



**Tariffs
and
Charges
2003**

Foreword

On 13 September 2002 Eskom published its proposed structural tariff changes and rates for 2003 in the Government Gazette. On 13 December 2002, the National Electricity Regulator (NER) Board approved the following structural changes, effective from 1 January 2003:

- The introduction of Homepower (Bulk), a voltage differentiated tariff for residential type bulk supplies in urban areas. Please note that, in order to avoid confusion, Homepower for medium to high-usage residential customers was renamed to Homepower (Standard).
- The introduction of a network charge for Homepower (Standard), phased in over two or more years.
- The postponement of the next phasing in step of network charges for Nightsave (Rural), Ruraflex and Landrate until a later date, probably 2004.
- A real increase of $\pm 4\%$, on average, for the Landrate, Ruraflex and Nightsave (Rural) tariffs - over and above the annual price adjustment of 8,43% - in pursuit of greater cost reflectivity as stipulated in the Energy White Paper.

It should, however, be noted that the 2003 rates cannot be directly compared with the 2002 rates, due to the mid-year implementation of the 2002 structural changes. Customers will have to do a full year on year analysis, using the same load profile as reference, to determine the financial impact of the 2003 rate changes. This will entail determining the total annual bill, based on the two sets of 2002 tariffs (i.e. 1 January to 30 June and 1 July to 31 December) and comparing that with the 2003 tariffs, for a full year. Even though the tariff changes have been designed to result in no net revenue increase for Eskom, some customers will as a result experience an effective price increase of either above or below the average price increase, depending on the customer's particular tariff class and usage pattern.

It should also be noted that no provision was made for the implementation of free basic electricity, as announced by Government. Should free basic electricity be introduced to certain customer categories, the cost of providing free basic electricity that cannot be recovered from the fiscus, will be recovered from customers as determined by the NER, by way of a transparent levy.

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New Business Development	(011) 800-5728	www.eskom.co.za/nbd

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

Abbreviations

<	less than
≤	less than or equal to
>	greater than
≥	greater than or equal to
A	ampere
c	cents
c/kvarh	cents per kilovolt-ampere reactive hour
c/kWh	cents per kilowatt-hour
CPI	consumer price index
GWh	gigawatt-hour
km	kilometres
kVA	kilovolt-amperes
kvarh	kilovolt-ampere reactive hour
kV	kilovolts
kW	kilowatts
kWh	kilowatt-hour
MVA	megavolt-amperes
N/A	Not applicable
NER	National Electricity Regulator
NMD	Notified Maximum Demand
PF	Power factor
POD	Point of delivery
R	Rand
R/kVA	Rand per kilovolt-amperes
R/kW	Rand per kilowatts
TOU	Time-of-Use
V	volts
VAT	value added tax
W	watts

Definitions

(Active) energy charge:	A fixed or differentiated charge (time and/or seasonally) linked to each kWh or unit of energy consumed.
Actual demand:	Maximum demand recorded during all periods for a month, regardless of whether the tariff has a demand charge or not.
Administration charge:	A fixed charge payable per POD every month, whether electricity is consumed or not, and determined by the utilised capacity of that POD. It is a contribution towards Eskom's fixed costs, such as meter reading and billing.
Basic charge:	A fixed charge payable every month, whether electricity is consumed or not. It is a contribution towards Eskom's fixed costs, such as meter reading, billing, customer service, etc.
Capital allowance:	The capital allowance is an up-front reduction of the capital contribution required to be paid by the customer. The capital allowed is the amount of capital related costs recovered through the tariff, i.e. included into the rates.
Chargeable demand:	Maximum demand recorded during periods when demand is charged for during the month, and is used to calculate the demand charge.
Connection fee:	Once off up-front payment for the connection of a new supply point which is a contribution towards the cost of providing the supply. In order to send out the correct pricing signal to take an appropriate supply size, the connection fee will be differentiated on the capacity and number of phases of the supply.
Conversion fee:	Payable when an existing customer converts their supply and is applied when there are tariff changes, meter changes, changes in installation or when a supply point is shifted.
Demand charge:	A R/kVA or R/kW charge which is time and/or seasonally differentiated and is linked to the chargeable demand registered during the month.
Deposit:	A once-off refundable payment by a customer as a security or guarantee against any monthly payments due. Eskom's policy is currently to call for a deposit or guarantee which would cover any 3 months of the account.
Key customer:	A customer identified by Eskom who requires special services or who consumes more than 100 GWh per annum per contiguous site.

Licensed area of supply:

A licensed area is a designated area where a particular supplier has the right to buy and sell electricity to their end customers. In South Africa, distributors of electricity can generally only supply customers that fall within their area of supply. These are legal designated areas. This means that a distributor such as a local authority would apply to supply electricity in a particular area. The electricity could still be purchased from Eskom but the distributor would be responsible for distributing the electricity. Eskom's tariffs are therefore only applicable where Eskom has a supply right. The right to supply is regulated by the National Electricity Regulator.

Meter change fee:

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

Monthly connection charge:

A monthly connection charge is payable each month in addition to the tariff charges for the cost of connection to Eskom's networks. It is a contribution towards the recovery of network capital costs not recovered through the tariff.

Network charge:

A fixed charge payable every month, whether electricity is consumed or not, and is a contribution towards Eskom's fixed network capital costs. Where applicable, this charge is based on the utilised capacity.

Notified Maximum Demand:

The NMD is the maximum demand notified in writing by the customer and accepted by Eskom as that which the customer requires Eskom to be in a position to supply on demand.

Prepayment supplies:

Prepayment metering, the use of technology where the meter is charged with the amount of energy purchased from a vendor, is offered to Homelight, Homepower, Businessrate and Landrate tariff supplies. Further limitations due to technical requirements are stated with the respective tariffs. The prepayment meter also has the following limitations:

- Cannot manage supplies that require a capacity greater than 65 kVA.
 - Cannot accommodate a tariff with a fixed monthly charge.
- A customer is required to sign a debit order for this amount to be automatically deposited into Eskom's account.

Reactive energy charge:

This charge is applicable to Megaflex, Miniflex and Ruraflex. It is levied on every kvarh which is registered in excess of 30% of the kWh supplied during the specified periods of the month. There is no

reactive energy charge for a customer operating with a power factor of 0,96 or better. The method of calculating this excess differs and is described with the respective tariff.

This is a reduction of the monthly charge based on the demand or kWh consumption of the supply. The rebate caters for capital related costs included in the tariff.

Rural_r refers to rural as classified for pricing purposes. Your local Eskom office will be able to assist you in the classification of your supply and the selection of an appropriate tariff.

A fixed charge payable every month, whether electricity is consumed or not, based on the utilised capacity and charged per account. It is a contribution towards Eskom's costs for customer service.

A charge to recover costs associated with the transmission of energy over long distances. The demand charge (where applicable), active energy charge, reactive energy charge (where applicable) and network charge (where applicable) are subject to a transmission surcharge after the voltage surcharge has been levied, depending on the distance from Johannesburg.

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

Electricity is transmitted at as high a voltage as possible to make transmission efficient. At times it has to be transformed to a lower voltage before being supplied to a customer. The lower the supply voltage, the higher the cost of providing supply. A voltage surcharge is levied to lower supply voltages to reflect this cost difference. This is calculated as a percentage of the active energy charge, the demand charge (where applicable) and the network charge (where applicable).

Urban_u refers to urban as classified for pricing purposes. Your local Eskom office will be able to assist you in the classification of your supply and the selection of an appropriate tariff.

The greater of the customer's NMD or actual maximum demand registered during the previous 12 months.

Rebate:

Rural_r areas:

Service charge:

Transmission surcharge:

Voltage surcharge:

Urban_u areas:

Utilised capacity:

NIGHTSAVE Urban

Electricity tariff for urban, customers with supplies of 25 kW/kVA and above

Nightsave (Urban) is a tariff applicable to urban, customers with a NMD of at least 25 kW/kVA, 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.

Connection fee:

Refer to table 1 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

Where applicable, the monthly connection charge for all existing and new connections will be subject to a rebate (not beyond extinction) at R2,00 per kVA or kW of chargeable demand.

Service charge:

Charged per account and is based on the sum of the utilised capacity of all POD's linked to an account.

≤ 100 kVA	R 34,27 + VAT = R 39,07
> 100 kVA and ≤ 500 kVA	R 477,88 + VAT = R 544,78
> 500 kVA and ≤ 1 MVA	R 1 454,95 + VAT = R 1 658,64
> 1 MVA	R 1 455,07 + VAT = R 1 658,78
Key customers	R 8 588,00 + VAT = R 9 790,32

Administration charge:

Determined by, and payable for, the utilised capacity of each POD linked to an account.

≤ 100 kVA	R 81,64 + VAT = R 93,07
> 100 kVA and ≤ 500 kVA	R 121,84 + VAT = R 138,90
> 500 kVA and ≤ 1 MVA	R 1 068,68 + VAT = R 1 218,30
> 1 MVA	R 1 077,90 + VAT = R 1 228,81
Key customers	R 1 104,83 + VAT = R 1 259,51

Demand charge:

Payable for each kVA or kW of the maximum chargeable demand supplied during the month.^{1,2}

High-demand season (June - August) Low-demand season (September - May)

R41,72 + VAT = R47,56/kVA	R14,17 + VAT = R16,15/kVA
R49,10 + VAT = R55,97/kW	R16,68 + VAT = R19,02/kW

Demand charge notes:

- **kVA** measured over **30-minute integrating periods** of maximum chargeable demand supplied during peak periods per month.
- **kW** measured over **60-minute integrating periods** of maximum chargeable demand supplied during peak periods per month. 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.
- No demand charge is applicable during off-peak periods, subject to the correct metering being installed.

Active energy charge:

High-demand season (June - August)	Low-demand season (September - May)
12,45c + VAT = 14,19c/kWh	9,35c + VAT = 10,66c/kWh

Voltage surcharge:

Calculated as a percentage of demand and active energy charges.

Supply voltage

> 132 kV	0,00%
≥ 66 kV and ≤ 132 kV	7,63%
≥ 500 V and < 66 kV	10,07%
< 500 V	17,30%

Surcharge

Transmission surcharge:

Calculated as a percentage of demand and active energy charges after the voltage surcharge has been levied, depending on the distance from Johannesburg. (Refer to definitions page 8)

Time periods:

Refer to page 33.

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 kW. Unless or until they request that their maximum demand be measured in 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:

$$\text{Excess demand} = \text{Actual demand in kVA} \times 0,85 - \text{Actual demand in kW.}$$

Tou electricity tariff for urban, customers with supplies greater than 1 MVA

Megaflex is a tariff applicable to urban, customers with supplies greater than 1 MVA and who can shift their load to defined time periods.

Connection fee:

Refer to table 1 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

Where applicable, the monthly connection charge for all existing and new connections will be subject to a rebate (not beyond extinction) at R2,00 per kW of chargeable demand.

Service charge:

Charged per account and is based on the sum of the utilised capacity of all POD's linked to an account.

> 1 MVA R 1 455,07 + VAT = R 1 658,78

Key customers R 8 588,00 + VAT = R 9 790,32

Administration charge:

Determined by, and payable for, the utilised capacity of each POD linked to an account.

> 1 MVA R 1 099,96 + VAT = R 1 253,95

Key customers R 1 125,99 + VAT = R 1 283,63

Demand charge:

R10,13 + VAT = R 11,55/kW

Payable for each kW of the maximum chargeable demand supplied during the month measured over 30 minutes integrating periods, payable in peak or standard periods on weekdays and Saturdays. No demand charge is applicable during the off-peak periods.

Active energy charge:

High-demand season (June - August)

49,43c + VAT = 56,35c/kWh

14,26c + VAT = 16,26c/kWh

8,46c + VAT = 9,64c/kWh

Low-demand season (September - May)

15,14c + VAT = 17,26c/kWh

10,02c + VAT = 11,42c/kWh

7,56c + VAT = 8,62c/kWh

Peak
Standard
Off-peak

Reactive energy charge:
3,09c + VAT = 3,52c/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.

Voltage surcharge:

Calculated as a percentage of demand and active energy charges.

Supply voltage	Surcharge
> 132 kV	0,00%
≥ 66 kV and ≤ 132 kV	7,63%
≥ 500 V and < 66 kV	10,07%
< 500 V	17,30%

Transmission surcharge:

Calculated as a percentage of the demand, active and reactive energy charges after the voltage surcharge has been levied, depending on the distance from Johannesburg. (Refer to definitions page 8)

Time periods:

Refer to page 33.

TOU electricity tariff for urban, customers with supplies of 100 kVA to 5 MVA

Miniflex is a tariff applicable to urban, customers with supplies of 100 kVA to 5 MVA and who can shift their load to defined time periods.

Connection fee:

Refer to table 1 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

Where applicable, the monthly connection charge for all existing and new connections will be subject to a rebate (not beyond extinction) at 1,81c per kWh of all energy consumed during peak periods.

Service charge:

Charged per account and is based on the sum of the utilised capacity of all POD's linked to an account.

≤ 100 kVA	R 90,20 + VAT = R 102,83
> 100 kVA and ≤ 500 kVA	R 477,88 + VAT = R 544,78
> 500 kVA and ≤ 1 MVA	R 1 454,95 + VAT = R 1 658,64
> 1 MVA	R 1 455,07 + VAT = R 1 658,78
Key customers	R 8 588,00 + VAT = R 9 790,32

Administration charge:

Determined by, and payable for, the utilised capacity of each POD linked to an account.

≤ 100 kVA	R 80,77 + VAT = R 92,08
> 100 kVA and ≤ 500 kVA	R 1 213,1 + VAT = R 1 38,29
> 500 kVA and ≤ 1 MVA	R 1 059,23 + VAT = R 1 207,52
> 1 MVA	R 1 059,23 + VAT = R 1 207,52
Key customers	R 1 059,23 + VAT = R 1 207,52

Active energy charge:

High-demand season (June - August) **Low-demand season (September - May)**

50,56c + VAT = 57,64c/kWh	Peak 16,67c + VAT = 19,00c/kWh
15,79c + VAT = 18,00c/kWh	Standard 11,60c + VAT = 13,22c/kWh
10,07c + VAT = 11,48c/kWh	Off-peak 9,18c + VAT = 10,47c/kWh

Reactive energy charge:

1,55c + VAT = 1,77c/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.

Voltage surcharge:

Calculated as a percentage of active energy charges.

Supply voltage	Surcharge
> 132 kV	0,00%
≥ 66 kV and ≤ 132 kV	7,63%
≥ 500 V and < 66 kV	10,07%
< 500 V	17,30%

Transmission surcharge:

Calculated as a percentage of the active and reactive energy charges after the voltage surcharge has been levied, depending on the distance from Johannesburg. (Refer to definitions page 8)

Time periods:

Refer to page 33.

HOMEPower Bulk

Why introduce a Homepower (Bulk) tariff?

The 2003 Homepower tariff for bulk customers was restructured because of the difference in the cost of supplying a single house and multiple housing units.

Homepower (Bulk), which will typically cater for sectional title developments and multiple housing units, such as townhouse complexes, has a voltage surcharge that would make high voltage supplies less expensive than lower voltage supplies. The surcharge is applicable to both the network charge and energy rate. The purpose of the network charge is to recover part of the fixed network costs associated with the provision of network capacity required by the customer.

For 2003 the network charge will be based on the number of household units in the complex. Where Eskom does not have the number of units a default value will be used. This method of charging will only be used in the interim. A capacity based (R/kVA) network charge will be introduced at a later stage, probably 2004.

Other tariffs like Nightsave (Urban) and Miniflex are also available to residential type bulk supplies.

Please note that for the billing of individual supplies within the above mentioned sectional title developments and multiple housing units, the Homepower (Standard) tariff should be charged, i.e. the charge to the unit will be as follows:

Basic charge:	R48,98 + VAT = R55,84 payable each month whether electricity is consumed or not.
Network charge:	R43,37 + VAT = R49,44 payable each month whether electricity is consumed or not.
Energy charge:	23,01c + VAT = 26,23c/kWh

The Homepower (Bulk) rates supplied on the next page will therefore only be applicable to the bulk supply point.

HOMEPower Bulk

Electricity tariff for residential type bulk supplies in urban, areas

Homepower (Bulk) is a tariff applicable to residential type bulk supplies, typically sectional title developments and multiple housing units such as townhouse complexes.

Connection fees:

Refer to table 1 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

Basic charge:

R105,09 + VAT = **R119,80** payable each month for each point of deliver whether electricity is consumed or not.

Network charge:

R30,69 + VAT = **R34,99** payable each month for each dwelling unit in the complex whether electricity is consumed or not.

Energy charge:

19,61c + VAT = **22,36c/kWh**

Voltage surcharge:

Calculated as a percentage of energy and network charges.

Supply voltage	Surcharge
≥ 500V	10,07%
< 500V	17,30%

BUSINESSRATE

Electricity tariff for small businesses in urban, areas

The Businessrate range of tariffs is applicable to urban, supplies with a NMD of 100 kVA or less. Typical customers are small businesses, but the tariff can also be applied to governmental institutions or similar supplies.

Businessrate 1, 2, 3:

Suitable for supplies where consistently more than 605 kWh per month is used. The basic charge and network charge is payable each month and is graded according to the NMD of the supply.

Businessrate 1 for supplies ≤ 25 kVA

Businessrate 2 for supplies > 25 kVA and ≤ 50 kVA

Businessrate 3 for supplies > 50 kVA and ≤ 100 kVA

Businessrate 4:

Suitable for supplies where consistently less than 605 kWh per month is used, for example small businesses with low usage. There is no basic charge or network charge on Businessrate 4.

Businessrate 4 for supplies ≤ 25 kVA

Prepayment supplies:

The prepayment supply option will not be offered on Businessrate 3. Also take note of the following technical requirements:

Tariff	Phase of supply	Amperage
Businessrate 1	Single-phase	60 A
Businessrate 2	Three-phase	80 A
Businessrate 4	Single-phase	60 A

Connection fees:

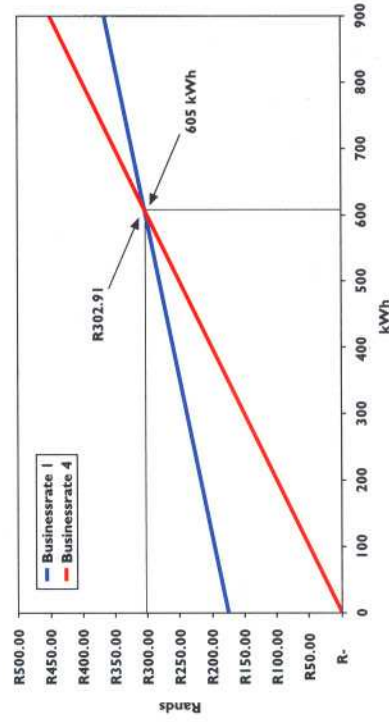
Different rates will apply to conventional and prepayment technology. Refer to table 1 on page 35.

Capital costs:

For a connection, in order for Eskom to recover capital costs that are not covered by the tariffs, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

Charges:	Basic charge (per month)	Network charge (per month)	Energy charge (per unit)
Businessrate 1	R 115,22 + VAT = R131,35	R 60,15 + VAT = R 68,57	21,09c + VAT = 24,04c/kWh
Businessrate 2	R 115,22 + VAT = R131,35	R106,43 + VAT = R121,33	21,09c + VAT = 24,04c/kWh
Businessrate 3	R 115,22 + VAT = R131,35	R247,07 + VAT = R281,66	21,09c + VAT = 24,04c/kWh
Businessrate 4	N/A	N/A	50,09c + VAT = 57,10c/kWh

Comparing Businessrate 1 and Businessrate 4



The break-even point between Businessrate 1 and 4 is 605 kWh/month.

- If less than 605 kWh/month is used, Businessrate 4 is cheaper than Businessrate 1.
- If more than 605 kWh/month is used, Businessrate 1 is cheaper than Businessrate 4.

HOMEPower Standard

Electricity tariff for medium to high-usage residential customers

Homepower (Standard) is a tariff applicable to medium to high-usage residential customers, churches, schools, halls, old age homes or similar premises. Due to technical requirements the prepayment supply option will only be available to single phase supplies limited to 60 A.

Connection fees:

Different rates will apply to conventional and prepayment technology. Refer to table 3 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

Basic charge:

R48,98 + VAT = **R55,84** is payable each month for each point of delivery, whether electricity is consumed or not.

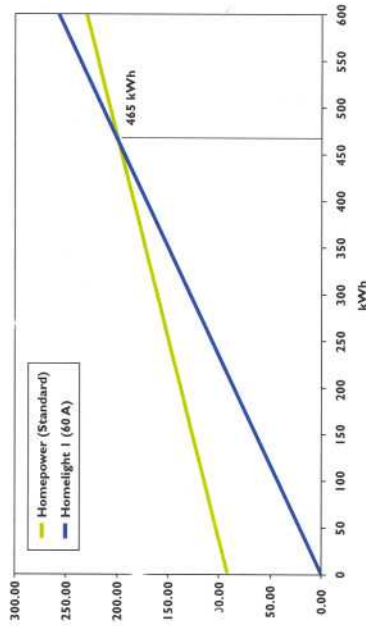
Network charge:

R43,37 + VAT = **R49,44** payable each month for each point of delivery, whether electricity is consumed or not, and is a contribution towards Eskom's fixed network capital costs.

Energy charge:

A single energy charge of 23,01c + VAT = **26,23c/kWh**

Comparison of residential tariffs:



The break-even point between Homelight 1 (60 A) and Homepower (Standard) is 465 kWh/month.

- If less than 465 kWh/month is used, Homelight 1 (60 A) is cheaper.
- If more than 465 kWh/month is used, Homepower (Standard) is cheaper.

HOMELIGHT

Electricity tariff for low-usage residential customers

The Homelight range of tariffs is applicable to single-phase, low-usage residential supplies, but can also be applied to churches, schools, halls or similar premises with low usage. The tariff has different energy rates based on the supply capacity required and provides for a subsidy to low-usage customers.

Homelight 1:

Lower connection fee with higher energy charges.

Homelight 2:

Higher connection fee with lower energy charges.

Connection fees:

Different rates will apply to Homelight 1 and Homelight 2. Refer to table 3 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, an up-front payment may be applied in addition to the standard tariff.

Energy charge:

Homelight 1

2.5 A:	38,13c + VAT =	43,47c/kWh
20 A:	38,13c + VAT =	43,47c/kWh
60 A:	42,89c + VAT =	48,89c/kWh

Homelight 2

20 A:	33,11c + VAT =	37,75c/kWh
60 A:	37,87c + VAT =	43,17c/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 **525 W for 2.5 A** limited supplies, **4 200 W for 20 A** limited supplies and **12 500 W for 60 A** limited supplies.

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

NIGHTSAVE Rural

Electricity tariff for rural, customers with supplies of 25 kW/kVA and above

Nightsave (Rural) is a tariff applicable to rural, customers with a NMD of at least 25 kW/kVA, with a supply voltage ≤ 22 kV* 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.

Connection fee:

Refer to table 2 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff. For this tariff the capital cost will be offset by the current line and capacity allowance included in the tariff.

Service charge:

Charged per account and is based on the sum of the utilised capacity of all POD's linked to an account.

≤ 100 kVA	R 136,12 + VAT = R 155,18
> 100 kVA and ≤ 500 kVA	R 477,88 + VAT = R 544,78
> 500 kVA and ≤ 1 MVA	R 1 454,95 + VAT = R 1 658,64
> 1 MVA	R 1 455,07 + VAT = R 1 658,78
Key customers	R 8 588,00 + VAT = R 9 790,32

Administration charge:

Determined by, and payable for, the utilised capacity of each POD linked to an account.

≤ 100 kVA	R 150,86 + VAT = R 171,98
> 100 kVA and ≤ 500 kVA	R 181,88 + VAT = R 207,34
> 500 kVA and ≤ 1 MVA	R 1 017,56 + VAT = R 1 160,02
> 1 MVA	R 1 018,32 + VAT = R 1 160,88
Key customers	R 1 018,32 + VAT = R 1 160,88

Network charge:

Payable each month and based on the utilised capacity of each POD linked to an account.

- R2,33 + VAT = R2,66/kVA
- R2,33 + VAT = R2,66/kW

Demand charge:

Payable for each kVA or kW of the maximum chargeable demand supplied during the month.^{1,2}

High-demand season (June - August) **Low-demand season (September - May)**

R38,00 + VAT = R43,32/kVA
R44,72 + VAT = R50,98/kW

R21,18 + VAT = R24,15/kVA
R24,91 + VAT = R28,40/kW

- Demand charge notes:**
- **kVA** measured over **30-minute integrating periods** of maximum demand supplied during peak periods per month.
 - **kW** measured over **60-minute integrating periods** of maximum demand supplied during peak periods per month. 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.
 - No demand charge is applicable during off-peak periods, subject to the correct metering being installed.

Active energy charge:

High-demand season (June - August) **Low-demand season (September - May)**

12,99c + VAT = 14,81c/kWh

9,50c + VAT = 10,83c/kWh

Voltage surcharge:

Calculated as a percentage of demand, active energy and network charges.

Supply voltage

≥ 500 V and ≤ 22 kV*	10,07%
< 500 V	17,30%

Transmission surcharge:

Calculated as a percentage of demand, active energy and network charges after the voltage surcharge has been levied, depending on the distance from Johannesburg. (Refer to definitions page 8)

Time periods:

Refer to page 33.

* Note that some rural networks with a voltage of 33 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 kW. Unless or until they request that their maximum demand be measured in 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.

TOU electricity tariff for rural, customers with three-phase supplies

Ruraflex is a tariff applicable to three-phase rural, customers who take supply from 400 V up to and including 22 kV* and who can shift their load to defined time periods.

Connection fee:

Refer to table 2 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

For this tariff the capital cost will be offset by the current line and capacity allowance included in the tariff.

Service charge:

Charged per account and is based on the sum of the utilised capacity of all POD's linked to an account.

≤ 100 kVA	R 136,12 + VAT = R 155,18
> 100 kVA and ≤ 500 kVA	R 477,88 + VAT = R 544,78
> 500 kVA and ≤ 1 MVA	R 1 454,95 + VAT = R 1 658,64
> 1 MVA	R 1 455,07 + VAT = R 1 658,78
Key customers	R 8 588,00 + VAT = R 9 790,32

Administration charge:

Determined by, and payable for, the utilised capacity of each POD linked to an account.

≤ 100 kVA	R 156,92 + VAT = R 178,89
> 100 kVA and ≤ 500 kVA	R 193,99 + VAT = R 221,15
> 500 kVA and ≤ 1 MVA	R 1 094,35 + VAT = R 1 247,56
> 1 MVA	R 1 094,35 + VAT = R 1 247,56
Key customers	R 1 094,35 + VAT = R 1 247,56

Network charge:

Payable each month and based on the utilised capacity of each POD linked to an account and set at R2,86 + VAT = R3,26/kVA

Active energy charge:

High-demand season (June - August)

71,11c + VAT = 81,07c/kWh
18,49c + VAT = 21,08c/kWh
9,85c + VAT = 11,23c/kWh

Peak
Standard
Off-peak

19,76c + VAT = 22,53c/kWh
12,10c + VAT = 13,79c/kWh
8,47c + VAT = 9,66c/kWh

Low-demand season (September - May)

Reactive energy charge:

1,55c + VAT = 1,77c/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.

Voltage surcharge:

Calculated as a percentage of active energy and network charges.

Supply voltage

≥ 500 V and ≤ 22 kV*	10,07%
< 500 V	17,30%

Transmission surcharge:

Calculated as a percentage of the active energy, reactive energy and network charges after the voltage surcharge has been levied, depending on the distance from Johannesburg. (Refer to definitions page 8)

Time periods:

Refer to page 33.

* Note that some rural networks with a voltage of 33 kV have been specifically designated by Eskom as rural reticulation networks.

Electricity tariff for rural, customers with supplies up to 100 kVA

The Landrate range of tariffs is applicable to rural, supplies with a NMD of 100 kVA or less. 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.

Standard supply sizes:

Landrate 1	single-phase	16 kVA	(80 A)
	dual-phase	32 kVA	(80 A)
	three-phase	25 kVA	(40 A)
Landrate 2	dual-phase	64 kVA	(160 A)
	three-phase	50 kVA	(80 A)
	dual-phase	100 kVA	(225 A)
Landrate 3	three-phase	100 kVA	(160 A)
	single-phase	16 kVA	(80 A)
Landrate Dx	single-phase	10 A limited supply capacity	

Landrate 1, 2, 3:

Suitable for supplies where consistently more than 950 kWh per month is being used. The basic charge and network charge is payable each month for each point of delivery and the network charge is graded according to the standard supply sizes applicable to each tariff.

Landrate 4:

Suitable for **single-phase supplies** only where consistently less than 950 kWh per month is being used, for example domestic or small supplies on farms with low-usage. The network charge is payable each month for each point of delivery.

All Landrate three-phase supplies connected prior to 1 January 2001 will be allowed to convert /downgrade to Landrate 4 (single-phase or three-phase supply), provided that the NMD ≤ 25 kVA (40 A). Supplies connected after this date will only be able to convert/downgrade to Landrate 4 if they convert their supply to single-phase at their own cost.

Landrate Dx:

This tariff is applicable to **very** low usage single-phase supplies, typically suited for small telecommunication installations, where the electricity usage is low enough not to warrant metering for billing purposes. Only the basic charge is payable each month for each point of delivery. Supplies qualifying for this tariff may not opt for an alternative tariff.

Prepayment supplies:

The prepayment supply option will not be offered on Landrate 3. Also take note of the following technical requirements:

Tariff	Phase of supply	Amperage
Landrate 1	Single-phase	60 A
Landrate 2	Three-phase	80 A
Landrate 4	Single-phase	60 A

Connection fees:

Different rates will apply to conventional and prepayment technology. Refer to table 2 on page 35.

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

For this tariff, excluding Landrate Dx, the capital cost will be offset by the current line and capacity allowance.

Charges:	Basic charge (per month)	Network charge (per month)	Energy charge (per unit)
Landrate 1	R162,43 + VAT = R185,17	R140,96 + VAT = R160,69	20,85c + VAT = 23,77c/kWh
Landrate 2	R162,43 + VAT = R185,17	R216,86 + VAT = R247,22	20,85c + VAT = 23,77c/kWh
Landrate 3	R162,43 + VAT = R185,17	R346,98 + VAT = R395,56	20,85c + VAT = 23,77c/kWh
Landrate 4	N/A	R106,03 + VAT = R120,87	41,65c + VAT = 47,48c/kWh
Landrate Dx	R289,30 + VAT = R329,80	N/A	N/A

* Note that some rural networks with a voltage of 33 kV have been specifically designated by Eskom as rural reticulation networks.

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 are street lights, lights in telephone booths, traffic lights, neon and billboard signs.

Connection fees:

R39,47 + VAT = R 45,00 per connection
R166,67 + VAT = R 190,00 per high-mast connection

Energy charge:

A fixed energy charge based on the number of hours the supply will be used in a day and the time at which the electricity will be used, is payable per month per light fitting.

The fixed energy charge is calculated using either the c/kWh energy rate or the R/100 W/month energy rate. Where the c/kWh energy rate is used, kWh are calculated as follows:

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

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.

Dusk to midnight: 166,67 hours per month
20,35c + VAT = **23,20c/kWh** OR R3,39 + VAT = **R3,86/100 W/month**

All night: 333,3 hours per month
16,20c + VAT = **18,47c/kWh** OR R5,39 + VAT = **R6,14/100 W/month**

24 hours: 730 hours per month
19,11c + VAT = **21,79c/kWh** OR R13,94 + VAT = **R15,89/100 W/month**

Telkom urban: Based on a consumption of 200 kWh/month and is suitable for small urban Telkom installations such as telephone booths, switchgear installations, etc.

R33,52 + VAT = **R38,21/month**

Maintenance charge: A monthly maintenance charge (or actual costs depending on maintenance agreement) is payable where Eskom is required to maintain the public lighting network.

The maintenance charge does not recover refurbishment costs.

Per street light luminaire: R 12,00 + VAT = **R 13,68** per month*

Per high-mast luminaire: R 280,00 + VAT = **R 319,20** per month*

Capital costs:

For a new connection, in order for Eskom to recover capital costs that are not covered by the tariff, a monthly connection charge and/or up-front payment may be applied in addition to the standard tariff.

The monthly connection charge can be paid over any period of up to 10 years.

* 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 actual costs.

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 reticulation transformer (MRT)

The MRT 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. It is intended for run-in-line applications, i.e. where the MRT can be tapped from existing Eskom lines without having to build additional lines. Contact Agrelek or Industrelek for further information. (Contact numbers on page 2)

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 that 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 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 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 and are considered when a grid extension is impractical or uneconomical.

Visit www.sabregen.co.za for more information.

Demand side management (DSM)

Eskom with the support of the government is electrifying South Africa at a rate of approximately two hundred thousand homes per year. Millions of people in Africa are still without electricity. However, Eskom is changing this scenario through the introduction of low-cost electricity.

The term 'demand-side management' (DSM) was first used in the United States in the early 1980's to describe the 'planning and implementation of utility activities designed to influence the time, pattern and/or amount of electricity demand in ways that would increase customer satisfaction, and co-incidentally produce desired changes in the utility's load-shape' (Gallings 1989). Together with Government, Industry, customers, and all other stake holders, 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.

Customer self-built power supply options

Eskom provides customers with the option to build their own power lines. Customer self-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 engaging an Eskom approved/recommended contractor to perform the construction or by undertaking the construction themselves, subject to all work complying with Eskom's technical standards, and, in some cases to specific regional requirements. It is however preferred that the customer makes use of a contractor recommended by Eskom who is familiar with the Eskom standards. Customer self-built supplies are usually permitted on rural networks only and are subject to the standard approval process within Eskom or the particular Region. The approval for a customer self-built power supply is also at all times subject to the availability of capital and network capacity. The terms and conditions for each customer self-built scheme will be negotiated once the customer's written application has been received.

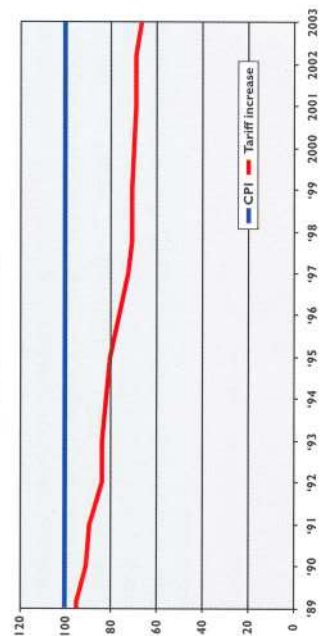
Appendix A - Eskom's average price increase

Eskom's tariffs are increased on an annual basis, usually on 1 January. The average tariff increases for the last 15 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 increase for the last 15 years

Year	Average tariff increase	CPI
1 January 1989	10,00%	14,51%
1 January 1990	14,00%	14,29%
1 January 1991	8,00%	15,57%
1 January 1992	9,00%	13,67%
1 January 1993	8,00%	9,87%
1 January 1994	7,00%	8,82%
1 January 1995	4,00%	8,71%
1 January 1996	4,00%	7,32%
1 January 1997	5,00%	8,62%
1 January 1998	5,00%	6,87%
1 January 1999	4,50%	5,21%
1 January 2000	5,50%	5,37%
1 January 2001	5,20%	5,70%
1 January 2002	6,20%	(projected) 9,40%
1 January 2003	8,43%	(projected) 7,40%

Eskom tariff increase as a percentage of CPI
(Cumulative graph)



Appendix B - Treatment of public holidays

Public holidays are treated differently throughout the year.

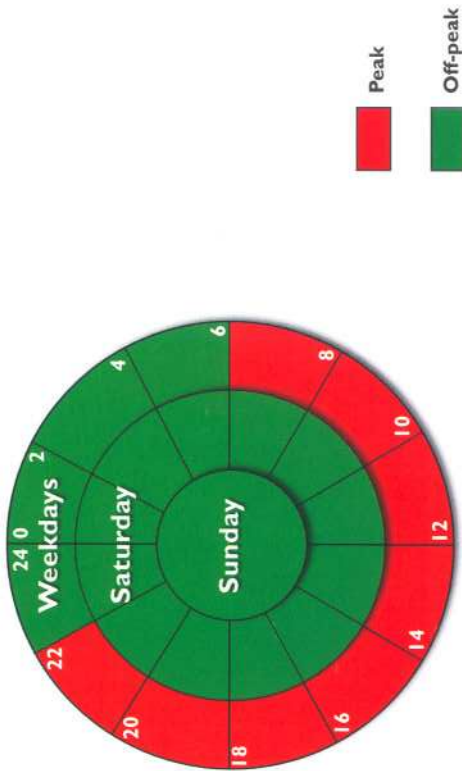
All public holidays for the **Nightsave (Rural)** and **Ruraflex** tariffs will be treated as the day of the week on which it falls.

The table below indicates the treatment of public holidays for the **Nightsave (Urban)**, **Megaflex** and **Miniflex** tariffs for 2003. The appropriate seasonally differentiated energy charges will be applicable on these days. Any unexpectedly announced public holidays will be treated as the day of the week on which it falls.

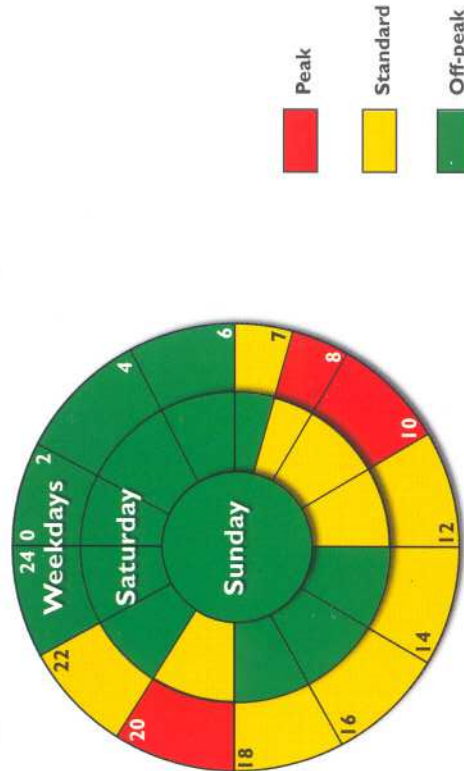
Date	Day	NIGHTSAVE		MEGA-LEX		MINIFLEX	
		Urban					
1 January	New Year's Day	Sunday		Sunday		Sunday	
21 March	Human Rights Day	Sunday		Saturday		Saturday	
18 April	Good Friday	Sunday		Sunday		Sunday	
21 April	Family Day	Sunday		Sunday		Sunday	
27 April	Freedom Day	Sunday		Sunday		Sunday	
28 April	Public holiday	Sunday		Saturday		Saturday	
1 May	Workers' Day	Sunday		Saturday		Saturday	
16 June	Youth Day	Sunday		Saturday		Saturday	
9 August	National Women's Day	Sunday		Saturday		Saturday	
24 September	Heritage Day	Sunday		Saturday		Saturday	
16 December	Day of Reconciliation	Sunday		Saturday		Saturday	
25 December	Christmas Day	Sunday		Sunday		Sunday	
26 December	Day of Goodwill	Sunday		Sunday		Sunday	

Appendix C - Eskom's defined time periods

Nightsave (Urban) & Nightsave (Rural)



Megaflex, Miniflex & Ruraflex



Appendix D - TOU conversion surcharge

TOU tariffs (Megaflex, Miniflex and Ruraflex) 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:

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

No conversion surcharge is applicable to conversions of supplies ≤ 150 kVA.

Appendix E - Connection fees

The fees listed are the minimum cash amounts payable. Additional charges based on actual costs may be raised as per current policy. Different rates may apply to conventional and prepayment technology.

Table 1 - Urban connection fees

Capacity	Conventional	Prepayment
5 kVA or ≤ 80 A (single-phase)	R 877,19 + VAT = R 1 000,00	R 877,19 + VAT = R 1 000,00
16 kVA	R 877,19 + VAT = R 1 000,00	R 877,19 + VAT = R 1 000,00
25 kVA	R 3 157,89 + VAT = R 3 600,00	R 4 035,08 + VAT = R 4 600,00
50 kVA	R 3 596,49 + VAT = R 4 100,00	R 4 473,68 + VAT = R 5 100,00
100 kVA	R 4 210,53 + VAT = R 4 800,00	N/A
200 kVA	R 5 964,91 + VAT = R 6 800,00	N/A
315 kVA	R 6 403,51 + VAT = R 7 300,00	N/A
500 kVA	R 10 701,75 + VAT = R 12 200,00	N/A
> 500 kVA	The greater of R 10 701,75 + VAT or 5% of actual project costs.	N/A

Table 2 - Rural connection fees

Capacity	Conventional	Prepayment
5 kVA (single-phase)	R 1 403,51 + VAT = R 1 600,00	R 1 403,51 + VAT = R 1 600,00
16 kVA (single-phase)	R 2 280,70 + VAT = R 2 600,00	R 2 280,70 + VAT = R 2 600,00
25 kVA (three-phase)	R 3 508,77 + VAT = R 4 000,00	N/A
32 kVA (dual-phase)	R 3 508,77 + VAT = R 4 000,00	R 3 508,77 + VAT = R 4 000,00
50 kVA (three-phase)	R 4 824,56 + VAT = R 5 500,00	R 5 701,75 + VAT = R 6 500,00
64 kVA (dual-phase)	R 4 824,56 + VAT = R 5 500,00	N/A
100 kVA	R 5 526,32 + VAT = R 6 300,00	N/A
200 kVA	R 8 070,18 + VAT = R 9 200,00	N/A
315 kVA	R 8 596,49 + VAT = R 9 800,00	N/A
500 kVA	R 14 385,96 + VAT = R 16 400,00	N/A
> 500 kVA	The greater of R 14 385,96 + VAT or 5% of actual project costs.	N/A

Table 3 - Residential tariffs (Conventional and prepayment meters)

Capacity	Homelight I*	Homepower (Standard)
2.5 A (single-phase)	No charge	N/A
20 A (single-phase)	R 131,58 + VAT = R 150,00	N/A
≤ 80 A (single-phase)	R 877,19 + VAT = R 1 000,00	R 877,19 + VAT = R 1 000,00
> 80 A (single-phase)	N/A	R 877,19 + VAT = R 1 000,00
Three-phase supplies	N/A	Refer to table 1

* For Homelight 2 supplies add R 877,19 + VAT = R 1 000,00 to the fee indicated for Homelight 1.

Eskom's customer service charter

Our customers have the right to:

- Accurate measurement of consumption.
- Error-free bills.
- Be treated with respect.
- Experience excellent treatment on Eskom's electricity supply contract.
- Be dealt with promptly and efficiently.
- Be treated fairly.
- Have their property treated with respect.
- Confidentiality of their information.
- One-stop service without referral.
- Quality of supply in terms of negotiated agreement.
- Be involved in issues affecting them.

Service targets

- 1. Connections:**
 - Maximum time to connect customer: Minor Projects (requiring building of infrastructure) 47 days
 - Maximum time to connect customer: Minor Projects (infills) 17 days
 - Maximum time to transfer (no infrastructure, no guarantees) 24 hours
 - Maximum time to transfer (no infrastructure with guarantees) 30 days
 - Project duration contracted per customer project 77 days
 - Maximum deviation between contracted date and connection 14 days
- 2. Communication:**
 - Contact Centre Service Level (% of calls answered within 30 sec) 75%
 - Bill in language of choice 11
 - Time to respond to requests 60 min
 - Time to resolve request (differs per service)
- 3. Quality of supply and outage management:**
 - Restoration time (% < 7.5 hrs) 80%
- 4. Accounts:**
 - Account accuracy 99.5%
- 5. Customer expectations:**
 - Annual Enhanced MaxiCare average TQI 77%
 - Annual Enhanced PreCare average TQI 77%

Notes

Notes
