

ESKOM RATES REQUEST OF 15 PERCENT by ALLIMUTHU PERUMAL – CBOS- CIVICS presented at ICC Durban Thursday January 17, 2019

IS NERSA ASLEEP IF ONE INDIVIDUAL Mr Ted Blom can represent over 80 000 South Africans and you still not hearing the ALARM BELLS. NERSA should have stopped the hearings and went home.

With reference to my presentation last year I have not really seen NERSA say NO TO DEBT WRITEOFFS as this is impacting on paying CONSUMERS.

DEBTS

The CEO wants an increase so the Consumer pays for his team's non-management of recovery of DEBTS – this is in no way the concern of the consumer. Every employee of ESKOM is responsible including the BOARD together with the Minister and his team to recover and manage debts. Can we ask ESKOM an honest question are their employees paying for their bills from ESKOM and this includes management and the board.

No DEBT WRITE OFF's

I put a request for introduction of the need to move to COLECTIVE HOUSEHOLD INCOME must be taken in to account to recover DEBTS as every single person in the dwelling should be held accountable for debts wing to municipalities.

With reference to page 3 of the Sunday Tribune dated 13th January 2019 CIVICS are saying BIG NO TO THE REQUEST alarm bells are ringing again POOR PEOPLE can't AFFORD this INCREASE and request by ESKOM.

Pensioner's

PENSIONERS are earning R1700, 00 per month from our GOVERNMENT so if its x 2 its R3400.00 per month and these pensioners have to pay rent and municipal services plus buy groceries and with the increase in VAT they can no longer live a good life in their old age

The added burden is now the greater issue of NO TRAINS and municipalities cannot run their buses without interference from mini bus operators, SO THERE IS LITTLE MONEY LEFT to CONSUMERS.

With the growing concern by labour of the imminent closure of EDGARS and the call for privatization of

SOES workers are going to be shed, so NERSA has to think out of the box and take into account the issue of labour.

From a CIVIC point of view we the leaders of civil society cannot look issues and concern in isolation.

Prepaid Meters

I did raise point to the panel at the last hearing as to whether the consumers are benefitting from the PREPAID METERS I am not an engineer or a technical expert but the Prepaid Tokens must be loaded with

Purchased energy which I doubt , if one purchases from municipalities they will obtain full purchased amount of power .

Rollout of Solar Geysers - Growing of Green Economy

In the last issue of the Green Economy editor Mellisa Baard writes on our country promoting the Green Economy.

Last year I called for this but to date no come back as to whether this was taken into consideration, we need NERSA to come on board and assist consumers by calling for the roll out of Solar Geysers and the subsidy be controlled by SARS only claims must be done via SARS as this can be cross verified with Google Earth as to whether the homes are fitted with one . NERSA must insist that this project all items must be made in South Africa thus promoting our economy.

We had Smiths of Pinetown who had to close of their Solar Geyser production unit and this is not good for the growth of the GREEN ECONOMY.

Ghost Staff

The CEO must come clean and answer to our citizens as to why he and the management of ESKOM are not cleaning his POT – or should we say the largest milking cow .

Led Lights

Consumers are really ripped of from all stores which sell these products as we don't really know the quality of these products which are flooding our shores . NERSA must be the champion here and insist that consumers be protected from the sellers .

The CIVICS say a big no to the request increase in trafifs by ESKOM as the Civic Movement request that ESKOM provide honest answers to Civil Society and the Chamber of Commerce and industry as to whether they are keen to put their finances in order .Their mismanagement should not burden the economy and the paying consumer .

At all the hearings Civil Society and the economic role players are opposed to this request .and it's a call to NERSA to send ESKOM a strong message.

He said there had been cost-cutting initiatives to help improve the financial situation, but stressed that Eskom had a balance sheet problem.

“The biggest challenge is the balance sheet of Eskom, which deteriorated over time,” he said.

Debt which stood at R380 billion at the beginning of last year has since grown to more than R419bn.

Hadebe warned that Eskom was close to a debt trap and apologised for the problems dogging the utility, saying: “Eskom deserves to apologise. It is compelled to apologise to South Africans for bringing these challenges. They were avoidable.

“All these challenges, load shedding, were built over time. But turning around an institution facing challenges takes time.”

EIUG programme director Shaul Nel said the lobby group wanted Nersa to reject Eskom’s request.

“Nersa must only allow inflation-linked increases. Nersa needs to balance the needs of consumers with Eskom’s requirements,” said Nel.

“It’s clear Eskom’s business model must be re-examined. It is our view that Eskom must just be run for cash to service debt while IPPs (Independent Power Producers) provide future generation development.”

Ronald Chauke from Outa said: “Outa cannot accept such high tariff hikes at this stage, despite the fact that Eskom is broke.

“At best, we propose that Nersa should not allow Eskom to exceed CPI, which is around the 5 percent mark. Eskom should find savings by reducing the headcount and staff costs, along with returning to lower primary energy costs by undoing the inflated and often corrupt contracts entered into during the Jacob Zuma era.”

Jamine said he was not totally convinced that the 15 percent tariff increase, if granted, would help to resolve Eskom’s financial crisis.

He said a direct impact of the increase could result in consumers paying more for electricity, while the indirect impact could see a slowdown in economic activity.

“An increase could lead to less manufacturing and mining activities and less demand for electricity in general,” said Jamine.

“People will cut back on the usage of electricity than they are currently doing. They might try to switch to alternative sources of energy.”

Jammine warned that a sharp tariff increase could backfire and lead to Eskom incurring lower revenues than anticipated.

Eskom needed to come up with other solutions to address its financial challenges than to try and increase tariffs, he said.

“If they do increase tariffs in the way they are threatening to do, that could lead to overall economic growth decline.”

Mail and Guardian dated 14th January 2019

BUSINESS REPORT The National Energy Regulator of South Africa (Nersa) — which sets prices and tariffs for power utility Eskom — will on Monday start a series of nationwide public hearings on what South Africans will be paying for electricity.

Over the course of three weeks, Nersa will hold hearings on what the debt-laden power utility will get to charge for electricity in years ahead, and what it can recoup from shortfalls in 2017/18.

[READ MORE: Is the load-shedding holiday over?](#)

The hearings commence on Monday in Cape Town. The energy price regulator will hear from, among others, Eskom chief financial officer Calib Cassim, a representative of the the South African Local Government Association, advisers to the mining and energy industry, and representatives from the Organisation Undoing Tax Abuse (Outa).

The hearings continue in Cape Town on Tuesday, with members of the public set to testify, before moving on to Port Elizabeth in the Eastern Cape.

Hearings will wrap up in Gauteng in late January or early February.

