

14 March 2022

MEDIA STATEMENT

NERSA'S DECISION ON ESKOM'S RETAIL TARIFF AND STRUCTURAL ADJUSTMENT (ERTSA) APPLICATION FOR THE 2022/23 FINANCIAL YEAR

The National Energy Regulator of South Africa (NERSA) confirmed today that at its meeting held on 9 March 2022, the Energy Regulator made a determination on Eskom's Retail Tariff and Structural Adjustment (ERTSA) application and approved an average tariff increase of 9.61% for Eskom's standard tariff customers and an increase of 8.61% for municipalities. The increase for Eskom's standard tariff customers will be effective from 1 April 2022 and for municipalities from 1 July 2022.

Municipalities will realise a lower increase of 8.61% due to the fact that in the first three months (April to June) of Eskom's financial year, they will not experience an increase, as their financial year commences on 1 July of every year. The municipalities cannot increase their tariffs in the middle of their financial year, as it would not correspond with the revenue to be achieved from licensed municipal distributors. In this regard, Eskom will over-recover revenues in the first three months (April to June) of its financial year, hence municipalities will only experience an increase of 8.61% as opposed to the 9.61% that will be seen by the rest of Eskom's customers. The 1 July implementation date for municipalities is in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ('MFMA'). The guideline for municipal distributors will be issued by NERSA in due course, after consultation with stakeholders. The approved increases applicable to the various customer categories are provided in Table 1 below.

Regulator Members:

Mr SS Mokoena (Chairperson) *Adv NP Sithole (Chief Executive Officer)
*Mr N Gumede *Ms N Maseti *Mr MW Mkhize Ms Z Mpungose Mr FK Sibanda
*Full-Time Regulator Members

Table 1: Increases applicable to various customer categories

Customer Category	Average Increase
Total Standard Tariffs	9,61%
Municipal - 1 July 2022	8,61%
Eskom Direct Customers	
Key Industrial & Urban : Megaflex, Miniflex, Nighsave Urban, WEPS, Megaflex Gen	
Other Tariff Charges	
Other Urban Business Rate, Public Lighting	9,61%
Affordability Subsidy	14,26%
Rurafex Gen	9,61%
Homelight 20A	
Block 1 (0-350kWh)	9,61%
Block 2 (>350kWh)	9,61%
Homelight 60A	9,61%
Homepower	9,61%

The ERTSA methodology, approved by the Energy Regulator, guides the process of allocating revenues to different customer categories, including the allocation of revenues and volumes between Eskom and municipalities.

Eskom submitted its ERTSA application for the 2022/23 financial year, together with the schedule of standard tariffs, for approval on 28 February 2022.

The Reasons for Decision document will be available on the NERSA website at www.nersa.org.za in due course.

End.

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