IMPACT OF WATER TARIFF INCREASE ON JOBURG RESIDENTS 2019/2020 Effective 1 July 2019 - 30 June 2020

A "tariff" means a service charge that the City charges for the use of services it renders such as water and electricity. The prices of these services should be affordable to the people who use the services, and to the City itself.

The more electricity or water the consumer uses in a month, the more expensive it is per unit. Other City's tariffs are also called "rates". The consumer's municipal bill usually includes a monthly property rate based on the municipal value of the consumer's house again, the more consumer's house is worth, the more you will pay in rates.

Important: It must be noted that the City has introduced a step tariff for electricity and water services, which implies that the more electricity or water the consumer uses, the more they will pay, with a view to reduce electricity consumption and benefiting lower consumption users.

A tariff structure is a set of rules and procedures that determines how we charge different categories of electricity consumption and benefiting lower consumption users. In this example we show the practical calculations and impact for two households who consume different kiloliters of water over the City's two financial year periods.

The following shows the calculation of the step tariff for water consumption for a single dwelling (i.e. using 19 kiloliters and 32 kiloliters as the total consumption of water in a month for two households.)

The City of Johannesburg Municipality charged the following tariffs for domestic water usage in the year 2018/2019 (From 1 July 2018 - 30 June 2019). The current financial year 2019/2020 (From 1 July 2019 - 30 June 2020) the following tariffs will apply:

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### Domestic Water Tariffs – Metered Areas

<table>
<thead>
<tr>
<th>Kilolitres per connection per month</th>
<th>2018/2019 tariff (R/kl) Price per kilolitre, excluding VAT</th>
<th>Kilolitres per connection per month</th>
<th>2019/2020 tariff (R/kl) Price per kilolitre, excluding VAT</th>
<th>Percentage increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 kl to 6 kl</td>
<td>R8.28</td>
<td>0 kl to 6 kl</td>
<td>R8.28</td>
<td>9.9%</td>
</tr>
<tr>
<td>From 6 kl to 10 kl</td>
<td>R8.79</td>
<td>From 6 kl to 10 kl</td>
<td>R8.79</td>
<td>9.9%</td>
</tr>
<tr>
<td>From 10 kl to 15 kl</td>
<td>R15.00</td>
<td>From 10 kl to 15 kl</td>
<td>R15.00</td>
<td>9.9%</td>
</tr>
<tr>
<td>From 15 kl to 20 kl</td>
<td>R21.83</td>
<td>From 15 kl to 20 kl</td>
<td>R21.83</td>
<td>9.9%</td>
</tr>
<tr>
<td>From 20 kl to 30 kl</td>
<td>R29.98</td>
<td>From 20 kl to 30 kl</td>
<td>R29.98</td>
<td>9.9%</td>
</tr>
<tr>
<td>From 30 kl to 40 kl</td>
<td>R33.22</td>
<td>From 30 kl to 40 kl</td>
<td>R33.22</td>
<td>9.9%</td>
</tr>
<tr>
<td>From 40 kl to 50 kl</td>
<td>R42.42</td>
<td>From 40 kl to 50 kl</td>
<td>R42.42</td>
<td>9.9%</td>
</tr>
<tr>
<td>More than 50 kl</td>
<td>R45.19</td>
<td>More than 50 kl</td>
<td>R45.19</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

### Calculations of Customer’s Consumption

Calculations of customer’s consumption cost for the financial year 2018 - 2019

1. Funzi monthly water consumption is 19 kl. Let’s calculate his monthly water costs, including VAT.

Answer:
1. To calculate Funzi’s total water costs, we break up his usage into the different tariff categories:
   
   - In the 0 kl - 6 kl category, he used 6 kl of water.
   - In the 6 kl - 10 kl category, he used 4 kl of water.
   - In the 10 kl - 15 kl category, he used 5 kl of water.
   - In the 15 kl - 20 kl category, he used 4 kl of water.

   Now we calculate how much the number of kilolitres used in each category cost:
   
   $\begin{align*}
   &6 \text{ kl } \times R8.28 = R49.68 \\
   &4 \text{ kl } \times R8.79 = R35.16 \\
   &5 \text{ kl } \times R15.00 = R75.00 \\
   &4 \text{ kl } \times R21.83 = R87.32 \\
   \end{align*}$

   Next we add these four subtotals together:
   
   $R49.68 + R35.16 + R75.00 + R87.32 = R247.16$

   Funzi’s total cost for water in 2018/2019 = R247.16 + R22.64 (Demand Management Levy) = R271.65

2. Water Demand Management Levy: 1% of water

   - In the 0 kl - 6 kl category, he used 6 kl of water.
   - In the 6 kl - 10 kl category, he used 4 kl of water.
   - In the 10 kl - 15 kl category, he used 5 kl of water.
   - In the 15 kl - 20 kl category, he used 4 kl of water.

   Now we calculate how much the number of kilolitres used in each category cost:
   
   $\begin{align*}
   &6 \text{ kl } \times R9.10 = R54.60 \\
   &4 \text{ kl } \times R9.66 = R38.64 \\
   &5 \text{ kl } \times R16.49 = R82.45 \\
   &4 \text{ kl } \times R23.99 = R95.96 \\
   \end{align*}$

   Next we add these four subtotals together:
   
   $R54.60 + R38.64 + R82.45 + R95.96 = R271.65$
CALCULATIONS OF CUSTOMER’S CONSUMPTION

Calculations of customer’s consumption cost for the financial year 2018 - 2019
1. Thuli’s monthly water consumption is 32 kl. Let’s calculate her monthly water costs, excluding VAT.

Answer:
1. To calculate Thuli’s total water costs, we break up her usage into the different tariff categories:

   a. In the 0 kl - 6 kl category, she used 6 kl of water.
   b. In the 6 kl - 10 kl category, she used 6 kl of water.
   c. In the 10 kl - 15 kl category, she used 5 kl of water.
   d. In the 15 kl - 20 kl category, she used 5 kl of water.
   e. In the 20 kl - 30 kl category, she used 10 kl of water.
   f. In the 30 kl - 40 kl category, she used 2 kl of water.

   Now we calculate how much the number of kilolitres used in each category cost:

   - 6 kl x R8.28 = R49.68
   - 4 kl x R8.79 = R35.16
   - 5 kl x R15.00 = R75.00
   - 5 kl x R21.83 = R109.15
   - 10 kl x R29.98 = R299.80
   - 2 kl x R33.22 = R66.44

   Next we add these six subtotals together:

   R49.68 + R35.16 + R75.00 + R109.15 + R299.80 + R66.44 = R723.04

   a. To calculate Thuli’s total water costs, we break up her usage into the different tariff categories:

      a. In the 0 kl - 6 kl category, she used 6 kl of water
      b. In the 6 kl - 10 kl category, she used 6 kl of water
      c. In the 10 kl - 15 kl category, she used 5 kl of water
      d. In the 15 kl - 20 kl category, she used 5 kl of water
      e. In the 20 kl - 30 kl category, she used 10 kl of water
      f. In the 30 kl - 40 kl category, she used 2 kl of water

   Now we calculate how much the number of kilolitres used in each category cost:

   - 6 kl x R9.10 = R54.60
   - 4 kl x R9.66 = R38.64
   - 5 kl x R16.49 = R82.45
   - 5 kl x R23.99 = R119.95
   - 10 kl x R32.95 = R329.50
   - 2 kl x R36.51 = R73.02

   Next we add these six subtotals together:

   R54.60 + R38.64 + R82.45 + R119.95 + R329.50 + R73.02 = R730.35

2. To calculate Thuli’s total water costs, we break up her usage into the different tariff categories:

   a. From 0 kl to 6 kl category, she used 6 kl of water
   b. From 6 kl to 10 kl category, she used 4 kl of water
   c. From 10 kl to 15 kl category, she used 5 kl of water
   d. From 15 kl to 20 kl category, she used 5 kl of water
   e. From 20 kl to 30 kl category, she used 10 kl of water
   f. From 30 kl to 40 kl category, she used 2 kl of water

   Now we calculate how much the number of kilolitres used in each category cost:

   - From 0 kl to 6 kl category:
     - 6 kl x R9.10 = R54.60
   - From 6 kl to 10 kl category:
     - 4 kl x R9.66 = R38.64
   - From 10 kl to 15 kl category:
     - 5 kl x R16.49 = R82.45
   - From 15 kl to 20 kl category:
     - 5 kl x R23.99 = R119.95
   - From 20 kl to 30 kl category:
     - 10 kl x R32.95 = R329.50
   - From 30 kl to 40 kl category:
     - 2 kl x R36.51 = R73.02

   Next we add these six subtotals together:

   R54.60 + R38.64 + R82.45 + R119.95 + R329.50 + R73.02 = R730.35

BUSINESS WATER TARIFFS

INSTITUTIONAL WATER TARIFFS

<table>
<thead>
<tr>
<th>Kilolitres per connection per month</th>
<th>2018/2019 Tariff (R/kl)</th>
<th>% Increase</th>
<th>2019/2020 Tariff (R/kl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption up to 20 kl</td>
<td>R28.70</td>
<td>9.9%</td>
<td>R32.14</td>
</tr>
<tr>
<td>Consumption exceeding 20 kl</td>
<td>R32.19</td>
<td>9.9%</td>
<td>R35.69</td>
</tr>
</tbody>
</table>

INDUSTRIAL/COMMERCIAL WATER TARIFFS

<table>
<thead>
<tr>
<th>Kilolitres per connection per month</th>
<th>2018/2019 Tariff (R/kl)</th>
<th>% Increase</th>
<th>2019/2020 Tariff (R/kl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption up to 20 kl</td>
<td>R36.30</td>
<td>9.9%</td>
<td>R41.70</td>
</tr>
<tr>
<td>Consumption exceeding 20 kl</td>
<td>R40.49</td>
<td>9.9%</td>
<td>R44.50</td>
</tr>
</tbody>
</table>

SANITATION TARIFF: SEWERAGE

SANITATION TARIFFS: Block of flats and Multiple dwelling

<table>
<thead>
<tr>
<th>Descriptions</th>
<th>Sewerage per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewerage basic price-Block of flat</td>
<td>R250.00</td>
</tr>
<tr>
<td>Sewerage consumption price-Block flat per KL</td>
<td>R325.00</td>
</tr>
<tr>
<td>Sewerage basic price- Multiple dwelling</td>
<td>R415.47</td>
</tr>
<tr>
<td>Sewerage consumption price- Multiple Dwelling per KL</td>
<td>R31.54</td>
</tr>
</tbody>
</table>

WATER TARIFFS FOR INDIGENTS AS PART OF THE EXPANDED SOCIAL PACKAGE

<table>
<thead>
<tr>
<th>Indigent Category</th>
<th>Score on Prevailing CoJ Poverty Index</th>
<th>Allocation of additional free water per person per day (litres)</th>
<th>Monthly allocation cap of free water per household (litres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 1</td>
<td>1-34</td>
<td>25l</td>
<td>10kl</td>
</tr>
<tr>
<td>Band 2</td>
<td>35-70</td>
<td>35l</td>
<td>12kl</td>
</tr>
<tr>
<td>Band 3</td>
<td>71-100</td>
<td>50l</td>
<td>15kl</td>
</tr>
</tbody>
</table>

a. Band 1 refers to individuals / households within the vulnerability range defined by the approved CoJ Poverty index of the expanded social package policy.
b. Band 2 refers to individuals / households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ Poverty index of the expanded social package policy.
c. Band 3 refers to individuals / households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ Expanded Social Package policy.

A message brought to you by
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