



# COJ TARIFFS

Schindlers Attorneys

# AGENDA

- Overview of empowering laws
- Concepts – tariff, category, zoning
- Electricity charges
  - Normal Freehold
  - Sectional title – “multi-dwelling” and blocks of flats (resellers)
  - Traders (third party meterers)
  - Business
  - LPU
  - Time of Use
- Prescription
- Changing tariffs
- Challenges to tariffs

# EMPOWERING LEGISLATION

- National legislation – “the four pillars”
  - Local Government: Municipal Systems Act
  - Local Government: Municipal Structures Act
  - Local Government: Municipal Finance Management Act
  - Local Government: Municipal Property Rates Act
- Other NB national acts
  - Consumer Protection Act
  - National Credit Act
  - Rental Housing Act
  - Electricity Regulations Act and NERSA standards
  - SPLUMA
  - National Building Act and Regs
- Many others

# EMPOWERING LEGISLATION

- Provincial legislation
  - Greater Metropolitan Municipality Electricity By-laws (COJ's electricity bylaws)
  - Provincial Heritage Resources Authority legislation
  - Town Planning and Townships Ordinance 1986

# OVERVIEW OF BILLING METHODOLOGY

- Municipality must charge for rates and taxes (which include sewer and refuse) based on “rate in the rand” formula (confirmed by several cases) – these are payable whether or not owner/occupier receives any benefits
- Municipality must charge for services on a consumption basis – charges are called “fees” – user pays principle
- Is lawful to cross subsidize (making richer suburbs pay more to prop up poorer suburbs)
- Amounts for each service or tax are determined by COJ each year in policy review process – published for comment – after comments considered approved by municipal council – referred to as a **tariff**
- Run from 1 July to 30 June of next year
- For services, subscribe to principle of “user pays” and “the more you use, the more you pay” – for electricity result is brackets or step tariffs – the more you use, the more you pay for higher rates of consumption

# CONCEPTS - CATEGORY

- Category
  - In the rates/electricity/water policy, there are explanations of the different types of **categories** of properties
  - The requirements for your property to qualify differ from one policy to the next
  - Not uniform across the policies – which is problematic
  - For example, there is a multiple purpose category in the rates policy (which we refer to colloquially as ‘mixed use’) and there is a mixed use category in the water and sewer tariffs, **but no such thing exists for refuse and electricity**
    - **For electricity you need to split meters to get the benefit that a mixed use category gives in rates/water**
  - You have to know which category you fall into first – this is based on the definitions in the policy document
  - To know which category you fall into, you have to look at the definitions – sometimes across various documents
  - Might be in the tariff document, policy, by-law or even national legislation, or even court judgments
  - Sometimes there is no policy (eg COJ has no electricity policy)
  - Sometimes the policy doesn’t describe the different categories of properties for the purposes of applying a tariff or the definitions or vague
  - Sometimes the categories are based on technical requirements of the meters/supply at the property, that the consumer doesn’t have knowledge of
  - It’s not as easy as it seems

# CONCEPTS - TARIFF


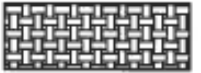

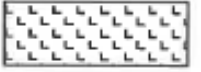
- The tariff is the price that you pay, based on the category that you are put into, based on the definitions in the municipal policy or by-law or national legislation
- The municipality determines how much you pay for services like electricity and water, by balancing the budget – looking at how much it needs to stay afloat, looking at its revenue sources, and projecting its prices accordingly
- The “price list” is published each year in the tariff document, which usually forms an annexure to the municipality’s approved budget for the upcoming year

# CONCEPTS - ZONING

- Also called permitted land use
- Is the set of laws that restrict the use of the property from a town planning perspective
  - Come from national legislation – SPLUMA
  - Come from provincial legislation – Town Planning and Townships Ordinance
  - Come from municipal by-laws – eg advertising by-laws
  - Come from town planning scheme (municipal in nature) – Johannesburg Consolidated Town Planning Scheme (commenced 1 Feb 2019!!!)
- Often zoning DOES NOT MATCH any of the categories for rates/services
  - Eg “special”, “general” zonings
- The “label” applied to zoning is not definitive of the rights that come with that zoning
  - Can have residential rates in business zoning
  - Need to look to unique nature of underlying rights given to that property in every single case
  - COJ doesn't bother – just looks at label – creates massive problems!!!!



TABLE 2: USE ZONES

ZONE	(1) USE ZONE	(2) NOTATION	(3) PRIMARY LAND USE RIGHTS	(4) SECONDARY LAND USE RIGHTS	(5) PROHIBITED LAND USES
1	RESIDENTIAL 1		Dwelling house	Religious purposes, place of instruction, child care centre, social halls, institutions, residential buildings (excluding hotels), special buildings, sport and recreation clubs, public or private parking areas, medical consulting rooms, tavern/shebeen, guest house.	Uses not in columns (3) and (4)
2	RESIDENTIAL 2		Dwelling units	Residential buildings, religious purposes, places of instruction, child care centre, social halls, institutions, special buildings, sport and recreation clubs, public or private parking areas, medical consulting rooms, guest house, tavern/shebeen	Uses not in columns (3) and (4)
3	RESIDENTIAL 3		Dwelling units, residential buildings	Religious purposes, places of instruction, child care centre, social halls, institutions, special buildings, sport and recreation clubs, public or private parking areas, medical consulting rooms, guest house, tavern/shebeen	Uses not in columns (3) and (4)
4	RESIDENTIAL 4		Dwelling units, residential buildings	Religious purposes, places of instruction, child care centre, social halls, institutions, special buildings, sport and recreation clubs, public or private parking areas, medical consulting rooms, guest house, tavern/shebeen	Uses not in columns (3) and (4)

# ILLUSTRATIVE EXAMPLE – CATEGORIES DON'T MATCH ACROSS SERVICES

- Eg mixed use residential building in CBD with 80% of floor area residential and 20% retail on ground floor
- Rates
  - Multiple purpose category = multiple purpose (residential) tariff (50% plus one rule unofficially applies)
  - You are charged residential rates for the whole building even though 20% of it is business
- Water
  - Mixed use category = mixed use (residential) (50% plus one rule unofficially applies)
  - You are charged residential water for the whole building even though 20% of it is business
  - No need to split meters
- Electricity
  - You need to split meters for residential and business components if you want to be charged business for business component and residential for residential component
  - If your KVA usage is large enough you can be on LPU etc
  - Time of Use might be best depending on times of use of majority
  - Otherwise default will be business tariff or LPU if average KVA usage is over 70 KVA
  - Need an electrical engineer to determine
- Refuse
  - City cleaning levy for business component (COJ often forgets to charge – because look at rates – which say residential)
  - One bin per residential component unless owner has ordered more bins, then you pay per bin
  - Might have dailies if there are restaurants, etc

# WHAT DOES THE CORRECT DOC LOOK LIKE?

42 / 245

Part 3  
AMENDMENT OF TARIFF OF CHARGES FOR ELECTRICITY SERVICES

In terms of Sections 17(3)(a)(ii) and 22(a)(i) and (ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and Sections 21(1) and (3), 21A and 75A(3) and (4) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, it is hereby notified that the City of Johannesburg has, in terms of Sections 11(3)(i) and 75A(1) and (2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, read with Section 24(2)(c)(ii) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), amended its Tariff of charges for Electricity Services with effect from 1 July 2020.

STANDARD TARIFF SCHEDULE

All electricity consumed to continue to attract a Network Surcharge of 6 c/kWh. Only residential consumption of below 500kWh will be exempted from this charge, meaning that residential consumption beyond 500kWh per month will be subject to this levy.

2% SURCHARGE ON BUSINESS AND LARGE POWER USERS

The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) as amended; Sections 17(3)(a)(ii), and 22(a)(i) and (ii) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended; Sections 21(1) and (3), 21A and 75A(3) and (4) ; it is hereby notified that the City of Johannesburg has, in terms of Sections 11(3)(i) and 75A(1) and (2) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, read with Section 24(2)(c)(ii) of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003), amended its tariff of charges for Electricity Services with effect from 1 July 2020. A 2% surcharge be levied on business and large Power User customers.

1. RESIDENTIAL TARIFF

1.1 This tariff shall be applicable for electricity supply to:

1.1.1 Private houses;

1.1.2 Dwelling-units which are registered under the Sectional Titles Act, 1972 (Act 66 of 1971);

1.1.3 Flats;

42

43 / 245

1.1.4 Boarding houses and hostels;

1.1.5 Residences or homes run by charitable institutions;

1.1.6 Premises used for public worship, including halls or other buildings used for religious purposes;

1.1.7 Caravan parks.

1.2 This tariff is not applicable to properties zoned as residential but used for business purposes

1.3 Four tariff structures are available, i.e. (i) a Prepaid tariff, (ii) a Three-Part tariff, (iii) a Three-Part Seasonal tariff, and (iv) a Three-Part Time-of-Use tariff. Customers that would prefer the Time-of-Use tariff structure are required to have meters installed with automated meter reading capability.

1.4 Resellers servicing the residential market will on application qualify for a conventional residential reseller tariff, depending on their supply structure to the ultimate consumers.

1.5 Mixed use reseller customers will not qualify for the residential reseller tariff unless split metering is implemented to isolate metering of supply to residential end customers (living units) in which case the supply to the residential customers will qualify for the residential reseller tariff.

1.6 The following charges will be payable per month, or part thereof.

Item	Units	Breaker size A	Demand kVA	Consumption block kWh/month	Fixed charge R/month	Demand charge R/kVA	Energy charge c/kWh
<b>Prepaid tariffs</b>							
Capacity Charge							
Prepaid 1				0 to 300			144.45
Prepaid 2				301 to 500			163.88
Prepaid 3				>500			196.31

43

44 / 245

Item	Units	Breaker size A	Demand kVA	Consumption block kWh/month	Fixed charge R/month	Demand charge R/kVA	Energy charge c/kWh
Service charge					148.45		
Network charge					599.03		
Energy charge				0 to 300			128.70
Energy charge				301 to 500			151.39
Energy charge				>500			175.93

Item	Units	Breaker size A	Demand kVA	Consumption block kWh/month	Fixed charge R/month	Demand charge R/kVA	Energy charge c/kWh
<b>Single phase</b>							
Service charge		60			147.76		
Service charge		80			147.76		
Network charge		60			438.27		
Network charge		80			478.62		
Energy charge				0 to 1000			142.43
Energy charge				1001 to 2000			163.46
Energy charge				2001 to 3000			176.52
Energy charge				Above 3000			186.18
Energy charge				Above 3000			194.26
<b>Three phase</b>							
Service charge		80			147.76		
Network charge		80			596.23		
Energy charge				0 to 500			142.43
Energy charge				501 to 1000			163.46
Energy charge				1001 to 2000			176.52
Energy charge				2001 to 3000			186.18
Energy charge				Above 3000			194.26

44

# ELECTRICITY TARIFFS

- There are a number of different tariffs that might apply to a property, based on:
  - Infrastructure at property – type of supply, type of meter
  - Consumption patterns – eg time of use
  - How much you use – eg business v LPU
- It is easy enough to tell from the COJ bill what tariff you are on (match the charges to the columns in the tariff document) – but to know whether that is the best (most appropriate/cheapest) tariff for you to be on, you might need an electrical engineer
- They measure the consumption amounts, and patterns, and tell you whether you could be on a different tariff that would be cheaper
  - Eg Braamfontein building
  - Eg Strijdompark building

# ELECTRICITY TARIFFS

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum Demand		Energy Charge	
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Reseller Business (Conventional)	400 V	kVA	0 - 500	445.35	426.99			196.87	207.34
		kWh	501 - 1000					216.66	226.11
		kWh	1001 - 2000					227.49	236.38
		kWh	2001 - 3000					236.01	244.46
		kWh	> 3000					243.86	251.90

Large Customer	MV	kVA								
		kWh		890.69	4 809.80	210.17	210.17	140.49	166.29	
Large Customer	LV	kVA								
		kWh		742.25	1 133.48	224.85	224.85	150.50	176.28	
Large Customer Reactive Energy	c/kVArh									23.58

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum Demand		Energy Charge	
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Large Customer - TOU	HV	kVA							
		kWh	Peak	1 646.72	21 304.09	195.45	195.45	168.83	401.73
		kWh	Standard					127.11	153.39
		kWh	Off-peak					97.71	105.10
Large Customer - TOU	MV	kVA							
		kWh	Peak	1 632.93	4 541.52	210.17	210.17	168.83	401.73
		kWh	Standard					127.11	153.39
		kWh	Off-peak					97.71	105.10
Large Customer - TOU	LV	kVA							
		kWh	Peak	1 187.58	1 061.75	224.88	224.88	168.83	401.73
		kWh	Standard					127.11	153.39
		kWh	Off-peak					97.71	105.10

SEGMENT	Supply Position	Units	Block	Service Charge R/month	Capacity Charge R/month	Maximum Demand		Energy Charge	
						Summer R/kVA	Winter R/kVA	Summer c/kWh	Winter c/kWh
Domestic 3 Ø		A	80	147.76	596.23				
		kWh	0 - 500					142.43	142.43
		kWh	501 - 1000					163.46	163.46
		kWh	1001 - 2000					175.52	175.52
		kWh	2001 - 3000					185.18	185.18
		kWh	> 3000			194.26	194.26		
Domestic 1 Ø	230 V	A	60	147.76	435.27				
		kWh	0 - 500					142.43	142.43
		kWh	501 - 1000					163.46	163.46
		kWh	1001 - 2000					175.52	175.52
		kWh	2001 - 3000					185.18	185.18
		kWh	> 3000			194.26	194.26		
Domestic 1 Ø	230 V	A	80	147.76	478.62				
		kWh	0 - 500					142.43	142.43
		kWh	501 - 1000					163.46	163.46
		kWh	1001 - 2000					175.52	175.52
		kWh	2001 - 3000					185.18	185.18
		kWh	> 3000			194.26	194.26		
Domestic Prepaid	230 V	kWh	0 - 300	-	-			144.49	144.49
		kWh	301 - 500					169.88	169.88
		kWh	>500					196.31	196.31
Reseller Domestic (Conventional)	A	80		148.45	599.03				
		kWh	0 - 300					128.70	128.70
		kWh	301 - 500					151.39	151.39
		kWh	>500					175.93	175.93

Business	400 V	kVA	< 50	445.35	426.99				
		kWh	0 - 500					206.65	216.34
		kWh	501 - 1000					226.82	235.52
		kWh	1001 - 2000					237.86	246.03
		kWh	2001 - 3000					246.53	254.30
		kWh	> 3000			254.54	261.91		
		kVA	< 100	445.35	610.17				
		kWh	0 - 500					206.65	216.34
		kWh	501 - 1000					226.82	235.52
		kWh	1001 - 2000					237.86	246.03
		kWh	2001 - 3000					246.53	254.30
		kWh	> 3000			254.54	261.91		

BASED ON USE BUT CHARGES DIFFER DEPENDING ON INFRASTRUCTURE SUPPLYING ELECTRICITY AND ON KIND OF SUPPLY

						electricity	
						Previous	N
Domestic 3 Ø	230 V	A	80	123,01	496,39		
		kWh	0 - 500				
		kWh	501 - 1000			136,08	136,08
		kWh	1001 - 2000			146,12	146,12
		kWh	2001 - 3000			154,17	154,17
		kWh	> 3000			161,73	161,73
Domestic 1 Ø	230 V	A	60	123,01	362,38		
		A					
		kWh	0 - 500			118,58	118,58
		kWh	501 - 1000			136,08	136,08
		kWh	1001 - 2000			146,12	146,12
		kWh	2001 - 3000			154,17	154,17
Domestic 1 Ø	230 V	A	80	123,01	398,47		
		kWh	0 - 500			118,58	118,58
		kWh	501 - 1000			136,08	136,08
		kWh	1001 - 2000			146,12	146,12
		kWh	2001 - 3000			154,17	154,17
		kWh	> 3000			161,73	161,73

## 1. RESIDENTIAL TARIFF

1.1 This tariff shall be applicable for electricity supply to:

1.1.1 Private houses;

1.1.2 Dwelling-units which are registered under the Sectional Titles Act, 1972 (Act 66 of 1971);

1.1.3 Flats;

1.1.4 Boarding houses and hostels;

1.1.5 Residences or homes run by charitable institutions;

1.1.6 Premises used for public worship, including halls or other buildings used for religious purposes;

1.1.7 Caravan parks.

# NORMAL RESIDENTIAL

# SEASONAL OR FLAT

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	KVA	kWh/month	R/month	R/KVA	c/kWh
<b>Two-part Seasonal</b>							
		80					
<b>Single phase</b>							
Service charge					147.76		
Network charge					478.62		
Summer Energy charge			0 to 500				135.46
Summer Energy charge			501 to 1000				156.49
Summer Energy charge			1001 to 2000				168.55
Summer Energy charge			2001 to 3000				178.21
Summer Energy charge			Above 3000				187.30
Winter Energy charge			0 to 500				161.61
Winter Energy charge			501 to 1000				182.64
Winter Energy charge			1001 to 2000				194.70
Winter Energy charge			2001 to 3000				200.41
Winter Energy charge			Above 3000				213.45
<b>Three phase</b>							
Service charge					147.76		
Network charge					596.23		
Summer Energy charge			0 to 500				135.46
Summer Energy charge			501 to 1000				156.49
Summer Energy charge			1001 to 2000				168.55
Summer Energy charge			2001 to 3000				178.21
Summer Energy charge			Above 3000				187.30
Winter Energy charge			0 to 500				161.61
Winter Energy charge			501 to 1000				182.64
Winter Energy charge			1001 to 2000				194.70
Winter Energy charge			2001 to 3000				200.41
Winter Energy charge			Above 3000				213.45

Item	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
	A	KVA	kWh/month	R/month	R/KVA	c/kWh
<b>Residential Conventional resellers' tariffs</b>						
Service charge				148.45		
Network charge				599.03		
Energy charge			0 to 300			128.70
Energy charge			301 to 500			151.39
Energy charge			>500			175.93

Item	Units	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
		A	KVA	kWh/month	R/month	R/KVA	c/kWh
<b>Two-part Single and Three Phase Tariffs</b>							
<b>Single phase</b>							
Service charge		60			147.76		
Service charge		80			147.76		
Network charge		60			435.27		
Network charge		80			478.62		
Energy charge				0 to 500			142.43
Energy charge				501 to 1000			163.46
Energy charge				1001 to 2000			175.52
Energy charge				2001 to 3000			185.18
Energy charge				Above 3000			194.26
<b>Three phase</b>							
Service charge		80			147.76		
Network charge		80			596.23		
Energy charge				0 to 500			142.43
Energy charge				501 to 1000			163.46
Energy charge				1001 to 2000			175.52
Energy charge				2001 to 3000			185.18
Energy charge				Above 3000			194.26

1.7.3 If a customer elects to change from the Three-Part Flat to the Three-Part Seasonal tariff he/she will be obliged to remain on the Three-Part Seasonal tariff for a minimum period of 12 months before he/she may qualify to migrate to another tariff option.

1.7.15 The summer rates for the Three-Part Seasonal Tariffs will be applicable from September to May - both months inclusive. This amounts to a 9-month period per annum.

1.7.16 The winter rates for the Three-Part Seasonal Tariffs will be applicable from June to August - both months inclusive. This amounts to a 3-month period per annum.



# ESP? REBATE FOR RESIDENTIAL?

- 1.7.6 All individuals/customers who qualify for the Extended Social Package (ESP) will receive free electricity as approved by Social Development Department.
- 1.7.7 Customers on the Extended Social Package who are disconnected may not accumulate the allocation of free electricity during the period of disconnection.
- 1.7.8 A maximum of 150 kWh per month may be allocated as free electricity under the Extended Social Package, and will be limited to actual consumption if less than 150 kWh per month is consumed.
- 1.7.9 Billed customers on the ESP will receive the grant as a credit on their bills, the value of which will equal the monetary value to their allocated free bundle.

# RESELLERS – RESIDENTIAL BODY CORPORATES, HOA'S, BLOCKS OF FLATS

1.4 Resellers servicing the residential market will on application qualify for a conventional residential reseller tariff, depending on their supply structure to the ultimate consumers.

1.7.12 Body Corporates of complexes, flats, cluster developments and all other resellers are required to apply to City Power to qualify for the resellers' tariffs.

1.7.13 These parties are also required to provide City Power with an affidavit declaring the number of units in use in the complex, normal consumption tariffs will apply, as per unit in the complex, rather than the tariff that would be deemed appropriate for the complex as an aggregate. The changes will be implemented from the date of approval by City Power.

# RESELLERS TARIFF - CONVENTIONAL

Item	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
	A	kVA	kWh/month	R/month	R/kVA	c/kWh
<b>Residential Conventional resellers' tariffs</b>						
Service charge				148,45		
Network charge				599,03		
Energy charge			0 to 300			128,70
Energy charge			301 to 500			151,39
Energy charge			>500			175,93

# MIXED USE ELECTRICITY? NO SUCH THING

- 1.5 Mixed use reseller customers will not qualify for the residential reseller tariff unless split metering is implemented to isolate metering of supply to residential end customers (living units) in which case the supply to the residential customers will qualify for the residential reseller tariff.

# LANDLORDS? BODY CORPORATES - RESELLERS

- You must charge as if the customer were directly connected to the City's Power system and
- Constitutional Court has confirmed the landlord's obligation to charge in accordance with Rental Housing Act read with reseller's tariff
- *Jeje and Others* case
- At ONLY EXCEPTION – is the 4c kwh odd profit built into resellers tariff
- You can make application to NERSA or municipality for exemption from this in certain instances – but without that having been granted, you cannot deviate from this tariff
- Commonly applied for by third party meterers (we will deal with this in more detail shortly)

- You are only charged kwh portion – not KVA and Kvarh
- But kwh charge more expensive than LPU
- Check with electrical engineer which tariff is best for you!
- Do not assume!
- Can only be on this if you use less than 100 KVA p/m

# BUSINESS TARIFF

## 3. BUSINESS TARIFF

3.1 This tariff shall primarily be applicable to supply consumption capacities not exceeding 100 Business tariff other than the purposes specified in item 1 and includes, in particular, a supply for:

- 3.1.1 Business purposes;
- 3.1.2 Industrial purposes;
- 3.1.3 Nursing homes, clinics and hospitals;
- 3.1.4 Hotels;
- 3.1.5 Recreation halls and clubs;
- 3.1.6 Bed & Breakfast houses;
- 3.1.7 Educational institutions including schools and registered crèches;
- 3.1.8 Sporting facilities;
- 3.1.9 Mixed load of non-Residential and Residential;
- 3.1.10 Welfare organisations of a commercial nature;
- 3.1.11 Traffic intersections;
- 3.1.12 Streetlights and billboards;
- 3.1.11 Temporary connections;
- 3.1.12 Consumers not provided for under any other item of this tariff.

3.2 Although business tariffs apply for consumption capacities not exceeding 100 kVA, exceptions can be made to accommodate consumers with greater than 100 kVA capacity, provided that they cannot be classified as Large Consumers as per section 4.

3.3 Any customer in this tariff category that do not have a special concession as per item 3.2, and who exceed the maximum consumption of 100 kVA, will automatically be converted to the category of Large Consumers as per section 4.

# BUSINESS RESELLERS

3.4 Resellers servicing the business market will qualify for a conventional tariff, depending on their supply structure to the ultimate consumers.

Item	Units	Breaker A	Demand kVA	Consumption kWh/month	Fixed R/month	Demand R/kVA	Energy c/kWh
<b>Conventional Business Resellers' Tariffs</b>		150					
Service charge					445.35		
Network charge					426.99		
Energy charge (Summer: September - May)				0 to 500			196.87
Energy charge (Summer: September - May)				501 to 1000			216.66
Energy charge (Summer: September - May)				1001 to 2000			227.49
Energy charge (Summer: September - May)				2001 to 3000			236.01
Energy charge (Summer: September - May)				Above 3000			243.86
Energy charge (Winter: June - August)				0 to 500			207.34
Energy charge (Winter: June - August)				501 to 1000			226.11
Energy charge (Winter: June - August)				1001 to 2000			236.38
Energy charge (Winter: June - August)				2001 to 3000			244.46
Energy charge (Winter: June - August)				Above 3000			251.90
Traffic Intersections							277.66
Streetlights and billboards per luminaire							311.26

3.6.6 Property owners and all other resellers are required to apply to City Power to qualify for resellers' tariffs. These parties are also required to provide City Power with an affidavit declaring the number of units in use in the complex, normal consumption tariffs will apply, as per unit in the complex, rather than the tariff that would be deemed appropriate for the complex as an aggregate. The changes will be implemented from the date of approval by City Power.

# LPU TARIFF (LARGE POWER USER)

## 4. LARGE CONSUMERS

4.1 This tariff shall be applicable to Business consumers with supply capacities exceeding 100 kVA and shall, on application, be available to all qualifying consumers with supply exceeding 100 kVA.

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4.2 Subject to the provision of clauses (4.3) and (4.4) below, consumption of electricity shall be charged as follows:

4.3 Consumption of electricity shall be charged as follows:

Item	Breaker size	Demand	Consumption block	Fixed charge	Demand charge	Energy charge
	A	KVA	kWh/month	R/month	R/kVA	c/kWh
<b>Three Part Tariff: LPU - low voltage</b>						
Service charge				742,25		
Network charge				1 133,48		
Demand charge (Summer: September - May)					234,85	
Demand charge (Winter: June - August)					234,85	
Energy charge (Summer: September - May)						150,50
Energy charge (Winter: June - August)						176,28
<b>Three Part Tariff: LPU - medium voltage</b>						
Service charge				890,69		
Network charge				4 809,80		
Demand charge (Summer: September - May)					210,17	
Demand charge (Winter: June - August)					210,17	
Energy charge (Summer: September - May)						140,49
Energy charge (Winter: June - August)						166,29
<b>Large consumer tariffs</b>						
Reactive energy		(c/kVArh)				23,58

- You pay for KVA, Kvarh and kwh
- But your kwh charge is lower so you win if (generally speaking) you use less than 100 KVA per month
- Check with your electrical engineer!

### Minimum Demand Charge Determination.

4.3.1 The minimum demand charge payable monthly in terms of this tariff shall be calculated using the greater of the following:

4.3.1.1 The measured demand, or;

4.3.1.2 A demand of 70 kVA, or;

4.3.1.3 The highest measured demands recorded over the preceding 12 months.

4.4 Rules applicable to this item:

4.4.1 Consumers whose power factor is below 0,96 will be billed for reactive energy supplied in excess of 30% (0,96PF) of total kwh recorded during the entire billing period.



# TIME OF USE

- You pay based on when you use the power – the more you use during peak times, the more your bill will be
- You get a discounted rate for consumption that happens off peak time
- Great for student villages, retirement homes, places where consumption happens during off peak times
- Or factories that can time their consumption to be outside of peak times

## 5. INDUSTRIAL TIME-OF-USE (TOU) TARIFF

5.1 This tariff is available, provided customers meet the qualifying criteria for the industrial TOU tariff as set by City Power.

5.2 The tariff is suitable for Large Consumers who elect to reduce their demand during peak and standard periods and who can reallocate all or part of their load by load management and load shifting capability, as well as other qualifying criteria as may be set by City Power,

# ELECTRICITY AND PRESCRIPTION

- Electricity charges prescribe after 3 years – confirmed by Schindlers in the ***Argent v Ekurhuleni Municipality*** case
- If you have not paid, acknowledged the debt or been summonsed or taken to court for the debt in three years – it has prescribed
- Tricky because it's a rolling target and part payment of any debt is deemed to constitute acknowledgment of the whole, unless the balance is disputed
- Section 102 of the Local Government: Municipal Systems Act helps re ring fencing disputed portions so they cannot be settled by payment intended towards undisputed portions of the bill

# CHANGING TARIFFS

- If you aren't certain what the best or correct tariff is, seek professional advice
  - You might change to the wrong tariff and lose money
  - You might not be able to change back for 12 months (eg electricity LPU / business)
  - For electricity you often need an electrical engineer to monitor your use and do calcs to tell you which tariff would be best (for large power users)
  - When you make an election you will be bound by it
- Some laws explain how to apply for a change
  - Electricity – in terms of procedure in Greater Electricity By-laws (for LPU/Business)
- If no method of application prescribed, by logging query and/or writing a letter – EXCEPT FOR BRAND NEW JOBURG WATER APPLICATION FORM (OUT DEC 2019)
- It is not clear in our law whether a change of tariff (as a request) is a dispute that requires you to follow query/written demand/appeal procedure before going to court
- If you say that you should have been put on the right tariff from the beginning, it's a dispute
- But if you say that you want to change, it's a request (but perhaps them not actioning your request is also a dispute)?

# RETROSPECTIVE APPLICATION OF TARIFFS

- Rates
  - Prescribed in Rates Act that this must happen, in certain circumstances
- electricity/water/sewer
  - No retrospectivity if application to change
  - Unless part of dispute – you should have had it right from the beginning
    - *Imola, Edina* Court and Street Talk cases

# CHALLENGES TO TARIFFS?

- Either challenge the application of a tariff
  - you put me on the wrong tariff – review application to High Court after appeal fails
  - you billed me incorrectly and not in accordance with my tariff – ie not taking into account the right number of units – court application to correct the bill (statutory interdict) after appeal fails
  - Your tariff structure is silly/unlawful/wrong – court application to strike down and ‘get rid of’ offending tariff (normal dispute resolution process does not apply)
- You can also make comments when the review is underway (as it is now) – if you don’t, you might be criticized by a court later or even denied the right to bring the legal challenge