

COMPARISON BETWEEN CONVENTIONAL AND PRE-PAID METERS

1. FACTS



Conventional Electricity meter



Pre-paid meter "Keypad"

CONVENTIONAL ELECTRICITY METERS

- a. Reasonably cheap and reliable and can be calibrated from time to time.
- b. Life expectancy of up to 30 years.
- c. Less exposed to lightning.
- d. Monthly readings and account is according to usage.
- e. Meter reading errors are possible.
- f. In case of non-payment the Provider (Centlec) cuts off the power.
- g. Meter is installed on the erf boundary (readings not accessible).
- h. Difficult to manage usage because readings are not accessible.
- i. Deposit applicable when contract is signed and before the power is switched on.
- j. Tariff in Bloemfontein (Mangaung) the same as for pre-pad meter.
- k. Service provider (Centlec) is phasing out the conventional electricity meters.
- l. Centlec is subsidising the conversion to pre-paid meter currently; therefore conventional meters are replaced with pre-paid meters without any costs.

"PRE-PAID" METERS

- a. More expensive electronic technology and is calibrated only once.
- b. Life expectancy is about 10 years.
- c. More exposed to lightning.
- d. Energy is purchased beforehand by entering coded number code into the meter.
- e. No faulty meter readings occur.
- f. Meter unleashes power automatically when energy reading (credit) reaches zero (0).
- g. Meter installed at erf boundary, but the keypad is in the house which make readings (credits) accessible.
- h. Easier to manage usage because the credits / usage is accessible.
- i. No deposit is applicable.
- j. Tariff in Bloemfontein (Mangaung) is the same as for conventional meters
- k. Priority is given to install pre-pad meters.
- l. Centlec is converting conventional meters to pre-paid meters as part of an internal capital project – thus no cost for consumer.

2. BENEFITS – CONVENTIONAL METERS



- a. Reasonable cheap and reliable (if not tampered with). Good quality meters can comply with the calibration requirements for up to 30 years and longer without any adjustments.
- b. If necessary the meter can be calibrated under laboratory conditions and then be re-used again.
- c. Less exposed to lightning.
- d. If the administration regarding meter readings are performed correctly, then it will run well.
- e. Meter is installed at the erf boundary, therefore the meter can be read without access to the site.

3. DISADVANTAGES – CONVENTIONAL METERS



- a. Meter reading errors may occur due to faulty readings forwarded by the metre reader.
- b. Estimated readings may appear on the account due to a process used by the Service Provider (Centlec) in the case of faulty readings or a faulty meter.
- c. Difficult to manage consumption because meter readings are not accessible (meter is on the erf boundary).
- d. There is a long course of time between the meter reading, administration of and the delivery of accounts and the due date for payments. [Course of time from reading of final account to due date of payments is about 6 (six) weeks].
- e. Processes of switching off the electricity due to non-payment can be problematic. (No warning is given beforehand; therefore a home-owner might realise the situation after hours and the process of switching on the electricity can then only be done the next day during working hours).

4. BENEFITS – PRE PAID METERS



- Keypad of meter is inside the house and therefore consumption can be monitored. (Savings can be initiated by managing consumption).
- No reading errors can occur because there is no meter reading involved. Energy/ credits are bought beforehand and entered into the metre by means of a coded number.
- No deposit applicable because energy / credits are bought before consumption.

5. DISADVANTAGES – PREPAID” METERS



- More exposed to lightning. (Lightning can cause damage to the metre, even when lightning occurs in the near vicinity).
- Dependent on an electronic payment system, which can be off line from time to time.
- The records of the service provider (Centlec) is based on the purchase records from pay points and not on real consumption. (Centlec assumes that all energy is used before the next purchase is done – therefore no record of consumption patterns, only purchase patterns. You may experience a loss when energy / credits are accumulated.

6. QUESTIONS AND ANSWERS (“Q & A”)

Q. *Is there a difference in energy tariffs between the Conventional Electricity metres and the Pre-paid metres in Bloemfontein (Greater Mangaung)?*

A. Tariffs for ordinary domestic rules regarding single-phase and three-phase inputs, are exactly the same in Bloemfontein (Greater Mangaung)

Q. *Where can I obtain a copy of the electricity tariffs of the service provider (Centlec)?*

A. Tariffs, for the Greater Mangaung supply area, are available at the Centlec offices and / or on the Centlec website (centlec.co.za under “tariffs”).

Q. *What does NERSA stand for and what is their responsibility?*

A. NERSA stands for: National Energy Regulator of South Africa and NERSA is responsible for the regulation of all energy tariffs in South Africa.

Q. *When are electricity tariffs increased?*

A. Tariffs of Local Government may only be increased once a year, at the beginning of the new financial year, namely in July, after approval was granted by NERSA.

Q. *Which processes have to be followed to obtain approval of the annual electricity tariffs?*

A. Electricity tariffs of Local Government can only be approved after the official price / tariff adjustments were approved by NERSA. The process of presentation of Eskom to NERSA (to be presented for approval of the tariffs of the next year) usually starts just after July. NERSA publishes the first outcome of the Eskom tariffs at any time from October to December where after the Local Government processes start officially. The processes are as follows:

- Local Government (Centlec) determines the effect of the Eskom Price / Tariff adjustment on the Centlec budget. (Energy purchases of Centlec represents about 70% of their total annual budget).
- Possible structure adjustments must be investigated and tariff increases must be determined.
- A presentation, including an outline of the proposed percentage increases, tariff structure adjustments which are recommended, as well as all contributing factors towards the tariff increase, is presented to the Mangaung Council. (Contributing factors may include the following – Eskom proposed price / tariff increase, tariff structure adjustments, operating budget expenditures, capital expenditures, etc.).
- Mangaung Council should approve their budget no later than May, including the new tariffs applicable for the new financial year which commences on 1 July. Parallel with this, the Mangaung Council must publish the proposed tariffs

and provide opportunity for public participation and submission of objections against the proposed tariffs. Parallel with this the tariff presentation and application must be submitted no later than 30 April to NERSA to obtain approval for the new tariffs.

- The new tariffs may only be implemented from 1 July only after approval from NERSA (usually the last week in June).

Y. *Who is responsible to approve the electricity tariffs annually?*

A. NERSA (as well as the Mangaung Council, but tariffs may only be implemented after the NERSA approval – NERSA is the higher authority).

Y. *Must I apply if I do not have a pre-paid metre yet?*

A. Preferably, because Centlec is in a process to change all household consumers to pre-paid metres. Centlec is funding this process on their own budget.

Y. *Where do I apply if I want to replace the conventional metre with a pre-paid metre?*

A. At Centlec offices (30 Rhodes Avenue, behind Power station).

Y. *What costs are involved to replace my conventional metre with a pre-paid metre and who must do the replacement?*

A. The costs are currently covered by Centlec and Centlec may use their own personnel and / or make use of contractors to do the replacements.

Y. *How can I be sure that the people who implement the metre are authorised to do the work?*

A. Centlec uses their own personnel, as well as contractors to implement the metres. The Centlec personnel uses Centlec vehicles which are branded with the Centlec logo while sub-contractors use private vehicles. In both cases residents should insist on identification of the person (obtain name and positive identification of his Centlec representation – card with photo and Centlec logo). If possible, take a description of the vehicle as well as the registration and fleet number and from the sub-contractor vehicle a description of the vehicle and registration number.

Y. *What happens to my deposit on the conventional metre after the implementation of the pre-paid metre?*

A. The deposit can be claimed back. A written claim must be submitted to the Centlec offices.

Y. *Are the energy tariffs the same at all local governments?*

A. No. The purchase cost from Eskom may differ between Local Governments because the size of the connection as well as the distance at which the energy is delivered per transmission line, can have an influence on the price structure. The compilation of consumers (% household, % business consumers, % huge consumers) may also influence the tariffs of the end consumers.

Y. *Is there any difference between the Eskom tariffs and those of Local Governments?*

A. Yes. Eskom is the primary supplier in South Africa and there tariffs differ from Local Governments.

Y. *Is there any difference between the winter and summer electricity tariffs in the Greater Mangaung area?*

A. Yes, household tariffs are seasonal. Winter tariffs are higher than the summer tariffs. (Over the financial year July, August and the next year June will be classified as winter tariffs and the rest of the months as summer months).