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**REQUEST FOR APPROVAL TO AMEND DRAFT TARIFF OF CHARGES  
FOR ELECTRICITY SERVICES: 2017/18**

**1. STRATEGIC THRUST**

Alignment to GDS 2040 & IDP

**2. OBJECTIVE**

To propose draft electricity tariffs increases and amendment of charges for 2017 and 2018 financial year and the continuation of all the surcharges as approved by the Mayoral Committee and Council of City of Johannesburg for City Power Johannesburg Pty Ltd areas of supply.

**3. BACKGROUND**

**3.1 NERSA**

City Power has to comply with the Municipal Finance Management Act (MFMA) regulations and satisfy the requirements from the City of Johannesburg (COJ). One of the important milestones to pass is compliance to the NERSA proposed regulations. Every year NERSA provides a guideline for general tariff increases by municipalities and distributors, as well as updates to a standard set of benchmarks which are meant to guide the tariff structure development of licensees.

The indicative benchmarks proposed below indicate that:

- Bulk purchase energy costs as percentage of total costs: 58% - 78% (expected mean of 75%)
- Surplus as percentage of electricity sales: 10% - 20% (expected mean of 15%)
- Total system losses: 5% - 12% (expected mean of 10%)
- Average sales price ratio to average purchase price set at 1.58
- Spending on repairs & maintenance to be 6% of sales revenue
- Debt collection rate: 95%

It is expected that NERSA will start to address the issue a formal guideline to municipal distributors including an allowed tariff increase for 2017 and 2018 financial year subsequent to the announcement of the allowed Eskom increase which is scheduled for 23 February 2017. Based on the NERSA methodology to calculate the benchmark escalation for the next year and considering the specific cost structure of City Power, the assumed benchmark tariff escalation is estimated to be 7.86% for FY2017/18. The City Power 2017/18FY Tariff increase Proposal therefore is for an average increase of 7.85%.

It is generally accepted that tariffs should reflect costs as far as possible and that cross-subsidisation of domestic consumers by commercial and industrial customers would be preferred. NERSA expects municipalities to conduct cost of sales studies, and if this cannot be done, NERSA intends to benchmark their tariffs with Eskom tariffs. Such a cost of supply study was completed in FY2015/16 at City Power.

**3.2 BULK PURCHASES**

City Power continues to procure electricity and related services from both Eskom through the Electricity Supply Agreement and Kelvin Power (an IPP) through a 20 year Power Purchase Agreement.

City Power has experienced a declining trend in total demand which can be ascribed to a slow economic recovery, energy efficiency improvements, technology conversions to exploit alternative energy sources, reduced consumption base, and a variety of other factors. This appears to be congruent with the trend in the rest of South Africa. The declining rate is expected to be sustained for FY2017/18 through FY2018/19.

The historic growth rates in total volumes are evident from the following table:

<b>Financial Year</b>	<b>Actual Demand (Gwh/a)</b>	<b>Volume Growth (%)</b>
FY2006/07	12,900	6.2%
FY2007/08	13,091	1.5%
FY2008/09	12,938	-1.2%
FY2009/10	13,115	1.4%
FY2010/11	13,116	0.0%
FY2011/12	13,066	-0.4%
FY2012/13	12,826	-1.8%
FY2013/14	12,623	-1.6%
FY2014/15	12,361	-2.1%
FY2015/16	12,159	-1.6%
FY2016/17	11,755	-3.3%
FY2017/18	11,755	0.0%

### 3.3 COJ TARIFF POLICY

The COJ has a policy for tariff setting by utility distributors. The principles for electricity tariff setting are captured in the following summary:

- Social norms
  - Tariffs should be equitable and affordable;
  - Tariffs must allow provision of basic services to everyone;
  - Tariffs must provide for transparent cross-subsidisation of poor households where necessary and feasible;
  - The tariff structure and levying process should be simple and easy to implement.
- Economic norms
  - Tariffs should encourage local economic development in line with the GDS of the COJ;
  - Tariffs should have a positive influence on economic input factor costs for industrial and commercial firms;
  - Tariff setting should be aligned with economic policies of the country.
- Financial norms
  - Whenever feasible the tariffs should be cost reflective and cost effectively link into the COJ financial framework;
  - Tariffs should be linked to unit costing and efficiency improvements;
  - Tariffs should promote sustainability and extension of service provision.

### 3.4 CURRENT TARIFF STRUCTURE

The current tariff structure consists of the following categories:

- Domestic tariffs
  - Prepaid (5 inclining blocks)
  - Post-paid (single-phase seasonal and non-seasonal, 5 inclining blocks)
  - Post-paid (three-phase seasonal and non-seasonal, 5 inclining blocks)
  - Time-of-use (TOU for single-phase and three-phase)
- Agricultural tariffs
  - ≤ 50 kVA maximum demand
  - 50 kVA maximum demand
- Business tariffs
  - All business facilities consuming ≤ 100 kVA (5 inclining blocks)
- Demand tariffs
  - All business facilities consuming > 100 kVA (5 inclining blocks)
- Large power user tariffs

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- Low voltage (400V)
  - Medium voltage (3,3-11 kV)
  - Large power user TOU tariffs
    - Customers with installed capacity exceeding 500 kVA.

Tariffs normally consist of three to four components, i.e.

- Energy – reflecting direct consumption of electricity
- Service – reflecting cost of customer services
- Capacity - reflecting cost of access to the grid
- Demand – reflecting network transmission costs

All customer categories are subject to an energy charge.

All consumption categories are subject to service and capacity charges, except for prepaid customers.

Only large power users are subject to demand charges.

### **3.5 CURRENT PROCESS FOR TARIFF STRUCTURING**

The tariff structuring process covers the following major activities and milestones:

- Analyse the NERSA guidelines for the average tariff escalation rate for the next term;
- Consider the revenue requirements for the next term;
- Confirm the socio-economic goals to be achieved through the tariff structure;
- Consider national legislation;
- Consider the requirements of the COJ growth and development strategy;
- Consider local economic development requirements;
- Determine and evaluate escalations per user category and charge type;
- Clarify distribution of tariff increases across the various user categories and the implication of adjustments to the tariff structure;
- Submit the proposed new tariff structure to the COJ Council and NERSA for approval – this may be done in more than one round.

### **3.6 MARKET SEGMENTATION**

The table on page 4 indicates the expected distribution of customers and expected consumption levels for City Power during 2017/18. The content in this table forms the basis for estimating the aggregate consumption and sales revenue.

The table includes the expected contributions from the reseller prepaid and conventional markets in the domestic and business sectors.

No data is available to determine the number of users or the average consumption per user for the recently approved domestic time-of-use tariffs as we do not as yet have customers on that tariff category.

Segment	Supply grade	Units	Block	Number of Customers	Avg monthly consumption per customer (kWh)
Large customers - TOU	HV	kWh		0	0
Large customers - TOU	MV	kWh		62	1,664,400
Large customers - TOU	LV	kWh		7	206,210
Large customers	MV	kWh		249	416,100
Large customers	LV	kWh		3,716	51,100
Business (conventional)	400V	kWh	0 - 500	242	264
		kWh	501 - 1000	312	717
		kWh	1001 - 2000	585	1,735
		kWh	2001 - 3000	1,600	2,775
		kWh	> 3000	7,380	6,234
Business (prepaid)	400V	kWh	0 - 500	4,823	496
		kWh	501 - 1000	271	970
		kWh	1001 - 2000	125	1,995
		kWh	2001 - 3000	41	2,998
		kWh	> 3000	83	20,723
Agricultural	400V	kWh		27	2,143
Domestic (3 phase, TOU)	400V	kWh		0	0
Domestic (1 phase, TOU)	400V	kWh		0	0
Domestic (3 phase, seasonal)	400V	kWh	0 - 500	2	482
		kWh	501 - 1000	1	952
		kWh	1001 - 2000	2	1,987
		kWh	2001 - 3000	4	2,993
		kWh	> 3000	8	44,293
Domestic (1 phase, seasonal)	400V	kWh	0 - 500	23	242
		kWh	501 - 1000	2	988
		kWh	1001 - 2000	1	1,783
		kWh	2001 - 3000	3	2,899
		kWh	> 3000	6	6,298
Domestic (3 phase)	400V	kWh	0 - 500	1,789	482
		kWh	501 - 1000	2,132	952
		kWh	1001 - 2000	4,716	1,787
		kWh	2001 - 3000	3,633	2,918
		kWh	> 3000	9,224	10,055
Domestic (1 phase)	400V	kWh	0 - 500	54,802	499
		kWh	501 - 1000	15,252	988
		kWh	1001 - 2000	36,348	1,992
		kWh	2001 - 3000	3,640	3,000
		kWh	> 3000	3,195	3,577
Domestic (prepaid) *	400V	kWh	0 - 500	64,386	236
		kWh	501 - 1000	24,228	601
		kWh	1001 - 2000	7,655	1,001
		kWh	2001 - 3000	1,350	1,686
		kWh	> 3000	3,121	5,134
TOTAL / AVG				255,046	2,990

The following table indicates the current (FY2016/17) consumption and revenue contributions of the various categories:

Tariff Segment	Contribution	
	Revenue	Consumption
Large Power Users (TOU)	11.67%	14.19%
Large Power Users	41.23%	37.68%
Business Conventional	8.63%	6.61%
Business Prepaid	0.58%	0.50%
Agricultural	0.01%	0.01%
Residential Conventional	31.12%	32.32%
Residential Prepaid	5.38%	6.72%
Business Reseller	0.20%	0.19%
Residential Reseller	1.19%	1.79%
Totals	100.00%	100.00%

### 3.7 CURRENT CROSS-SUBSIDISATION LEVELS

The following table summarises the expected levels of cross-subsidisation for the current financial year (2016/17), based on an updated cost of supply study for City Power:

TARIFF CATEGORY	Cross-subsidisation	
	Contribution Rm/a	% Potential Charge
Domestic prepaid	-434	33.4%
Domestic conventional	-876	22.7%
Agricultural	-1.0	49.7%
Business	66	-7.9%
Large users (MV)	540	-13.4%
Large users (LV)	705	-18.8%

The cost of supply study, which generates the reference for this estimation, limits the granularity of the view on cross-subsidisation to the aggregates as indicated in the above table. Although this provides for somewhat constrained granularity, it has shown to be very useful in approximating the actual levels of cross-subsidisation. Future cost of supply studies will be expanded to allow the reflection of lower levels of aggregation.

Positive contribution values indicate inflows (revenue) to the cross-subsidisation account, while negative values indicate outflows (pay-out) to the specific tariff categories. It is evident that the “Large user” and “Business” categories contribute substantially to allow the subsidisation of the domestic and agricultural sectors.

The subsidies received (contributed) can also be expressed as a percentage of the potential charge that would be dictated by the cost of supply assessment. For example, the current domestic prepaid tariffs allow for the recovery of only 66,6% (1 – 33,4%) of the potential as specified by the cost of supply study. Similarly, the agricultural tariff is 50,3% (1 – 49,7%) below its potential level, while Large LV customers are charged 18,8% above the level indicated by the cost of supply view.

**3.8 COST REFLECTIVE CHARGES**

A cost of supply study, which was conducted by City Power during the previous financial year, indicates the allocation of specific cost items to (i) customer services (to warrant the recovery of service charges), (ii) network related costs (to warrant the recovery of capacity and demand charges) and (iii) energy costs (to warrant recovery of energy charges).

The allocation layout in the following table supports the derivation of a reasonable design of the tariff structure for 2017/18.

**CITY POWER HIGH LEVEL COST ALLOCATION (FY2015/16)**

	<b>Services</b>	<b>Network</b>	<b>Energy</b>
<b>Fixed expenses</b>			
Salaries & wages			
Overhead (services, mgmt, etc.)			1.8%
Billing	0.4%		
Revenue collection	0.2%		
Customer services	0.2%		
Network staff		3.4%	
Administration			
Meter reading	0.3%		
Vending	0.1%		
Info services	0.1%		
Customer services centre	0.2%		
Billing infrastructure	0.3%		
Meter capital depreciation & amortisation		0.3%	
Network asset depreciation		2.3%	
Financing costs		3.0%	
Bad debt			3.3%
Maintenance			
Network operations		0.2%	
Network maintenance		1.1%	
Control room & fault centre		0.9%	
Vehicles		0.5%	
General overhead expenses			
Professional fees			1.7%
Internal charges			2.8%
Other costs			3.4%
Bulk purchase			
Admin charge	0.2%		
NA charge		5.4%	
Demand charge		3.2%	
Demand charge		2.4%	
<b>Variable expenses (related to energy sales volume)</b>			
Bulk purchase			
Energy charge			59.2%
Engineering operations (repairs)			3.3%
DSM levy (credit)			
<b>Total</b>	<b>1.9%</b>	<b>22.6%</b>	<b>75.5%</b>

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The proxy indicators specify that 1,9% of the total recovery needs to be allocated to service charges, while 22,6% of the total recovery needs to be allocated to network related charges (capacity and 'demand'). The remainder of 75,5% has to be recovered from energy charges.

Besides this guideline for charge allocation, other constraints are also considered in the design, i.e.

- The service and capacity charge combination should be limited to the guidelines provided by NERSA, as any substantial deviation from these guidelines might upset the current balance.
- A design load factor of 30% is prescribed by NERSA, while indications are that the large power users' average demand load factor is  $\pm 50\%$ .
- City Power executes the policy to not have any fixed charges in the prepaid structure for domestic, commercial and reseller prepaid tariffs. This leads to an artificial conversion of potential service and capacity charges to be allocated to the energy component (the only component of this tariff).

Although the abovementioned allocation guideline was considered as the basis for charge allocations, the additional constraints forced the eventual distribution of charges to be 1,7% for services, 20,7% for networks and 77,6% for energy.

### 3.9 DESIGN PRINCIPLES FOR 2017/18 AND BEYOND

The following design principles dictate the tariff setting required for the 2017/18 financial year:

- Use the high level cost allocation guideline which distinguishes between services, network and energy related costs, combined with other constraints to determine recoveries through service, capacity, demand and energy charges in the proposed tariff structure;
- Assume load factors of LPU and TOU customers at  $\pm 50\%$  (City Power's best estimate);
- Allow the overall tariff increase for domestic prepaid customers to be slightly higher than the expected NERSA guideline level, while the overall tariff increase for domestic conventional customers to be slightly lower, such that a 1% differential between the prepaid and conventional tariffs can be achieved. This will reduce the extremely high cross-over consumption level between prepaid and conventional customers. The ultimate aim is to normalise the differential between the prepaid and conventional tariffs to allow a cross-over at  $\pm 1\,500$  kWh/month from its current cross over level of  $\pm 3\,850$  kWh/month. The prepaid tariff should be extended from the current 1 part tariff format to 2 part tariff format with the introduction of a fixed Rand per month charge (Capacity Charge) in order to accelerate the pace at which it adjust the cross over point to the appropriate level.
- The Eskom Megaflex differentials between high and low demand seasons, as well as peak, standard, off-peak categories are applied to all seasonal and TOU categories where applicable;
- Allow reasonable targets for non-technical losses recovery;
- Maintain the status quo on reseller tariff after implementing a discount of  $\pm 12\%$  to allow for a margin of not more than 10% for resellers in the 2016/17 tariffs. Further rationalisation in future may be considered where necessary.

A variety of other aspects could also be listed in order to rationalise the overall tariff structure, but the above reflect the changes that would be considered for FY2017/18. However, City Power is committed to introduce further rationalisation of tariffs whenever considered necessary.

**4 PROPOSED TARIFF FEATURES AND CONSEQUENCES**

**4.1 OVERALL SALES REVENUE INCREASE**

It is to be noted that the overall weighted average increase from sales expected to be derived from the proposed tariff escalations is estimated to be 7,85% which is within the assumed municipal guideline increase by NERSA.

A summary of the expected escalations for the next three years is presented in the following:

Category	Type	Overall Tariff Escalation Rates			
		FY17*	FY18	FY19	FY20
TOU	MV	6.99%	<b>7.85%</b>	7.85%	7.86%
TOU	LV	6.99%	<b>7.85%</b>	7.86%	7.86%
LPU	MV	6.99%	<b>7.85%</b>	7.85%	7.86%
LPU	LV	6.99%	<b>7.86%</b>	7.84%	7.86%
Commercial	Conventional	9.99%	<b>7.85%</b>	7.85%	7.86%
Commercial	Prepaid	6.49%	<b>7.85%</b>	7.85%	7.86%
Agricultural		7.49%	<b>7.85%</b>	7.85%	7.86%
Domestic	Conventional	0.00%	<b>7.85%</b>	7.85%	7.86%
Domestic	Prepaid	6.91%	<b>7.85%</b>	7.85%	7.86%
Reseller	Commercial	0.00%	<b>7.85%</b>	7.81%	7.86%
Reseller	Domestic	0.00%	<b>7.85%</b>	7.87%	7.86%
Average sales price increase		6.91%	<b>7.85%</b>	7.85%	7.86%
* <i>Approved escalation rate</i>					
Bulk purchase	GWh/a	11,755	11,755	11,931	11,931

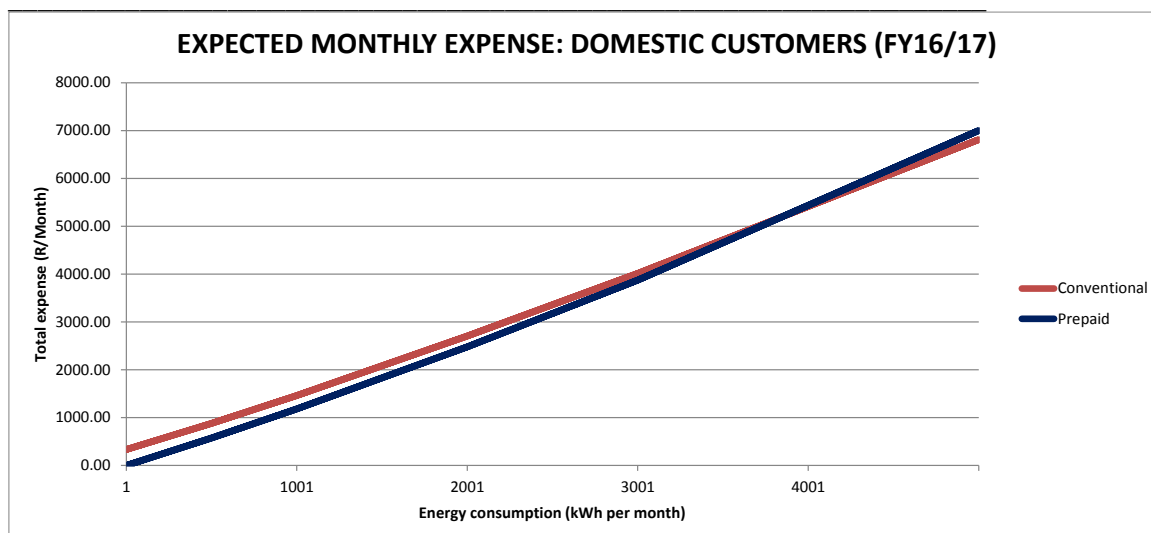
City Power intends to reduce total losses in supply to a level of 22% in the financial year 2017/18.

**4.2 DOMESTIC TARIFFS**

The following graph indicates the total charge in the domestic consumption category expected for FY2017/18. Note that the total conventional domestic tariff is always higher than that for the prepaid segment at consumption rates less than ± 3 850 kWh per month. This is aligned with the current view that there should be an incentive for consumers at the lower consumption rates to convert from conventional to prepaid accounts.

All accounts are reset at the end of the month and all customers will receive the initial consumption at the low tariffs and then progressively step through the inclining consumption blocks.





#### 4.3 IMPLICATIONS OF PROPOSED TARIFF INCREASES

A summary of the proposed tariffs for the various customer categories for financial year 2017/18 is presented in Annexure A.

#### 4.4 INCLINING BLOCK TARIFF STRUCTURE

All stepped tariff structures reflect inclining tariff increases with increasing consumption levels. This applies to commercial and domestic energy charges, both conventional and prepaid.

#### 4.5 COMMERCIAL TARIFF CATEGORY

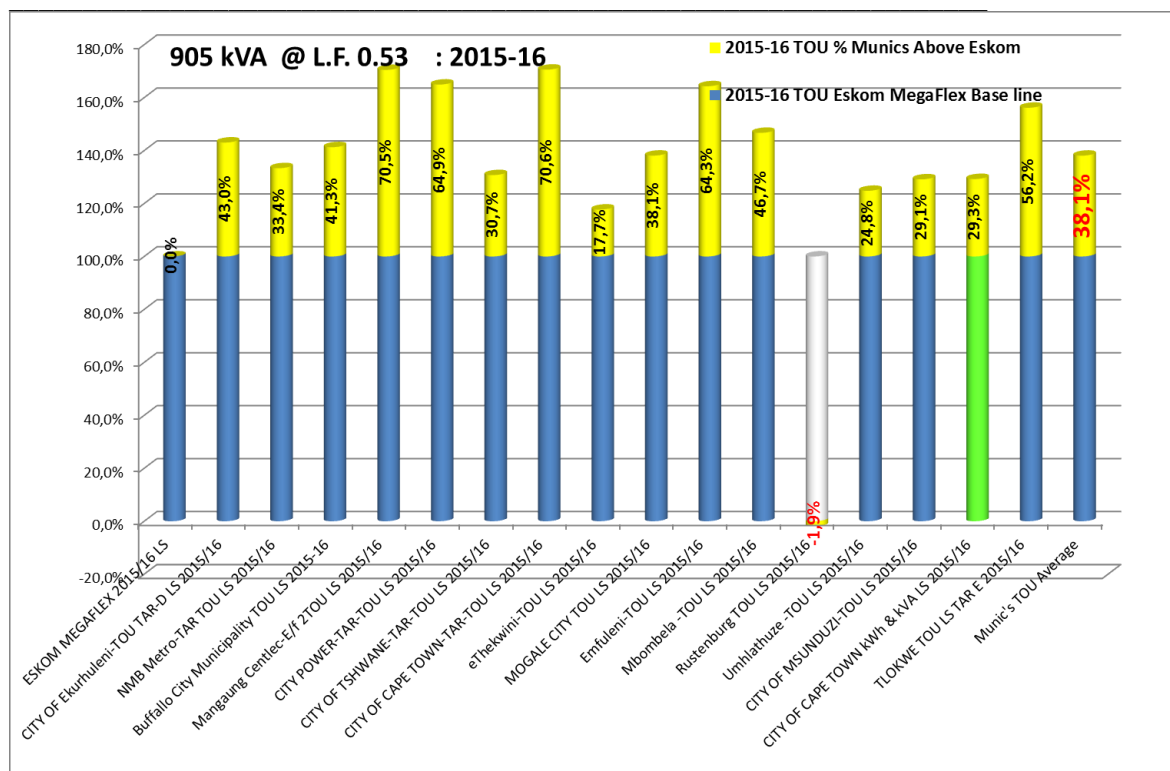
The deviation between the proposed commercial tariffs and that suggested by NERSA will be addressed in the strategy to normalise the commercial tariffs. The cost of supply study indicates that the commercial tariffs are reasonably close to that justified by the cost structure to deliver electricity to this customer category. The proposed tariff is substantially higher than that proposed by NERSA. The issue will be taken up with NERSA in an attempt to have them review the guidelines for City Power.

#### 4.6 PREPAID TARIFF CATEGORY

City Power follows the CoJ guideline to stimulate the conversion of customers from a conventional tariff structure to prepaid tariffs. Due to the fact that prepaid tariffs are not directly subjected to fixed charges, it is necessary that the slope of increases in block levels be higher than that of the conventional structure. This results in a cross-over (break-even) of prepaid and conventional tariffs to occur. For FY2017/18, the cross-over points are expected to be at a consumption rate of ± 3 850 kWh per month for domestic customers while it is above 5 000 kWh per month for commercial customers. The cross-over point for domestic customers is therefore kept constant compared to that of the current financial year.

#### 4.7 TARIFF COMPARISON FOR LARGE POWER USERS

The following graph indicates a view on large power user tariffs at 17 large municipalities:



The tariffs relate to customers that have demand capacities of just over 1 MVA and experience load factors of about 0,58. The yellow bars indicate the magnitude by which the specific tariffs exceed the current Eskom Megaflex charge (in blue). It is evident from this comparison that the LPU tariffs of City Power is the third highest of the group. The official guideline provided by NERSA is to have these tariffs at 120% of Megaflex. City Power's tariff in this instance is indicated as substantially higher at 164,9%.

**4.8 EMBEDDED GENERATION TARIFFS**

NERSA for the 2016/17 financial year approved Residential Embedded Generator Tariff of 42.79c/kWh and Business and Large Power User Embedded Generator (<=1MW). Until NERSA produces specific national guidelines regarding the tariffs to be set for embedded generators, the following will apply at City Power:

**4.8.1 Feed-in tariff**

Customers who would have embedded generation production capacity higher than that required for own consumption, and who are connected to the grid, will be offered a negotiated price up to a maximum of the Eskom Megaflex energy tariff for supply at 132kV minus VAT, for excess energy fed back into the grid.

**4.8.2 Rules to consider**

This tariff will only apply to existing customers that have been net consumers at City Power and who have elected to invest in embedded generation capacity. Any other parties that are not current City Power customers, who would offer to sell energy to City Power will be treated as an additional supplier under a negotiated power purchase agreement. Customers with embedded generation capacity are required to register with City Power. All customers who would be willing to invest in embedded generation with the purpose to have that as an alternative to the electricity supply from City Power will have to be on a conventional tariff structure, or if they are currently on a prepaid structure, will be required to migrate to a conventional structure. Embedded generators that would need to feed energy back into the grid will require meters with bidirectional metering capability.

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## 5. POLICY IMPLICATIONS

City Power tariffs principles are in line with the City of Johannesburg's policies of addressing social, economical and financial imperatives.

## 6. LEGAL AND CONSTITUTIONAL IMPLICATIONS

By virtue of Section 28 (6) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA), once the new tariffs have been determined in respect of the 2015/2016 Financial Year, it may not be further increased during that financial year, except when required in terms of a financial recovery plan as contemplated in the Act.

It should be noted that any increases approved by Council, are subject to final approval by the National Energy Regulator of South Africa (NERSA).

## 7. FINANCIAL IMPLICATIONS

City Power is on the drive to increase efficiencies in the business and run a tight budget leading to revenue improvement.

## 8. KEY PERFORMANCE INDICATOR

The provision of sustainable financial operations in terms of the score card

## 9. COMMUNICATION IMPLICATIONS

Rationalized tariffs throughout the City Power area of supply will render customers tariffs geared towards cost reflectivity, as required by the NERSA.

The relevant information regarding the tariffs will be communicated to all role players.

## 10. OTHER BODIES /DEPARTMENTS CONSULTED

The bodies that have to be consulted as part of compiling this draft proposal to the Mayoral Committee are:

1. City Power Executive committee
2. City Power Board

## 11. IT IS RECOMMENDED

- 11.1 That, in terms of Sections 11(3)(i) and 75A (1) of the Local Government: Municipal Systems Act 2000, (Act 32 of 2000) as amended, read with Section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the City of Johannesburg declares its intention to amend with effect from 1 July 2015 its Tariff of Charges:-

For Electricity Services as set out in Annexure "A"

- 11.2. That, in terms of Sections 17(3)(a)(ii) and 22(a)(i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and Sections 21, 21A(1) and 2 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, the City of Johannesburg:

- a. displays the notice and the documents and notice in the manner prescribed;
- b. seeks to convey to the local community by means of radio broadcasts covering the area of the City, the information contemplated in Section 21A(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended; and

- c. publishes a notice in the manner prescribed and invites the local community to submit written comments or representations in respect of the City's declared intention to amend or determine Tariffs of Charges.
  
- 11.3. That in terms of Section 22(b)(i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) a copy of the notice and documents be sent forthwith to the National and Provincial Treasury; MEC for local government; as well any other organ of state or municipality affected by the budget to solicit their views
  
- 11.4. That the Executive Director: Finance in conjunction with Director: Legal and Compliance, in consultation with the Council's relevant Departments and all interested parties, report on the comments received in terms of paragraph 10.2 above with recommendations on the final draft of the Tariffs of Charges for approval;
  
- 11.5. That the report be submitted to a relevant Section 79 Committee for comment.

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SICELO G XULU

MANAGING DIRECTOR

CITY POWER

DIRECTOR: LEGAL

INFRASTRUCTURE AND SERVICES

MANAGER: FINANCE

INFRASTRUCTURE AND SERVICES

EXECUTIVE DIRECTOR

INFRASTRUCTURE AND SERVICE DEPARTMENT

COUNCILLOR:

MMC: INFRASTRUCTURE AND SERVICES

**Annexure A:**

The year-on-year tariff increases are listed for the three financial

Category	Type	Overall Tariff Escalation Rates			
		FY17*	FY18	FY19	FY20
TOU	MV	6.99%	<b>7.85%</b>	7.85%	7.86%
TOU	LV	6.99%	<b>7.85%</b>	7.86%	7.86%
LPU	MV	6.99%	<b>7.85%</b>	7.85%	7.86%
LPU	LV	6.99%	<b>7.86%</b>	7.84%	7.86%
Commercial	Conventional	9.99%	<b>7.85%</b>	7.85%	7.86%
Commercial	Prepaid	6.49%	<b>7.85%</b>	7.85%	7.86%
Agricultural		7.49%	<b>7.85%</b>	7.85%	7.86%
Domestic	Conventional	0.00%	<b>7.85%</b>	7.85%	7.86%
Domestic	Prepaid	6.91%	<b>7.85%</b>	7.85%	7.86%
Reseller	Commercial	0.00%	<b>7.85%</b>	7.81%	7.86%
Reseller	Domestic	0.00%	<b>7.85%</b>	7.87%	7.86%
Average sales price increase		6.91%	<b>7.85%</b>	7.85%	7.86%
* <i>Approved escalation rate</i>					
Bulk purchase	GWh/a	11,755	11,755	11,931	11,931
<b>NERSA benchmarks:</b>		<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
Percentage bulk power cost		75%	75%	75%	75%
Percentage surplus		15%	15%	15%	15%
System losses		10%	10%	10%	10%
Avg sales / purchase price		158%	158%	158%	158%
TOU MV tariff / Eskom Megaflex		120%	120%	120%	120%

**Annexure B**

The summary of tariffs proposed for 2017/18 is indicated below:

SEGMENT	Supply Position	Units	Block	Number of Units	Avg Cons per Unit per month	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge		
								Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh	
Large Customer - TOU	HV	kVA	Peak	0	0	1 256.61	16 257.19	149.81	157.28	93.78	303.87	
		kWh	Standard							69.33	116.47	
		kWh	Off-peak							57.48	79.25	
Large Customer - TOU	MV	kVA	Peak	20	4 425 762	1 246.10	16 121.16	171.90	171.90	122.72	303.87	
		kWh	Standard							95.38	116.47	
		kWh	Off-peak							73.32	79.25	
Large Customer - TOU	LV	kVA	Peak	3	20 503	906.25	11 557.97	171.90	171.90	122.72	303.87	
		kWh	Standard							95.38	116.47	
		kWh	Off-peak							73.32	79.25	
Large Customer	MV	kVA		220	842 707	679.69	3 634.76	171.90	171.90	107.41	128.51	
Large Customer	LV	kVA		3 277	74 995	566.41	873.52	171.90	171.90	115.06	136.15	
Large Customer Reactive Energy	c/kVArh			1	51 133 195					18.00		
Business	400 V	kVA	< 50			339.85	325.84					
		kWh	0 - 500	1 393	264					165.85	174.17	
		kWh	501 - 1000	872	917					182.04	189.52	
		kWh	1001 - 2000	1 335	1 764					190.90	197.92	
		kWh	2001 - 3000	931	2 928					197.87	204.53	
		kWh	> 3000	4 200	7 728					204.29	210.62	
		kVA	< 100				339.85	465.63				
		kWh	0 - 500	25	264						165.85	174.17
		kWh	501 - 1000	16	917						182.04	189.52
		kWh	1001 - 2000	24	1 764						190.90	197.92
		kWh	2001 - 3000	16	2 928						197.87	204.53
		kWh	> 3000	74	7 728						204.29	210.62
		kVA	< 500				339.85	739.77				
		kWh	0 - 500	14	264						165.85	174.17
		kWh	501 - 1000	8	917						182.04	189.52
		kWh	1001 - 2000	12	1 764						190.90	197.92
		kWh	2001 - 3000	9	2 928						197.87	204.53
		kWh	> 3000	41	7 728						204.29	210.62
		kVA	> 500				339.85	1 254.44				
		kWh	0 - 500	4	264						165.85	174.17
		kWh	501 - 1000	3	917						182.04	189.52
		kWh	1001 - 2000	3	1 764						190.90	197.92
		kWh	2001 - 3000	3	2 928						197.87	204.53
		kWh	> 3000	12	7 728						204.29	210.62
Business Prepaid	400 V	kVA	< 50									
		kWh	0 - 500	142	264						170.31	170.31
		kWh	501 - 1000	89	917						186.49	186.49
		kWh	1001 - 2000	136	1 764						195.35	195.35
		kWh	2001 - 3000	95	2 928						202.32	202.32
		kWh	> 3000	428	7 728						208.74	208.74
		kVA	> 50									
		kWh	0 - 500	7	264						170.31	170.31
		kWh	501 - 1000	4	917						186.49	186.49
		kWh	1001 - 2000	7	1 764						195.35	195.35
		kWh	2001 - 3000	4	2 928						202.32	202.32
		kWh	> 3000	21	7 728						208.74	208.74

**Annexure B (Continued)**

The summary of tariffs proposed for 2017/18:

SEGMENT	Supply Position	Units	Block	Number of Units	Avg Cons per Unit per month	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge	
								Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Reseller Business (Conventional)	400 V	kVA	< 50			339.85	325.84				
		kWh	0 - 500	0	264					149.53	157.48
		kWh	501 - 1000	0	917					164.56	171.74
		kWh	1001 - 2000	0	1 764					172.79	179.54
		kWh	2001 - 3000	0	2 928					179.25	185.67
		kWh	> 3000	0	7 728					185.22	191.33
Reseller Business (Prepaid)	400 V	kWh	0 - 500	1 336	264					153.66	153.66
		kWh	501 - 1000	1 336	917					168.70	168.70
		kWh	1001 - 2000	0	1 764					176.92	176.92
		kWh	2001 - 3000	0	2 928					183.39	183.39
		kWh	> 3000	0	7 728					189.35	189.35
		Non-profit organisations	230 V	A	60			124.96	0.00		
A	80					124.96	0.00				
kWh	0 - 500			0	0					110.64	110.64
kWh	501 - 1000			0	0					128.24	128.24
kWh	1001 - 2000			0	0					138.44	138.44
kWh	2001 - 3000			0	0					146.65	146.65
Agricultural	400 V	kVA	< 50	26	2 143	339.85	457.13			127.24	148.64
		kVA	> 50	0	0	339.85	457.13			127.24	148.64
Domestic TOU 3 Ø	230 V	A	60			112.76	413.79				
		A	80			112.76	455.00				
		kWh	Peak	0	3 701					132.03	314.90
		kWh	Standard							104.44	125.73
Domestic TOU 1 Ø	230 V	kWh	Off-peak							82.17	88.16
		A	60			112.76	332.29				
		A	80			112.76	365.25				
		kWh	Peak	1 781	688					132.03	314.90
Domestic TOU 1 Ø	230 V	kWh	Standard							104.44	125.73
		kWh	Off-peak							82.17	88.16
		A	60			112.76	413.79				
		A	80			112.76	455.00				
Domestic 3 Ø Seasonal	230 V	kWh	0 - 500	2	482					103.57	124.86
		kWh	501 - 1000	2	952					119.64	140.93
		kWh	1001 - 2000	1	1 787					128.86	150.15
		kWh	2001 - 3000	1	2 918					136.25	157.54
		kWh	> 3000	8	6 288					143.19	164.48
		Domestic 1 Ø Seasonal	230 V	A	60			112.76	332.17		
A	80					112.76	365.25				
kWh	0 - 500			23	242					103.57	124.86
kWh	501 - 1000			2	888					119.64	140.93
kWh	1001 - 2000			1	1 682					128.86	150.15
kWh	2001 - 3000			0	2 869					136.25	157.54
Domestic 3 Ø	230 V	kWh	> 3000	1	5 761					143.19	164.48
		A	60			112.76	413.79				
		A	80			112.76	455.00				
		kWh	0 - 500	1 790	482					108.89	108.89
		kWh	501 - 1000	2 134	952					124.97	124.97
		kWh	1001 - 2000	4 720	1 787					134.18	134.18
Domestic 3 Ø	230 V	kWh	2001 - 3000	3 637	2 918					141.57	141.57
		kWh	> 3000	9 089	6 288					148.52	148.52



**Annexure B (Continued)**

The summary of tariffs proposed for 2017/18:

SEGMENT	Supply Position	Units	Block	Number of Units	Avg Cons per Unit per month	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge	
								Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Domestic 1 Ø	230 V	A	60			112.76	332.17				
		A	80			112.76	365.25				
		kWh	0 - 500	72 289	242					108.89	108.89
		kWh	501 - 1000	14 800	888					124.97	124.97
		kWh	1001 - 2000	16 353	1 682					134.18	134.18
		kWh	2001 - 3000	3 531	2 869					141.57	141.57
		kWh	> 3000	3 093	5 761				148.52	148.52	
Domestic Prepaid	230 V	kWh	0 - 500	21 957	236					114.31	114.31
		kWh	501 - 1000	6 223	895					129.87	129.87
		kWh	1001 - 2000	7 941	1 704					139.45	139.45
		kWh	2001 - 3000	2 718	2 886					157.53	157.53
		kWh	> 3000	3 804	6 234					170.71	170.71
Reseller Domestic (Conventional)	230 V	A	60			113.28	415.72				
		A	80			113.28	457.12				
		kWh	0 - 500	0	242					97.10	97.10
		kWh	501 - 1000	0	888					112.10	112.10
		kWh	1001 - 2000	0	1 682					120.70	120.70
		kWh	2001 - 3000	0	2 869					127.59	127.59
		kWh	> 3000	0	5 761				134.07	134.07	
Reseller Domestic (Prepaid)	230 V	kWh	0 - 500	7 125	236					101.18	101.18
		kWh	501 - 1000	890	895					115.55	115.55
		kWh	1001 - 2000	0	1 704					124.41	124.41
		kWh	2001 - 3000	0	2 886					141.12	141.12
		kWh	> 3000	0	6 234					153.31	153.31
Life Line Conventional	230V										
Life Line Energy	230 V										
Robot Intersections				1	0					212.27	212.27
Streetlights & Billboard per Luminaire				1	10 583 333					237.95	237.95
City Power consumption				1	600 000					0.00	0.00
AEL sales				1	6 412 773					86.96	106.20
<b>TOTAL</b>				200 067	807 765 276						

**Annexure C**

Proposed tariff increases percentages for 2017/18 are estimated to be the following:

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge					
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh				
Large Customer - TOU	HV	kVA	Peak	7.69%	7.69%	7.69%	7.69%	7.69%	7.69%				
		kWh	Standard					7.69%	7.69%				
		kWh	Off-peak					7.69%	7.69%				
Large Customer - TOU	MV	kVA	Peak	7.69%	7.69%	7.69%	7.69%	7.69%	7.69%				
		kWh	Standard					7.69%	7.69%				
		kWh	Off-peak					7.69%	7.69%				
Large Customer - TOU	LV	kVA	Peak	7.69%	7.69%	7.69%	7.69%	7.69%	7.69%				
		kWh	Standard					7.69%	7.69%				
		kWh	Off-peak					7.69%	7.69%				
Large Customer	MV	kVA		7.69%	7.69%	7.69%	7.69%	7.69%	7.69%				
Large Customer	LV	kVA		7.69%	7.69%	7.69%	7.69%	7.69%	7.69%				
Large Customer Reactive Energy	c/kVArh							7.69%					
Business	400 V	kVA < 50		7.69%	7.69%								
		kWh 0 - 500								7.69%	7.69%		
		kWh 501 - 1000								7.69%	7.69%		
		kWh 1001 - 2000		7.69%	7.69%								
		kWh 2001 - 3000		7.69%	7.69%								
		kWh > 3000		7.69%	7.69%								
		kVA < 100		7.69%	7.69%								
		kWh 0 - 500									7.69%	7.69%	
		kWh 501 - 1000									7.69%	7.69%	
		kWh 1001 - 2000		7.69%	7.69%								
		kWh 2001 - 3000		7.69%	7.69%								
		kWh > 3000		7.69%	7.69%								
		kVA < 500		7.69%	7.69%								
		kWh 0 - 500										7.69%	7.69%
		kWh 501 - 1000										7.69%	7.69%
kWh 1001 - 2000		7.69%	7.69%										
kWh 2001 - 3000		7.69%	7.69%										
kWh > 3000		7.69%	7.69%										
kVA > 500		7.69%	7.69%										
kWh 0 - 500										7.69%	7.69%		
kWh 501 - 1000										7.69%	7.69%		
kWh 1001 - 2000		7.69%	7.69%										
kWh 2001 - 3000		7.69%	7.69%										
kWh > 3000		7.69%	7.69%										

**Annexure C (Continued)**

Proposed tariff increases percentages for 2017/18:

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge		
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh	
Business Prepaid	400 V	kVA < 50	kWh 0 - 500					7.69%	7.69%	
			kWh 501 - 1000					7.69%	7.69%	
			kWh 1001 - 2000					7.69%	7.69%	
			kWh 2001 - 3000					7.69%	7.69%	
			kWh > 3000					7.69%	7.69%	
			kVA > 50							
		kVA > 50	kWh 0 - 500						7.69%	7.69%
			kWh 501 - 1000						7.69%	7.69%
			kWh 1001 - 2000						7.69%	7.69%
			kWh 2001 - 3000						7.69%	7.69%
			kWh > 3000						7.69%	7.69%
Reseller Business (Conventional)	400 V	kVA < 50	kWh 0 - 500	7.69%	7.69%			0.00%	0.00%	
			kWh 501 - 1000					0.00%	0.00%	
			kWh 1001 - 2000					0.00%	0.00%	
			kWh 2001 - 3000					0.00%	0.00%	
			kWh > 3000					0.00%	0.00%	
Reseller Business (Prepaid)	400 V		kWh 0 - 500					0.00%	0.00%	
			kWh 501 - 1000					0.00%	0.00%	
			kWh 1001 - 2000					0.00%	0.00%	
			kWh 2001 - 3000					0.00%	0.00%	
			kWh > 3000					0.00%	0.00%	
Non-profit organisations	230 V	A	A 60	7.69%						
			A 80	7.69%						
		kWh	kWh 0 - 500						7.69%	7.69%
			kWh 501 - 1000						7.69%	7.69%
			kWh 1001 - 2000						7.69%	7.69%
			kWh 2001 - 3000						7.69%	7.69%
			kWh > 3000						7.69%	7.69%
Agricultural	400 V	kVA < 50		7.69%	7.69%			7.69%	7.69%	
			kVA > 50	7.69%	7.69%			7.69%	7.69%	
Domestic TOU 3 Ø	230 V	A	A 60	7.19%	7.19%					
			A 80	7.19%	7.19%					
		kWh	kWh Peak						7.19%	7.19%
			kWh Standard						7.19%	7.19%
			kWh Off-peak						7.19%	7.19%
Domestic TOU 1 Ø	230 V	A	A 60	7.19%	7.19%					
			A 80	7.19%	7.19%					
		kWh	kWh Peak						7.19%	7.19%
			kWh Standard						7.19%	7.19%
			kWh Off-peak						7.19%	7.19%

**Annexure C (Continued)**

Proposed tariff increases percentages for 2017/18:

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge	
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Domestic 3 Ø Seasonal	230 V	A	60	7.19%	7.19%				
		A	80	7.19%	7.19%				
		kWh	0 - 500					7.19%	7.19%
		kWh	501 - 1000					7.19%	7.19%
		kWh	1001 - 2000					7.19%	7.19%
		kWh	2001 - 3000					7.19%	7.19%
Domestic 1 Ø Seasonal	230 V	A	60	7.19%	7.19%				
		A	80	7.19%	7.19%				
		kWh	0 - 500					7.19%	7.19%
		kWh	501 - 1000					7.19%	7.19%
		kWh	1001 - 2000					7.19%	7.19%
		kWh	2001 - 3000					7.19%	7.19%
Domestic 3 Ø	230 V	A	60	7.19%	7.19%				
		A	80	7.19%	7.19%				
		kWh	0 - 500					7.19%	7.19%
		kWh	501 - 1000					7.19%	7.19%
		kWh	1001 - 2000					7.19%	7.19%
		kWh	2001 - 3000					7.19%	7.19%
Domestic 1 Ø	230 V	A	60	7.19%	7.19%				
		A	80	7.19%	7.19%				
		kWh	0 - 500					7.19%	7.19%
		kWh	501 - 1000					7.19%	7.19%
		kWh	1001 - 2000					7.19%	7.19%
		kWh	2001 - 3000					7.19%	7.19%
Domestic Prepaid	230 V	kWh	0 - 500					8.19%	8.19%
		kWh	501 - 1000					8.19%	8.19%
		kWh	1001 - 2000					8.19%	8.19%
		kWh	2001 - 3000					8.19%	8.19%
		kWh	> 3000					8.19%	8.19%
Reseller Domestic (Conventional)	230 V	A	60	7.69%	7.69%				
		A	80	7.69%	7.69%				
		kWh	0 - 500					0.00%	0.00%
		kWh	501 - 1000					0.00%	0.00%
		kWh	1001 - 2000					0.00%	0.00%
Reseller Domestic (Prepaid)	230 V	kWh	0 - 500					0.00%	0.00%
		kWh	501 - 1000					0.00%	0.00%
		kWh	1001 - 2000					0.00%	0.00%
		kWh	2001 - 3000					0.00%	0.00%
		kWh	> 3000					0.00%	0.00%

**Annexure C (Continued)**

Proposed tariff increases percentages for 2017/18:

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum		Energy Charge	
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Robot Intersections								7.69%	7.69%
Streetlights & Billboard per Luminaire								7.69%	7.69%
City Power consumption								0.00%	0.00%
AEL sales								7.69%	7.69%

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Annexure D

**SCHEDULE OF TARIFFS FOR 2017/18**

**AMENDMENT OF TARIFF OF CHARGES FOR ELECTRICITY SERVICES**

*In terms of Sections 17(3)(a)(ii) and 22(a)(i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and Sections 21(1) and (3), 21A and 75A(3) and (4) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, it is hereby notified that the City of Johannesburg has, in terms of Sections 11(3)(i) and 75A(1) and (2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, read with Section 24(2)(c)(ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), amended its Tariff of Charges for Electricity Services with effect from 1 July 2016.*

**STANDARD TARIFF SCHEDULE**

**1. DOMESTIC TARIFF**

1.1 This tariff shall be applicable for electricity supply to:

1.1.1 Private houses;

1.1.2 Dwelling-units which are registered under the Sectional Titles Act, 1972 (Act 66 of 1971);

1.1.3 Flats;

1.1.4 Boarding houses and hostels;

1.1.5 Residences or homes run by charitable institutions;

1.1.6 Premises used for public worship, including halls or other buildings used for religious purposes;

1.1.7 Caravan parks.

1.2 Four tariff structures are available, i.e. (i) a prepaid tariff, (ii) a Three-Part Flat tariff, (iii) a Three-Part Seasonal tariff, and (iv) a Time-of-Use tariff. Customers that would prefer the Time-of-Use tariff structure are required to have meters installed with automated meter reading capability.

1.3 Resellers servicing the residential market will qualify for either a conventional or a prepaid tariff, depending on their supply structure to the ultimate consumers.

1.4 The following charges will be payable per month, or part thereof:

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Prepaid tariffs</b>							
Prepaid 1				0 to 500			114.31
Prepaid 2				501 to 1000			129.87
Prepaid 3				1001 to 2000			139.45
Prepaid 4				2001 to 3000			157.53
Prepaid 5				Above 3000			170.71
<b>Three-part flat tariffs</b>							
<b>Single phase</b>							
Service charge		60			112.76		
Service charge		80			112.76		
Network charge		60			332.17		
Network charge		80			365.25		
Energy charge				0 to 500			108.89
Energy charge				501 to 1000			124.97
Energy charge				1001 to 2000			134.18
Energy charge				2001 to 3000			141.57
Energy charge				Above 3000			148.52
<b>Three phase</b>							
Service charge		60			112.76		
Service charge		80			112.76		
Network charge		60			413.79		
Network charge		80			455.00		
Energy charge				0 to 500			108.89
Energy charge				501 to 1000			124.97
Energy charge				1001 to 2000			134.18
Energy charge				2001 to 3000			141.57
Energy charge				Above 3000			148.52

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Time-of-use tariffs - single phase</b>							
Service charge		60			112.76		
Service charge		80			112.76		
Network charge		60			332.29		
Network charge		80			365.25		
Energy charge (Summer: PEAK)							132.03
Energy charge (Summer: STANDARD)							104.44
Energy charge (Summer: OFF-PEAK)							82.17
Energy charge (Winter: PEAK)							314.90
Energy charge (Winter: STANDARD)							125.73
Energy charge (Winter: OFF-PEAK)							88.16
<b>Time-of-use tariffs - three phase</b>							
Service charge		60			112.76		
Service charge		80			112.76		
Network charge		60			413.79		
Network charge		80			455.00		
Energy charge (Summer: PEAK)							132.03
Energy charge (Summer: STANDARD)							104.44
Energy charge (Summer: OFF-PEAK)							82.17
Energy charge (Winter: PEAK)							314.90
Energy charge (Winter: STANDARD)							125.73
Energy charge (Winter: OFF-PEAK)							88.16



Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Three-part seasonal tariffs</b>							
<b>Single phase</b>							
Service charge		60			112.76		
Service charge		80			112.76		
Network charge		60			332.17		
Network charge		80			365.25		
Energy charge (Summer: September - May)				0 to 500			103.57
Energy charge (Summer: September - May)				501 to 1000			119.64
Energy charge (Summer: September - May)				1001 to 2000			128.86
Energy charge (Summer: September - May)				2001 to 3000			136.25
Energy charge (Summer: September - May)				Above 3000			143.19
Energy charge (Winter: June - August)				0 to 500			124.86
Energy charge (Winter: June - August)				501 to 1000			140.93
Energy charge (Winter: June - August)				1001 to 2000			150.15
Energy charge (Winter: June - August)				2001 to 3000			157.54
Energy charge (Winter: June - August)				Above 3000			164.48
<b>Three phase</b>							
Service charge		60			112.76		
Service charge		80			112.76		
Network charge		60			413.79		
Network charge		80			455.00		
Energy charge (Summer: September - May)				0 to 500			103.57
Energy charge (Summer: September - May)				501 to 1000			119.64
Energy charge (Summer: September - May)				1001 to 2000			128.86
Energy charge (Summer: September - May)				2001 to 3000			136.25
Energy charge (Summer: September - May)				Above 3000			143.19
Energy charge (Winter: June - August)				0 to 500			124.86
Energy charge (Winter: June - August)				501 to 1000			140.93
Energy charge (Winter: June - August)				1001 to 2000			150.15
Energy charge (Winter: June - August)				2001 to 3000			157.54
Energy charge (Winter: June - August)				Above 3000			164.48

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Conventional resellers' tariffs</b>							
Service charge		60			113.28		
Service charge		80			113.28		
Network charge		60			415.72		
Network charge		80			457.12		
Energy charge				0 to 500			97.10
Energy charge				501 to 1000			112.10
Energy charge				1001 to 2000			120.70
Energy charge				2001 to 3000			127.59
Energy charge				Above 3000			134.07
<b>Prepaid resellers' tariffs</b>							
Prepaid 1				0 to 500			101.18
Prepaid 2				501 to 1000			115.55
Prepaid 3				1001 to 2000			124.41
Prepaid 4				2001 to 3000			141.12
Prepaid 5				Above 3000			153.31

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1.5 Rules applicable to this category:

- 1.5.1 A consumer whose capacity exceeds 100 kVA, may on application, be charged in accordance with item 4 (Large Consumers).
- 1.5.2 Customers who had been classified as domestic consumers before 1 July 1999 may retain this classification until such time as their supply is modified or upgraded, or their primary use of electrical energy changes.
- 1.5.3 All domestic customers who are registered for the Expanded Social Package will qualify for the conventional lifeline tariff. If these customers should consume more than 500kWh per month, prepaid rates will apply.
- 1.5.4 Changes from Three-Part Flat tariffs to Lifeline tariff, and vice versa, is allowed but shall only be implemented after the required change over fee has been received, and shall only be phased in with the commencement of the next billing cycle.
- 1.5.5 If a customer elects to change from the Three-Part Flat or Lifeline tariff to the Three-Part Seasonal tariff he/she will be obliged to remain on the Three-Part Seasonal tariff for a minimum period of 12 months before he/she may qualify to migrate to another tariff option.
- 1.5.6 The cost to migrate between tariff options will be determined as reflected in section 6 of this document.
- 1.5.7 Everyone will be expected to take part in any of City of Johannesburg energy saving initiatives.
- 1.5.8 All individuals/customers who qualify for the Extended Social Package (ESP) will receive free electricity as approved by Social Development Department.
- 1.5.9 Customers on the Extended Social Package who are disconnected may not accumulate the allocation of free electricity during the period of disconnection.
- 1.5.10 A maximum of 150 kWh per month may be allocated as free electricity under the Extended Social Package, and will be limited to actual consumption if less than 150 kWh per month is consumed.
- 1.5.11 Billed customers on the ESP will receive the grant as a credit on their bills, the value of which will equal the monetary value to their allocated free bundle.
- 1.5.12 Prepaid domestic customers may collect their free electricity allocations from any of the City Power vending stations.
- 1.5.13 Free allocations that are not claimed in any particular month will be forfeited and may not be carried over to subsequent months.
- 1.5.14 Body Corporates of complexes, flats, cluster developments and all other resellers are required to register with City Power to qualify for the resellers' tariffs. These parties are also required to provide City Power with an affidavit declaring the number of units in use in the complex, normal consumption tariffs will apply, as per unit in the complex, rather than the tariff that would be deemed appropriate for the complex as an aggregate. The changes will be implemented from the date of application.
- 1.5.15 Free allocations are not redeemable for cash.
- 1.5.16 The summer rates for the Three-Part Seasonal Tariffs will be applicable from September to May - both months inclusive. This amounts to a 9 month period per annum.

- 1.5.17 The winter rates for the Three-Part Seasonal Tariffs will be applicable from June to August - both months inclusive. This amounts to a 3 month period per annum.
- 1.5.18 Prepaid meters will be reset at the beginning of each month for all pre-paying customers. No block categorisation will be done. All customers will buy the initial 500 kWh in the month at the first block tariff and then advance through the blocks to their ultimate consumption for the month.

**2. AGRICULTURAL TARIFF**

2.1 This tariff shall apply to property, or portions of land zoned for agricultural purposes, with a maximum demand of 40kVA.

2.2 Any connection for Business purposes on a property, or portions of land zoned for agricultural purposes, will be charged as per section 3 or 4.

2.3 The following charges will be payable per month, or part thereof:

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Agricultural tariffs</b>							
Service charge			< 50		339.85		
Service charge			> 50		339.85		
Network charge			< 50		457.13		
Network charge			> 50		457.13		
Energy charge (Summer: September - May)							127.24
Energy charge (Winter: June - August)							148.64

2.4 Rules applicable to this category:

2.4.1 The agricultural tariff may also be applicable in cases where an erf, stand, lot or any other area, or any subdivision thereof, whether owned by a township developer or not, with or without improvements can, in the opinion of City Power, be connected to the City Power's mains, regardless whether electricity is consumed or not.

2.4.2 The summer rate will be applicable from September to May - both months inclusive. This amounts to a 9 month period per annum.

2.4.3 The winter rate will be applicable from June to August - both months inclusive. This amounts to a 3 month period per annum.

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**3. BUSINESS TARIFF**

- 3.1 This tariff shall primarily be applicable to supply consumption capacities not exceeding 100 kVA for purposes other than the purposes specified in item 1 and includes, in particular, a supply for:
- 3.1.1 Business purposes;
  - 3.1.2 Industrial purposes;
  - 3.1.3 Nursing homes, clinics and hospitals;
  - 3.1.4 Hotels;
  - 3.1.5 Recreation halls and clubs;
  - 3.1.6 Bed & breakfast houses;
  - 3.1.7 Educational institutions including schools and registered crèches;
  - 3.1.8 Sporting facilities;
  - 3.1.9 Mixed load of non-domestic and domestic;
  - 3.1.10 Welfare organisations of a commercial nature;
  - 3.1.11 Traffic intersections;
  - 3.1.12 Streetlights and billboards;
  - 3.1.11 Temporary connections;
  - 3.1.12 Consumers not provided for under any other item of this tariff.
- 3.2 Although business tariffs apply for consumption capacities not exceeding 100 kVA, exceptions can be made to accommodate consumers with greater than 500 kVA capacity, provided that they cannot be classified as Large Consumers as per section 4.
- 3.3 Any customer in this tariff category that do not have a special concession as per item 3.2, and who exceed the maximum consumption of 100 kVA, will automatically be converted to the category of Large Consumers as per section 4.
- 3.4 Resellers servicing the residential market will qualify for either a conventional or a prepaid tariff, depending on their supply structure to the ultimate consumers.
- 3.5 The charges payable for the consumption of electricity energy shall be as follows:

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Conventional Business tariffs</b>							
Service charge			< 50		339.85		
Service charge			< 100		339.85		
Service charge			< 500		339.85		
Service charge			> 500		339.85		
Network charge			< 50		325.84		
Network charge			< 100		465.63		
Network charge			< 500		739.77		
Network charge			> 500		1 254.44		
Energy charge (Summer: September - May)				0 to 500			165.85
Energy charge (Summer: September - May)				501 to 1000			182.04
Energy charge (Summer: September - May)				1001 to 2000			190.90
Energy charge (Summer: September - May)				2001 to 3000			197.87
Energy charge (Summer: September - May)				Above 3000			204.29
Energy charge (Winter: June - August)				0 to 500			174.17
Energy charge (Winter: June - August)				501 to 1000			189.52
Energy charge (Winter: June - August)				1001 to 2000			197.92
Energy charge (Winter: June - August)				2001 to 3000			204.53
Energy charge (Winter: June - August)				Above 3000			210.62
<b>Prepaid Business tariffs</b>							
Prepaid energy			< 100	0 to 500			170.31
Prepaid energy				501 to 1000			186.49
Prepaid energy				1001 to 2000			195.35
Prepaid energy				2001 to 3000			202.32
Prepaid energy				Above 3000			208.74
Prepaid energy			> 100	0 to 500			170.31
Prepaid energy				501 to 1000			186.49
Prepaid energy				1001 to 2000			195.35
Prepaid energy				2001 to 3000			202.32
Prepaid energy				Above 3000			208.74

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Conventional resellers' tariffs</b>							
Service charge					339.85		
Network charge					325.84		
Energy charge (Summer: September - May)				0 to 500			149.53
Energy charge (Summer: September - May)				501 to 1000			164.56
Energy charge (Summer: September - May)				1001 to 2000			172.79
Energy charge (Summer: September - May)				2001 to 3000			179.25
Energy charge (Summer: September - May)				Above 3000			185.22
Energy charge (Winter: June - August)				0 to 500			157.48
Energy charge (Winter: June - August)				501 to 1000			171.74
Energy charge (Winter: June - August)				1001 to 2000			179.54
Energy charge (Winter: June - August)				2001 to 3000			185.67
Energy charge (Winter: June - August)				Above 3000			191.33
<b>Prepaid resellers' tariffs</b>							
Prepaid energy				0 to 500			153.66
Prepaid energy				501 to 1000			168.70
Prepaid energy				1001 to 2000			176.92
Prepaid energy				2001 to 3000			183.39
Prepaid energy				Above 3000			189.35
<b>Non-profit organisations' tariffs</b>							
Service charge		60			124.96		
Service charge		80			124.96		
Network charge		60			0.00		
Network charge		80			0.00		
Energy charge				0 to 500			110.64
Energy charge				501 to 1000			128.24
Energy charge				1001 to 2000			138.44
Energy charge				2001 to 3000			146.65
Energy charge				Above 3000			154.40
Traffic intersections							212.27
Streetlights and billboards per luminaire							237.95

3.6 Rules applicable to this category:

- 3.6.1 Due to capacity constraints everyone will be expected to take part in any of City of Johannesburg energy saving initiatives.
- 3.6.2 The summer rate will be applicable from September to May - both months inclusive. This amounts to a 9 month period per annum.
- 3.6.3 The winter rate will be applicable from June to August - both months inclusive. This amounts to a 3 month period per annum.
- 3.6.4 If a customer in this category would request for a transfer to another tariff option, the customer should remain in that new tariff structure for a minimum period of 12 months before he/she will qualify to migrate to another tariff.
- 3.6.5 The cost of migration between tariffs will be determined as per section 6.
- 3.6.6 Property owners and all other resellers are required to register with City Power to qualify for the resellers' tariffs. These parties are also required to provide City Power with an affidavit declaring the number of units in use in the complex, normal consumption tariffs will apply, as per unit in the complex, rather than the tariff that would be deemed appropriate for the complex as an aggregate. The changes will be implemented from the date of application.



**4. LARGE CONSUMERS**

- 4.1 This tariff shall be applicable to Business consumers as contemplated in section 3.1 with supply capacities exceeding 100 kVA and shall, on application, be available to all consumers with supply exceeding 100 kVA.
- 4.2 Subject to the provision of clauses (4.3) and (4,4) below, consumption of electricity shall be charged as follows:

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Large consumer tariffs - low voltage</b>							
Service charge					566.41		
Network charge					873.52		
Demand charge (Summer: September - May)						171.90	
Demand charge (Winter: June - August)						171.90	
Energy charge (Summer: September - May)							115.06
Energy charge (Winter: June - August)							136.15
<b>Large consumer tariffs - medium voltage</b>							
Service charge					679.69		
Network charge					3 634.76		
Demand charge (Summer: September - May)						171.90	
Demand charge (Winter: June - August)						171.90	
Energy charge (Summer: September - May)							107.41
Energy charge (Winter: June - August)							128.51
<b>Large consumer tariffs</b>							
Reactive energy	(c/kVARh)						18.00

**4.3 Minimum Demand Charge Determination.**

4.3.1 The minimum demand charge payable monthly in terms of this tariff shall be calculated using the greater of the following:

4.3.1.1 The measured demand, or;

4.3.1.2 A demand of 70 kVA, or;

4.3.1.3 A demand based on the 80% average of the three highest demands recorded over the preceding 12 months.

**4.4 Rules applicable to this item:**

4.4.1 Where a consumer can demonstrate a significant change in their usage of electricity a re-evaluation of the average minimum demand as determined in sub clause 4.3 may, on application, be undertaken once per annum.

4.4.2 Consumers whose power factor is below 0,96 will be billed for reactive energy supplied in excess of 30% (0,96PF) of total kWh recorded during the entire billing period.

4.4.3 Customers with supply agreements for a demand tariff, originally concluded before 1 July 1999, and a demand of less than 100 kVA may, until further notice, continue to be charged on this tariff.

4.4.4 Voltage categories will be applied as follows:

4.4.4.1 Low Voltage: ≤ 1000 V

4.4.4.2 Medium Voltage: > 1000 V and ≤ 33 000 V

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4.4.4.3 High Voltage : > 33 000 V

4.4.5 The summer rate will be applicable from September to May - both months inclusive. This amounts to an 9 month period per annum.

4.4.6 The winter rate will be applicable from June to August - both months inclusive. This amounts to a 3 month period per annum.

**5. INDUSTRIAL TIME-OF-USE (TOU) TARIFF**

- 5.1 This tariff is available, provided customers meet the qualifying criteria for the industrial TOU tariff.
- 5.2 The tariff is suitable for Large Consumers as contemplated in section 4.1 who elect to reduce their demand during peak and standard periods and who can reallocate all or part of their load by load management and load shifting capability.
- 5.3 Consumption of electricity shall be charged as follows:

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Time-of-use tariffs - low voltage</b>							
Service charge					906.25		
Network charge					11 557.97		
Demand charge (Summer: September - May)						171.90	
Demand charge (Winter: June - August)						171.90	
Energy charge (Summer: PEAK)							122.72
Energy charge (Summer: STANDARD)							95.38
Energy charge (Summer: OFF-PEAK)							73.32
Energy charge (Winter: PEAK)							303.87
Energy charge (Winter: STANDARD)							116.47
Energy charge (Winter: OFF-PEAK)							79.25
<b>Time-of-use tariffs - medium voltage</b>							
Service charge					1 246.10		
Network charge					16 121.16		
Demand charge (Summer: September - May)						171.90	
Demand charge (Winter: June - August)						171.90	
Energy charge (Summer: PEAK)							122.72
Energy charge (Summer: STANDARD)							95.38
Energy charge (Summer: OFF-PEAK)							73.32
Energy charge (Winter: PEAK)							303.87
Energy charge (Winter: STANDARD)							116.47
Energy charge (Winter: OFF-PEAK)							79.25
<b>Large consumer tariffs</b>							
Reactive energy	(c/kVARh)						18.00

5.4 Minimum Demand Charge Determination.

- 5.4.1 The minimum demand charge payable monthly in terms of this tariff shall be calculated using the greater of the following:
  - 5.4.1.1 The measured peak period demand, or;
  - 5.4.1.2 A demand of 70 kVA, or;

5.4.1.3 A demand based on the 80% average of the three highest demands recorded over the preceding 12 months.

5.5 Rules applicable to this item:

5.5.1 A conversion fee equal to the actual cost of meter conversion and related cost will be applicable.

5.5.2 Consumers whose power factor is below 0,96 will be billed for reactive energy supplied in excess of 30% (0,96PF) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30-minute integrating period and accumulated for the billing period.

5.5.3 Customers with supply agreements for a demand tariff, originally concluded before 1 July 1999, and a demand of less than 100 kVA may, until further notice, continue to be charged on this tariff. To be phased out this financial year.

5.5.4 Voltage categories will be applied as follows:

5.5.4.1 Low Voltage:  $\leq 1000$  V

5.5.4.2 Medium Voltage:  $> 1000$  V and  $\leq 33\ 000$  V

5.5.4.3 High Voltage :  $> 33\ 000$  V

5.5.5 The summer rate will be applicable from September to May - both months inclusive. This amounts to a 9 month period per annum.

5.5.6 The winter rate will be applicable from June to August - both months inclusive. This amounts to a 3 month period per annum.

5.5.7 All tariff changes will be per request and will be effected after the necessary approval has been granted.

5.5.8 The municipal surcharges for converting from other tariff options to the TOU structure will no longer be charged. TOU tariffs have been adjusted to accommodate this revocation.

5.5.9 The TOU periods are defined as follows:

5.5.9.1 Weekdays

5.5.9.1.1 PEAK : 07h00-10h00, and 18h00-20h00

5.5.9.1.2 STANDARD : 06h00-07h00, 10h00-18h00, and 20h00-22h00

5.5.9.1.3 OFF-PEAK : 22h00-06h00

5.5.9.2 Saturdays

5.5.9.2.1 PEAK : none

5.5.9.2.2 STANDARD : 07h00 - 12h00, and 18h00 - 20h00

5.5.9.2.3 OFF-PEAK : All hours not defined as STANDARD

5.5.9.3 Sundays

5.5.9.3.1 All hours are OFF-PEAK

5.5.9.4 Public holidays

5.5.9.3.1 All public holidays will be treated as "Saturdays" with the exception of Good Friday and Christmas Day, which will be treated as "Sundays".

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**6. EMBEDDED GENERATION TARIFF**

**6.1 Feed-in tariff**

- 6.1.1 Customers who would have embedded generation production capacity higher than that required for own consumption, and who are connected to the grid, will be offered a negotiated price up to a maximum of the Eskom Megaflex energy tariff for supply at 132kV minus VAT, for excess energy fed back into the grid.

**6.2 Rules applicable to this item:**

- 6.2.1 This tariff will only apply to existing customers that have been net consumers at City Power and who have decided to invest in embedded generation capacity. Any other parties that are not current City Power customers, who would offer to sell energy to City Power will be treated as an additional supplier under a negotiated power purchase agreement.
- 6.2.2 Customers with embedded generation capacity are required to register with City Power.
- 6.2.3 All customers who would be willing to invest in embedded generation with the purpose to have that as an alternative to the electricity supply from City Power will have to be on a conventional tariff structure, or if they are currently on a prepaid structure, will be required to migrate to a conventional structure.
- 6.2.4 Embedded generators that would need to feed energy back into the grid will require meters with bidirectional metering capability.