

# SHARING the costs of electricity

By Ndivhuwo Khangale

**A** grandmother living in a four-roomed house in Khuma township, North West and another living in a similar house with the same standard of living in Soweto, Johannesburg, do not pay the same electricity rates.

The difference is due to municipalities charging different rates for electricity.

Currently, people receive electricity in two ways – directly from Eskom or from their municipalities, who buy the electricity from Eskom and sell it to their communities.

As a result, some people, especially the poor in the rural areas, are charged rates they cannot afford.

In addition, some municipalities use the money they collect for electricity, to improve services other than electricity.

## ■ Living standards

To address the inequality in electricity tariffs, the Department of Minerals and Energy under Minister Lindiwe Hendricks, has set up the Electricity Distribution Industry (EDI). This is a body that is responsible for the restructuring of the industry to ensure affordable electricity supplies for all.

Through the EDI, people in poor areas, like the grandmothers in Khuma and Soweto, will be charged according to the same scale.



People in better-off suburbs like Sandton in Johannesburg or Westville in Durban, will be charged according to another scale.

The process of changing the electricity distribution, is set to start soon.

## ■ Regional distributors

The changes will see the establishment of six municipal Regional Electricity Distributors country-wide.

The first Regional Distributor was launched in Cape Town on July 1, 2005.

The other five distributors are expected to start in the second half of this year.

Spokesperson for the EDI Mbulelo Musi, said the Regional Distributors will ensure that closer

co-operation between Eskom and municipalities results in more affordable rates.

## ■ Power failures

“The current system of electricity supply is old and causes power failures at homes and in public institutions such as hospitals,” he said. “Electricity infrastructure is also old and according to reports from the National Electricity Regulator, cities like Johannesburg still use facilities dating from 1938.

“It is estimated that the country loses up to R8 billion per year due to electric failures,” Musi said.

## ■ New facilities

“The continued poor billing system and inefficiencies regarding other services like water provision, makes the situation even worse. These are the challenges the EDI aims to resolve.”

The EDI caters for over seven million people who are mostly in the poorest section of the population.

As part of the transformation, the EDI will change the old electricity facilities and replace them with new ones.

Cabinet has assigned Hendricks, Provincial and Local Government Minister Sydney Mufamadi, Public Enterprise Minister Alec Erwin, and Finance Minister Trevor Manuel to oversee the process of establishing the remaining Regional Distributors.

**For more information on Electricity Distributors, call (012) 316-7700 or 1020**