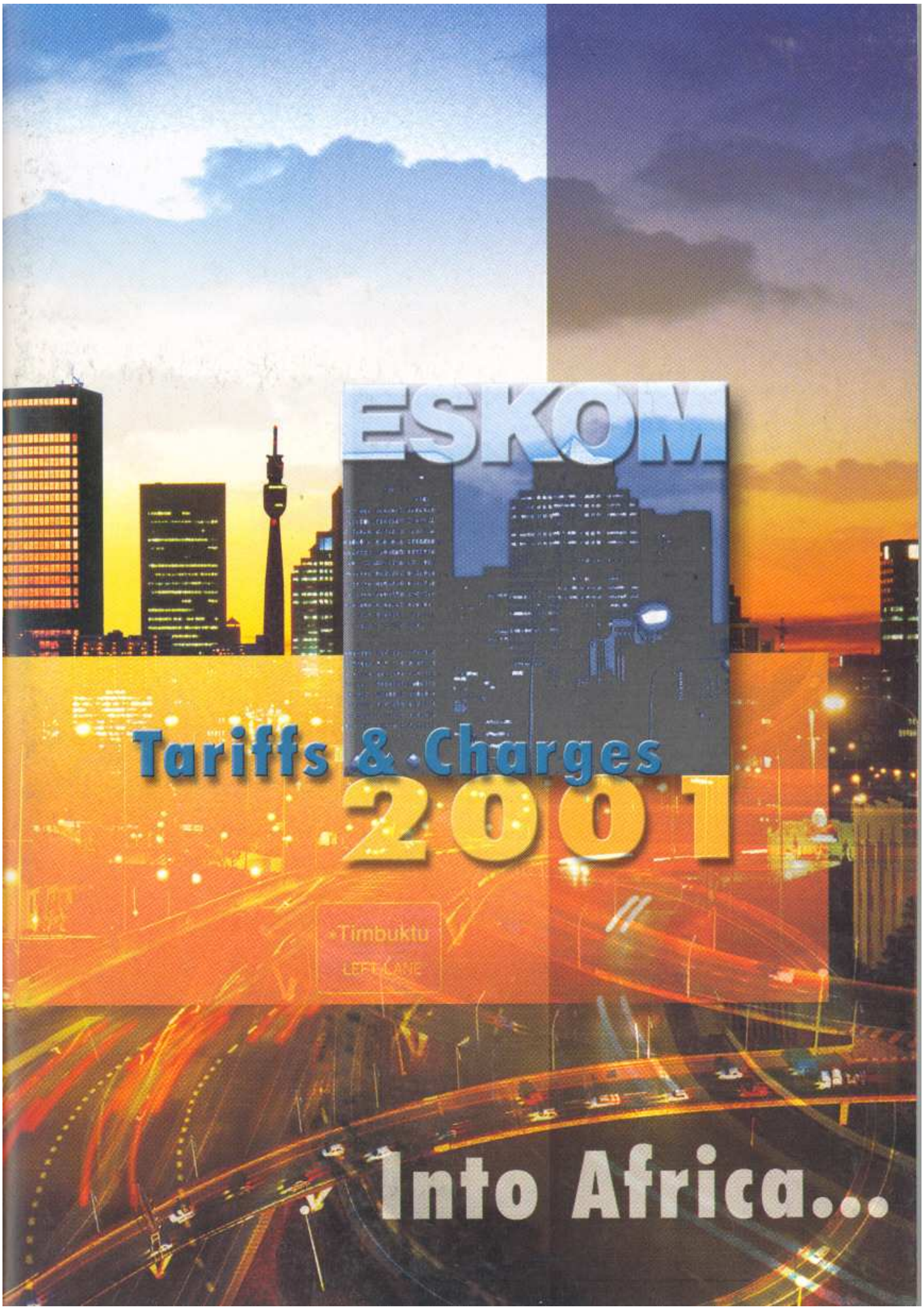
ESKOM
Tariffs & Charges
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Contact numbers

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Bloemfontein	0860 535 535	(051) 404-2627	north.western@eskom.co.za
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East London	0860 140 014	(043) 703-2929	southern@eskom.co.za
George	0800 411 400	(021) 915-2867	western@eskom.co.za
Pambile Nombane	0801 212 522	(021) 362-1589	western@eskom.co.za
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Phalaborwa	0860 100 383	(015) 299-0400	northern@eskom.co.za
Pietersburg	0860 100 381	(015) 299-0400	northern@eskom.co.za
Rustenburg	0860 100 382	(015) 299-0400	northern@eskom.co.za
Thohoyandou	0860 100 384	(015) 299-0400	northern@eskom.co.za
Weskus	0801 212 455	(021) 915-2867	western@eskom.co.za
Westville	0860 204 560	(031) 204-5850	eastern@eskom.co.za
Witbank	0860 001 414	(013) 693-3886	north.eastern@eskom.co.za

Eskom Advisory Services*	Telephone	Website
ElektroWise	(011) 800-2583	
ElektroServe	0800 002 079	www.elektroserve.co.za
Agrelek	0860 037 333	www.agrelek.co.za
Industrelek	0800 036 333	www.industrelek.co.za

For the latest contact details and tariff information visits our website at www.eskom.co.za/tariffs

Into Africa...

* *Contact details might change during the course of the year.*

Contents

Into Africa...

With our new Chief Executive, Thulani Gcabashe, and his team, Eskom is in good hands to face the challenges of being the pre-eminent African energy and related services business of global stature.

Chairman of the Electricity Council, Reuel Khoza

"The African continent is blessed with an abundance of natural resources, conductive to producing fossil, hydro and other renewable energy generation. The stage is set for viable industrial development that will bring positive economic growth.

We have chosen to focus on Africa because we have identified opportunities for rewarding partnerships, primarily on the energy front and capacity building. This is also in line with the African Renaissance vision that views the continent as being on the path to economic resurgence through countries co-operative energies."

Eskom's Chief Executive, Thulani Gcabashe

"Innovation is our history and this is what is going to leverage us into the future. However, the issue at hand is how to maintain this innovation and motivate an organisation that is essentially in transition.

Let us focus on growing Eskom and to do that, look at developing non-regulated business - if we look at the potential in the information technology and telecommunications environment, as well as in the energy value - adding services - we are confident that we can grow Eskom into an energy group of world-class standards."

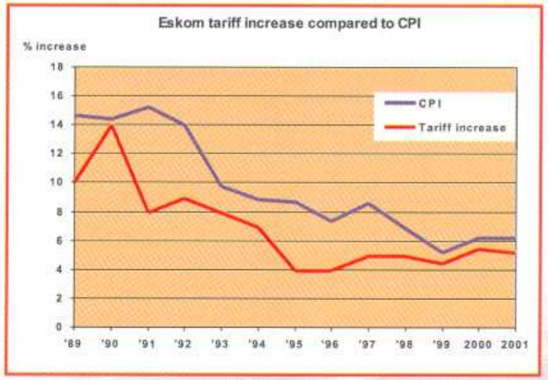
The average* price increase and pricing compact

On 1 January 2001 the average* price of electricity supplied by Eskom will increase by 5,2%. This makes it possible for Eskom to meet its compact[1] with its customers to reduce the price of electricity in real terms by 15% between 1994 and 2000.

Eskom is still reducing the price of electricity in real terms, and has been doing so for the last couple of years. As a result of the focus, to keep increases as low as possible, Eskom's prices have been among the lowest, if not the lowest, in the world for many years. This has not only helped our country's economy but also ensured that more people can now afford electricity.

Eskom's average* tariff increases for the last 13 years.

Year	Average* tariff increase	Inflation rate (CPI)
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%	9,80%
Jan 1994	7,00%	8,90%
Jan 1995	4,00%	8,70%
Jan 1996	4,00%	7,40%
Jan 1997	5,00%	8,60%
Jan 1998	5,00%	6,90%
Jan 1999	4,50%	5,20%
Jan 2000	5,50%	(projected) 6,20%
Jan 2001	5,20%	(projected) 6,20%



* As a result of structural tariff changes some customers will experience an effective price increase of either above or below the average price increase.

1. In 1991, Eskom entered into an agreement 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 entered into in which the company committed itself to a further 15% reduction in the real price of electricity for the period 1995 to 2000. Provided that inflation for 2000 is 6,20% or higher, Eskom will achieve its compact of a 15% reduction.

How are tariffs made up?

The following components, depending on the tariff, can make up a bill:

(Active) 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.

Basic charge
A fixed monthly charge is payable 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. This contribution differs for each tariff.

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.

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 or hourly periods for kW measured supplies on Nightsave, and half-hourly periods for kW measured supplies on Megaflex.

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% (2001) 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. For some tariffs the monthly rental is rebated (not beyond extinction) as described with the respective tariffs.

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

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.

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.

Tariff charges and components

Tariff	(Active) energy charge			Basic charge	Demand charge	Monthly rental	Reactive energy	Transmission % surcharge	Voltage discount
NIGHTSAVE	✓			✓	✓	✓		✓	✓
	Peak	Standard	Off-peak						
MEGAFLEX	✓	✓	✓	✓	✓	✓	✓	✓	✓
MINIFLEX	✓	✓	✓	✓		✓	✓	✓	✓
RURAFLEX	✓	✓	✓	✓		✓	✓	✓	✓
HOMELIGHT	✓								
HOMEPOWER	✓			✓		✓			
BUSINESSRATE 1	✓			✓		✓			
BUSINESSRATE 2	✓			✓		✓			
BUSINESSRATE 3	✓			✓		✓			
BUSINESSRATE 4	✓								
	High	Low							
LANDRATE 1	✓	✓		✓		✓			
LANDRATE 2	✓	✓		✓		✓			
LANDRATE 3	✓	✓		✓		✓			
LANDRATE 4	✓			✓		✓			
LANDRATE Dx	Fixed charge per month								

NIGHTSAVE

Non-rural reticulation network supplies

Typical customers: Previous Standardrate* (non-rural reticulation) customers and customers:
- with a notified maximum demand of at least 25 kW/kVA; and
- 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 543,86 **(VAT excluded)** or 5% of actual project cost **(VAT excluded)** payable per point of delivery.

Basic charge: R174,80 + VAT = **R199,27** 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.
R40,23 + VAT = **R45,86**

Per **kW** of maximum demand supplied per month[1, 2]. 60-minute integrating periods are applicable.
R46,17 + VAT = **R52,63**

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: 7,26c + VAT = **8,28c/kWh** consumed in the month.

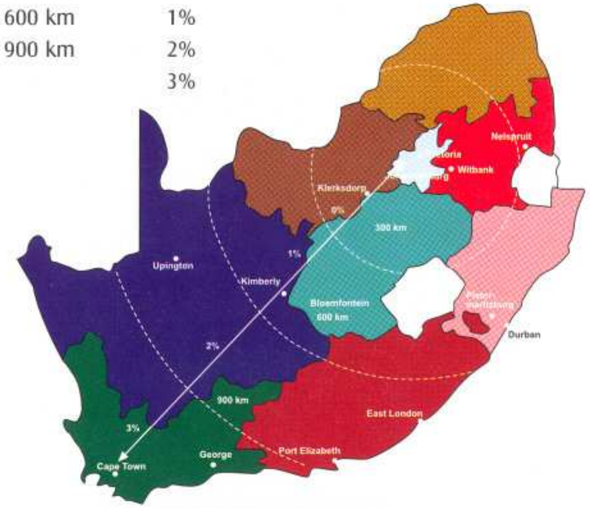
Maximum charge: If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceeds 43,16c + VAT = **49,20c/kWh**, then the customer will be charged at a rate of 43,16c + VAT = **49,20c/kWh** of energy supplied in the month.

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%



* On 1 January 2000 the Standardrate and Nightsave tariffs merged into a single tariff, called Nightsave.

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 customers: Previous Standardrate* (rural reticulation) customers and customers:
- with a notified maximum demand of at least 25 kW/kVA; and
- 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 voltage of ≤ 22 kV** fed off a rural reticulation network.

Connection fee: The greater of R2 543,86 **(VAT excluded)** or 5% of actual project cost **(VAT excluded)** payable per point of delivery.

Basic charge: R174,80 + VAT = **R199,27** per month per point of delivery whether electricity is consumed or not.

Monthly rental: When imposed in addition to 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.
R43,36 + VAT = **R49,43**

Per **kW** of maximum demand supplied per month[1, 2]. 60-minute integrating periods are applicable.
R49,75 + VAT = **R56,72**

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: 7,84c + VAT = **8,94c/kWh** consumed in the month.

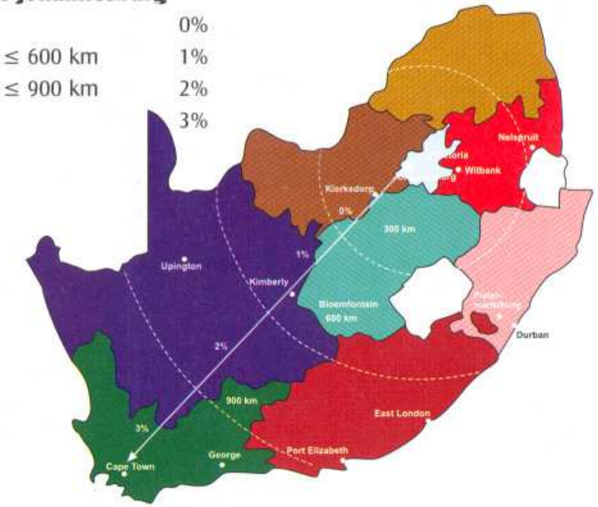
Maximum charge: If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceeds 51,57c + VAT = **58,79c/kWh**, then the customer will be charged at a rate of 51,57c + VAT = **58,79c/kWh** of energy supplied in the month.

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%



* On 1 January 2000 the Standardrate and Nightsave tariffs merged into a single tariff, called Nightsave.

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

Into Africa...

Treatment of public holidays

Public holidays are treated differently throughout the year. All public holidays for the **Nightsave rural reticulation** and **Ruraflex** tariffs will be treated as the day of the week on which it falls. Public holidays for **Nightsave rural reticulation** tariff will therefore only be treated as off-peak periods if they fall on a Saturday, Sunday or within the general off-peak period from 22:00 on 15 December 2001 until 06:00 on 2 January 2002.

The table below indicates the treatment of public holidays for 2001. Any unexpected announced public holidays will be treated as the day of the week on which it falls.

Date	Day	NIGHTSAVE Non-rural reticulation	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)
13 April	Good Friday	Sunday (off-peak)	Sunday (low-demand)
16 April	Family Day	Sunday (off-peak)	Sunday (low-demand)
27 April	Freedom Day	Sunday (off-peak)	Saturday (low-demand)
1 May	Workers Day	Sunday (off-peak)	Saturday (low-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)	Saturday (low-demand)
16 December	Day of Reconciliation	Sunday (off-peak) from 22:00 on 15 Dec 2001 until 06:00 on 2 Jan 2002	Sunday (low-demand)
17 December	Public holiday		Saturday (low-demand)
25 December	Christmas Day		Sunday (low-demand)
26 December	Day of Goodwil		Sunday (low-demand)

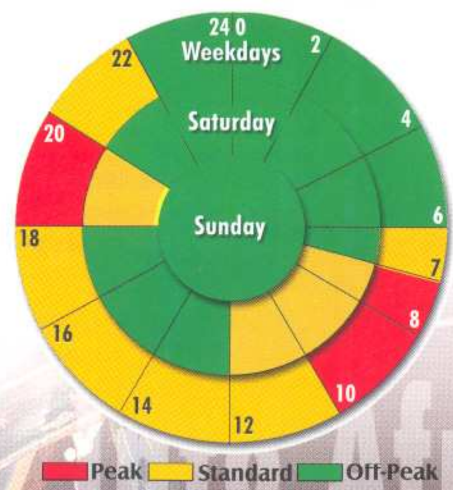
Time-of-Use tariffs

Time-of-Use (TOU) tariffs are suitable 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 indicates a financial saving due to the conversion, **will be subject to a conversion surcharge**. The conversion surcharge is calculated as a percentage of the saving arising from the conversion without load shifting taking place. A 90% conversion surcharge will be applicable to all conversions for a period of 12 months after conversion, **regardless of the year of conversion.** The conversion surcharge will reduce by 18 percentage points after every completed 12 months after conversion to TOU. The conversion surcharge will therefore reduce to 0% after 5 years. The reduction of the conversion surcharge is indicated below:

	Months after conversion				
	1 - 12	13 - 24	25 - 36	37 - 48	49 - 60
Conversion Surcharge	90%	72%	54%	36%	18%

The defined daily TOU periods throughout the year for **Megaflex**, **Miniflex** and **Ruraflex** are the same, while the rates applicable to the high-demand season (June - August) differ from the low- demand season (September - May). The daily time periods are:



MEGAFLEX

Typical 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 543,86 **(VAT excluded)** or 5% of actual project cost **(VAT excluded)** payable per point of delivery.

Basic charge: R61,53 + VAT = **R70,14** 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 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 13

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

High demand (June - August)
R12,87 + VAT = **R14,67/kW**

Low demand (September - May)
R11,59 + VAT = **R13,21/kW**

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

Active energy charge:

High demand (June - August)

Peak	31,05c + VAT = **35,40c/kWh**
Standard	13,03c + VAT = **14,85c/kWh**
Off-peak	7,47c + VAT = **8,52c/kWh**

Low demand (September - May)

Peak	20,90c + VAT = **23,83c/kWh**
Standard	11,69c + VAT = **13,33c/kWh**
Off-peak	6,72c + VAT = **7,66c/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 43,16c + VAT = **49,20c/kWh**, then the customer will be charged a rate of 43,16c + VAT = **49,20c/kWh** of energy supplied in the month.

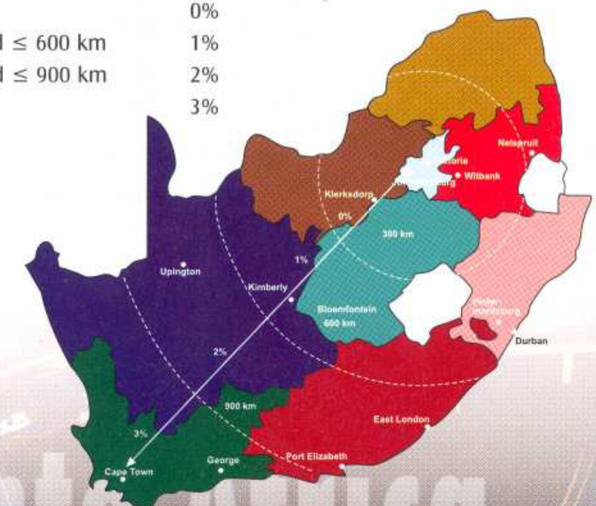
Voltage discount: This is calculated as a percentage of demand and active energy charges.

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%

Reactive energy charge: 2,68c + VAT = **3,06c/kvarh**
Supplied in excess of 30% (0,96 PF) 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 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 543,86 **(VAT excluded)** or 5% of actual project cost **(VAT excluded)** payable per point of delivery.

Basic charge: R61,53 + VAT = **R70,14** 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 13

Active energy charge:

High demand (June - August)

Peak	43,16c + VAT = **49,20c/kWh**
Standard	13,03c + VAT = **14,85c/kWh**
Off-peak	7,47c + VAT = **8,52c/kWh**

Low demand (September - May)

Peak	31,89c + VAT = **36,35c/kWh**
Standard	11,69c + VAT = **13,33c/kWh**
Off-peak	6,72c + VAT = **7,66c/kWh**

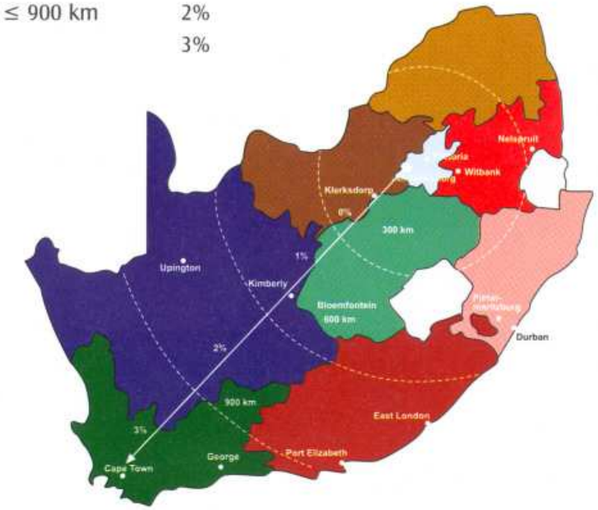
Voltage discount: This is calculated as a percentage of the active energy charges.

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: 1,35c + VAT = **1,54c/kvarh**
Supplied in excess of 30% (0,96 PF) 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%



Into Africa...

RURAFLEX

Typical 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 543,86 **(VAT excluded)** or 5% of actual project cost **(VAT excluded)** payable per point of delivery.

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

Ruraflex 1:
R332,78 + VAT = **R379,37** per month.
Applicable to customers with an installed capacity of up to and including 50 kVA.

Ruraflex 2:
R369,76 + VAT = **R421,53** 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 13

Active energy charge:

High demand (June - August)

Peak	51,57c + VAT =	**58,79c/kWh**
Standard	15,54c + VAT =	**17,72c/kWh**
Off-peak	9,04c + VAT =	**10,31c/kWh**

Low demand (September - May)

Peak	36,94c + VAT =	**42,11c/kWh**
Standard	13,94c + VAT =	**15,89c/kWh**
Off-peak	8,09c + VAT =	**9,22c/kWh**

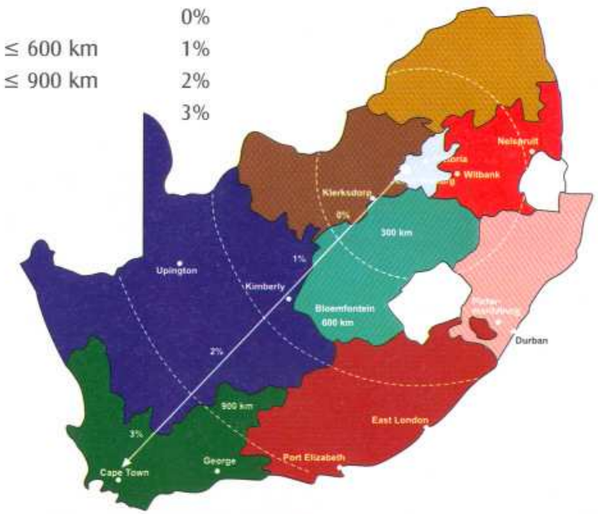
Voltage discount: This is calculated as a percentage of the active energy charges.

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

Reactive energy charge: 1,35c + VAT = **1,54c/kvarh**
Supplied in excess of 30% (0,96 PF) 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 rural reticulation networks.*

Into Africa...

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 including rural villages. 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.

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

Connection fees: **2.5 A**[1]: 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

Capital costs: 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. No monthly rentals will be allowed.

Energy charge: A single energy charge

2.5 A[1]**:** 33,12c + VAT = **37,76c/kWh**
20 A: 33,12c + VAT = **37,76c/kWh**
60 A: 37,25c + VAT = **42,47c/kWh**

1. Subject to further notice the 2.5 A tariff will only be offered in pilot projects.

HOMELIGHT2

Capital costs: 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. No monthly rentals will be allowed.

Energy charge: A single energy charge

20 A: 28,76c + VAT = **32,79c/kWh**
60 A: 32,89c + VAT = **37,49c/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.

20 A → 4 180 W
60 A → 12 500 W
= MAXIMUM WATTS

Into Africa...

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 three 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 842,11 + VAT = **R2 100,00***

Three-phase supply (prepayment meter):
R2 192,98 + VAT = **R2 500,00***

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

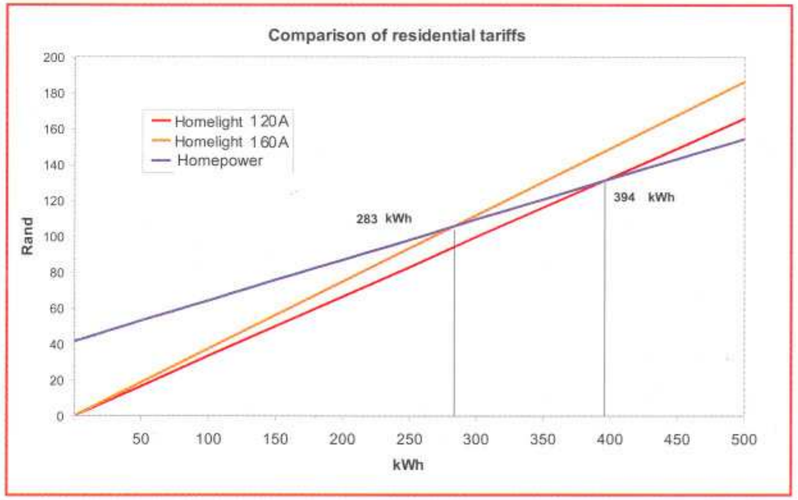
Basic charge: R41,53 + VAT = **R47,34** is payable each month for each point of delivery whether electricity is consumed or not.

Energy charge: A single energy charge of 22,58c + VAT = **25,74c/kWh**

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

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/month is used, Homepower is cheaper than Homelight 1 60 A.
- This is demonstrated in the graph below.



Into Africa...

BUSINESSRATE

Electricity tariff for small businesses in urban areas

The Businessrate range of tariffs is applicable to supplies in areas designated by Eskom as urban or high-density. Typical customers are small businesses, but the tariff can also be applied to governmental institutions or similar supplies. No supplies greater than 100 kVA may be supplied on Businessrate.

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 three 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 842,11 + VAT = **R2 100,00***

Three-phase supply (prepayment meter):
R2 192,98 + VAT = **R2 500,00***

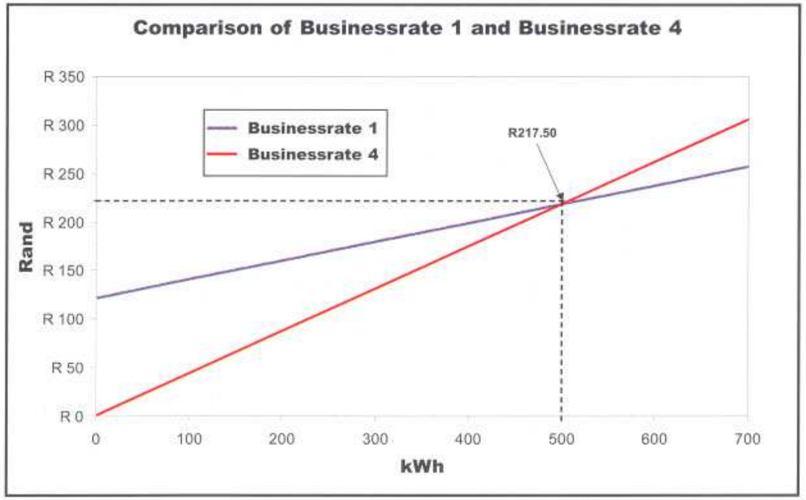
Capital cost: In order for Eskom to recover additional capital costs not covered by the tariff incurred in providing the supply, a monthly rental and/or cash payment may be applied in addition to the above standard tariffs. No monthly rentals will be allowed for Businessrate 4.

* *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	R120,80 + VAT = **R137,71**	19,34c + VAT = **22,05c/kWh**
Businessrate 2	> 25 kVA and ≤ 50 kVA	R151,75 + VAT = **R173,00**	19,34c + VAT = **22,05c/kWh**
Businessrate 3	> 50 kVA and ≤ 100 kVA	R209,78 + VAT = **R239,15**	19,34c + VAT = **22,05c/kWh**
Businessrate 4	≤ 25 kVA	N/A	43,50c + VAT = **49,59c/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.



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 **standard** supply sizes applicable to each tariff.

Landrate 4: Suitable for low usage single-phase supplies where consistently **less** than 1 000 kWh per month is being used. The **standard** supply size may not exceed 16 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 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. Supplies qualifying for this tariff may not opt for an alternative tariff.

Deposit: Normally equivalent to three consecutive months' electricity bill

Connection fees:

Single-phase supply (conventional or prepayment meter):
R1 140,35 + VAT = **R1 300,00****

Three-phase supply (conventional meter):
R2 280,70 + VAT = **R2 600,00****

Three-phase supply (prepayment meter):
R2 587,72 + VAT = **R2 950,00****

* *Note that some rural networks with a voltage greater than 22 kV have been specifically designated by Eskom as rural 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 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 200 m of single-phase line, 110 m of three-phase line or 300 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 of line built **(VAT excluded)** is as follows:

Three-phase line: R54 545,00

Single-phase line: R30 000,00

SWER[1]: R20 000,00

The above cost may be converted into a monthly rental.

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

Charges applicable	Standard supply sizes[2]	Basic charge per month	Energy rate per month	Fixed charge per month
Landrate 1	16 kVA 1-Ph 80 A 32 kVA 2-Ph 80 A 25 kVA 3-Ph 40 A	R155,63 + VAT = **R177,42**	First 500 kWh @ 33,44c + VAT = **38,12c/kWh** > 500 kWh @ 19,34c + VAT = **22,05c/kWh**	N/A
Landrate 2	64 kVA 2-Ph 160 A 50 kVA 3-Ph 80 A	R186,55 + VAT = **R212,67**	First 500 kWh @ 33,44c + VAT = **38,12c/kWh** > 500 kWh @ 19,34c + VAT = **22,05c/kWh**	N/A
Landrate 3	96 kVA 2-Ph 225 A 100 kVA 3-Ph 160 A	R244,57 + VAT = **R278,81**	First 500 kWh @ 33,44c + VAT = **38,12c/kWh** > 500 kWh @ 19,34c + VAT = **22,05c/kWh**	N/A
Landrate 4	16 kVA 1-Ph 80 A	R85,13 + VAT = **R97,05**	33,44c + VAT = **38,12c/kWh**	N/A
Landrate Dx	10 A	N/A	N/A	R245,42 + VAT **= R279,78**

1. Additional transformer costs could be incurred where a SWER infrastructure does not exist.
2. The supply size of existing Landrate customers will not be affected.

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Prepayment supplies

Prepayment meters are available for all Homelight, Homepower, Businessrate and Landrate supplies up to a supply size of 65 kVA. (The meter cannot cater for supplies larger than 65 kVA.)

The **standard** supply sizes available for prepayment supplies are:

- Single-phase: 16 kVA
- Dual-phase: 32 kVA or 64 kVA
- Three-phase: 25 kVA or 50 kVA

Deposit: Not applicable to Homelight prepayment supplies. For other tariffs the deposit is normally equivalent to three consecutive months' electricity bill and is based on the fixed charges included in the bill. For 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 and 3 tariffs have a high-rate and a low-rate energy block, but the prepayment meter can only accommodate a single energy rate. Eskom has modified the Landrate 1, 2 and 3 prepayment tariffs by increasing the basic charge to include the high-rate energy block, and selling all energy at the low-rate as indicated in the table.

Charges applicable for prepayment supplies

Tariff	Basic charge	Energy charge
Businessrate 1	R120,80 + VAT = **R137,71**	19,34c + VAT = **22,05c/kWh**
Businessrate 2	R151,75 + VAT = **R173,00**	19,34c + VAT = **22,05c/kWh**
Businessrate 3	R209,78 + VAT = **R239,15**	19,34c + VAT = **22,05c/kWh**
Businessrate 4	N/A	43,50c + VAT = **49,95c/kWh**
Landrate 1	R226,13 + VAT = **R257,79**	19,34c + VAT = **22,05c/kWh**
Landrate 2	R257,05 + VAT = **R293,04**	19,34c + VAT = **22,05c/kWh**
Landrate 3	R315,07 + VAT = **R359,18**	19,34c + VAT = **22,05c/kWh**
Landrate 4	R85,13 + VAT = **R97,05**	33,44c + VAT = **38,12c/kWh**
Homepower	R41,53 + VAT = **R47,34**	22,58c + VAT = **25,74c/kWh**
Homelight 1 20 A	NA	33,12c + VAT = **37,76c/kWh**
Homelight 1 60 A	NA	37,25c + VAT = **42,47c/kWh**
Homelight 2 20 A	NA	28,76c + VAT = **32,79c/kWh**
Homelight 2 60 A	NA	32,89c + VAT = **37,49c/kWh**

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 lighting 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 for public lighting services.

Typical supplies:

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

Connection fees:

R35,09 + VAT = **R40,00** per connection
R162,28 + VAT = **R185,00** 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. Where the c/kWh energy rate is used, the kilowatt-hours (kWh) are calculated as follows:

kWh = number of lights x light wattage x hours in use

Dusk to midnight:
166,67 hours per month
17,67c/kWh + VAT = **20,14c/kWh OR**
R2,95/100 W/month + VAT = **R3,36/100 W/month**

All night:
333,3 hours per month
14,07c/kWh + VAT = **16,04c/kWh OR**
R4,68/100 W/month + VAT = **R5,34/100 W/month**

24 Hours:
730 hours per month
16,59c/kWh + VAT = **18,91c/kWh OR**
R12,11/100 W/month + VAT = **R13,81/100 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.
R29,11 + VAT = **R33,19/month**

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.

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: R9,07 + VAT = **R10,34** per month or actual costs depending on maintenance agreement

Per high-mast luminaire: R211,54 + VAT = **R241,16** 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% (2001) 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.)

Homeflex

Pilot electricity tariff for medium to high-usage residential customers who can shift load

Homeflex is an experimental tariff being piloted in certain residential areas. This tariff is suitable for medium to high-usage residential customers who can shift load from the expensive peak period to the less expensive time periods.

The implementation of the Homeflex experiment is motivated by the fact that the cost of generating and delivering electricity varies by time of day and hence there is a need to send a pricing signal that reflects the time-variant cost nature of generating and delivering electricity, and simultaneously encourage the customers to do load shifting. The tariff is only available to the pilot customers who have been selected and recruited on the basis of a stratified random sampling technique.

Currently, four different tariff structures are being tested in the Homeflex pilot, namely:

Homeflex 1: A three-part[1] energy rate tariff with a service charge.

Homeflex 2: A two-part[2] energy rate tariff with a service charge.

Homeflex 3: A three-part[1] energy rate tariff without a service charge.

Homeflex 4: A two-part[2] energy rate tariff without a service charge.

1. *Consist of a Peak, Standard and Off-peak period.*
2. *Consist only of a Peak and Off-peak period. (Standard and Off-peak rates are combined)*

The tariff components are as follows:

Network charge:

Single-phase supply

70 A R65,19 + VAT = **R74,32**

60 A R54,92 + VAT = **R62,61**

50 A R44,65 + VAT = **R50,90**

40 A R32,70 + VAT = **R37,28**

Three-phase supply

70 A R151,05 + VAT = **R172,20**

60 A R130,42 + VAT = **R148,68**

50 A R109,79 + VAT = **R125,16**

40 A R84,76 + VAT = **R96,63**

Charges applicable	Energy charge				Service charge
	High demand (June - Aug)		Low demand (Sep - May)		
Homeflex 1	Peak	62,77c + VAT = **71,56c/kWh**	Peak	15,94c + VAT = **18,17c/kWh**	R76,66 + VAT = **R87,39**
	Standard	19,28c + VAT = **21,98c/kWh**	Standard	12,14c + VAT = **13,84c/kWh**	
	Off-peak	9,83c + VAT = **11,21c/kWh**	Off-peak	8,31c + VAT = **9,47c/kWh**	
Homeflex 2	Peak	62,77c + VAT = **71,56c/kWh**	Peak	15,94c + VAT = **18,17c/kWh**	R76,66 + VAT = **R87,39**
	Off-peak	14,85c + VAT = **16,93c/kWh**	Off-peak	10,31c + VAT = **11,75c/kWh**	
Homeflex 3	Peak	70,06c + VAT = **79,87c/kWh**	Peak	23,23c + VAT = **26,48c/kWh**	NA
	Standard	26,57c + VAT = **30,29c/kWh**	Standard	19,43c + VAT = **22,15c/kWh**	
	Off-peak	17,12c + VAT = **19,52c/kWh**	Off-peak	15,60c + VAT = **17,78c/kWh**	
Homeflex 4	Peak	70,06c + VAT = **79,87c/kWh**	Peak	23,23c + VAT = **26,48c/kWh**	NA
	Off-peak	22,14c + VAT = **25,24c/kWh**	Off-peak	17,60c + VAT = **20,06c/kWh**	

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Special pricing options

Real time pricing (RTP)

For selected customers who meet Eskom's qualification criteria, two RTP options are available. These pricing options expose customers' 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 (MT)

The MT is a product aimed at customers that require a supply for a short period of time and entities that frequently move around (eg. 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*, 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 for the customer. Any such option will be subject to suitable arrangements being made and the signing of an Interruptible Supply Agreement.

The option of bidding interruptible capacity directly into the Eskom Power Pool is currently under development.

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 (excl. VAT) 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's avoided cost was not available at time of printing. Please phone your local Eskom office or visit our website for this information.*

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 government's electrification drive and the electricity usage patterns of households, the residential sector will cause the country's peak demand to rise significantly over the next two decades. The increase in 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 residential demand-side management (RDSM) programme. The cornerstone of Eskom's RDSM programme is the Efficient Lighting Initiative (ELI). Bonesa, an Eskom Enterprises subsidiary, has been established to implement the ELI. The initiative will create awareness and understanding of compact fluorescent technologies and will provide financial assistance to home-owners to switch to more electricity-efficient light bulbs.

Bonesa's lighting initiative will have a large positive environmental impact, reducing the use of our country's valuable energy resources as well as minimising the emission of greenhouse gases and local pollutants. In addition, the ELI programme will have financial benefits for all South Africans by helping to keep the cost of electricity services low.

Customer self-built power supply options

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 Eskom 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.

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