



**PUBLIC INTEREST SA**

**Tebogo Khaas**

Chairperson

**Let's make our democracy work!**

**NERSA PUBLIC HEARING**

**Eskom MYPD6 Application  
Revenue Application**

**03 December 2024  
Uncle Tom's Hall, Soweto**



# AGENDA

To promote transparency, accountability, and ethical behaviour.

## IMPACT OF TARIFF INCREASES ON STAKEHOLDERS

SMALL BUSINESS VULNERABILITY

ECONOMIC INEQUALITY

HOUSEHOLD FINANCIAL STRAIN

INDIGENT POLICY - FBE

## ENHANCED TRANSPARENCY AND ACCOUNTABILITY

ENHANCED REVENUE COLLECTION

NEGOTIATED PRICING AGREEMENTS

ETHICAL SOURCING

RULE OF LAW

## ANCILLARY COST REFLECTIVE RECOVERIES

COST OF CORRUPTION ON INFRASTRUCTURE PROJECTS

PREVENTING FRAUD AND CORRUPTION



# IMPACT OF TARIFF INCREASES ON STAKEHOLDERS

## SMALL BUSINESS VULNERABILITY

SMEs, which lack access to preferential tariffs, are increasingly at risk of closure due to rising operational costs. This threatens job creation and South Africa's economic resilience, making equitable energy pricing an urgent priority.

## ECONOMIC INEQUALITY

Current structure of Eskom's tariffs continues to burden ordinary consumers while large industrial users benefit from NPAs that are often shrouded in secrecy. This dynamic perpetuates systemic inequality and undermines public trust in Eskom's pricing policies.

## HOUSEHOLD FINANCIAL STRAIN

South African households already struggle to afford electricity, with tariffs having risen by 653% between 2007 and 2022, far exceeding inflation. Further increases will exacerbate energy poverty, particularly for low-income households.

# ENHANCED TRANSPARENCY AND ACCOUNTABILITY

## NEGOTIATED PRICING AGREEMENTS

All terms, pricing, and economic justifications for Eskom's NPAs with industrial users must be disclosed to the public. Transparency is essential not only for ensuring fairness in tariff structures but also for fostering trust in Eskom and NERSA's governance processes.

## ENHANCED REVENUE COLLECTION

Eskom must compel bulk electricity customers, particularly municipalities, to install and maintain metering systems to curtail billing disputes, which undermine revenue collection efforts and contribute to Eskom's weakened fiscal position.

## ETHICAL SOURCING AND THE RULE OF LAW

- Carbon Tax Implications  
Transparent reporting on Eskom's deferred carbon tax liabilities and their implications for tariffs and compliance with international climate obligations must be prioritised.
- Defiance of Court Orders

# ANCILLARY COST REFLECTIVE RECOVERIES

Corruption is one of the greatest obstacles to the alleviation of poverty, and the development of adequate and safe food, water, healthcare, education and infrastructure.

## COST OF CORRUPTION ON INFRASTRUCTURE PROJECTS

United Nations and World Economic Forum have estimated the global cost of corruption at 5% of the world's Gross Domestic Product (GDP).

**FY20 – FY24: R720 = R36**

## PREVENTING FRAUD AND CORRUPTION

- Enhanced Anti-corruption Ecosystem
- Barometer of Recoveries

# RECOMMENDATIONS

## PROMOTE TARIFF EQUITY

Future tariff structures must prioritise equity and sustainability by ensuring that ordinary consumers and small-to-medium enterprises (SMEs) are not disproportionately burdened

## DEMAND TRANSPARENCY

- Negotiated Price Agreements
- Anti-Corruption Ecosystem

## JUSTICE IN ENERGY TRANSITION

Enhance corporate reputation; ESGs

## STRENGTHEN REPORTING REQUIREMENTS

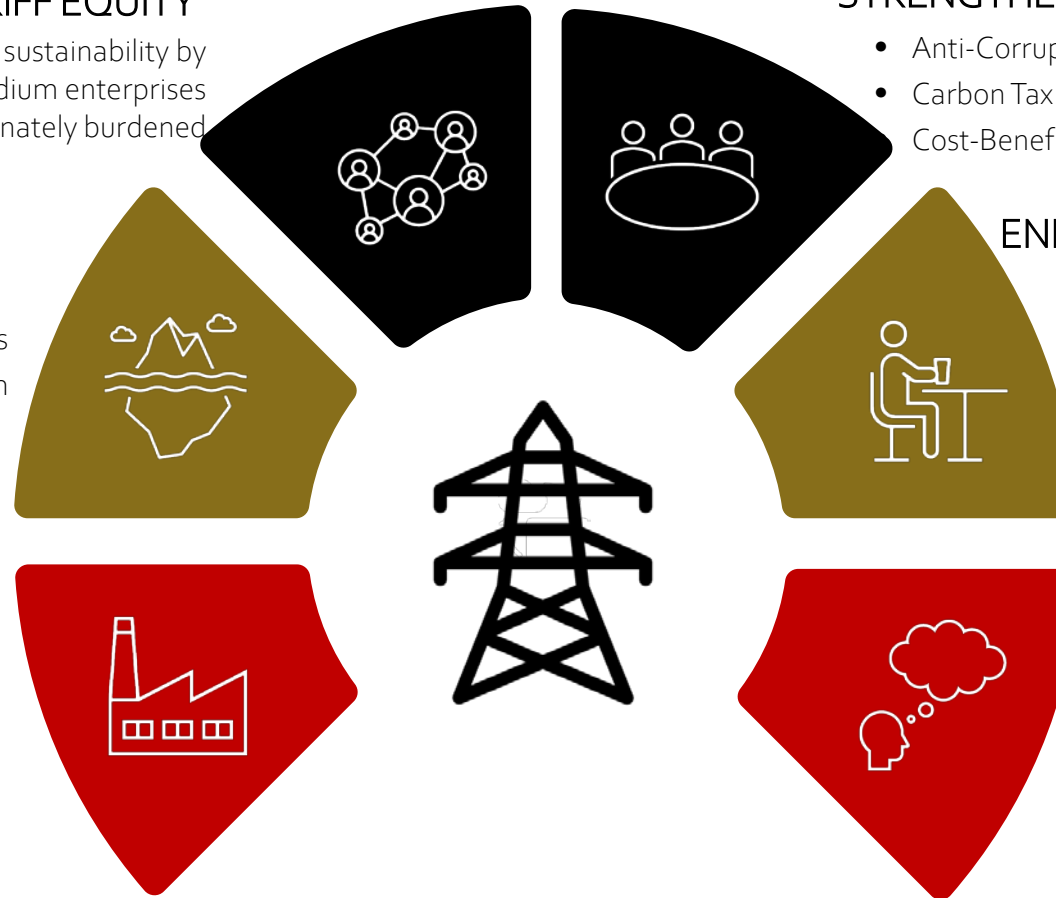
- Anti-Corruption Related Recoveries
- Carbon Tax Implications
- Cost-Benefit Analysis of NPAs

## ENHANCE REVENUE COLLECTION

- Metering Systems for Bulk Electricity Customers

## FUTURE-PROOF DEMAND-SIDE

Contribute to thought leadership towards the whistleblower ecosystem and gain industry insights and best practices on whistleblowing.



# CONCLUSION

Public Interest SA recognises the difficult economic conditions facing South Africa and the competing priorities in energy pricing. While we remain neutral on the percentage increase proposed, we call for transparency, equity, and accountability in Eskom's tariff-setting processes. The plight of small businesses, households, and other vulnerable stakeholders must remain central to all pricing considerations.

We trust NERSA will act in the public interest by ensuring greater transparency in NPAs, fostering equitable energy pricing, and addressing systemic inefficiencies in revenue collection.



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