

Circular: 065

28 July 2020

Dear Residents,

**PRACTICAL APPLIATION OF OPTIMISED UTILITY STRUCTURE IMPLEMENTATION.**

As you are aware we have been looking into the utility charges at our Village over the past two months. We have consulted with our service provider Smart Matter to look into whether meterman who is the current utilities provider for resident's are billing on the correct structure according to Eskom tariffs.

The answer was very definite that the billing was not correct and that this resulted in Evergreen showing an under recovery.

This highlighted inefficiencies in the way billing was being done that needed urgent correction if we were to avoid a similar under recovery for the new financial year.

After the communication was send out to inform residents of the investigation of the under recovery of electricity, we received a lot of question on the proposed way forward. We then decided to not implement this proposed increase yet, but to consult further and call upon Jac Messerschmidt (an ex-Eskomite) to help us to finally get this cost breakdown closer to correct.

After numerous lengthy consultations with Jac and others to ensure that we were on the right track to ensuring we are billing correctly, we established that the only way to determine the actual under recovery of Electricity accurately, would be to do a full 12-month Electricity audit. This way you look at the overall consumption over a year and not just at a certain month where winter rates and peak time consumption might distort on certain months. This was done for the period June 2019 to May 2020.

Jac Messerschmidt identified that the published Eskom Tariffs and Charges 2019/2020 was only valid till April 2020 and that the new Eskom Tariffs and Charges 2020/2021 had to be used to calculate the unit price to be charged. We also identified that Smart matter had used the incorrect assumption that electricity supply to houses were 80 A single phase when indeed they are 60A single phase.

After these extensive audits and consultation, it was agreed that Homelight would be the correct tariff to use for charges as all houses have 60 Amp circuit breakers only.

The Homelight suite of tariffs is made up of the following tariffs:

Homelight 20A	20A supply size (NMD) typically for low consuming supplies
Homelight 60A	60A prepayment or 80A conventionally metered supply size (NMD) typically for medium to high consuming supplies

**We have thus implemented this tariff with immediate effect.**

## Homelight - Non-local Authority

Homelight 60A	Energy charge [c/kWh]	
		<i>VAT incl</i>
<b>Block 1</b> [> 0 - 600 kWh]	<b>137.70</b>	<i>158.36</i>
<b>Block 2</b> [>600 kWh]	<b>234.06</b>	<i>269.17</i>

### Block charges

It is important to note that with Homelight when purchasing electricity in any particular calendar month the first 600 kWh units will cost R1.5836 and any additional units purchased in the same month will move into the next block charge and cost R2.6917. 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

Electricity consumption will continue to be monitored closely by Management to see if we have managed to accurately recover these charges with the changes we have implemented.

Information to assist you to manage your electricity consumption, as well as a schedule of peak and off-peak times were sent out already, and we trust that this has assisted you in reducing your electricity consumption.

Should you still be uncertain as to how this would affect you, please feel free to contact me for clarity.

Your ever-caring Village Manager



**Wilma Swart**  
Village Manager