance agreement.

Per high-mast luminaire: R199,19 + VAT = **R227,08** per month or actual costs depending on maintenance agreement.

Capital financing: If Eskom finances a public lighting network, the capital spent can be repaid through a monthly rental or in cash. The monthly rental is calculated using a 15,50% (2000) discount rate, and can be paid over any period of up to 10 years. (The capitalisation factor for 10 years is 1,583% per month).

Prepayment Supplies

Prepayment meters are available for all small customer supplies up to a supply size of 65 kVA. (The meter can not cater for supplies larger that 65 kVA.)

Deposits: Not applicable to Homelight prepayment supplies. For other tariffs the deposit is normally equivalent to three consecutive months' 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), but not for any energy consumption.

Connection fees: See the applicable tariff.

Meter change fee: A change in meter type fee is payable when converting from/to a conventional or prepayment meter.

Capital expenditure: Monthly rentals are allowed with the above prepayment tariffs, with the exception of the Homelight and Businessrate 4 tariffs.

Tariffs: As Eskom's 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 is required to sign a debit order for this amount, to be automatically deposited into Eskom's account.

The Landrate 1, 2 & 3 tariffs have a high and a low-energy rate, but the meter can only accommodate one energy rate. Eskom has modified the Landrate 1, 2 & 3 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 on the following page.

Charges apllicable for prepayment supplies:

Tariff	Basic charge	Energy Charge
Businessrate 1	R114,83 + VAT = **R130,91**	18,38c + VAT = **20,95c/kWh**
Businessrate 2	R144,25 + VAT = **R164,45**	18,38c + VAT = **20,95c/kWh**
Businessrate 3	R199,41 + VAT = **R227,33**	18,38c + VAT = **20,95c/kWh**
Businessrate 4	N/A	41,35c + VAT = **47,14c/kWh**
Landrate 1	R214,99 + VAT = **R245,09**	18,38c + VAT = **20,95c/kWh**
Landrate 2	R244,38 + VAT = **R278,59**	18,38c + VAT = **20,95c/kWh**
Landrate 3	R299,53 + VAT = **R341,46**	18,38c + VAT = **20,95c/kWh**
Landrate 4	R80,92 + VAT = **R92,25**	31,79c + VAT = **36,24c/kWh**
Homepower	R39,48 + VAT = **R45,01**	21,46c + VAT = **24,46c/kWh**
Homelight 1 - 20 A	N/A	31,48c + VAT = **35,89c/kWh**
Homelight 1 - 60 A	N/A	35,41c + VAT = **40,37c/kWh**
Homelight 2 - 20 A	N/A	27,34c + VAT = **31,17c/kWh**
Homelight 2 - 60 A	N/A	31,26c + VAT = **35,64c/kWh**

Small Customer Pricing Options

Electrification of Worker Houses

Eskom supports the electrification of worker houses located on an Eskom customer's premises in rural areas, by providing a maximum of a R1 000 incentive towards the costs of electrification for each worker house electrified. This incentive is paid to the Eskom customer, provided certain conditions are complied with and is subject to the availability of funds. 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 for any number of worker houses. The workers are consumers of the Eskom customer and not direct Eskom customers. These connections are 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.

Residential Demand-side Management (RDSM)

Due to the electrification drive and the usage patterns of households, the residential sector will have a great influence on peak demand over the next two decades. The increase in the peak demand will speed up Eskom's need to add supply infrastructure that is very costly. To avoid or delay these costs, Eskom is pursuing an aggressive RDSM programme. Eskom's main RDSM strategies involve motivating residential customers to shift their use of electricity from peak to off-peak periods and to switch to more electricity-efficient light bulbs, geysers and appliances. The RDSM initiatives will have a large positive environmental impact by reducing the use of valuable resources as well as by minimising the emission of greenhouse gases and local pollutants. RDSM will also have financial benefits for all South Africans by helping to keep the cost of electricity low.

Customer-Built Power Supply

Eskom provides customers with the option to build their own power lines. Customer-built schemes are permitted when Eskom's own construction capacity is fully utilised and/or where customers are in a position to build or extend a network sooner than, or at costs more favourable than those quoted by Eskom. Customers have the choice of either undertaking the construction themselves or by engaging a contractor to perform the construction, subject to all work complying with Eskom's technical standards. Customer-built supplies are usually permitted on rural networks only and are subject to the standard approval process within Eskom. The approval for a customer-built power supply is at all times subject to the availability of capital and network capacity.

The terms and conditions for each customer-built scheme will be negotiated once the customer's written application has been received.