

Circular: 050

01 June 2020.

Dear Resident,

As promised herewith a detailed explanation with back up documentation to explain to residents how electricity is recovered in ELV Broadacres.

The Village gets billed by Eskom as per below exert from Feb 2020.0 (I have attached the full invoice separately) This is for the entire Village consumption from the main point where electricity comes into the Village. The Village residents then use their pre-paid meters to pay for electricity using the Meter man. Meter man then pays over this electricity money to ELV who use this money to pay the Eskom bill.

As you can see the Eskom bill charges ELV for:

Network Capacity Charge 50 kVA @ R28.47
 Network Demand charge (Peak & Standard) @ R0.1762/ kWh
 Then the actual electricity consumed is broken down into:
 Low season peak energy R1.0921/ kWh
 Low season Standard energy charged @ R0.7536/ kWh
 Low season Off-Peak Energy Charge @ R0.4804 kWh
 Affordability subsidy @ R0.0382 / kWh on all consumption
 Electricity and rural subsidy @ R0.0848 / kWh

The total electricity consumed by the Village in February 2020 was 94456 kWh.
 This was charged in the different split rates. The full Eskom Bill for February 2020 was R122,229.95

Then there is the money that gets paid over to ELV by meterman, which was R48811.35 This is for the houses. SmartMatter does the same as meter man but for the Apartment blocks. They paid over R4463.00 for the apartments for February 2020. Unique Health's electricity is metered separately and they get charged for their consumption which was R6573.65 in February 2020.

As you can see from the below, when the money that is paid over is deducted from the Eskom Bill outstanding amount, we have under recovered R59848.00 for February 2020. We usually use about R20 000.00 a month for electricity for the club house which includes the heating of the pool's water as well as running the electric fences and the CCTV cameras as well as street lights and other spot lights through the Village. This then still leaves us with about a R40 000.00 under recovery for February 2020.

	Expense	Recovery Electricity			
	Eskom	The Meter Man	Unique Health	Smart Matter	Total Recovery
February 2020	122,229.95	(48,811.35)	(6,573.65)	(4,463.00)	(59,848.00)



CENTRAL REGION
PO BOX 8810 JHB 2000

CONTACT CENTRE: (0860) 037566

FAX NO: 0862 437 566

E-MAIL: customerservices@eskom.co.za

WEB: WWW.ESKOM.CO.ZA

EVERGREEN LIFESTYLE VILLAGES (PTY)
PO BOX 30487
TOKAI
7966

YOUR ACCOUNT NO	8824640158
BILLING DATE	2020-02-25
TAX INVOICE NO	882104711137
ACCOUNT MONTH	FEBRUARY 2020
CURRENT DUE DATE	2020-03-11
VAT REG NO	4850236888
NOTIFIED MAX DEMAND	500.00
UTILISED CAPACITY	500.00

CONSUMPTION DETAILS (2020-01-21 - 2020-02-20)

ENERGY CONSUMPTION OFF PEAK kWh	36,601.52
ENERGY CONSUMPTION STD kWh	40,859.93
ENERGY CONSUMPTION PEAK kWh	17,203.93
ENERGY CONSUMPTION ALL kWh	94,465.28
DEMAND READING - kW/KVA	244.01
REACTIVE ENERGY - OFF PEAK	1,341.82
REACTIVE ENERGY - STD	2,758.51
REACTIVE ENERGY - PEAK	1,008.91
REACTIVE ENERGY - ALL	5,109.04
LOAD FACTOR	52.00

PREMISE ID NUMBER: 6217873955 TARIFF NAME: Miniflex Interval

HOLDING 11 EXTENSION 21

Administration Charge @ R19.84 per day for 31 days	R	615.04
Network Capacity Charge 500 kVA @ R28.47 : = R28.47/KVA	R	14,235.00
Network Demand Charge (Peak & Standard) 57,864 kWh @ R0.1762 /kWh	R	10,195.64
Ancillary Service Charge 94,465 kWh @ R0.0044 /kWh	R	415.65
Low Season Peak Energy Charge 17,204 kWh @ R1.0921 /kWh	R	18,788.49
Low Season Standard Energy Charge 40,660 kWh @ R0.7536 /kWh	R	30,641.38
Low Season Off-peak Energy Charge 36,602 kWh @ R0.4804 /kWh	R	17,583.80
Affordability Subsidy 94,465 kWh @ R0.0382 /kWh	R	3,608.66
Electrification and Rural Subsidy 94,465 kWh @ R0.0848 /kWh	R	8,010.63
SERVICE CHARGE	R	2,192.94

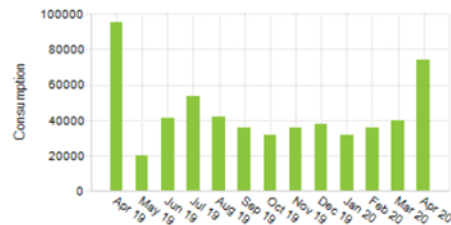
TOTAL CHARGES R 106,286.93



Statement

Date: 2020-04-29 Utility: Electricity
Account Type: STS Prepaid Services: Prepaid
Email: admin@themeterman.co.za
Tel: 0861 115 612 Fax: 086 563 5986

Client: EVERGREEN RETIREMENT LIFESTYLE VILLAGE (PTY) LTD
Email: jeneanec@amdec.co.za
Address: EVERGREEN RETIREMENT VILLAGE, FREDERICK ROAD, KENGIES EXT 21, JOHANNESBURG
Bank: FNB BANK
Branch: 204109 GLOBAL TRANSACTIONAL SERVICES C/TON
Account: 62193127935
Reference: TMM Evergreen RV



Periods between the 21st of the starting and the 20th of the ending month. Meters and periods with low/no usage between 0 - 150 units are highlighted in red.

Unit	Meter	Mar19 - Apr19	Apr19 - May19	May19 - Jun19	Jun19 - Jul19	Jul19 - Aug19	Aug19 - Sep19	Sep19 - Oct19	Oct19 - Nov19	Nov19 - Dec19	Dec19 - Jan20	Jan20 - Feb20	Feb20 - Mar20	Mar20 - Apr20	Total
Total	Units	95 651.80	20 277.40	41 248.50	53 548.80	41 685.00	35 808.70	31 982.60	35 818.90	37 958.70	31 725.00	35 983.30	39 783.30	74 110.10	
	Amount	R 118 000.71	R 27 505.05	R 55 954.05	R 72 838.30	R 58 545.85	R 48 708.95	R 43 358.45	R 48 587.78	R 51 400.95	R 43 034.55	R 48 811.35	R 53 986.10	R 100 533.72	
	Fixed	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	
	Total	R 118 000.71	R 27 505.05	R 55 954.05	R 72 838.30	R 58 545.85	R 48 708.95	R 43 358.45	R 48 587.78	R 51 400.95	R 43 034.55	R 48 811.35	R 53 986.10	R 100 533.72	

Meter man's recovery for units used that was paid over for February 2020 was 35 983.30 units charged at R1.3565 per unit = R48 811.35. (Remember this was before the increase).

So when we asked Smart Matter to look at why we were under recovering so much, they pointed out to us that Meter man was charging all units at the R1.56 per unit and not charging the higher R2.52 for all units over 600 kWh as well as not taking the Network Capacity charge of R4.09 per day into account. Eskom charges the Village R4.09 per day per point of distribution. Which means that R4.09 x 130 houses = R531.70 is charged to the Village. This was then in effect not being recovered from residents and ELV Broadacres had to pick up this expense.

The answer to fixing this under recovery was to start charging the correct rates and to ensure we recover the higher rate for electricity over 600 KWh and that we recover the Network Capacity charge.

Optimised Utility Structure				
Utility Type	Charge Type	Rate (incl. VAT)	UOM	Reference
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	

Below I have given you extracts from the published Eskom Tariffs & Charges for 2019/2020 which shows that we are billed under Home power 4 for a house with single phase 16kVa (80 A per phase) with the R4.09 per day per Point of Distribution.

ELV have instructed meter man to make sure that they are charging the Eskom tariff so that we are recovering the exact cost as accurately as possible and so that you would pay the exact same amount that any other person residing in the fourways area would pay who gets their electricity from Eskom.

I trust this answer most questions about the complicated way in which our electricity structure works as well as the fact that we are happy to be transparent with our processes and finances as we ultimately do not run the Village on the principle of making a profit. The principle is to break even as the cost to run the village for a year is what levies are based on.

I will off course gladly answer any other questions anybody might have on this.

Your ever-caring Village Manager



Wilma Swart
Village Manager

Tariffs & Charges 2019/2020



Charges for non-local authorities
effective from 1 April 2019 to 31 March 2020
Charges for local authorities effective
from 1 July 2019 to 30 June 2020
(Please refer to the 2018/19 tariff book for local authority
tariffs 1 April 2019 to 30 June 2019)

1. Customer contact information	4
2. Eskom's customer service charter	4
3. Foreword	5
4. Abbreviations	6
5. Definitions	7
6. Standard fees/charges for services rendered	10
7. Urban _p tariffs	
NIGHTSAVE Urban	11
Nightsave Urban <i>Large</i> - Non-local Authority charges	12
Nightsave Urban <i>Large</i> - Non-local Authority charges	13
Nightsave Urban <i>Small</i> - Non-local Authority charges	14
Nightsave Urban <i>Small</i> - Local Authority charges	15
MEGAFLEX	16
Megaflex - Non-local Authority charges	17
Megaflex - Local Authority charges	18
Megaflex Gen - Non-local Authority charges	20
MINIFLEX	21
Miniflex - Non-local Authority charges	22
Miniflex - Local Authority charges	23
BUSINESS RATE	24
Businessrate - Non-local Authority charges	24
Businessrate - Local Authority charges	24
PUBLIC LIGHTING	25
Public Lighting - Non-local Authority charges	26
Public Lighting - Local Authority charges	26
8. Residential tariffs	
HOMEPOWER	27
Homepower Standard - Non-local Authority charges	27
Homepower Standard - Local Authority charges	27
Homepower Bulk - Non-local Authority charges	28
Homelight - Non-local Authority charges	28
9. Rural _p tariffs	
NIGHTSAVE Rural	29
Nightsave Rural - Non-local Authority charges	29
Nightsave Rural - Local Authority charges	30

On 7 March 2019, the National Energy Regulator of South Africa (Nersa) determined Eskom's allowable revenue for Eskom for the Multi-Year Price Determination (MYPD) 4 period of 2019/20 to 2021/22 as follows:

Table 1: Allowed Revenues Decision

MYPD4	Decision 2019/20	Decision 2020/21	Decision 2021/22
Total expected revenues from all customers (R'm)	206 380	221 843	233 078
Negotiated price agreement and international customers (R'm)	15 441	16 736	18 480
Revenues from tariffs based sales (R'm)	190 939	205 107	214 598
Forecast sales to tariff customers (GWh)	186 064	184 898	183 856
Standard average tariff (c/kWh)	102,62	110,93	116,72
Percentage tariff increase (%)	9,41%	8,10%	5,22%

However, on 2 October 2018 and 30 October 2018 NERSA also approved the recovery of Eskom's MYPD3 RCA balance for year 2 - 4 of R7 776million for a period of 4 years, which means the following revenues (and consequent annual price increase percentages) are at this stage allowed during the MYPD4 control period:

		2018/19	2019/20	2020/21	2021/22
Standard tariffs: Nersa Decision	RCA Year 2-4		7 776	7 776	7 776
	MYPD4		190 939	205 107	214 598
	Total revenues	176 409	198 715	212 883	222 374
	Sales volumes	188 082	186 064	184 898	183 856
	Avg price before RCA	93,79	102,62	110,93	116,72
			9,41%	8,10%	5,22%
	Avg price after RCA	93,79	106,80	115,14	120,95
			13,87%	7,81%	5,05%

Based on this allowed revenue, the Eskom Retail Tariff Structural Adjustment (ERTSA) submission for 2019/20 was approved by Nersa on 13 March 2019. The tariff increases for the 2019/20 financial year are as follows:

Total Standard tariffs	13.87%
Municipal - 1 July	15.63%
Eskom direct	
Key industrial and urban Megaflex, Miniflex, Nightsave Urban, WEPS, Megaflex Gen	
Affordability subsidy charge ^a	15.41%
All other tariff charges	13.87%
Other Urban	13.87%
Rural Ruraflex, Nightsave Rural, Landrate, Landlight, Ruraflex Gen	
Homelight 20A Block 1 (>0-350kWh) Block 2 (>350kWh)	13.87%
Homelight 60A	13.87%
Homepower	13.87%

HOMEPOWER Standard

Suite of electricity tariffs for residential customers and also may be applied to supplies such as churches, schools, halls, clinics, old-age homes or similar supplies in Urban, areas with an NMD of up to 100 kVA, with the following charges:

The Homepower Standard tariff is made up of a range of tariffs, as follows:

Homepower 1	dual-phase 32 kVA (80 A per phase) three-phase 25 kVA (40 A per phase)
Homepower 2	dual-phase 64 kVA (150 A per phase) three-phase 50 kVA (80 A per phase)
Homepower 3	dual-phase 100 kVA (225 A per phase) three-phase 100 kVA (150 A per phase)
Homepower 4	single-phase 16 kVA (80 A per phase)

The Homepower Standard tariffs for Non-local and Local Authority supplies has the following charges:

- Inclining block rate c/kWh energy charges applied to all energy consumed, divided into two consumption blocks;
- a R/POD/day network capacity charge based on the NMD (size) of the supply;

HOMEPOWER Standard - Non-local authority rates

	Energy charge (c/kWh)				Network capacity charge (R/POD/day)	
	Block 1 (>0-600kWh) VAT incl		Block 2 (>600kWh) VAT incl		VAT incl	
Homepower 1	133.83	153.90	211.32	243.02	5.73	6.59
Homepower 2	133.83	153.90	206.04	236.95	10.74	12.35
Homepower 3	133.83	153.90	206.04	236.95	22.18	25.51
Homepower 4	133.83	153.90	215.21	247.49	3.50	4.03

HOMEPOWER Standard - Local authority rates

	Energy charge (c/kWh)				Network capacity charge (R/POD/day)	
	Block 1 (>0-600kWh) VAT incl		Block 2 (>600kWh) VAT incl		VAT incl	
Homepower 1	136.04	156.45	214.81	247.03	5.82	6.69
Homepower 2	136.04	156.45	209.42	240.83	10.92	12.56
Homepower 3	136.04	156.45	209.42	240.83	22.55	25.93
Homepower 4	136.04	156.45	218.76	251.57	3.56	4.09

For a description of the charges – refer to the definitions – page 7, 8, 9, 10

