

Circular: 045

22 May 2020

Dear Residents,

We have been looking into the utility charges at our Village. We asked our service provider Smart Matter To look into whether meterman who is the current utilities provider are billing on the correct structure according to the Eskom tariffs.

This highlighted a few inefficiencies in the way they were billing that needs to be corrected. Network capacity charges were not correct as well as the energy charge for block 2 were not implemented. This will be corrected from next week and will hopefully assist us in more accurately managing our utility charges.

We attach the letter from Smart Matter to this communication for your reference.

### **Practical application of the optimised utility structure.**

With the introduction of block and network capacity charges as set out by Eskom and illustrated below:

<b>Optimised Utility Structure</b>				
<b>Utility Type</b>	<b>Charge Type</b>	<b>Rate (incl. VAT)</b>	<b>UOM</b>	<b>Reference</b>
Electricity	Energy Charge Block 1 [0-600kWh]	1.5645	R/kWh	Eskom Residential Tariffs HomePower Standard - Local Authority Charge
Electricity	Energy Charge Block 2 [>600kWh]	2.5157	R/kWh	(HomePower 4 single phase 16kVA 80A per phase)
Electricity	Network Capacity Charge	4.09	R/POD/Day	

### **Block charges**

It is important to note that when purchasing electricity in any particular calendar month the first 600 kWh units will cost R1.5645 and any additional units purchased in the same month will move into the next block charge and cost R2.5157. Your meter will reset once a month at 12pm on the last day of each month. Therefore, going forward, it would not be advisable to bulk purchase large quantities of electricity upfront for the months ahead as all units over 600 will be at the higher block 2 tariff.

### **Network Capacity Charge**

The daily R4.09 network capacity charge will accrue daily to your prepaid meter and will be deducted from your electricity purchases. Meaning that the daily accumulated network capacity charge billed against your meter will first be deducted from your electricity purchase with the remainder of the cash then being converted into kwh units.

Please refer below for an example:

<b>Example</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Legend</b>
Daily Network Capacity Charge	R4.09	R4.09	R4.09	A
Number of days since last electricity purchase	15	30	45	B
Accumulated network capacity charge	<b>R61.35</b>	<b>R122.70</b>	<b>R184.05</b>	A*B
Purchase value of electricity	R500.00	R500.00	R500.00	C
Accumulated network capacity charge	-R61.35	-R122.70	-R184.05	D
<b>Rand value left for electricity</b>	<b>R438.65</b>	<b>R377.30</b>	<b>R315.95</b>	C-D = E
Energy Charge Block 1 [0-600kWh]	1.5645	1.5645	1.5645	F
<b>Number of kWh units issued</b>	<b>280.38</b>	<b>241.16</b>	<b>201.95</b>	E/F

Further information to assist you to manage your electricity consumption will follow shortly outlining the average amount of electricity that certain household items use as well as when peak times and off-peak times are.

Warm Regards



**Wilma Swart**  
Village Manager