

**REQUEST FOR APPROVAL TO AMEND TARIFF OF CHARGES
FOR ELECTRICITY SERVICES: 2015/16**

1. STRATEGIC THRUST

Alignment to GDS 2040 & IDP

2. OBJECTIVE

To propose electricity tariffs increases and amendment of charges for 2015 and 2016 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 SOC 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 benchmarks recently proposed by NERSA (18 November 2014) are the following:

- Bulk purchase energy costs as percentage of total costs: 58% - 78% (expected mean of 73%)
- 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 and Maintenance to be at 6% of Sales Revenue
- Debt Collection rate: 95%

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 is currently underway 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 currently experiences a decline in total demand which can be ascribed to a slow economic recovery, energy efficiency improvements, reduced consumption base, and a variety of other factors. The growth rate in total volumes is evident from the following table:

Financial	Demand	Volume
Year	(GWh/a)	Growth
FY2005/06	12 147	3.6%
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	12 608	-1.7%
FY2014/15	12 435	-1.4%
FY2015/16	12 329	-0.9%

The total volumes are expected to continue declining during FY2015/16. The rate of decline is, however expected to be less than the previous years. The volume growth rate is expected to be -0.9%.

3.3 COJ TARIFF POLICY

The COJ has a policy for tariff setting by its utilities. 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
 - Lifeline
 - 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)
- 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
 - Low voltage (400V)
 - Medium voltage (3,3-11 kV)
- Time Of Use tariffs
 - Customers with installed capacity exceeding 500 kVA.

Tariffs normally consist of three types of charge, i.e.

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

All categories are subject to an energy charge. All consumption categories are subject to a service charge except prepaid. Only large power users are subject to demand charges.

3.5 CURRENT PROCESS FOR TARIFF STRUCTURING

The tariff structuring process needs to contain 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 CURRENT MARKET SEGMENTATION

The following table indicates the current (FY2014/15) consumption and revenue contributions of the various categories:

TARIFF CATEGORY	Contribution	
	Consumption	Revenue
Large Customer - TOU	10.2%	9.7%
Large Customer	56.8%	55.1%
Business Conventional	4.8%	6.9%
Business Prepaid	0.5%	0.7%
Agricultural	0.0%	0.0%
Domestic TOU	0.1%	0.2%
Domestic Conventional	21.9%	22.2%
Domestic Prepaid	5.2%	4.8%
Resellers Conventional	0.0%	0.0%
Resellers Prepaid	0.5%	0.4%
	100%	100%

3.7 CURRENT CROSS-SUBSIDISATION LEVELS

The following table summarizes the levels of cross-subsidization for the current financial year (2014/15), based on an average price (corrected for technical losses) estimation principle:

TARIFF CATEGORY	Contribution	
	R/kWh	Rm/a
Large Customer - TOU	0.03	30.4
Large Customer	0.03	182.0
Business Conventional	0.02	12.1
Business Prepaid	0.02	0.9
Agricultural	-0.06	0.0
Domestic TOU	-0.05	-0.9
Domestic Conventional	-0.08	-173.2
Domestic Prepaid	-0.08	-47.1
Resellers Conventional	0.00	0.0
Resellers Prepaid	-0.08	-4.3

Positive values indicate a positive contribution towards subsidization, while negative numbers indicate the receipt of subsidies. It is evident that the “Large Customers” and “Business” still contribute to subsidizing the domestic (including resellers) market categories. The cross-subsidization estimates are based on a proxy cost-of-supply profile as generated by Eskom in 2009. Once the cost of supply study at City Power has been completed, the profile will be amended to reflect City Power’s situation more accurately. However, the above contribution situation for the various tariff categories is not expected to change substantially.

6.1 COST REFLECTIVE CHARGES

City Power has launched a formal cost of supply study which should be completed before the end of April 2015. One of the aspects covered in the cost of supply study is 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 2015/16.

CITY POWER HIGH LEVEL COST ALLOCATION (FY2014/15)

	Services	Network	Energy
Fixed expenses			
Salaries & wages			
Overhead (services, mgmt, etc.)			1.8%
Billing	0.5%		
Revenue collection	0.2%		
Customer services	0.2%		
Network staff		3.8%	
Administration			
Meter reading	0.5%		
Vending	0.1%		
Info services	0.1%		
Customer services centre	0.2%		
Billing infrastructure	0.3%		
Meter capital depreciation & amortisation		0.2%	
Network asset depreciation		2.0%	
Financing costs		2.4%	
Bad debt			3.6%
Maintenance			
Network operations		0.2%	
Network maintenance		0.8%	
Control room & fault centre		0.7%	
Vehicles		0.7%	
General overhead expenses			
Professional fees			0.7%
Internal charges			1.5%
Other costs			1.7%
Bulk purchase			
Admin charge	0.2%		
NA charge		6.0%	
Demand charge		3.5%	
Demand charge		2.3%	
Variable expenses (related to energy sales volume)			
Bulk purchase			
Energy charge			63.3%
Engineering operations (repairs)			2.5%
DSM levy (credit)			
Total	2.2%	22.7%	75.1%

The proxy indicators specify that 2,2% of the total recovery needs to be allocated to service charges, while 22,7% of the total recovery needs to be allocated to network related charges (capacity and 'demand'). The remainder of 75,1% 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 about 12,2% increase as proposed by NERSA as any substantial deviation from this guideline would upset the current balance.
- A design load factor of 30% is prescribed by NERSA, while indications are that City Power's average demand load factor is $\pm 60\%$. This results in a significantly reduced demand charge allocation.
- City Power prefers 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, 20,8% for networks and 77,5% for energy.

3.8 DESIGN PRINCIPLES FOR 2015/16 AND BEYOND

The following design principles dictate the tariff setting required for the 2015/16 financial year:

- Use the high level cost allocation guideline which distinguishes between services, network and energy related costs, combined with the listed constraints (section 3.7) to determine recoveries through service, capacity, demand and energy charges in the proposed tariff structure;
- Reduce the gap between the TOU and Large power user (LPU) tariffs in order to enable easy conversion of LPU to TOU;
- Cross-subsidy generation by industrial and commercial should be normalized – high-end consumers should generally contribute more than low-end consumers;
- Cross-subsidy of domestic customers should be normalized – lower income categories should receive more than high-income consumers;
- Assume load factors of LPU and TOU customers at 59,5% (City Power's best estimate);
- 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;
- Review the current discount of 4c/kWh to resellers who purchase conventional and/or prepaid electricity from City Power.

A variety of other aspects could also be listed in order to rationalize the overall tariff structure, but the above reflect the changes that would be considered for FY2015/16. However, City Power is committed to introduce further rationalization of tariffs over the next two years.

4 Proposed Tariffs

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 12,19% which is just below the guideline (12,20%) issued by NERSA.

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

Category	Type	Overall Tariff Escalation Rates			
		FY15	FY16	FY17	FY18
TOU	MV	9.73%	12.19%	12.19%	12.19%
TOU	LV	0.17%	12.19%	12.19%	12.19%
LPU	MV	7.41%	12.19%	12.19%	12.19%
LPU	LV	7.37%	12.19%	12.19%	12.19%
Commercial	Conventional	4.79%	12.19%	12.19%	12.19%
Commercial	Prepaid	9.40%	12.19%	12.19%	12.19%
Agricultural		7.17%	12.19%	12.19%	12.19%
Domestic	Conventional	7.36%	12.19%	12.19%	12.19%
Domestic	Prepaid	7.45%	12.19%	12.19%	12.19%
Reseller	Commercial	5.79%	12.19%	12.19%	12.19%
Reseller	Domestic	2.37%	12.19%	12.19%	12.19%
Average sales price increase		7.05%*	12.19%	12.19%	12.19%

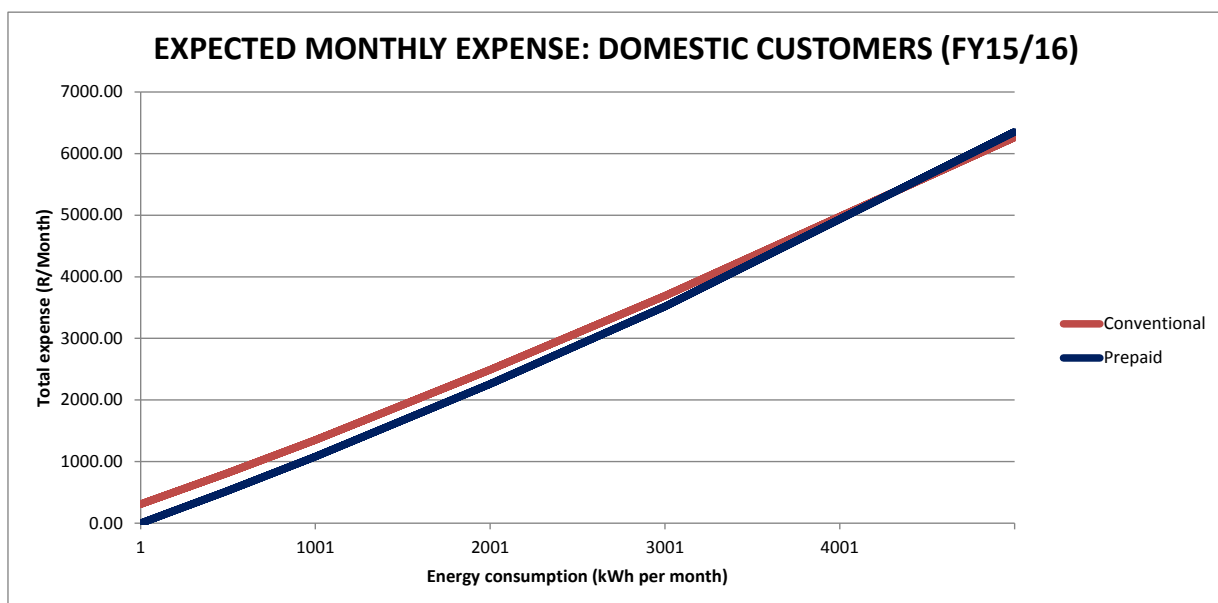
* Approved escalation rate

City Power intends to reduce total losses in supply to a level of 13,50% in the financial year 2015/16.

4.2 DOMESTIC TARIFFS

The following graph indicates the total charge in the domestic consumption category expected for FY2015/16. Note that the total conventional domestic tariff is always higher than that for the prepaid segment at consumption rates less than ± 4 210 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 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 FY2015/16, the cross-over points are expected to be at a consumption rate of ± 4 210 kWh per month for domestic customers and ± 2 340 kWh per month for commercial customers.

4.4 INCLINING BLOCK TARIFF STRUCTURE

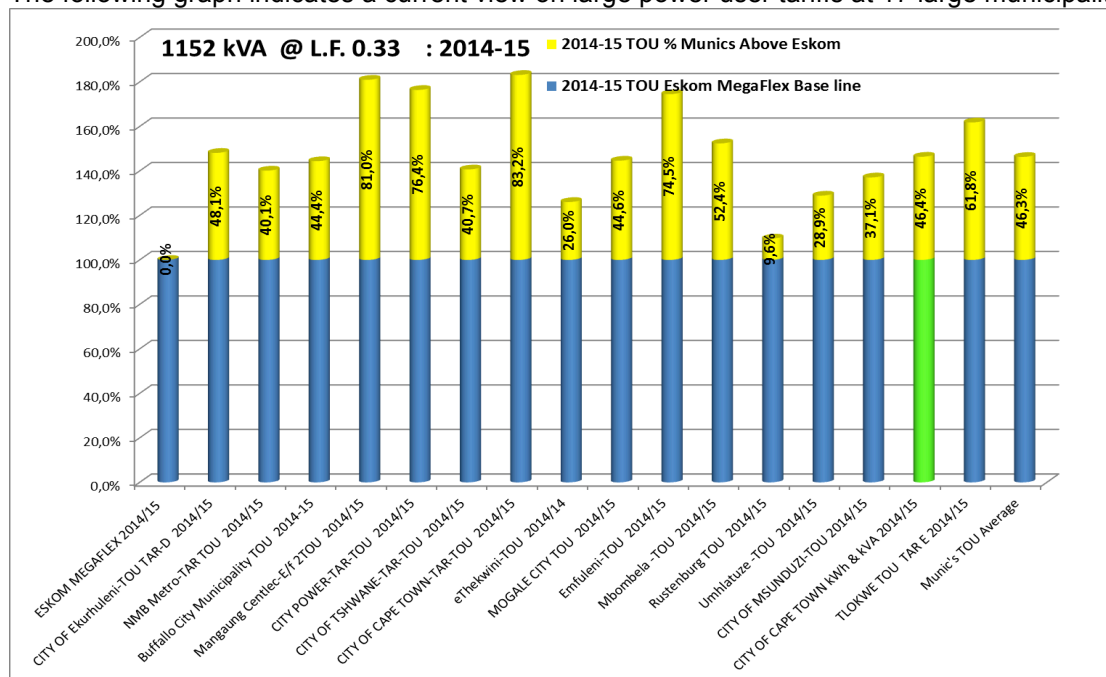
All stepped tariff structures reflect inclining tariff increases with increasing consumption levels. This applies to commercial and domestic energy charges, both conventional and prepaid.

4.5 COMMERCIAL TARIFF CATEGORY

The deviation between the proposed commercial tariffs and that suggested by NERSA will be addressed in the strategy to normalize the commercial tariffs. In this strategy the differential between the commercial and other tariff categories needs to be normalized and the objective is to reach the suggested NERSA differential by 2017. Although the proposed tariff structure for FY2015/16 does not address this anomaly in a satisfactory manner, the differential will be reduced further in years 2016/17.

4.6 TARIFF COMPARISON FOR LARGE POWER USERS

The following graph indicates a current 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 176.4% (from 174,5% in 13/14FY).

While the above reflects a comparison of a **specific** tariff to customers with a specific consumption capacity and profile, the **average** ratio of City Power's demand customers to that of the Megaflex tariff is currently estimated at 1,54 (see Annexure A). This implies that City Power currently charges 154% of the equivalent Megaflex tariff that demand customers would have been charged by Eskom. This ratio is expected to reduce to 148% for the 2016/17 financial year.

4.7 EMBEDDED GENERATION TARIFFS

Until NERSA produces specific national guidelines regarding the tariffs to be set for embedded generators, the following is City Power's proposal:

4.7.1 Grid connection charge

A grid connection charge of R0,50 per kW capacity installed per day will apply. 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, for excess energy fed back into the grid.

4.7.2 Rules to consider

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. 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.

5 DSM LEVY

All electricity consumed will attract a DSM levy of 2 c/kWh. Only Domestic consumption of below 500kWh will be exempted from this charge, meaning that domestic consumption beyond 500kWh per month will be subject to this levy.

6 POLICY IMPLICATIONS

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

7 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).

8 FINANCIAL IMPLICATIONS

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

9 KEY PERFORMANCE INDICATOR

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

10 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.

11 OTHER BODIES /DEPARTMENTS CONSULTED

The bodies that have been consulted prior to the draft proposal to the Mayoral Committee for consideration are:

- 11.1 City Power Executive committee
- 11.2 City Power Board

12 IT IS RECOMMENDED

- 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.

- 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:

- (1) display the notice and the documents and notice in the manner prescribed;
- (2) seek to convey to the local community by means contemplated in Section 21 read with Section 21A of the Municipal Systems act, 2000 (Act 32 of 2000) the information contemplated in Recommendation 1 above.
- (3) publish 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.

- 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

- 4 That the Group Chief Financial Officer in conjunction with the Group Head : Legal and Contracts, in consultation with the Council's relevant Departments and all interested parties, report on the comments received in terms of Recommendation 2 above with recommendations on the final of the Tariffs of Charges for consideration.

- 5 That the report be submitted to a relevant Section 79 Committee for comment.

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Annexure A:

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

Category	Type	Overall Tariff Escalation Rates			
		FY15	FY16	FY17	FY18
TOU	MV	9.73%	12.19%	12.19%	12.19%
TOU	LV	0.17%	12.19%	12.19%	12.19%
LPU	MV	7.41%	12.19%	12.19%	12.19%
LPU	LV	7.37%	12.19%	12.19%	12.19%
Commercial	Conventional	4.79%	12.19%	12.19%	12.19%
Commercial	Prepaid	9.40%	12.19%	12.19%	12.19%
Agricultural		7.17%	12.19%	12.19%	12.19%
Domestic	Conventional	7.36%	12.19%	12.19%	12.19%
Domestic	Prepaid	7.45%	12.19%	12.19%	12.19%
Reseller	Commercial	5.79%	12.19%	12.19%	12.19%
Reseller	Domestic	2.37%	12.19%	12.19%	12.19%
Average sales price increase		7.05%*	12.19%	12.19%	12.19%

* Approved escalation rate

Bulk purchase	GWh/a	12 435	12 273	12 114	11 956
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NERSA benchmarks:	FY15	FY16	FY17	FY18
Percentage bulk power cost	70.00%	73.00%	73.00%	73.00%
Percentage surplus	15%	15%	15%	15%
System losses	10%	10%	10%	10%
Avg sales / purchase price	1.64	1.58	1.58	1.58
TOU MV tariff / Eskom Megaflex	1.20	1.20	1.20	1.20

Expected performance:				
Percentage bulk power cost	75.2%	76.4%	77.6%	78.7%
Percentage surplus	9.5%	8.8%	9.1%	8.2%
System losses	16.9%	13.5%	12.5%	11.5%
Avg sales / purchase price	1.73	1.69	1.64	1.60
TOU MV tariff / Eskom Megaflex	1.54	1.51	1.48	1.46

COJ: MAYORAL COMMITTEE (2015/03/019)
FINANCE

Annexure B

The summary of tariffs proposed for 2015/16 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	1 167.93	15 109.90	139.24	146.18	87.16	282.43	
		kWh	Standard							64.44	108.25	
		kWh	Off-peak							53.42	73.65	
Large Customer - TOU	MV	kVA	Peak	22	4 304 240	1 158.16	14 983.47	159.77	159.77	114.06	282.43	
		kWh	Standard							88.65	108.25	
		kWh	Off-peak							68.14	73.65	
Large Customer - TOU	LV	kVA	Peak	3	19 940	842.30	10 742.32	159.77	159.77	114.06	282.43	
		kWh	Standard							88.65	108.25	
		kWh	Off-peak							68.14	73.65	
Large Customer	MV	kVA		248	819 568	631.72	3 378.25	159.77	159.77	99.83	119.44	
Large Customer	LV	kVA		3 692	72 936	526.44	811.87	159.77	159.77	106.94	126.54	
Large Customer Reactive Energy	c/kVArh			1	57 617 082					16.73		
Business	400 V	kVA	< 50				315.86	302.84				
		kWh	0 - 500	1 570	253					154.15	170.70	
		kWh	501 - 1000	983	881					169.19	185.74	
		kWh	1001 - 2000	1 504	1 695					177.43	193.98	
		kWh	2001 - 3000	1 049	2 815					183.90	200.45	
		kWh	> 3000	4 732	7 429					189.87	206.42	
		kVA	< 100					315.86	432.77			
		kWh	0 - 500	28	253						154.15	170.70
		kWh	501 - 1000	18	881						169.19	185.74
		kWh	1001 - 2000	27	1 695						177.43	193.98
		kWh	2001 - 3000	18	2 815						183.90	200.45
		kWh	> 3000	83	7 429						189.87	206.42
		kVA	< 500					315.86	687.57			
		kWh	0 - 500	15	253						154.15	170.70
		kWh	501 - 1000	9	881						169.19	185.74
		kWh	1001 - 2000	14	1 695						177.43	193.98
		kWh	2001 - 3000	10	2 815						183.90	200.45
		kWh	> 3000	45	7 429						189.87	206.42
		kVA	> 500					315.86	1 165.91			
		kWh	0 - 500	5	253						154.15	170.70
		kWh	501 - 1000	3	881						169.19	185.74
		kWh	1001 - 2000	4	1 695						177.43	193.98
		kWh	2001 - 3000	3	2 815						183.90	200.45
		kWh	> 3000	14	7 429						189.87	206.42
Business Prepaid	400 V	kVA	< 50									
		kWh	0 - 500	160	253					158.29	158.29	
		kWh	501 - 1000	100	881					173.33	173.33	
		kWh	1001 - 2000	153	1 695					181.57	181.57	
		kWh	2001 - 3000	107	2 815					188.04	188.04	
		kWh	> 3000	483	7 429					194.01	194.01	
		kVA	> 50									
		kWh	0 - 500	8	253						158.29	158.29
		kWh	501 - 1000	5	881						173.33	173.33
		kWh	1001 - 2000	8	1 695						181.57	181.57
		kWh	2001 - 3000	5	2 815						188.04	188.04
		kWh	> 3000	24	7 429						194.01	194.01

COJ: MAYORAL COMMITTEE (2015/03/019)
FINANCE

Annexure B (Continued)

The summary of tariffs proposed for 2015/16:

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				315.86	302.84				
		kWh	0 - 500	0	253					149.66	166.21	
		kWh	501 - 1000	0	881					164.71	181.25	
		kWh	1001 - 2000	0	1 695					172.94	189.49	
		kWh	2001 - 3000	0	2 815					179.41	195.96	
		kWh	> 3000	0	7 429					185.38	201.93	
Reseller Business (Prepaid)	400 V	kWh	0 - 500	1 505	253					153.80	153.80	
		kWh	501 - 1000	1 505	881					168.85	168.85	
		kWh	1001 - 2000	0	1 695					177.08	177.08	
		kWh	2001 - 3000	0	2 815					183.55	183.55	
		kWh	> 3000	0	7 429					189.52	189.52	
		Non-profit organisations	230 V	A	60				116.14	0.00		
A	80						116.14	0.00				
kWh	0 - 500			0	0					102.83	102.83	
kWh	501 - 1000			0	0					119.19	119.19	
kWh	1001 - 2000			0	0					128.67	128.67	
kWh	2001 - 3000			0	0					136.30	136.30	
kWh	> 3000			0	0					143.50	143.50	
Agricultural	400 V			kVA	< 50	29	2 073	315.86	424.87			118.26
		kVA	> 50	0	0	315.86	424.87			118.26	138.15	
Domestic TOU 3 Ø	230 V	A	60				105.29	386.38				
		A	80				105.29	424.86				
		kWh	Peak	0	3 558					123.29	294.04	
		kWh	Standard							97.53	117.41	
Domestic TOU 1 Ø	230 V	A	60				105.29	310.28				
		A	80				105.29	341.06				
		kWh	Peak	2 007	688					123.29	294.04	
		kWh	Standard							97.53	117.41	
Domestic 3 Ø Seasonal	230 V	A	60				105.29	386.38				
		A	80				105.29	424.86				
		kWh	0 - 500	2	464					96.71	116.59	
		kWh	501 - 1000	2	915					111.72	131.60	
		kWh	1001 - 2000	1	1 718					120.32	140.20	
		kWh	2001 - 3000	1	2 804					127.22	147.10	
Domestic 1 Ø Seasonal	230 V	A	60				105.29	310.17				
		A	80				105.29	341.06				
		kWh	0 - 500	26	232					96.71	116.59	
		kWh	501 - 1000	2	854					111.72	131.60	
		kWh	1001 - 2000	1	1 617					120.32	140.20	
		kWh	2001 - 3000	0	2 758					127.22	147.10	
Domestic 3 Ø	230 V	A	60				105.29	386.38				
		A	80				105.29	424.86				
		kWh	0 - 500	2 017	464					101.68	101.68	
		kWh	501 - 1000	2 404	915					116.69	116.69	
		kWh	1001 - 2000	5 319	1 718					125.29	125.29	
		kWh	2001 - 3000	4 098	2 804					132.19	132.19	
kWh	> 3000	10 242	6 044					138.68	138.68			

COJ: MAYORAL COMMITTEE (2015/03/019)
FINANCE

Annexure B (Continued)

The summary of tariffs proposed for 2015/16:

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				105.29	310.17					
		A	80				105.29	341.06					
		kWh	0 - 500	81 455	232					101.68	101.68		
		kWh	501 - 1000	16 677	854					116.69	116.69		
		kWh	1001 - 2000	18 426	1 617					125.29	125.29		
		kWh	2001 - 3000	3 978	2 758					132.19	132.19		
		kWh	> 3000	3 485	5 538				138.68	138.68			
Domestic Prepaid	230 V	kWh	0 - 500	19 182	227				105.75	105.75			
		kWh	501 - 1000	5 437	861				120.14	120.14			
		kWh	1001 - 2000	6 937	1 638				129.01	129.01			
		kWh	2001 - 3000	2 375	2 774				145.73	145.73			
		kWh	> 3000	3 323	5 992				157.93	157.93			
Reseller Domestic (Conventional)	230 V	A	60				105.29	386.38					
		A	80				105.29	424.86					
		kWh	0 - 500	0	232					97.19	97.19		
		kWh	501 - 1000	0	854					112.20	112.20		
		kWh	1001 - 2000	0	1 617					120.81	120.81		
		kWh	2001 - 3000	0	2 758					127.71	127.71		
		kWh	> 3000	0	5 538				134.19	134.19			
Reseller Domestic (Prepaid)	230 V	kWh	0 - 500	8 028	227				101.27	101.27			
		kWh	501 - 1000	1 003	861				115.66	115.66			
		kWh	1001 - 2000	0	1 638				124.52	124.52			
		kWh	2001 - 3000	0	2 774				141.25	141.25			
		kWh	> 3000	0	5 992				153.44	153.44			
Life Line Conventional	230V												
Life Line Energy	230 V												
Robot Intersections				1	0				197.29	197.29			
Streetlights & Billboard per Luminaire				1	10 583 333				221.16	221.16			
City Power consumption				1	600 000				0.00	0.00			
AEL sales				1	6 412 773				80.82	98.70			
TOTAL				214 633	864 257 813								

Annexure C

Proposed tariff increases percentages for 2015/16 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	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%
		kWh	Standard					12.19%	12.19%
		kWh	Off-peak					12.19%	12.19%
Large Customer - TOU	MV	kVA	Peak	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%
		kWh	Standard					12.19%	12.19%
		kWh	Off-peak					12.19%	12.19%
Large Customer - TOU	LV	kVA	Peak	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%
		kWh	Standard					12.19%	12.19%
		kWh	Off-peak					12.19%	12.19%
Large Customer	MV	kVA		12.19%	12.19%	12.19%	12.19%	12.19%	12.19%
Large Customer	LV	kVA		12.19%	12.19%	12.19%	12.19%	12.19%	12.19%
Large Customer Reactive Energy		c/kVArh						12.19%	
Business	400 V	kVA	< 50	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000			12.19%	12.19%		
		kWh	2001 - 3000			12.19%	12.19%		
		kWh	> 3000			12.19%	12.19%		
		kVA	< 100	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000			12.19%	12.19%		
		kWh	2001 - 3000			12.19%	12.19%		
		kWh	> 3000			12.19%	12.19%		
kVA	< 500	12.19%	12.19%						
kWh	0 - 500					12.19%	12.19%		
kWh	501 - 1000					12.19%	12.19%		
kWh	1001 - 2000			12.19%	12.19%				
kWh	2001 - 3000			12.19%	12.19%				
kWh	> 3000			12.19%	12.19%				
kVA	> 500	12.19%	12.19%						
kWh	0 - 500					12.19%	12.19%		
kWh	501 - 1000					12.19%	12.19%		
kWh	1001 - 2000			12.19%	12.19%				
kWh	2001 - 3000			12.19%	12.19%				
kWh	> 3000			12.19%	12.19%				

Annexure C (Continued)

Proposed tariff increases percentages for 2015/16:

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					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
		kWh	> 3000					12.19%	12.19%
		kVA	> 50						
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
Reseller Business (Conventional)	400 V	kVA	< 50	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Reseller Business (Prepaid)	400 V	kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
		kWh	> 3000					12.19%	12.19%
Non-profit organisations	230 V	A	60	12.19%					
		A	80	12.19%					
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Agricultural	400 V	kVA	< 50	12.19%	12.19%			12.19%	12.19%
		kVA	> 50	12.19%	12.19%			12.19%	12.19%
Domestic TOU 3 Ø	230 V	A	60	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	Peak					12.19%	12.19%
		kWh	Standard					12.19%	12.19%
Domestic TOU 1 Ø	230 V	kWh	Off-peak					12.19%	12.19%
		A	60	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	Peak					12.19%	12.19%
Domestic TOU 1 Ø	230 V	kWh	Standard					12.19%	12.19%
		kWh	Off-peak					12.19%	12.19%
		kWh	Off-peak					12.19%	12.19%

Annexure C (Continued)

Proposed tariff increases percentages for 2015/16:

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	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Domestic 1 Ø Seasonal	230 V	A	60	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Domestic 3 Ø	230 V	A	60	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Domestic 1 Ø	230 V	A	60	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Domestic Prepaid	230 V	kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
		kWh	> 3000					12.19%	12.19%
Reseller Domestic (Conventional)	230 V	A	60	12.19%	12.19%				
		A	80	12.19%	12.19%				
		kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
Reseller Domestic (Prepaid)	230 V	kWh	0 - 500					12.19%	12.19%
		kWh	501 - 1000					12.19%	12.19%
		kWh	1001 - 2000					12.19%	12.19%
		kWh	2001 - 3000					12.19%	12.19%
		kWh	> 3000					12.19%	12.19%
Robot Intersections								12.19%	12.19%
Streetlights & Billboard per Luminaire								12.19%	12.19%
City Power consumption								0.00%	0.00%
AEL sales								12.19%	12.19%

Annexure D

SCHEDULE OF TARIFFS FOR 2015/16

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 2015.

STANDARD TARIFF SCHEDULE

1. DSM LEVY

1.1 All electricity consumed will attract a DSM levy of 2 c/kWh. Only Domestic consumption of below 500kWh will be exempted from this charge, meaning that domestic consumption beyond 500kWh per month will be subject to this levy.

2. DOMESTIC TARIFF

2.1 This tariff shall be applicable for electricity supply to:

2.1.1 Private houses;

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

2.1.3 Flats;

2.1.4 Boarding houses and hostels;

2.1.5 Residences or homes run by charitable institutions;

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

2.1.7 Caravan parks.

2.2 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.

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

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

FINANCE

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
Prepaid tariffs							
Prepaid 1				0 to 500			105.75
Prepaid 2				501 to 1000			120.14
Prepaid 3				1001 to 2000			129.01
Prepaid 4				2001 to 3000			145.73
Prepaid 5				Above 3000			157.93
Three-part flat tariffs							
Single phase							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			310.17		
Network charge		80			341.06		
Energy charge				0 to 500			101.68
Energy charge				501 to 1000			116.69
Energy charge				1001 to 2000			125.29
Energy charge				2001 to 3000			132.19
Energy charge				Above 3000			138.68
Three phase							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			386.38		
Network charge		80			424.86		
Energy charge				0 to 500			101.68
Energy charge				501 to 1000			116.69
Energy charge				1001 to 2000			125.29
Energy charge				2001 to 3000			132.19
Energy charge				Above 3000			138.68

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Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
Time-of-use tariffs - single phase							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			310.28		
Network charge		80			341.06		
Energy charge (Summer: PEAK)							123.29
Energy charge (Summer: STANDARD)							97.53
Energy charge (Summer: OFF-PEAK)							76.73
Energy charge (Winter: PEAK)							294.04
Energy charge (Winter: STANDARD)							117.41
Energy charge (Winter: OFF-PEAK)							82.33
Time-of-use tariffs - three phase							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			386.38		
Network charge		80			424.86		
Energy charge (Summer: PEAK)							123.29
Energy charge (Summer: STANDARD)							97.53
Energy charge (Summer: OFF-PEAK)							76.73
Energy charge (Winter: PEAK)							294.04
Energy charge (Winter: STANDARD)							117.41
Energy charge (Winter: OFF-PEAK)							82.33

FINANCE

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
Three-part seasonal tariffs							
Single phase							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			310.17		
Network charge		80			341.06		
Energy charge (Summer: September - May)				0 to 500			96.71
Energy charge (Summer: September - May)				501 to 1000			111.72
Energy charge (Summer: September - May)				1001 to 2000			120.32
Energy charge (Summer: September - May)				2001 to 3000			127.22
Energy charge (Summer: September - May)				Above 3000			133.71
Energy charge (Winter: June - August)				0 to 500			116.59
Energy charge (Winter: June - August)				501 to 1000			131.60
Energy charge (Winter: June - August)				1001 to 2000			140.20
Energy charge (Winter: June - August)				2001 to 3000			147.10
Energy charge (Winter: June - August)				Above 3000			153.59
Three phase							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			386.38		
Network charge		80			424.86		
Energy charge (Summer: September - May)				0 to 500			96.71
Energy charge (Summer: September - May)				501 to 1000			111.72
Energy charge (Summer: September - May)				1001 to 2000			120.32
Energy charge (Summer: September - May)				2001 to 3000			127.22
Energy charge (Summer: September - May)				Above 3000			133.71
Energy charge (Winter: June - August)				0 to 500			116.59
Energy charge (Winter: June - August)				501 to 1000			131.60
Energy charge (Winter: June - August)				1001 to 2000			140.20
Energy charge (Winter: June - August)				2001 to 3000			147.10
Energy charge (Winter: June - August)				Above 3000			153.59

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Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
Conventional resellers' tariffs							
Service charge		60			105.29		
Service charge		80			105.29		
Network charge		60			386.38		
Network charge		80			424.86		
Energy charge				0 to 500			97.19
Energy charge				501 to 1000			112.20
Energy charge				1001 to 2000			120.81
Energy charge				2001 to 3000			127.71
Energy charge				Above 3000			134.19
Prepaid resellers' tariffs							
Prepaid 1				0 to 500			101.27
Prepaid 2				501 to 1000			115.66
Prepaid 3				1001 to 2000			124.52
Prepaid 4				2001 to 3000			141.25
Prepaid 5				Above 3000			153.44

2.5 Rules applicable to this category:

- 2.5.1 A consumer whose capacity exceeds 100 kVA, may on application, be charged in accordance with item 4 (Large Consumers).
- 2.5.2 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.
- 2.5.3 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.
- 2.5.4 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.
- 2.5.5 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.
- 2.5.6 The cost to migrate between tariff options will be determined as reflected in section 6 of this document.
- 2.5.7 Everyone will be expected to take part in any of City of Johannesburg energy saving initiatives.
- 2.5.8 All individuals/customers who qualify for the Extended Social Package (ESP) will receive free electricity as approved by Social Development Department.
- 2.5.9 Customers on the Extended Social Package who are disconnected may not accumulate the allocation of free electricity during the period of disconnection.
- 2.5.10 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.
- 2.5.11 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.
- 2.5.12 Prepaid domestic customers may collect their free electricity allocations from any of the City Power vending stations.
- 2.5.13 Free allocations that are not claimed in any particular month will be forfeited and may not be carried over to subsequent months.
- 2.5.14 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.
- 2.5.15 Free allocations are not redeemable for cash.

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2.5.16 The summer rates for the Three-Part Seasonal Tariffs will be applicable from September to May - both months inclusive. This amounts to an 9 month period per annum.

2.5.17 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.

2.5.18 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.

3. AGRICULTURAL TARIFF

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

3.2 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.

3.3 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
Agricultural tariffs							
Service charge			< 50		315.86		
Service charge			> 50		315.86		
Network charge			< 50		424.87		
Network charge			> 50		424.87		
Energy charge (Summer: September - May)							118.26
Energy charge (Winter: June - August)							138.15

3.4 Rules applicable to this category:

3.4.1 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.

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

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

4. 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:

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Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
Conventional Business tariffs							
Service charge			< 50		315.86		
Service charge			< 100		315.86		
Service charge			< 500		315.86		
Service charge			> 500		315.86		
Network charge			< 50		302.84		
Network charge			< 100		432.77		
Network charge			< 500		687.57		
Network charge			> 500		1 165.91		
Energy charge (Summer: September - May)				0 to 500			154.15
Energy charge (Summer: September - May)				501 to 1000			169.19
Energy charge (Summer: September - May)				1001 to 2000			177.43
Energy charge (Summer: September - May)				2001 to 3000			183.90
Energy charge (Summer: September - May)				Above 3000			189.87
Energy charge (Winter: June - August)				0 to 500			170.70
Energy charge (Winter: June - August)				501 to 1000			185.74
Energy charge (Winter: June - August)				1001 to 2000			193.98
Energy charge (Winter: June - August)				2001 to 3000			200.45
Energy charge (Winter: June - August)				Above 3000			206.42
Prepaid Business tariffs							
Prepaid energy			< 100	0 to 500			158.29
Prepaid energy				501 to 1000			173.33
Prepaid energy				1001 to 2000			181.57
Prepaid energy				2001 to 3000			188.04
Prepaid energy				Above 3000			194.01
Prepaid energy			> 100	0 to 500			158.29
Prepaid energy				501 to 1000			173.33
Prepaid energy				1001 to 2000			181.57
Prepaid energy				2001 to 3000			188.04
Prepaid energy				Above 3000			194.01

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Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	kVA	kWh/month	R/month	R/kVA	c/kWh
Conventional resellers' tariffs							
Service charge					315.86		
Network charge					302.84		
Energy charge (Summer: September - May)				0 to 500			149.66
Energy charge (Summer: September - May)				501 to 1000			164.71
Energy charge (Summer: September - May)				1001 to 2000			172.94
Energy charge (Summer: September - May)				2001 to 3000			179.41
Energy charge (Summer: September - May)				Above 3000			185.38
Energy charge (Winter: June - August)				0 to 500			166.21
Energy charge (Winter: June - August)				501 to 1000			181.25
Energy charge (Winter: June - August)				1001 to 2000			189.49
Energy charge (Winter: June - August)				2001 to 3000			195.96
Energy charge (Winter: June - August)				Above 3000			201.93
Prepaid resellers' tariffs							
Prepaid energy				0 to 500			153.80
Prepaid energy				501 to 1000			168.85
Prepaid energy				1001 to 2000			177.08
Prepaid energy				2001 to 3000			183.55
Prepaid energy				Above 3000			189.52
Non-profit organisations' tariffs							
Service charge		60			116.14		
Service charge		80			116.14		
Network charge		60			0.00		
Network charge		80			0.00		
Energy charge				0 to 500			102.83
Energy charge				501 to 1000			119.19
Energy charge				1001 to 2000			128.67
Energy charge				2001 to 3000			136.30
Energy charge				Above 3000			143.50
Traffic intersections							197.29
Streetlights and billboards per luminaire							221.16

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 an 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.

5. 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
Large consumer tariffs - low voltage							
Service charge					526.44		
Network charge					811.87		
Demand charge (Summer: September - May)						159.77	
Demand charge (Winter: June - August)						159.77	
Energy charge (Summer: September - May)							106.94
Energy charge (Winter: June - August)							126.54
Large consumer tariffs - medium voltage							
Service charge					631.72		
Network charge					3 378.25		
Demand charge (Summer: September - May)						159.77	
Demand charge (Winter: June - August)						159.77	
Energy charge (Summer: September - May)							99.83
Energy charge (Winter: June - August)							119.44
Large consumer tariffs							
Reactive energy	(c/kVARh)						16.73

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 during peak and standard demand periods, 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:

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4.4.4.1 Low Voltage: ≤ 1000 V

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

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.

6. INDUSTRIAL TIME-OF-USE (TOU) TARIFF

- 6.1 This tariff is available, provided customers meet the qualifying criteria for the industrial TOU tariff.
- 6.2 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
Time-of-use tariffs - low voltage							
Service charge					842.30		
Network charge					10 742.32		
Demand charge (Summer: September - May)						159.77	
Demand charge (Winter: June - August)						159.77	
Energy charge (Summer: PEAK)							114.06
Energy charge (Summer: STANDARD)							88.65
Energy charge (Summer: OFF-PEAK)							68.14
Energy charge (Winter: PEAK)							282.43
Energy charge (Winter: STANDARD)							108.25
Energy charge (Winter: OFF-PEAK)							73.65
Time-of-use tariffs - medium voltage							
Service charge					1 158.16		
Network charge					14 983.47		
Demand charge (Summer: September - May)						159.77	
Demand charge (Winter: June - August)						159.77	
Energy charge (Summer: PEAK)							114.06
Energy charge (Summer: STANDARD)							88.65
Energy charge (Summer: OFF-PEAK)							68.14
Energy charge (Winter: PEAK)							282.43
Energy charge (Winter: STANDARD)							108.25
Energy charge (Winter: OFF-PEAK)							73.65
Large consumer tariffs							
Reactive energy	(c/kVARh)						16.73

- 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;

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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: ≤ 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".

7. EMBEDDED GENERATION TARIFF

6.1 Grid connection charge

6.1.1 A grid connection charge of R0,50 per kW capacity installed per day will apply.

6.2 Feed-in tariff

6.2.1 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, for excess energy fed back into the grid.

6.3 Rules applicable to this item:

6.3.1 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.

6.3.1 Customers with embedded generation capacity are required to register with City Power.

6.3.2 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.

6.3.3 Embedded generators that would need to feed energy back into the grid will require meters with bidirectional metering capability.