

Circular 068

30 July 2020

LETTER FROM JAC MESSERSCHMIDT – ONE STEP FORWARD

Good afternoon all

A little over two months ago many of us were shocked by Broadacres Circular 045. which stated that our utility rates were being reviewed. Our electricity tariffs would be increased by slapping a new daily network charge our prepaid electricity bill. Several people reacted to this by sending messages to our Village Manager, Wilma, including myself. As a result, the matter was reviewed and clarified in Broadacres Circular 050 of 1 June 2020.

In response to some of my questions, Wilma obtained clarification from a company called SmartMatter, who manage the utilities for the Apartment Blocks on behalf of Evergreen (much like Meterman does for the houses and cottages, I understand). SmartMatter investigated our electricity tariffs. Unfortunately, they were under the wrong impression that our main breaker size was 80A (it is in fact only 60A). They also assumed that we were located in a local authority area of supply, which of course is also wrong. We are supplied directly by Eskom from the substation at the corner of Pine and Lombardy Road. On top of that, they used an out-of-date Eskom Tariff Schedule.

No surprises that they came up with the wrong answers.

SmartMatter was then asked what answer they would have given if they had been working from the right assumptions. The answer came back very smartly: Why, Eskom Homelight using the correct Eskom Tariff Schedule, of course. And that is why Wilma, in her latest circular 065, has put the price at R1.5836/kWh for consumption below 600 units per month, and R2.6917/kWh for each unit bought above that. Some folk were puzzled by the statement that "Your meter will reset once a month at 12pm on the last day of each month ", so some clarification is in order

The prepayment meter in your home will not be affected. Your meter's account with Meterman will be reset once a month at 12 pm on the last day of each month. Nothing will physically happen to or on the meter in your home. All the units in your meter, and all the units that you have already bought, will remain valid (at the price you paid for them) until you use them. Only your "slate" with Meterman will be "wiped" clean each month. You will then be able to buy a further 600 kWh at the Block 1 rate, and if you buy more than 600 kWh in the same month, the price per unit will automatically increase to the Block 2 rate. You can load these units at any time in the future. It would therefore be advisable to manage your future electricity purchases with this limitation in mind.

Nothing will change on your meter itself. All the units you have stored on it will remain stored as before, and all your unused vouchers will remain valid. It is planned to do a "stock keeping" of these stored units to help to better account for the difference what is bought and what is used, but that will not change anything. Your meter does not know what you paid for the units you loaded into it. It is only interested to know that you have enough units to subtract what you use from. The accounting is handled by Meterman, and the measuring is done by your meter.

Bear mind that there is a change in thinking, though. Limits are now placed on the price of units of electricity you buy each month, not on how many units you use. So, adapt your purchasing habits accordingly. The first 600 units you buy in each month will come at the Block 1 price, and all the units you buy in the same month thereafter will set you back at the Block 2 price (considerably higher). Don't get caught short on Block 1 units. Each month, your Meterman account is reset to zero (bought) again, and you can start all over again. It will be up to you to be smart about this to keep overall costs down. Main consideration: load as many Block 1 units as you have, and keep

some in stock. This will also reduce the demand on the electricity network (be mindful of switching on electricity guzzlers like geysers, ovens, heaters, tumble driers, air conditioners and all the rest). If the little light on your meter flickers too fast, you should look what you've got running, and switch off until it flickers more sedately. Become electricity-wise.

There are other issues that have cropped up from this investigation. These are more of an accounting nature rather than a tariff nature, so you will forgive me for not commenting on them in detail. Of the outstanding issues to be tackled, the first is the under-utilization of the big Eskom transformer at the gate, which can handle 500 kVA, but is never pushed to more than about 350 kVA. Nevertheless, we pay for the whole capacity of 500 kVA every month. The solution is simple. Evergreen needs to apply formally to Eskom to reduce this unused capacity. Quite a simple exercise, but it could save us R50-60 000 per year - money worth having for the price of just asking!

Secondly, to correctly recover electricity costs from third party service providers (like contractors and Unique Health) and balance the internal books, we need a few additional electricity meters, as Wilma has been asking for some time. These would include meters for street lighting, the security fence, gate and surveillance equipment, borehole and water circulation pumps, etc. Perhaps the existing metering also needs to be calibrated afresh, and the circuit diagrams updated.

Thirdly, the original assertion that there was an R800 000 under-recovery in the February 2020 electricity accounts raised serious questions about the accounts in general rather than electricity tariffs specifically. Several people who cast their eagle eye over the numbers were unable to find a discrepancy, no matter how much they scratched, myself included, but then accounting was never my strong point. However, I cannot stress enough that we as residents should remember that we pay for the whole Eskom bill (aside from third party recoveries), either in the form of prepaid private use, or for communal use through the levies. Recoveries from contractors and service providers can only be accurately rendered if there is adequate and accurate metering in place.

So that brings me to my very last point. Always remember that you pay for it all, directly or indirectly. So it pays everybody, whether in the apartments, in the units, in the clubhouse, in the kitchen and in the laundry and the boiler room (or your geysers) to avoid peak hours electricity use. The miniflex tariff, like Eskom charges us at the gate, is the right tariff for doing that. If you can delay your baking and boiling, washing and drying to off-peak times, you will help to reduce the overall Eskom bill and so reduce what you eventually end up paying, either through prepayment or through the levy charges. If everyone does his/her duty, everything will turn out all right, as Jan Brand once said.

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