



Erongo Regional Electricity Distributor Company (Pty) Ltd

Reg. No 2004/074

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EXPLANATORY NOTES ON APPROVED TARIFFS (2010/2011)

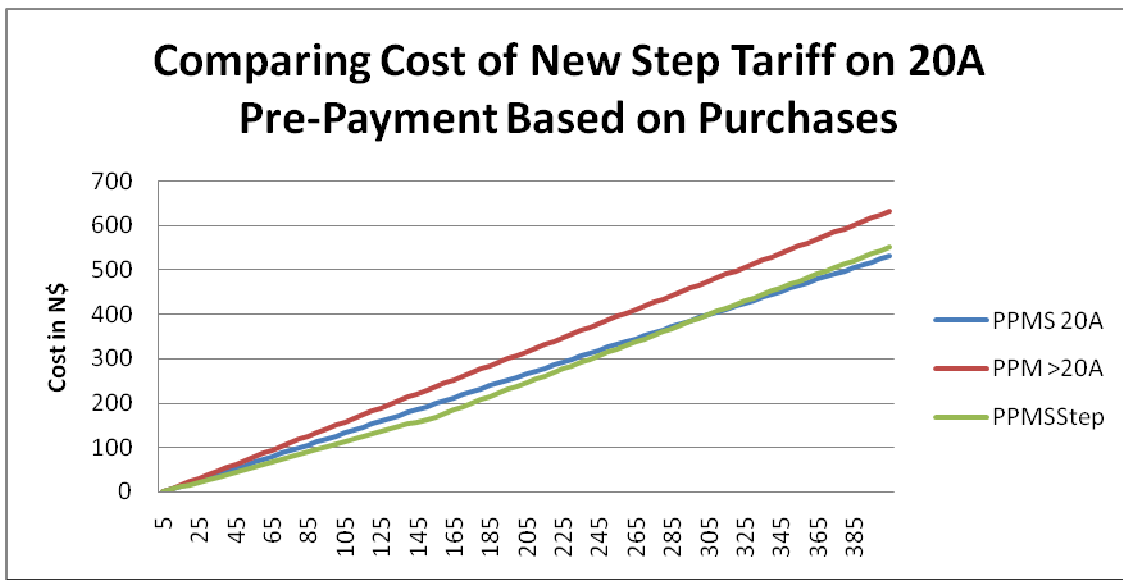
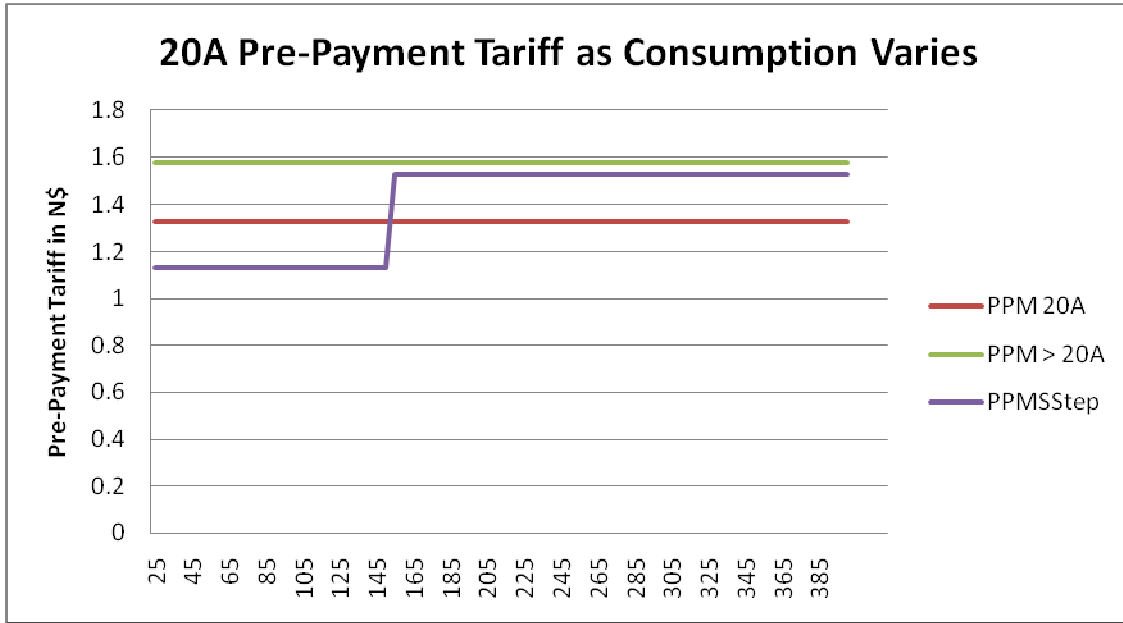
Single Phase Conventional:

- **The tariffs “without basic” will no longer be available after June 2010.** Existing connections are honoured until such time as the connection numbers have declined down to 20% of original values when the remainder will be transferred to appropriate tariff categories. A subsidization is offered to any customer wishing to transfer to the 20A single phase pre-payment tariff which include a free pre-payment meter. Installation and modification at the customer’s residence will be for the customer’s account.
- **New Service Connections in Rural Areas will be limited to pre-payment meters only.** That is areas not located inside demarcated town areas. These customers are only offered an option of pre-payment metering.
- The remainder of the Single Phase Conventional tariff classes is available to anyone who apply with the connection sizes available as indicated. Existing non-standard circuit breaker sizes will be honoured, but all new connections will only be 20/30/40/50/60Amp connection. No other connection sizes can be entertained. Business customers will be charged VAT in addition to the tariffs listed.
- **A new grouping of single phase options has been offered for Ex NamPower rural customers as some are only single phase customers.** The Ex NamPower tariff never provided for them and they can relocate upon application to a new single phase tariff class. No back charge refunds will be made.

Single Phase Pre-Payment:

- **The 20A single phase (SP) pre-payment tariff class is the social assistance tariff (low income, low consumption customers) offered by Erongo RED and is known as the Pre-Payment Step tariff. This tariff is available to anyone that applies and can make do with only a 20A single phase connection. Applicable to this tariff class is a step tariff.** For the first 150 units purchased during any month, the units will be supplied at a subsidized rate and at a higher rate thereafter. Refer to the tariff schedules and below indicated graphs for the applicable tariffs. This offer is applicable

during a calendar month period and should purchases not be made during a month, that month's subsidized units cannot be carried over to the next month.



- In Swakopmund, pre-payment metering is offered to anyone that can do with a connection size of 30A or less. No larger connection than 30A is offered in Swakopmund. In other towns, any size of pre-payment connection can be applied for subject to the circuit breaker sizes listed on the tariff schedules for conventional single phase. Larger connection will be allowed for in Swakopmund over time.
- This tariff class is applicable for residential as well as business connections. For the latter, the VAT of 15% is added to the tariff rate as for any other tariff listed.
- Erongo RED reserves the right to refuse any application considered not suitable for the 20A Pre-Payment Step tariff.

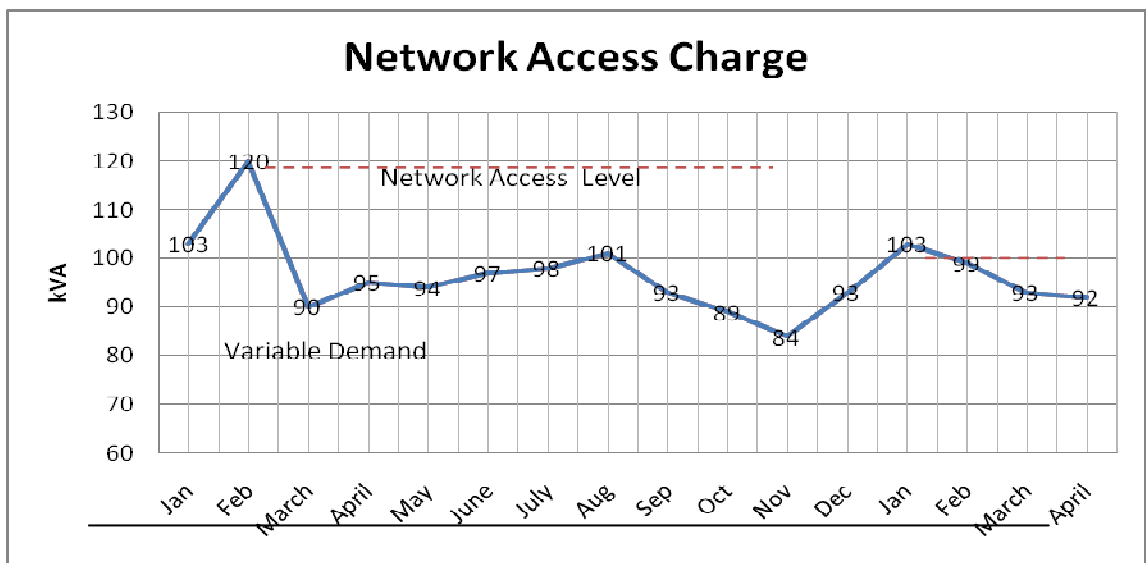
- Erongo RED also reserves the right to increase the circuit breaker size if it is found that the installed unit continues to trip more than twice during a week.

Three Phase Conventional Connections:

- All new connections are to be of the circuit breaker sizes as listed in the tariff schedules. No other sizes are allowed, but historic sizes will be honoured until changed by the customer.
- Exceptions currently entertained are for Ex NamPower customers that are 3 x 100A or 3 x 120A. These are to be phased out in due course.
- All new connections larger than 3 x 80A are to be on Bulk Tariffs.

Bulk Customers:

- These tariffs are applicable to customers that have connection sizes larger than 3 x 80A Three Phase. Connection applications are handled by the Network Support Services Department and dealings concerning connection fees and deposits are handled by them as well.
- Note that ALL applications must be routed through Customer Services – application forms, deposits and the like. No new connections requiring Demand to be measured in kW are to be entertained. Existing kW connections will be honoured until changed by customer.
- These customers are subject to a Service Fee, Demand Charges and TOU energy charges. **The Demand Charges is from 2010/11 divided into Network Access Charges and Demand Charges.** The Network Access portion is billed on the highest peak of KVA during the past twelve months or the current peak, if higher, and should no higher peak occur during the following twelve months than used at that time, a new value based on a peak during the past twelve (12) months will be used. It is therefore possible to manage charges by not causing undue large peaks. The demand portion is billed on the actual demand during the past month period. An explanatory picture is indicated below with a short description thereafter.



Indicated above is a sample graph of how such calculations will be done. From the first Feb, the customer will be charged on 120kVA up until the end of the second Jan as indicated by the dashed line from the 120 indication onwards. No higher peaks were in between, so the charge remained as described. At the second Feb, the previous twelve month's highest peak was 103kVA at the second Jan. From thereon, the charge will be calculated based on 103kVA for the next twelve months, unless a higher peak is recorded in the mean time at which time the twelve month counter will be restarted from zero at the value of the new higher peak.

- Customers billed on Demand in kW are of the Ex NamPower customers. The intention is also to migrate this class in due time to the relevant kVA Class.

Other Charges/General:

- Undeveloped Erven. This charge is applicable to erven in serviced areas that are not yet developed nor connected. In Walvis Bay and Swakopmund this is based on the size of the erf, but no smaller than 300m² is taken for the calculation. Other towns have a flat fee for this charge as listed in the tariff schedules. The intention is later to escalate this fee over time to be equal to the basic charge for a 40A Single Phase connection.
- Power Infeed applications must be referred to the Network Support Division for discussion and clarification with the customer. The tariffs offered are equal to the average Erongo RED kWh charge less Local Authority Surcharge for single phase infeeds up to 60Amp and three phase infeeds up to 3 x 80A Three Phase. Large power suppliers will only be paid the average tariff offered to Erongo RED by NamPower. The technical requirements for such a connection to which the customer/supplier has to comply with are:
 - a) A formal application needs to be submitted at the relevant customer care center for consideration. This will be forwarded to the Network Support Services Division for consideration.
 - b) In this application, full details are to be provided of the equipment that would be used within the generation system and how it will connect to the power supply grid. What measures it has in place to prevent back feeds into the network and how it will synchronize to prevent undue trips and ensure satisfactory operation without undue harmonic content. The general guiding standard will be NRS 097 – Grid Interconnection for Embedded Generation.
- For consumers that wish to change their connection type from Bulk down to 3 phase, an application must be made for such. Erongo RED will investigate the site and based on a best practice approach compile a cost estimate that must be paid before revision work will be started. In instances, it may be that downgrading the connection will not be practically possible.
- Consumers wishing to convert from single phase conventional to pre-payment metering can do so by completing the relevant application and ensuring their accounts with Erongo RED, as applicable on the conventional meter, is paid up in full. As soon as the requirements are met, Erongo RED will install the pre-payment meter and arrange for the deposit still applicable on the conventional meter account, to be paid to the customers.
- All new meters installed remain the property of Erongo RED, as per the ECB connection charge policy guidelines.

Requests for new or revisions to metering installations are therefore to be done by the owner of the property unless arrangements have been made with the tenant to carry the costs.

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