



## First Capital Personal Finance Newsletter



**FIRST CAPITAL**  
(Pty) Limited

### Managing your Electricity Bill

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Every person dreams of owning a house, but owning a home in a town or city can be very costly. You have numerous expenses such as mortgage, electricity, water, insurance, and many more costs related to owning a house. We live in an electronic age and rising electricity bills are the end result. In our homes we have multiple electric appliances, that we sometimes don't use but these remain connected and increasing our electric bill cost every month. Namibian consumers and business should expect their electricity bills to rise as Namibia enters the winter season and the supplier and distributors of electricity increases electricity tariffs in anticipation of rising electricity demand during the winter season. The expected electricity increase comes at a time when fuel and food prices are increasing, putting pressure on household limited financial resources. You might have observed that every time your salary is increased by your employer, your standard of living remains relatively unchanged partly because at all times different sub-components of the cost of living such as electricity price is rising. Electricity makes up a substantial component of your consumption basket broken into two components. First you pay direct cost of electricity to the supply/distributor of electricity such as municipalities or directly from NAMPOWER if you are a big business. Almost every item or food produced uses electricity, so the price you pay for food and other products includes a cost of electricity. So the increase in electricity to you as a consumer does not only come through the electricity bill you receive from your municipality but also indirectly through prices of other goods affected by rise in price of electricity. With the rising cost of electricity, many people are trying to find out how to lower their electric bills. There are many ways we can lower electric bills, some of the tips below are simple, tried and true ways that when you implement can lower your electric bills and boost your disposable income.



**Consider Solar Power:** Consider heating your home with the sun's help. Energy from solar panels or using solar heat to supplement your normal heating source is cost effective, and you will find that you will save a lot on your electricity bill. The initial cost of acquiring and installing the solar system may seem higher, but over the long run it costs the least. Namibia's Ministry of Mines and Energy (MME) recently introduced a Solar Revolving Credit Facility (SRF) that you can access to install solar at your house or business. This facility is available to everyone in urban or rural and you can acquire Solar Water Pump, Solar Home System, Solar Water Heaters, and Solar Cookers/Stoves through financing from the SRF. The SRF carries an interest rate of 5%; no security or collateral required and is repayable over a period of five years. Application forms are available at the MME in Windhoek and you now have an opportunity to either start a small project in your village or reduce the cost of electricity in your home by using solar energy.

**Read Your Electric Meter:** If you really want to know what is making your electric meter wheel spin then the best thing to do is to take a look at it and figure out ways to make it slow down. You can really learn through a process of elimination, simply by turning certain appliances off and on. You will be surprised how much you can save on electricity. It is very important to learn how to read your electricity meter to ensure that you are not overcharged. There are occasions, events beyond the control of municipality officials that may force them to estimate your home's electric usage for a month's billing cycle. Locked gates, threatening dogs, covered or blocked meters and dangerous weather conditions may make it impossible for meter readers to reach your electric meter and in this case electricity bills are estimated. While some municipalities, like the City of Windhoek (CoW) might have technical capacity to ensure consumers are charged the right amounts and if they over charge you in one particular month, this will be reversed in the next month, other municipalities do not have the technology and capability and may continue to overcharge clients without realising the mistake on their side. Even big municipalities like CoW can also make the same mistake. Few years ago my electricity was so high and I queried the officers at CoW they sympathized with me and I was advised to check for electrical faults in my house. The electrician I hired found no fault in my electric meter and the house. I then decided to review my old municipal electricity bills for the past three years and established that the number were not reconciling. I pointed this to the officers at CoW, and automatically the situation was rectified and my monthly electricity bill declined by 30% although I continued using the same amount of electricity.

It is therefore important to read your meter, read the dials right to left, writing down the numbers in the same order every month and compare to the reading the previous month to see if it tallies to what the municipality bill reflects. Reading your meter often, along with careful observation of the weather and appliances being used, can help you manage energy consumption and evaluate the effectiveness of appliances.

**Unplug All Appliances:** The best way to lower your monthly electricity bill is to take a look at the appliances in your home that make that little wheel on your electric meter spin around like a wind turbine in a hurricane. Electric kettles are one of the worst wheel spinners and if you have gas, then I suggest that you use gas stove. If you do not have gas, then only fill the kettle with as much water as you need. Unplugging computers, printers, modems, VCRs, TVs from a wall plug will ascertain a decrease on your monthly dues. It will also stop short circuits. Not having more than one freezer or refrigerator can also help in lowering your electricity cost. Phone chargers that are plugged in and are not in use still use electricity. All your computer plugs that are plugged into power strip still use electricity. Unplug every appliance not in use and you will see a difference in your electricity bill.

**Turn off the Lights:** Electric lights really don't eat up that much electricity, but over a long period of time, their consumption will become quite noticeable. Therefore, it is advisable to turn lights off where they are not needed. At night time, energy saving night-lights can be used for safety. Remind the kids to turn off lights in empty rooms.

**Conclusion:** The best way to improve your financial position is to take simple steps such as the ones presented above, one step at a time. Once you lower your electricity bill expenses, you move to other items and I promise you in six months the result will surprise you. Remember, it's how you finish the journey toward long-term financial wellness that counts. By making the right spending, saving and investing decisions, you'll position yourself to gain any lost ground and to build the discipline to stay ahead of the pack when it comes to growing your financial net worth.

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