



The leading electricity provider

**Erongo Regional Electricity Distributor Company (Pty) Ltd  
(Reg. No. 2004/074)**

**PRESS RELEASE  
21 June 2010**

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**Erongo RED informs about new projects and tariffs**

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Walvis Bay:

On Monday 21 June 2010 Erongo RED, the leading electricity provider, held a press conference at their Board Room in Walvis Bay. The press conference had been called to inform the public of the Erongo RED tariff review for 2010/2011 while at the same time highlighting some of the major current ongoing projects and projects that are in the pipeline.

Erongo RED CEO Gerhard Coeln, who led the media conference, mentioned the top eight objectives that the tariff review was aiming at. These included for example the fact that the new tariffs would have to generate sufficient revenue to meet the revenue requirements of Erongo RED, while at the same time limiting the impact by ensuring only reasonable increases for the consumer. He continued to say: "We are also aiming at harmonising tariffs in various areas over time, lowering demand and power consumption by specifically catering for low income - low consumption consumers, increasing access to pre-payment metering and offering subsidies to customers moving to the 20Amp pre-payment. We are furthermore looking at generating sufficient funds to fund the bulk supply upgrades in Walvis Bay, Swakopmund and Henties Bay as well as other capital projects. Finally we are also aiming at splitting the current demand charge on bulk customers into a Network Access charge plus Demand Charge.

The bulk upgrades along the coast will increase capacity as follows:

	FROM	TO
WALVIS BAY	40 MVA	80MVA - firm
HENTIES BAY	5 MVA	8 MVA
SWAKOPMUND	19.4 MVA	30 MVA - firm

Many of the objectives set by Erongo RED are challenging and far sighted and will not be achievable within one year. Coeln: "Many of them are projects which will stretch over a period of time, but which will be begun in this next tariff year. Our two main objectives for this year will thus be the achievement of generating sufficient revenue while at the same time keeping our customers happy with reasonable price increases at the same high level of service they have come to expect. Tariff harmonisation has been taken as the secondary objective. "

At the press conference no pricing or percentage increases could yet be revealed as the proposed structure by Erongo RED was still subject to the approval by the ECB. CEO Coeln, however, did reveal a number of proposals regarding projects which Erongo RED is envisaging to streamline their provision, while at the same time easing the burden on consumers and continuing to deliver excellent service. These projects include for example a new approach towards pre-paid metering available in the Erongo region, which includes social subsidised rates, 20 cents discount for units used below the historic average

of 150 units, and offering to exchange 20A small-consumers (no basic) connections to pre-paid free of charge subject to certain terms and conditions.

“We also have infeed tariffs in place where we are prepared to purchase electricity from such people that might generate more than what they use. In this way we start concentrating on renewable energy and doing our bit to save energy and local generation on electricity. While this is still in its infancy, it nevertheless might grow into something big and substantial over the years. The existing wind generator outside Walvis Bay has generated the interest of at least three serious contenders to build wind farms along the Namibian Coast,” added Coeln.

Over the next year Erongo RED also made provision to have the meter reading to cash cycle in Walvis Bay brought in line with the other towns in the Erongo Region, as it is currently still one month longer than normal. This will be done over a 12 month period and will cause minimum disruption to consumers and the company as a whole.

From July 2010 Erongo RED will implement a split into Network Access and Demand charges throughout the region to bring these in line with the charges as introduced by NamPower in 2009.

A new method of calculating the TOU tariffs was introduced by the ECB that requires distributors to only add their operating costs in cents/kWh sold onto the TOU tariffs paid to NamPower. Erongo RED wants to introduce this methodology slowly over a number of years in order to reduce the impact on bulk customers.

The new Time Of Use – TOU- time slots effective from July 2010 are as follows:

	Namibian Summer Time			Namibian Winter Time		
	Peak	Standard	Off-Peak	Peak	Standard	Off-Peak
<b>Weekday</b>	08h00 - 13h00 18h00 - 21h00	06h00 - 08h00 13h00 - 18h00 21h00 - 22h00	00h00 - 06h00 22h00 - 24h00	07h00 - 12h00 17h00 - 20h00	05h00 - 07h00 12h00 - 17h00 20h00 - 21h00	00h00 - 05h00 21h00 - 24h00
<b>Saturday</b>		07h00 - 12h00 18h00 - 20h00	00h00 - 07h00 12h00 - 18h00 20h00 - 24h00		06h00 - 11h00 17h00 - 19h00	00h00 - 06h00 11h00 - 17h00 19h00 - 24h00
<b>Sunday</b>			00h00 - 24h00			00h00 - 24h00

Erongo RED CEO Gerhard Coeln assured the media and the public about the ongoing quest by the leading electricity provider to continually find new ways and means in ensuring ongoing electricity, superior service and competitive as well as affordable pricing at all times.

Please contact your nearest Erongo RED for more information.

**Mr Gerhard Coeln**  
**Chief Executive Officer**  
**Tel: 064-214 600**  
**Fax: 064-214 601**

**Erongo Regional Electricity Distributor**  
**Company (Pty) Ltd**  
**PO Box 2925, Walvis Bay, Namibia**  
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