



APPROVED FORMULA FOR THE LOW POWER FACTOR SURCHARGE MECHANISM

The formula of the approved surcharge model is presented in Table 1 below:

Table 1: Approved Surcharge Model

| Power Factor Band | Surcharge Applicable | Surcharge Computation |
|--------------------------|--|--|
| 0.76 < pf < 0.92 | 1.5% for every 0.01 less than 0.92 | $1.5\% \times \frac{(0.92 - P_{\text{factual}})}{0.01} \times \text{Pre-tax Bill}$ |
| 0 – 0.76 | 3% for every 0.01 less than 0.76 plus 1.5% for every 0.01 less than 0.92 | $[(1.5\% \times \frac{(0.92 - 0.76)}{0.01}) + (3\% \times \frac{(0.76 - P_{\text{factual}})}{0.01})] \times \text{Pre-tax Bill}$ |

Notes:

- p.f.actual = Average Power Factor for the billing period (kW/kVA);
- 0.92 is the target power factor in accordance with clause 2.2.1 of the Network Chapter 1 of the Grid Code; and
- Pre-tax bill is the total customer bill computed at specific point of supply before taxes