tariffs & charges 2002

January to June

Eskom

Foreword

On 14 September 2001 Eskom published its proposed structural tariff changes for 2002 in the Government Gazette. The approval process took longer than anticipated, which made it impossible for Eskom to implement the structural changes from 1 January 2002. Since implementation has unavoidably been delayed, the National Electricity Regulator (NER) Board approved that structural implementation proceeds on 1 July 2002. The finer details of implementation (i.e. possible phasing of implementation, etc) still need to be deliberated with the NER before approval by the NER Board during the first half of 2002.

Therefore, from 1 January 2002 until 30 June 2002, the existing Eskom tariff structure will still be in operation. However, the tariff rates were increased by 6,2% (inflationary adjusted as approved by the NER – November 2001).

From 1 July 2002 until 31 December 2002 the structural changes, in compliance with the decision by the NER Board, will be implemented. Since the existing tariff structures will yield more revenue during the first six months of the year, compared to the promulgated new tariff structures, Eskom will have to recalculate the rates applicable from 1 July 2002. This recalculation is necessary to ensure that there is no over-recovery by Eskom.

As from 1 July 2002, as a result of the structural implementation, individual customers might experience an increase/decrease in average price, depending on the customer's particular tariff class and usage pattern.

Deon Conradie
Electricity Pricing Manager

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

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* *Nightsave (Non-rural) was renamed to Nightsave (Urban).*

Eskom's price announcement

The average price of electricity supplied by Eskom will increase by 6,2% on 1 January 2002. This general price increase, approved by the National Electricity Regulator (NER), is marginally above the expected inflation rate for 2002.

Eskom regards the real-price increase approved by the NER as a positive first step towards realistic and cost-reflective electricity prices into the future, which will ultimately result in market-related returns sufficient to attract new investors into the industry.

"Over the past eleven years Eskom has had two successive price compacts. Mainly as a result of ongoing efficiency and productivity improvements, Eskom has reduced the real price of electricity by 25% (i.e. increases have remained lower than inflation), and has achieved its mission to be the lowest-cost producer of electricity in the world, as confirmed by an independent survey done by the Electricity Association Ltd, based in the United Kingdom," says Eskom's Chief Executive, Thulani Gcabashe.

"However, there are two key factors that make it impossible to continue with the real-price reductions that have been implemented over the past eleven years. Current projections indicate that surplus capacity will run out in the next five years, requiring significant amounts of capital to be spent on new capacity. It is therefore necessary to start costing this expansion into the price of electricity as soon as possible in anticipation of the capital expenditure required for new capacity. This would enable Eskom to avoid dramatic and irregular increased in the future."

"The second factor is that the current levels of return earned by Eskom are not sufficient to attract investment into the industry. The proposed increase positions the industry to attract investors within the time frame currently envisaged by government, while at the same time securing the electricity supply and providing for future capital investment."

Eskom's Chief Executive

Thulani Gcabashe

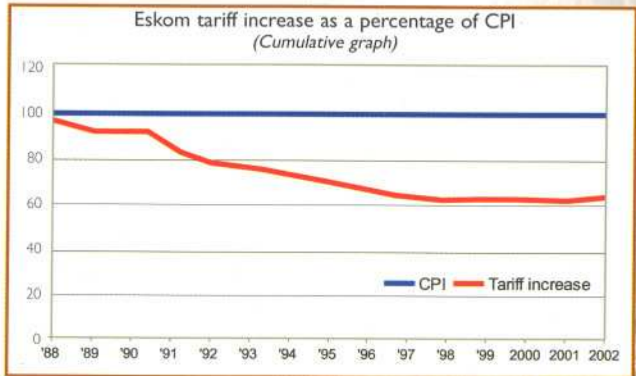
Eskom's Chief Executive, Thulani Gcabashe

The average price increases

Eskom's tariffs are increased on an annual basis, usually on 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.

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

Year	Average tariff increase	Inflation rate (CPI)
Jan 1990	14,00%	14,29%
Jan 1991	8,00%	15,57%
Jan 1992	9,00%	13,67%
Jan 1993	8,00%	9,87%
Jan 1994	7,00%	8,82%
Jan 1995	4,00%	8,71%
Jan 1996	4,00%	7,32%
Jan 1997	5,00%	8,62%
Jan 1998	5,00%	6,87%
Jan 1999	4,50%	5,21%
Jan 2000	5,50%	5,37%
Jan 2001	5,20%	(projected) 6,18%
Jan 2002	6,20%	(projected) 5,23%



NIGHTSAVE Urban*

Typical customers: 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: As per current policy – information available on our web site or from your local Eskom office.

Basic charge: R185,64 + VAT = **R211,63** 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.
R42,72 + VAT = **R48,70**

Per **kW** of maximum demand supplied per month[1,2]. 60-minute integrating periods are applicable.
R49,03 + VAT = **R55,89**

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: 7,71c + VAT = **8,79c/kWh** consumed in the month.

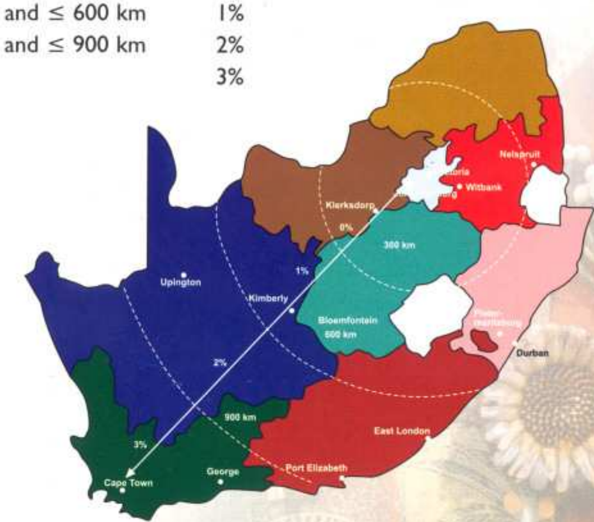
Maximum charge: If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceeds 45,84c + VAT = **52,26c/kWh**, then the customer will be charged at a rate of 45,84c + VAT = **52,26c/kWh** of energy supplied in the month.

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%



* *Nightsave (Non-rural) was renamed to Nightsave (Urban).*

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

Typical customers: 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: As per current policy - information available on our web site or from your local Eskom office.

Basic charge: R185,64 + VAT = **R211,63** 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.
R46,05 + VAT = **R52,50**

Per **kW** of maximum demand supplied per month[1, 2]. 60-minute integrating periods are applicable.
R52,83 + VAT = **R60,23**

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: 8,33c + VAT = **9,50c/kWh** consumed in the month.

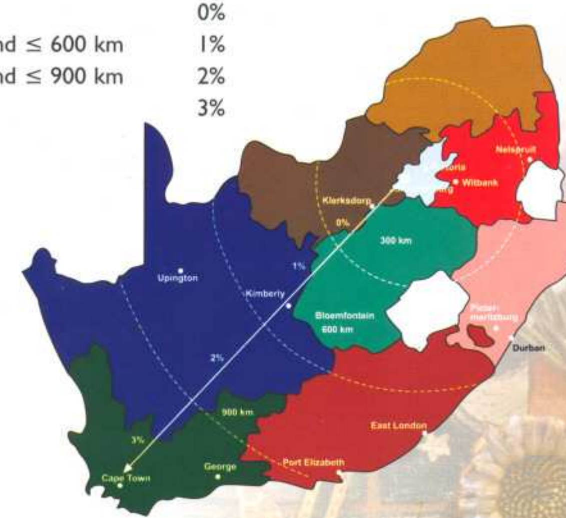
Maximum charge: If the total of the demand charge plus the energy charge above, divided by the number of kWh supplied in the month, exceeds 54,77c + VAT = **62,44c/kWh**, then the customer will be charged at a rate of 54,77c + VAT = **62,44c/kWh** of energy supplied in the month.

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 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.

Treatment of public holidays

Public holidays are treated differently throughout the year. All public holidays for the **Nightsave (Rural)** and **Ruraflex** tariffs will be treated as the day of the week on which it falls. Public holidays for **Nightsave (Rural)** 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 2002 until 06:00 on 2 January 2003.

The table below indicates the treatment of public holidays for 2002. Any unexpected announced public holidays will be treated as the day of the week on which it falls.

Date	Day	NIGHTSAVE Urban*	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)
29 March	Good Friday	Sunday (off-peak)	Sunday (low-demand)
1 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)	Sunday (high-demand)
17 June	Public Holiday	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 2002 until 06:00 on 2 Jan 2003	Saturday (low-demand)
25 December	Christmas Day		Sunday (low-demand)
26 December	Day of Goodwil		Sunday (low-demand)

* *Nightsave (Non-rural) was renamed to Nightsave (Urban).*

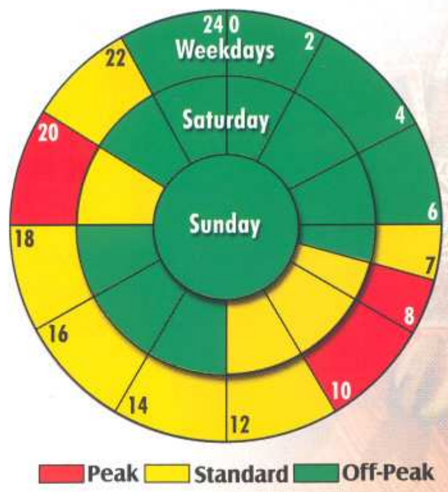
Time-of-Use tariffs

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% after every completed 12 months after conversion to TOU. The conversion surcharge will therefore reduce to 0% after being on a TOU tariff for 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: As per current policy - information available on our web site or from your local Eskom office.

Basic charge: R65,34 + VAT = **R74,49** 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 12

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

High demand (June - August)
R13,67 + VAT = **R15,58/kW**

Low demand (September - May)
R12,31 + VAT = **R14,03/kW**

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

Active energy charge:

High demand (June - August)

Peak	32,98c + VAT = **37,60c/kWh**
Standard	13,84c + VAT = **15,78c/kWh**
Off-peak	7,93c + VAT = **9,04c/kWh**

Low demand (September - May)

Peak	22,20c + VAT = **25,31c/kWh**
Standard	12,41c + VAT = **14,15c/kWh**
Off-peak	7,14c + VAT = **8,14c/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 45,84c + VAT = **52,26c/kWh**, then the customer will be charged a rate of 45,84c + VAT = **52,26c/kWh** of energy supplied in the month.

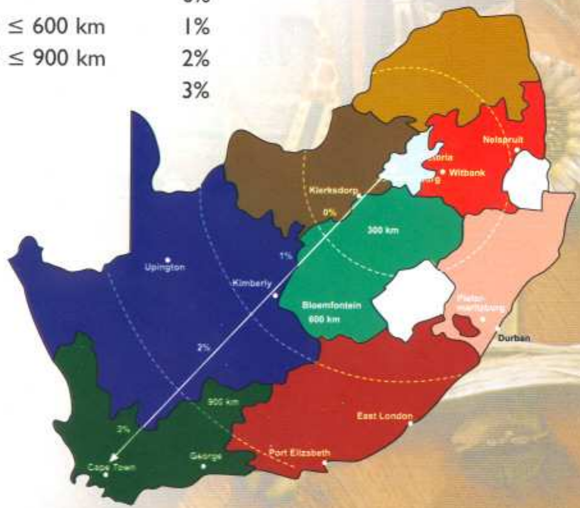
Voltage discount: This is calculated as a percentage of demand and active energy charges.

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: 2,85c + VAT = **3,25c/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: As per current policy - information available on our web site or from your local Eskom office.

Basic charge: R65,34 + VAT = **R74,49** 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 12

Active energy charge:

High demand (June - August)

Peak	45,84c + VAT = **52,26c/kWh**
Standard	13,84c + VAT = **15,78c/kWh**
Off-peak	7,93c + VAT = **9,04c/kWh**

Low demand (September - May)

Peak	33,87c + VAT = **38,61c/kWh**
Standard	12,41c + VAT = **14,15c/kWh**
Off-peak	7,14c + VAT = **8,14c/kWh**

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

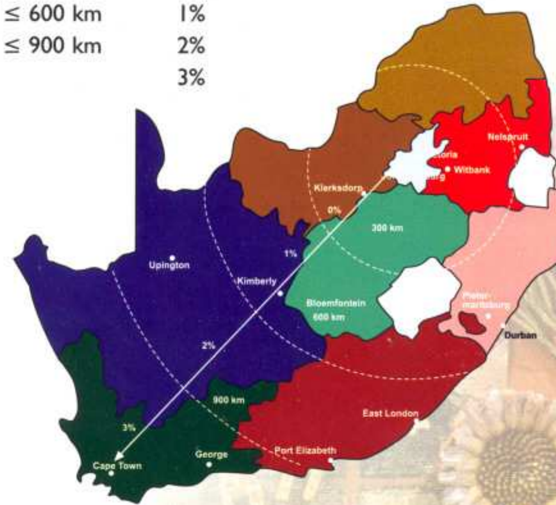
Supply voltage	Percentage discount
< 500 V	0,00%
≥ 500 V and < 66 kV	5,33%
≥ 66 kV and ≤ 132 kV	7,13%
> 132 kV	12,75%

Reactive energy charge: 1,43c + VAT = **1,63c/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%



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: As per current policy - information available on our web site or from your local Eskom office.

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

Ruraflex 1:
R353,41 + VAT = **R402,89** per month.
Applicable to customers with an installed capacity of up to and including 50 kVA.

Ruraflex 2:
R392,69 + VAT = **R447,67** 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 12

Active energy charge:

High demand (June - August)

Peak	54,77c + VAT =	**62,44c/kWh**
Standard	16,50c + VAT =	**18,81c/kWh**
Off-peak	9,60c + VAT =	**10,94c/kWh**

Low demand (September - May)

Peak	39,23c + VAT =	**44,72c/kWh**
Standard	14,80c + VAT =	**16,87c/kWh**
Off-peak	8,59c + VAT =	**9,79c/kWh**

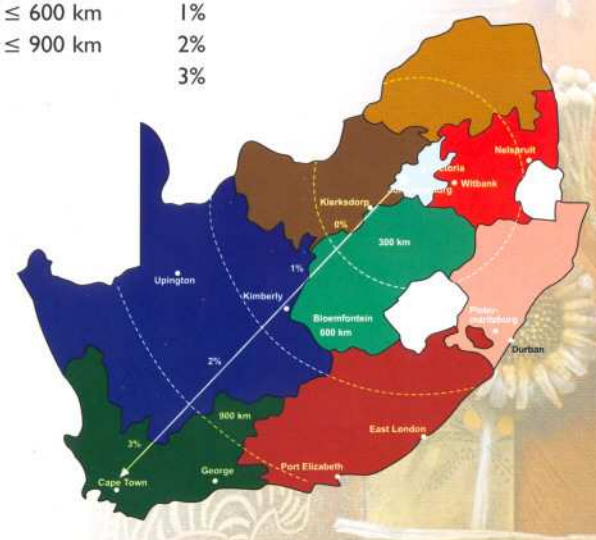
Voltage discount: This is calculated as a percentage of the active energy charges.

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

Reactive energy charge: 1,43c + VAT = **1,63c/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.*

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: As per current policy - information available on our web site or from your local Eskom office.

Capital costs: Where the costs exceed the capital allowance, the capital spent is payable up-front as no monthly rentals will be allowed.

The capital allowance is based on the electrification's programme cost per connection and is as follows:

Homelight 1 R2 150,00 + VAT = **R2 451,00**

Homelight 2 R1 000,00 + VAT = **R1 140,00**

Energy charge:

Homelight 1	**2.5 A:**	35,17c + VAT = **40,09c/kWh**
	20 A:	35,17c + VAT = **40,09c/kWh**
	60 A:	39,56c + VAT = **45,10c/kWh**
Homelight 2	**20 A**[1]**:**	30,54c + VAT = **34,82c/kWh**
	60 A:	34,93c + VAT = **39,82c/kWh**

Maximum wattage: Any combination of appliances can be used at the same time as long as the power limit does not exceed a maximum of **4 200 W for 20 A** limited supplies and **12 500 W for 60 A** limited supplies.

1. *This tariff rate is also applicable in selected urban areas for 60 A supplies.*

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: As per current policy - information available on our web site or from your local Eskom office.

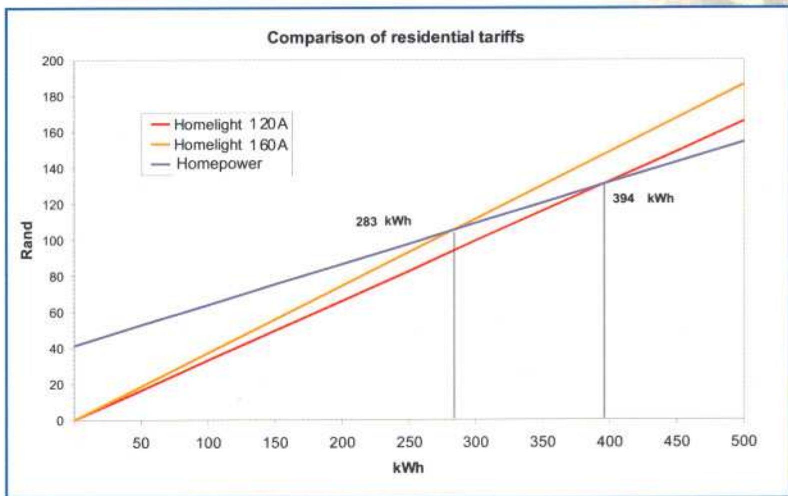
Capital costs: In order for Eskom to recover additional capital costs not covered by the tariff incurred in providing the supply, a monthly rental and/or cash payment may be applied in addition to the above standard tariff.

Basic charge: R44,10 + VAT = **R50,27** is payable each month for each point of delivery whether electricity is consumed or not.

Energy charge: A single energy charge of 23,98c + VAT = **27,34c/kWh**

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.



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.

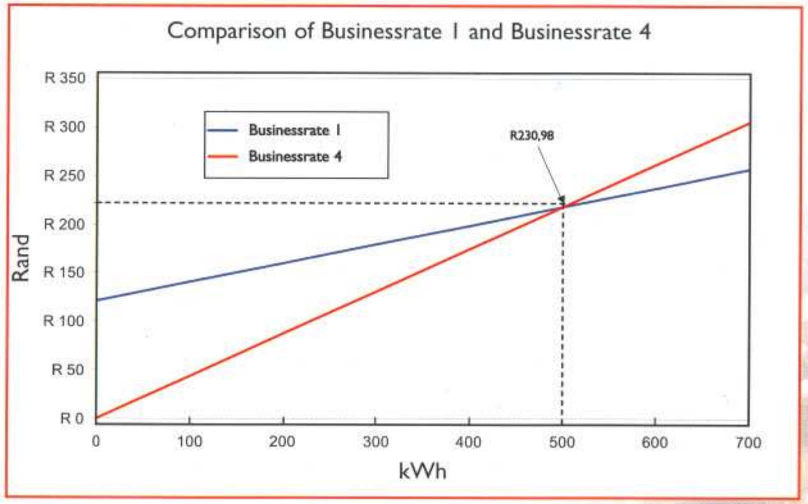
Connection fees: As per current policy - information available on our web site or from your local Eskom office.

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.

Charges applicable	Notified maximum demand category	Basic charge per month	Energy rate per month
Businessrate 1	≤ 25 kVA	R128,29 + VAT = **R146,25**	20,54c + VAT = **23,42c/kWh**
Businessrate 2	> 25 kVA and ≤ 50 kVA	R161,16 + VAT = **R183,72**	20,54c + VAT = **23,42c/kWh**
Businessrate 3	> 50 kVA and ≤ 100 kVA	R222,79 + VAT = **R253,98**	20,54c + VAT = **23,42c/kWh**
Businessrate 4	≤ 25 kVA	N/A	46,20c + VAT = **52,67c/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.

All three-phase Landrate supplies connected prior to 1 January 2001 will be allowed to convert/downgrade to Landrate 4 single-phase or three-phase, provided that the NMD $\leq$ 25 kVA. Supplies connected after this date will not be able to convert/downgrade to Landrate 4 three-phase.

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: As per current policy - information available on our web site or from your local Eskom office.

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

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. The calculation of the monthly rental is based on current policy, available on our web site or from your local Eskom office.

For Landrate supplies the cost of 200 m of single-phase line**, or 110 m of three-phase line, plus the transformer bank and metering equipment is covered by the tariff.

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	Basic charge per month	Energy rate per month
Landrate 1	16 kVA 1-Ph limited to 80 A 32 kVA 2-Ph limited to 80 A 25 kVA 3-Ph limited to 40 A	R180,25 + VAT = **R205,49**	First 400 kWh @ 35,51c + VAT = **40,48c/kWh** > 400 kWh @ 20,54c + VAT = **23,42c/kWh**
Landrate 2	64 kVA 2-Ph limited to 160 A 50 kVA 3-Ph limited to 80 A	R213,09 + VAT = **R242,92**	First 400 kWh @ 35,51c + VAT = **40,48c/kWh** > 400 kWh @ 20,54c + VAT = **23,42c/kWh**
Landrate 3	96 kVA 2-Ph limited to 225 A 100 kVA 3-Ph limited to 160 A	R274,71 + VAT = **R313,17**	First 400 kWh @ 35,51c + VAT = **40,48c/kWh** > 400 kWh @ 20,54c + VAT = **23,42c/kWh**
Landrate 4	16 kVA 1-Ph limited to 80 A	R90,41 + VAT = **R103,07**	35,51c + VAT = **40,48c/kWh**
Landrate Dx	1-Ph limited to 10 A	R260,64 + VAT = **R297,13**	N/A

** *Single-phase and SWER has been combined*

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.)

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	R128,29 + VAT = **R146,25**	20,54c + VAT = **23,42c/kWh**
Businessrate 2	R161,16 + VAT = **R183,72**	20,54c + VAT =**23,42c/kWh**
Businessrate 3	R222,79 + VAT = **R253,98**	20,54c + VAT = **23,42c/kWh**
Businessrate 4	N/A	46,20c + VAT = **52,67c/kWh**
Landrate 1	R240,13 + VAT = **R273,75**	20,54c + VAT = **23,42c/kWh**
Landrate 2	R272,97 + VAT = **R311,19**	20,54c + VAT = **23,42c/kWh**
Landrate 3	R334,59 + VAT = **R381,43**	20,54c + VAT = **23,42c/kWh**
Landrate 4	R90,41 + VAT = **R103,07**	35,51c + VAT = **40,48c/kWh**
Homepower	R44,10 + VAT = **R50,27**	23,98c + VAT = **27,34c/kWh**
Homelight 1 20 A	NA	35,17c + VAT = **40,09c/kWh**
Homelight 1 60 A	NA	39,56c + VAT = **45,10c/kWh**
Homelight 2 20 A	NA	30,54c + VAT = **34,82c/kWh**
Homelight 2 60 A	NA	34,93c + VAT = **39,82c/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 street light 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
18,77c/kWh + VAT = **21,40c/kWh OR**
R3,13/100 W/month + VAT = **R3,57/100 W/month**

All night:
333,3 hours per month
14,94c/kWh + VAT = **17,03c/kWh OR**
R4,97/100 W/month + VAT = **R5,67/100 W/month**

24 Hours:
730 hours per month
17,62c/kWh + VAT = **20,09c/kWh OR**
R12,86/100 W/month + VAT = **R14,66/100 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.
R30,91 + VAT = **R35,24/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: R9,63 + VAT = **R10,98** per month or actual costs depending on maintenance agreement

Per high-mast luminaire: R224,66 + VAT = **R256,11** 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 12,50% (2002) discount rate, and can be paid over any period of up to 10 years. (The capitalisation factor for 10 years is 1,425% 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 R65,33 + VAT = **R74,48**

60 A R56,00 + VAT = **R63,84**

50 A R46,67 + VAT = **R53,20**

40 A R37,33 + VAT = **R42,56**

Three-phase supply

70 A R65,33 + VAT = **R74,48**

60 A R56,00 + VAT = **R63,84**

50 A R46,67 + VAT = **R53,20**

40 A R37,33 + VAT = **R42,56**

Charges applicable	Energy charge				Service charge
	High demand (June - Aug)		Low demand (Sep - May)		
Homeflex 1	Peak	58,34c + VAT = **66,51c/kWh**	Peak	19,07c + VAT = **21,74c/kWh**	R49,41 + VAT = **R56,33**
	Standard	18,02c + VAT = **20,54c/kWh**	Standard	13,17c + VAT = **15,01c/kWh**	
	Off-peak	11,39c + VAT = **12,98c/kWh**	Off-peak	10,37c + VAT = **11,82c/kWh**	
Homeflex 2	Peak	58,34c + VAT = **66,51c/kWh**	Peak	19,07c + VAT = **21,74c/kWh**	R49,41 + VAT = **R56,33**
	Off-peak	14,92c + VAT = **17,01c/kWh**	Off-peak	11,83c + VAT = **13,49c/kWh**	
Homeflex 3	Peak	63,33c + VAT = **72,20c/kWh**	Peak	24,06c + VAT = **27,43c/kWh**	NA
	Standard	23,02c + VAT = **26,24c/kWh**	Standard	18,16c + VAT = **20,70c/kWh**	
	Off-peak	16,38c + VAT = **18,67c/kWh**	Off-peak	15,36c + VAT = **17,51c/kWh**	
Homeflex 4	Peak	63,33c + VAT = **72,20c/kWh**	Peak	24,06c + VAT = **27,43c/kWh**	NA
	Off-peak	19,91c + VAT = **22,70c/kWh**	Off-peak	16,82c + VAT = **19,17c/kWh**	

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-in-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.

Electrification of worker houses

Eskom through the National Electrification Programme supports the electrification of worker houses, by providing an incentive of R1 000* (excluding VAT) towards the costs of electrification for each worker house. The workers are consumers of the Eskom customer and not direct Eskom customers. This incentive is paid to the direct 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.

These connections are treated as part of national electrification targets.

* *From April 2002, this amount will be revised by the National Government to be line with the national average capital cost of electrified households. The amount will be based on the provision of a basic point of supply.*

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)

Millions of people in Africa are still without electricity. However, Eskom is changing this scenario at a rate of a thousand new homes per day through the introduction of low-cost electricity. Together with specialised subsidaries and business partners throughout Africa, Eskom is paving the way for the stimulation of regional economics and reinvestment, and is thus helping to unleash the full potential of the African continent.

Within the context of Eskom's by now well-entrenched market-oriented and customer driven philosophy, it became readily apparent that there was much more to be gained by a focused domestic electrification programme than merely increased sales and uptake of under utilised generating capacity. On the one hand, it would bring a vastly improved quality of life, comfort, convenience, safety, security, education and recreational opportunities. While on the other hand, creating a multiplier effect in the domestic electrical appliance and electrical service industries, with abundant benefits to the economy and the labour market.

Visit **www.eskomdsm.co.za** for more information on demand side management.

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.

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 12,50% (2002) discount rate, and can be paid over any period of up to 25 years. The capitalisation factor for 25 years is 1,041% 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.

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