



MUNICIPAL **ACCOUNTS DISPUTES**

**ESKOMS 3RD MULTI-YEAR PRICE
DETERMINATION REGULATORY CLEARING
ACCOUNT /YEAR 5 2017/8 & 4TH MULTI YEAR
PRICE DETERMINATION APPLICATIONS**

***PUBLIC HEARING 28
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ACCOUNTS **DISPUTES**

Municipal Problems Solved!

INTRODUCTION

**ESKOM is the ONLY company
worldwide that DISCOURAGES**

**Customers to purchase their product
and use it**



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BACKGROUND

Key economic driver for South Africa is the cost of electricity

Most Smelters, Mines and Industries in SA receive electricity from Eskom

Mining industry in Rustenburg & North West has already been adversely affected

- Closure of mines
- Business rescues
- Job losses
- Further anticipated job losses of over 12 000 employees just in the Rustenburg Area – Lonmin and Impala

90% of economic existence generated from mining, industrial and commercial industries

Small businesses hit the hardest by electricity increases



ESKOM DONE NOTHING

- Cost of electricity has risen by 200% since the first load shedding in 2008
 - ESKOM had 35 000 employees in 2008
 - Currently ESKOM has 45 000 employees – 10 000 more than 2008
 - ESKOM has not generated additional capacity – customers are using less electricity
 - Therefore it can be said ESKOM is overstaffed
 - ESKOM has been plundered and captured by corrupt senior Mangers, Guptas and the “state” for self gain
- PUBLIC is sick and tired of paying the price for ESKOM’s inefficiencies and mis managements since 2008



ESKOM ROT

- LOAD SHEDDING is ESKOM made and an ESKOM tactic to force over inflated TARIFF INCREASES that are economically unaffordable and unsustainable
- ESKOM MUST cut MANGEMENT POSTIONS with AT LEAST 70% – M – band upwards
- Only in January 2019 management (F Bands) was cut from 21 to 9 but that is not GOOD ENOUGH
- Its normal business practice for businesses to cut on labour costs especially management positions if in financial distress
- Not for ESKOM – IT EMPLOYS MORE MANAGERS and spends more money wastefully at the publics expense
- ESKOM needs to “think out of the box” with regards to outstanding municipal debt recovery – recover directly from municipal customers



POSSIBLE SOLUTIONS

- Break Eskom up into Distribution, Generation and Transmission
- Sell off Generation and Distribution and privatize
- Cut Eskom staff complement to half – 22 500 employees
- Ensure that the responsible persons for the corruption are dealt with accordingly – monies recovered, and criminally prosecuted
- Encourage electricity consumption by clawing back on tariff increases by decreasing tariffs



Conclusion

- Eskom increases of 15,% for 4 years will cause adverse effects on economy and cripple South Africa
- On top of this MUNICIPALITES will also increase electricity tariffs
200% more than ESKOM tariffs
This makes the situation more dire
- Further increases will be suicidal to South Africa's already struggling economy
- If ESKOM does not seek alternatives and think "out of the box"
- there will be NO MORE ESKOM in the future as
- energy users will seek alternative sources to be Grid Free

We request NERSA to not grant any increase that will unsustainable for the South African economy – ESKOM has already received over 4% therefore at the most 2% increase will be fair