

Tariff Explanatory Notes

1. The following section outlines the criteria used to determine the most cost effective tariffs.
2. Deposits are based on a two months average consumption. These are determine by taking the following factors into consideration:
 - a. Maximum power per tariff category.
 - b. Diversity factor, which is the sum of individual maximum demands divided by the total combined maximum demand.
 - c. Load factor, total energy consumed in a period divided by the maximum demand in that period.
 - d. Power efficiency, ratio of output power divided by the input power.
 - e. Cost of energy per month, in a unit rate of N\$/kWh.
 - f. Assumed average operational hours.
3. Pre-paid connection with meter is based on the cost of the different types of meters currently in the region, capital cost of Centralised Vending System pro rata per meter and the labour cost to install. This excludes the cable connection, and is paid for by the owner of the electrical installation.
4. Connection contract/Power Supply during office and after hours, is based on the cost of setting up the contracts and termination of contracts, for the supply of electricity.
5. Temporary connections have been removed from the options list due to misuse. Customers applying therefore have to apply for permanent connections to ensure meters are read and connections staying in place for years are treated correctly.
6. Temporary connection deposits are treated as for corresponding size permanent connections.
7. Special temporary connection deposits for single-phase and three-phase, are for temporary functions as requested by customers. These connections are primarily for weekend events or special functions. This tariff is based on recovering the cost of the connection including the labour, material and the electricity consumed. All Special temporary connection deposits will be non-refundable.
8. The Tender/Quotation Documentation is to recover the cost of setting up the final tender documentation. These documents are printed and provided by Erongo RED.
9. Late payment fee is charged to customers, who have not paid their accounts on the due date as stated on their accounts. All these customers will appear on the cut-off list, this is processed only afterwards. If a customer has paid in the interim, this charge is still applicable to cover all the administrative cost and compilation of this particular list.

10. Reconnection after breach of contract, office and after-hours is to cover the cost, when a customer has breached the contract signed with Erongo RED and any condition as stipulated in the Conditions for the Supply of Electricity and thereafter request for a new contract. If the power cable has been cut, then the reconnection can only be done by a qualified technical person. This charged is not additional to the above Late payment fee.
11. Special meter reading, is based on the cost of requesting an additional reading after the readings for the said period have been read and processed already. The cost in an urban area is substantially less than in rural areas, due to the distances to be covered.
12. Testing of current limiters is based on the cost of verifying the installed current limiter or circuit breakers, when requested by customer. If the information on the billing system is not correct then the customer forfeits the payment. If it is correct, the payment is refunded and the information is rectified on the billing system.
13. Replacement of Pre-paid vending card. Customers having pre-paid meters are issued with vending cards to purchase electricity upon application. If the cards get lost or damaged, or misplaced it has to be cancelled on the vending system and a new card has to be re-issued. This tariff is based on covering the cost of replacing the card.
14. Repairing faults for consumer during office and after hours is based on the cost of a call-out to the premises and doing fault finding. The cost is only applicable if the fault was caused by the consumer.
15. Replacing of seal, when broken by unauthorised person or when tampering with installation. The cost is charged as penalty to such a customer, for example for by-passing a meter.
16. A Circuit Breaker change is the cost of replacing the customer's main circuit breaker in order to reduce or increase the capacity required at the premises.
17. Cable Connection is based on the minimum cost of the installation of a new connection, whether single-phase or three-phase. The bulk connection is based on the actual cost, administration charges plus percentage profit. This minimum cost is non-refundable, and in the event that the cost is higher an invoice will be issued for the difference.
18. A service connection/underground is charged when a normal cable connection has been done by a contractor and Erongo RED is only required to connect such connection to an existing electricity network.
19. Penalty or fine is based on the cost of repairing damages as well as losses to Erongo RED caused by a contractor, customer or another person.
20. Meter reading testing, is based on the cost of requesting an additional reading or installing an additional test meter as requested by the customer.

21. Provision of connection where no service or connection is available is the charges based on the hourly rate of the different personnel, required to deliver a certain service. All the cost of labour and transport is charged hourly with additional administrative and profit charges. This is done in line with the connection charge policy guideline set by the ECB.
22. The Clearance Certificate fee is charged to customers, for the issuing of the certificate as well the calculation of the levies in advance. The calculation is based on the estimated time period for the property transfer to take place as well as the outstanding amounts as reflected on the property.
23. The RD cheque (Return to Drawer) fee is charged against the customer's account in the event where the cheque payment is returned as an unpaid item. The calculation is based on the estimated cost of the bank charges plus the administration thereof.
24. The debit order rebate fee is credit granted to customers for making use of this payment method.
25. The account print-out fee will be charged to customers requesting an interim account statement from any pay-point. This fee takes into account that a print-out is a duplication of cost, since all customers should receive an account on a monthly basis. However, should a customer not receive an account on a regular basis, despite the postal address being correct, the customer will not be charged and the reason for not receiving the account will be investigated.
26. Illuminate street signs are currently connected to the street light network. Erongo RED is receiving no benefit for all these signs, but the cost of electricity consumed is covered by Erongo RED. This tariff is based on covering the cost for a typical illuminated street sign with two to four 15 Watt to 60 Watt luminaries, which are on for approximately 300 hours per month, plus a capacity charge for 20 Ampere per month.
27. Rental of transport equipment to other utilities or customers for any reason will be charged to cover the cost at reigning AA Rates plus the labour. All these equipment will be driven and operated by Erongo RED employees at all times.
28. All the services which are not part of the tariffs in Annexure C, but which have to be executed by Erongo RED on request by the customer, will be the actual cost per service delivered plus administration charges and profit. The administration charges are based on a 15% of the total cost of the service delivered. The profit is based on the ECB calculated WACC, which is currently 6.7% of the total cost of the service delivered.
29. Installation inspection fees cover the costs incurred by Erongo RED to have an electrical installation tested and verified to be in accordance with SANS 10142, before a certificate of compliance is issued. The first inspection is covered by the connection charges, but the second and subsequent inspections are to be paid by the electrical contractor.

30. Contractors Penalty for failure to complete a Notice of Commencement of Works is charged on the electrical contractors that fails to complete the Notice of Commencement of Work with Erongo RED Technical Inspector. The fee is aimed at forcing contractors to commence with Erongo RED Inspector prior to commencing any electrical work in the Erongo region.