

Understanding Water Tariffs



Karabo with consumption of 35 kiloliters of water

Kiloliters per connection per month	2019/2020 tariff (R/kl) Price per kilolitre, excluding VAT	Consumption of 35 kiloliters of water	Calculation cost per rand	Kiloliters per connection per month	2020/2021 tariff (R/kl) Price per kilolitre, excluding VAT	Consumption of 35 kiloliters of water	Calculation cost per rand	Percentage Increase
0 kl to 6 kl	R 9.10	6	R 54.60	0 kl to 6 kl	-	6	R 0.00	4%
From 6 kl to 10 kl	R 9.66	4	R 38.64	From 6 kl to 10 kl	R 18.99	4	R 75.96	4%
From 10 kl to 15 kl	R 16.49	5	R 82.45	From 10 kl to 15 kl	R 19.82	5	R 99.10	4%
From 15 kl to 20 kl	R 23.99	5	R 119.95	From 15 kl to 20 kl	R 27.79	5	R 138.99	4%
From 20 kl to 30 kl	R 32.95	10	R 0	From 20 kl to 30 kl	R 38.40	10	R 384.00	4%
From 30 kl to 40 kl	R 36.51	5	R 0	From 30 kl to 40 kl	R 42.00	5	R 210.00	4%
From 40 kl to 50 kl	R 46.62	-	R 0	From 40 kl to 50 kl	R 52.99	-	R 0	4%
More than 50 kl	R 49.66	-	R 0	More than 50 kl	R 56.79	-	R 0	4%
Total cost on kiloliters			R 807.69	Total cost on kiloliters			R 908.05	
Water Demand Management			R 24.88	Water Demand Management	R 24.88		R 26.52	
Sub - Total Cost			R 832.57	Sub - Total Cost			R 934.57	
VAT	@ 15%		R 124.89	VAT	@ 15%		R 140.19	
Total Cost			R 957.45	Total Cost			R 1 074.76	

Calculations of customer's consumption for the financial year 2019 - 2020

Karabo's monthly water consumption is 35 kl. Let's calculate her monthly water costs, including VAT.

1. To calculate Karabo's total water costs, we break up his usage into different tariff categories:

- In the 0 kl - 6 kl category, he used 6 kl of water
- In the 6 kl - 10 kl category, he used 4 kl of water
- In the 10 kl - 15 kl category, he used 5 kl of water
- In the 15 kl - 20 kl category, he used 5 kl of water
- In the 20 kl - 30 kl category, he used 10 kl of water
- In the 30 kl - 40 kl category, he used 5 kl of water
- In the 40 kl - 50 kl category, he used 0 kl of water
- More than 50 kl category, he used 0 kl of water

Now we calculate how much the number of kiloliters used in this category each is used:

- 6 kl x R 9.10 = R 54.60
- 4 kl x R 9.66 = R 38.64
- 5 kl x R 16.49 = R 82.45
- 5 kl x R 23.99 = R 119.95
- 10 kl x R 32.95 = R 329.50
- 5 kl x R 36.51 = R 182.55

Next we add these four subtotals together:

$$R 54.60 + R 38.64 + R 82.45 + R 119.95 + R 329.50 + R 182.55 = R 807.69$$

So her water usage for the month would cost R 807.69 plus Demand Management Levy of R 24.88

$$\text{Total Cost for Karabo in 2019/2020} = R 807.69 + R 24.88 + R 124.89 =$$

$$R 957.45 \text{ which is equal to } R 807.69 + R 24.88 + \text{VAT@ } 15\% \text{ (R 124.89)}$$

Calculations of customer's consumption for the financial year 2020 - 2021

Karabo's monthly water consumption is 20 kl. Let's calculate her monthly water costs, including VAT.

1. To calculate Karabo's total water costs, we break up his usage into different tariff categories:

- In the 0 kl - 6 kl category, he used 6 kl of water
- In the 6 kl - 10 kl category, he used 4 kl of water
- In the 10 kl - 15 kl category, he used 5 kl of water
- In the 15 kl - 20 kl category, he used 5 kl of water
- In the 20 kl - 30 kl category, he used 10 kl of water
- In the 30 kl - 40 kl category, he used 5 kl of water
- In the 40 kl - 50 kl category, he used 0 kl of water
- More than 50 kl category, he used 0 kl of water

Now we calculate how much the number of kiloliters used in this category each is used:

- 6 kl x R 9.10 = R 54.60
- 4 kl x R 18.99 = R 38.64
- 5 kl x R 19.82 = R 82.45
- 5 kl x R 27.79 = R 119.95
- 10 kl x R 38.40 = R 329.50
- 5 kl x R 42.00 = R 182.55

Next we add these four subtotals together:

$$R 0.00 + R 75.96 + R 99.10 + R 138.99 + R 384.00 + R 210.00 = R 314.01$$

So her water usage for the month would cost R 908.05 plus Demand Management Levy of R 26.52

$$\text{Total Cost for Karabo in 2020/2021} = R 908.05 + R 26.52 + R 140.19 =$$

$$R 1 074.76 \text{ which is equal to } R 908.05 + R 26.52 + \text{VAT@ } 15\% \text{ (R 140.19)}$$

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Mpho with consumption of 20 kiloliters of water

Kiloliters per connection per month	2019/2020 tariff (R/kl) Price per kilolitre, excluding VAT	Consumption of 20 kiloliters of water	Calculation cost per rand	Kiloliters per connection per month	2020/2021 tariff (R/kl) Price per kilolitre, excluding VAT	Consumption of 19 kiloliters of water	Calculation cost per rand	Percentage Increase
0 kl to 6 kl	R 9.10	6	R 54.60	0 kl to 6 kl	-	6	-	4%
From 6 kl to 10 kl	R 9.66	4	R 38.64	From 6 kl to 10 kl	R 18.99	4	R 75.96	4%
From 10 kl to 15 kl	R 16.49	5	R 82.45	From 10 kl to 15 kl	R 19.82	5	R 99.10	4%
From 15 kl to 20 kl	R 23.99	5	R 119.95	From 15 kl to 20 kl	R 27.79	5	R 138.99	4%
From 20 kl to 30 kl	R 32.95	-	R 0	From 20 kl to 30 kl	R 38.40	-	R 0	4%
From 30 kl to 40 kl	R 36.51	-	R 0	From 30 kl to 40 kl	R 42.00	-	R 0	4%
From 40 kl to 50 kl	R 46.62	-	R 0	From 40 kl to 50 kl	R 52.99	-	R 0	4%
More than 50 kl	R 49.66	-	R 0	More than 50 kl	R 56.79	-	R 0	4%
Total cost on kiloliters			R 295.64	Total cost on kiloliters			R 314.01	
Water Demand Management			R 24.88	Water Demand Management	R 24.88		R 26.52	
Sub-Total Cost			R 320.52	Sub-Total Cost			R 340.53	
VAT	@15%		R 48.08	VAT	@15%		R 51.08	
Total Cost			R 368.60	Total Cost			R 391.61	

Calculations of customer's consumption for the financial year 2019 - 2020

Mpho's monthly water consumption is 20 kl. Let's calculate her monthly water costs, including VAT.

Answer:

2. To calculate Mpho's total water costs, we break up his usage into different tariff categories:

In the 0 kl - 6 kl category, he used 6 kl of water
 In the 6 kl - 10 kl category, he used 4 kl of water
 In the 10 kl - 15 kl category, he used 5 kl of water
 In the 15 kl - 20 kl category, he used 5 kl of water
 In the 20 kl - 30 kl category, he used 0 kl of water
 In the 30 kl - 40 kl category, he used 0 kl of water
 In the 40 kl - 50 kl category, he used 0 kl of water
 More than 50 kl category, he used 0 kl of water

Now we calculate how much the number of kiloliters used in this category each is used:

6 kl x R 9.10 = R 54.60
 4 kl x R 9.66 = R 38.64
 5 kl x R 16.49 = R 82.45
 5 kl x R 23.99 = R 119.95

Next we add these four subtotals together:

R 54.60 + R 38.64 + R 82.45 + R 119.95 = R 295.64

So her water usage for the month would cost R 295.64 plus Demand Management Levy of R 24.88

Total Cost for Mpho in 2019/2020 = R 320.52 + R 24.88 + R 48.08 = R 368.60 which is equal to R 295.64 + R 24.88 + VAT @ 15% (R 48.08)

Calculations of customer's consumption for the financial year 2020 - 2021

Mpho's monthly water consumption is 20 kl. Let's calculate her monthly water costs, including VAT.

Answer:

1. To calculate Mpho's total water costs, we break up his usage into different tariff categories:

In the 0 kl - 6 kl category, he used 6 kl of water
 In the 6 kl - 10 kl category, he used 4 kl of water
 In the 10 kl - 15 kl category, he used 5 kl of water
 In the 15 kl - 20 kl category, he used 5 kl of water
 In the 20 kl - 30 kl category, he used 0 kl of water
 In the 30 kl - 40 kl category, he used 0 kl of water
 In the 40 kl - 50 kl category, he used 0 kl of water
 More than 50 kl category, he used 0 kl of water

Now we calculate how much the number of kiloliters used in this category each is used:

6 kl x R 9.10 = R 0.00
 4 kl x R 18.99 = R 75.96
 5 kl x R 19.82 = R 99.10
 5 kl x R 27.79 = R 138.99

Next we add these four subtotals together:

R 0.00 + R 75.96 + R 99.10 + R 138.99 = R 314.01

So her water usage for the month would cost R 314.01 plus Demand Management Levy of R 26.52

Total Cost for Mpho in 2020/2021 = R 340.53 + R 24.88 + R 51.08 = R 391.61 which is equal to R 314.01 + R 26.52 + VAT @ 15% (R 51.08)

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Conventional water meters and prepaid meters for the supply of water to institutions:

Institutional Water Tariffs

Kiloliters per connection per meter	2019/2020 Tariff (R/kl)	Percentage increase	2020/2021 tariff (R/kl)
Consumption up to 200 kl	R 32.14	4%	R34.94
Consumption Exceeding 200 kl	R 35.68	4%	R39.85
Waste Demand Management		R 234.07	

Conventional water meters and prepaid meters for the supply of water through any meter to premises:

Industrial/Commercial Water Tariffs

Kiloliters per connection per meter	2019/2020 Tariff (R/kl)	Percentage increase	2020/2021 tariff (R/kl)
Consumption up to 200 kl	R 42.19	4%	R 44.97
Consumption Exceeding 200 kl	R 44.50	4%	R 47.44
Waste Demand Management		R 234.07	

Understanding Water Tariffs



Residential prepayment meter

Where residential prepayment meter has been installed for the supply of water to a dwelling, block of flats and multi-dwellings where such service is provided in respect of land having a drainage installation thereon which is connected to Johannesburg Water's sewer:

- For the first 6 kilolitres: Free;
- In excess of 6 kilolitres up to 10 kilolitres: R8.75 per kilolitre per month;
- In excess of 10 kilolitres up to 15 kilolitres: R11.08 per kilolitre per month;
- In excess of 15 kilolitres up to 20 kilolitres: R13.37 per kilolitre per month;
- In excess of 20 kilolitres up to 30 kilolitres: R19.84 per kilolitre per month;
- In excess of 30 kilolitres up to 40 kilolitres: R19.84 per kilolitre per month;
- In excess of 40 kilolitres up to 60 kilolitres: R19.84 per kilolitre per month;
- In excess of 60 kilolitres: R19.84 per kilolitre per month.

Residential Indigent Consumers

A reduction in tariff will be given to a consumer who is having a drainage installation, connected to Johannesburg Water's sewer network and who is declared indigent in terms of the Council's **Expanded Social Package** policy resolution:

Indigent Category	Score on prevailing CoJ Poverty Index	Reduction in Sewerage tariff
Band 1	1 - 34	70%
Band 2	35 - 70	100%
Band 3	71 - 100	100%

Band 1 - Refers to individuals / households within a vulnerability range defined by the approved CoJ **Poverty index** of the **Expanded Social Package** policy.

Band 2 - Refers to individuals / households with some formal income that nonetheless falls below the survival range threshold set by the approved CoJ **Poverty index** of the **Expanded Social Package** policy.

Band 3 - Refers to individuals/ households with no formal income from either grants or employment, or incomes below the individual survival level as set by CoJ **Expanded Social Package** policy.



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Water consumption illustrations by way of an example on two individuals

Important: It must be noted that the City has introduced a step tariff on water services, which implies that the more water the consumer uses, the more he/she will pay, with a view to reduce water consumption and benefitting lower consumption users. A tariff structure is a set of rules and procedures that determines how we charge different categories of consumers. In this example we show the practical calculations and impact for two households who consume different kiloliters of water over the City's two financial year periods.

The following shows the calculation of the step tariff on water consumption for a single dwelling (i.e. using 20 kiloliters and 35 kiloliters as the total consumption of water in a month for two households.) The City of Johannesburg Municipality charged the following tariffs for domestic water usage in the year 2019/2020 (From 1 July 2019 - 30 June 2020). The current financial year 2020/2021 (From 1 July 2020 – 30 June 2021) the following tariffs will apply:

Kilolitres per connection per month	2019/2020 tariff (R/kl) Price per kilolitre, excluding VAT	Kilolitres per connection per month	2020/2021 tariff (R/kl) Price per kilolitre, excluding VAT	Percentage Increase
0 kl to 6 kl	R 9.10	0 kl to 6 kl	-	4%
From 6 kl to 10 kl	R 9.66	From 6 kl to 10 kl	R 18.99	4%
From 10 kl to 15 kl	R 16.49	From 10 kl to 15 kl	R 19.82	4%
From 15 kl to 20 kl	R 23.99	From 15 kl to 20 kl	R 27.79	4%
From 20 kl to 30 kl	R 32.95	From 20 kl to 30 kl	R 38.40	4%
From 30 kl to 40 kl	R 36.51	From 30 kl to 40 kl	R 42.00	4%
From 40 kl to 50 kl	R 46.62	From 40 kl to 50 kl	R 52.99	4%
More than 50 kl	R 49.66	More than 50 kl	R 56.79	4%



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A "tariff" means a service charge that the City charges for the use of services it renders such as water. The price of this service should be affordable to the people who use the service, and to the City itself.

Reconnection of supply which has been cut off.

- Flow restrictions: R2,019.88
- Cut-off, Level 2- Disconnection and re-connection at the water meter: R4,045.03
- Cut-off, Level 3- Disconnection and reconnection at the water mains supply: R8,150.40
- Disconnection and re-connection of supply for an incidence of bypassing of the service installation and/or meter: R15, 229.94 for up to a 20mm connection and R35, 146.02 for a connection larger than 20mm.
- Disconnection and re-connection of supply for an incidence of vandalism/tampering of the service installation and/or meter: R15, 229.94 for up to a 20mm connection and R35, 146.02 for a connection larger than 20mm. In the event of stands with multiple households or business premises, the charge will be multiplied by the number of households/business premises per stand even if there is a single bulk meter.

New Connections

For providing and installing a 20 mm connection with a meter:

- Service Level 1 water connection: Free
- New complete connection: R10,738.06
- New meter only: R3,673.72

For providing and installing a 25 mm connection with a meter: R 26,091.71

For providing and installing a 40 mm connection with a meter: R 35,055.21

For providing and installing a 50 mm connection with a meter: R 44,833.53

For providing and installing a 80 mm connection with a meter: R 70,103.64

For providing and installing a 100 mm connection with a meter: R 72,552.76

For providing and installing a 150 mm connection with a meter: R 86,400.90.

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The City has a two tier billing system for water. As a user you are billed for the water that you consume (**variable charges**) or use and then you are billed for the water that you discharge (**fixed charges**) into the sewer system after it has been used.

The calculation for consumption (**variable charges**) is based on a tariff structure applicable to different types or categories of customers. A tariff structure is a set of rules and procedures that determines how we charge different categories of consumers. The **variable charges** are subject to increase – or decrease – based on a household's consumption patterns. Furthermore the City applies a step tariff, which means that the more water used, the higher the tariff charge.

We use the term kl (**kilolitre where 1kl = 1000 litres**), and the water is billed on a sliding scale. Thus the more you use the higher the rate per kiloliter you will pay.

Monthly sewer (**fixed charge**) is calculated based on the following:

- The billing for the sewer service is informed by the property size on freehold properties;
- Multi dwelling properties are assigned a tariff relevant to the dwelling type;
- Commercial sewer billing is dependent on water consumption.

1. Residential Customers

Single and Multi-Dwelling Units: From July 1, 2020 the step tariff pricing structure will be applied to residential customers:

- Water is charged on two types of meters – conventional/postpaid and prepaid meters;
- Water residential charges are based on a step tariff system;
- Step tariff is a user-pays system that rewards customers for saving water. The more you consume water the more you get charged for it. This means that instead of charging a flat rate for your water consumption, the price of water increases as the level of water consumed increases;
- Water charges are divided into eight steps in a tariff system. For the first 6 kilolitres water consumption is not charged. However, all consumption in excess of 6 kilolitres up to or in excess of 50 kilolitres is charged;
- Customers will be charged a water demand management levy of **R26.52** per dwelling per month;
- Water Demand Management Levy – is a fixed charge for each water connection to cover the cost of the base water installation over the lifespan of the meter, irrespective of the consumption;
- An annual allocation for emergencies of 4 kilolitres will be provided free of charge to a consumer in the case where the meter is prepaid.

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Mixed Use Customers: From July 1, 2020 the following step tariff pricing structure will be applied to mixed use customers

- Water is charged on two types of meters – conventional/postpaid and prepaid meters;
- Water residential charges are based on a step tariff principle;
- Step tariff is a user-pays system that rewards customers for saving water. The more you consume water the more you get charged for it. This means that instead of charging a flat rate for your water consumption, the price of water increases as the level of water consumed increases;
- Water charges are divided into five steps in a tariff system. For the **first 6 kilolitres water consumption (per dwelling multiplied by the number of dwelling units on the premises)** is not charged. However, all consumption in excess of 6 kilolitres up to or in excess of 20 kilolitres is charged;
- Customers will be charged a water demand management levy of R26.52 per dwelling per month plus R234.07 per stand;
- Water Demand Management Levy – is a fixed charge for each water connection to cover the cost of the base water installation over the lifespan of the meter, irrespective of the consumption.

Deemed consumption areas

This refers to erven within previously disadvantage areas where a flat rate for water consumption was charged and it has not been possible to assess metered water consumption over the past 12 months:

- 5kl per month: Free;
- 10 kl per month: R75.96 per month;
- 20 kl per month: R314.01 per month.

Informal Settlements

This refers to informal dwelling structures or Erven where water is not connected to the formal water reticulation system from the City of Johannesburg:

- No conventional or prepaid meters;
- Water supplied from a communal water point;
- Water is free of charge per month.



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2. Non-Residential

Institutions: From July 1, 2020 the following tariff pricing structure will be applied to institutions:

- Water is charged on two types of meters – conventional/postpaid and prepaid meters.
- The first 6 kilolitres water consumption is charged and not free.
- Water charges are divided into two steps in a tariff system.
 - For consumption up to 200 kilolitres: R34.94 per kilolitre per month
 - For consumption exceeding 200 kilolitres: R39.85 per kilolitre per month.
 - A water demand management levy of R234.07 will be charged per stand per month.

Customers will be charged **Water Demand Management Levy** – the demand charge is a fixed charge for each water connection to cover the cost of the base water installation over the lifespan of the meter, irrespective of the consumption.

Commercial and Industrial: From July 1, 2020 the following tariff pricing structure will be applied to commercial and industrial customers:

- Water is charged on two types of meters – conventional/postpaid and prepaid meters.
- The first 6 kilolitres water consumption is charged and not free.
- Water charges are divided into two steps in a tariff system.
- For consumption up to 200 kilolitres: R44.97 per kilolitre per month.
 - For consumption exceeding 200 kilolitres: R47.44 per kilolitre per month.
 - A 2% surcharge is levied on business customers (Institutions, Commercial and Industrial).
 - A water demand management levy of R234.07 will be charged per stand per month.

Customers will be charged **Water Demand Management Levy** – the demand charge is a fixed charge for each water connection to cover the cost of the base water installation over the lifespan of the meter, irrespective of the consumption.

3. Miscellaneous Charges

Disconnections and/or reconnections

Charges for connecting supply

- For the removal of an unused meter up to and including a 20 mm connection, and consequent disconnecting of supply: R2,592.35
- For the removal of an unused meter larger than 20 mm up to and including a 40 mm connection, and consequent disconnecting of supply: R14,058.41
- For the removal of an unused meter larger than 40 mm up to and including a 100 mm connection, and consequent disconnecting of supply: R25,773.75
- For the removal of an unused meter larger than 100 mm connection, and consequent disconnecting of supply: R37,489.09



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