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Eskom

SCHEDULE OF STANDARD PRICES FOR ESKOM TARIFFS 1 APRIL 2017 TO 31 MARCH 2018 FOR NON-LOCAL AUTHORITY SUPPLIES, AND 1 JULY 2017 TO 30 JUNE 2018 FOR LOCAL AUTHORITY SUPPLIES

1. Standard prices

The standard prices contained in this schedule to be charged by Eskom for electricity supplied or made available by Eskom to customers, shall, subject to the provisions of the Electricity Regulation Act (Act No 4 of 2006), or its successor-in-title, be as set out hereunder.

These terms, conditions and prices contained in this schedule are approved by NERSA and are valid until Eskom's next price increase or tariff changes as approved by NERSA from time to time.

2. Definitions and abbreviations

2.1. Definitions

For the purpose of this Schedule the following words and phrases shall have the same meanings as assigned to them herein:

Account means the invoice received by a customer for a single **point of delivery** (POD) or if consolidated, multiple **points of delivery** for electricity supplied and/or use of the **System**.

Active energy charge or energy charge means the charge for each unit of energy consumed, typically charged for as c/kWh.

Administration charge means the daily fixed charge payable per **POD** to recover administration-related costs such as meter reading, billing and meter capital. It is based on the **monthly utilised capacity** or **maximum export capacity** of each **POD**.

Affordability subsidy charge means the transparent charge indicating socio-economic subsidies related to the supply of electricity to **residential tariffs** and is payable on Eskom related active energy sales to **non-local authority tariffs**.

Ancillary Service charge means the charge that recovers the cost of providing ancillary services by the System Operator.

Annual utilised capacity means the higher of the **notified maximum demand (NMD)** or **maximum demand**, per **POD/point of supply** measured in kVA, and registered during a rolling 12-month period.

Chargeable demand means the highest average demand measured in kVA in a billing month during the chargeable time periods specified for each tariff. For WEPS and Megaflex, the chargeable period is during WEPS and Megaflex's peak and standard periods and for Nightsave Urban (Large and Small) and Nightsave Rural during Nightsave's peak periods.

Code means the Distribution Code, the South African Grid Code, the Grid Connection Code for Renewable Power Plants or any other code, published by NERSA, as applicable, and as amended, modified, extended, replaced or re-enacted from time to time.

Distribution means the regulated business unit through which Eskom constructs, owns, operates and maintains the **Distribution System** in accordance with its licence and the **Code**.

Distribution connected means connected to the **Distribution system.**

Distribution losses charge means the production-based (energy) incentive to generators. The losses charge is based on the approved loss factors, the load factor, the amount of energy produced seasonally and TOU and the WEPS energy rate (excluding losses).

Distribution network capacity charge (previously known as the **Distribution network access charge**) means the R/kVA or R/**POD** fixed network charge raised to recover **Distribution** network costs and depending on the tariff is charged on the **annual utilised capacity** or **maximum export capacity** where **maximum demand** is measured or the **NMD** where **maximum demand** is not measured.

Distribution network demand charge means the R/kVA or c/kWh variable network charge raised to recover Distribution network costs and depending on the tariff may be charged on the **chargeable demand** or the active energy.

Distribution System means Eskom's network infrastructure consisting of assets operated at a nominal voltage of 132 kV or less, not classified as transmission transformation equipment.

Distribution use-of-system (DUoS) charges means the network tariffs charged for making capacity available, connecting to and for the use of the **Distribution System**. The **DUoS** charges are the source of the **Distribution** network charge components in the retail tariff structures.

DUoS charge (generators) means the **DUoS** charges payable by generators. These **DUoS** charges for generators comprise the **network capacity charge** based on **maximum export capacity**, the **losses charge**, the **ancillary service charge**, the **service charge** and the **administration charge**.

DUoS charge (loads) means the **DUoS** charges payable by loads. These **DUoS** charges comprise the **network capacity charge**, the **network demand charge**, the **urban low voltage subsidy charge**, the **ancillary service charge**, the **service charge**, the **administration charge** and the **electrification and rural network subsidy charge**.

Electrification and rural network subsidy charge means the **DUoS charge** transparently indicating the contribution towards socio-economic network-related subsidies for Residential and **Rural$_p$** tariffs and is payable by loads that use the **Distribution** or **Transmission System** for the delivery of energy.

Energy demand charge means the seasonally differentiated charge per **POD** that recovers peak energy costs, and based on the **chargeable demand**.

Embedded Transmission use-of-system (ETUoS) charge means the TUoS charges payable by customers connected to the **Distribution** network.

Excess network capacity charge (previously known as the **excess network access charge)** means the charge payable with reference to the **NMD rules** and is based on the demand exceeding the NMD multiplied by the **event number** (recorded every time the NMD is exceeded) multiplied by the applicable **network capacity charges** for the tariff (refer also to paragraph 5).

High-demand season means the **TOU** Period from 1 June to 31 August of each year.

High voltage (HV) networks usually consist of equipment supplied at a voltage greater than 22kV and consist of the distribution substations and networks. A substation is considered an **HV** substation when the primary side of the substation is supplied at a voltage > 22 kV.

Key customer means a customer identified by Eskom as requiring special services, or a customer that consumes more than 100 GWh per annum on a contiguous site.

Local authority tariffs means tariffs applicable to municipal bulk points of supply.

Loss factors mean the factor indicating the cost or benefit of technical energy losses on the **Transmission** and the **Distribution System**. The **Distribution loss factors** differ per voltage category and per **Rural$_p$** and **Urban$_p$** categories. The **Transmission loss factors** differ for generators and loads and are based on the **Transmission zones**.

Losses charge means the charge payable based on the applicable **loss factors** and the WEPS rate excluding losses.

Low-demand season means the TOU Period from 1 September to 31 May of each year.

Maximum demand means the highest average demand measured in kVA or kW at the **POD/point of supply** during a 30 minute integrating period in a billing month.

Maximum export capacity (MEC) means the maximum capacity at the **point(s) of supply** notified by the customer and accepted by Eskom for the transmission of electrical energy between a generator and the **Transmission or Distribution System**. *Note: The notification of the maximum export capacity shall be governed by the **NMD and MEC rules.***

Medium voltage (MV) networks consist of the networks above 1 kV up to 22 kV. Some rural networks with a voltage of 33 kV have been specifically designated by Eskom as rural reticulation networks. A substation is considered a MV substation when the primary side of the substation is supplied at a voltage ≤ 22 kV.

Monthly utilised capacity means the higher of the **notified maximum demand (NMD)** or **maximum demand**, measured in kVA or kW, registered during the billing month.

Network capacity charge (previously known as the **network access charge**) means the R/kVA or R/**POD** fixed network charge raised to recover network costs and depending on the tariff is charged on the **annual utilised capacity** or **maximum export capacity** where **maximum demand** is measured or the **NMD** where **maximum demand** is not measured.

Network demand charge means the R/kVA or c/kWh variable network charge raised to recover network costs and depending on the tariff may be charged on the **chargeable demand** or the active energy.

Non-local authority tariffs means the tariffs applicable to Eskom's direct customers (i.e. customers within Eskom's licensed area of supply) and exclude the **non-local authority tariffs.**

Notified maximum demand (NMD) means the contracted **maximum demand** notified in writing by the customer and accepted by Eskom **per POD/point of supply**. *Note: The notification of demand shall be governed by the **NMD and MEC rules.***

NMD and MEC rules means the rules approved by NERSA and as amended from time to time for the notification of demand or maximum export capacity or changes to or exceedances of the **NMD or MEC** (refer further to paragraph 0).

Off-peak period means the **TOU periods** of relatively low **system** demand (refer further to paragraph 3).

Peak period means the **TOU periods** of relatively high system demand (refer further to paragraph 3).

Point of delivery (POD)/point of supply, means either a single point of supply or a specific group of points of supply on Eskom's **System** from where electricity is supplied to the customer by Eskom or from where the customer supplies electricity to Eskom's **System** located within a single substation, at which electricity is supplied to the customer at the same declared voltage and tariff. Note: This can be a metering or summation point.

Public holidays means the treatment of charges on **public holidays** as specified by Eskom and as set out in paragraph 10.

Reactive energy charge means a c/kVArh charge based on the power factor and tariff of the **POD**.

Residential tariffs means the Homelight and Homepower suite of tariffs.

Rural$_p$ means areas classified as rural by Eskom for the purposes of tariff design and classification.

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3. Time-of-use periods

3.1. Nightsave Urban Large, Nightsave Urban Small and Nightsave Rural TOU periods

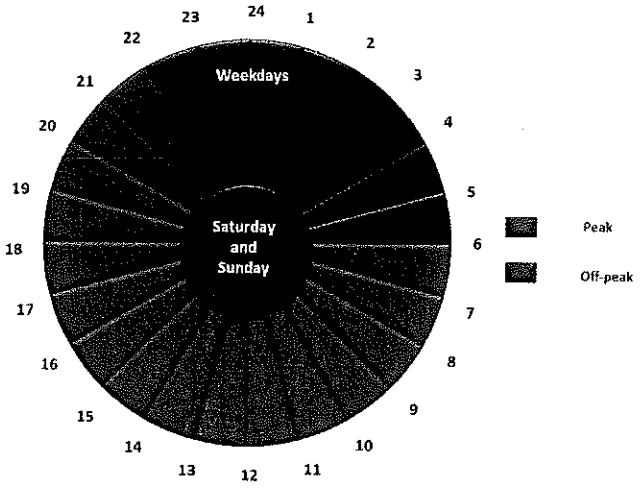


Figure 1: Nightsave TOU periods

3.2. WEPS, Megaflex, Megaflex Gen, Transflex 1, Transflex 2, Miniflex, Ruraflex and Ruraflex Gen: low and high demand seasons TOU periods

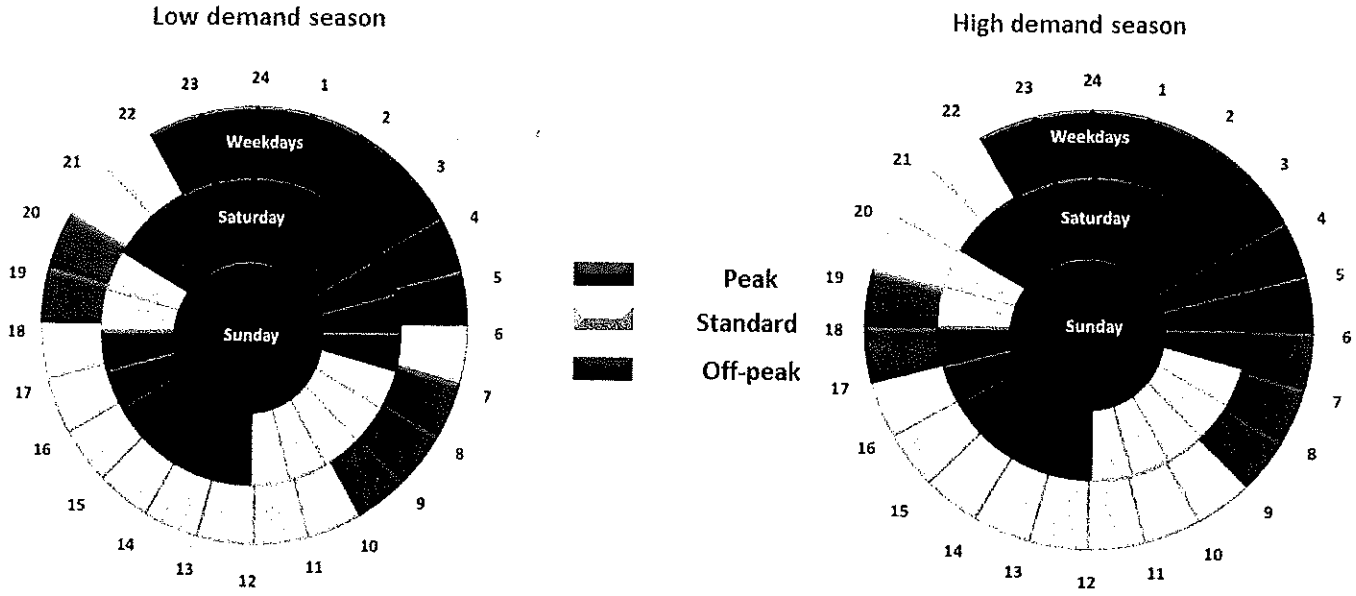


Figure 2: WEPS, Megaflex, Megaflex Gen, Transflex 1, Transflex 2, Miniflex, Ruraflex and Ruraflex Gen: low and high demand seasons TOU periods