
NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

In the matter regarding

DECISION ON ESKOM HOLDINGS SOC LIMITED: THE IMPLEMENTATION PLAN FOR ESKOM'S REGULATORY CLEARING ACCOUNT (RCA) BALANCE OF FINANCIAL YEAR 2014/15, 2015/16 2016/17 COURT REVIEW RCAs, SUPPLEMENTARY REVENUE AND R10bn ADDITIONAL REVENUE

By
ESKOM HOLDINGS SOC LIMITED ('ESKOM')

THE DECISION

1. This refers to the matter regarding the implementation of the approved total Regulatory Clearing Account (RCA) balance of R 4 749m and R1 288 in relation to the 2014/15, 2015/16 and 2016/17 FY , the Supplementary Revenue application respectively and additional revenue. The Energy Regulator, on 15 February 2021 made a determination on the liquidation of the three RCAs and supplementary revenue as follows:
 - 1.1 The total allowed RCA balance and supplementary of R 6 038m will be recoverable from standard tariff customers, local Special Pricing Arrangement (SPA) customers and international customers.
 - 1.2 An amount of R5 739m will be recovered from standard tariff customers and R299m will be recovered from local SPA customers and international customers.
2. As part of the supplementation of the heads of arguments in the Section 18(3) of the Superior Courts Act, 2013 (Act No 10 of 2013) directed by the court, the Energy Regulator approved an additional revenue to Eskom of R10 000m for implementation during 2021/22 financial year on 11 February 2021. The said revenue shall be recoverable from Eskom's Standard Tariff Customers, Negotiated Pricing Agreements and International customers.

3. Please take note that, from this additional revenue of R10 000, an amount of R 9 570m will be recovered from standard customers and R430m will be recovered from negotiated price agreement and international customers based on 2021/22 MYPD4 approved revenues
4. The RCA balances and additional revenue will be liquidated over one year as shown in Table 1 below:

Table 1: Implementation plan of 2014/15, 2015/16, 2016/17 RCAs, Supplementary Revenue and additional revenue as per court decision

R'm	2019/20	2020/21	2021/22	2022/23
Three RCA and Supplementary revenue				
Revenue	190 939	205 107	214 598	214 598
MYPD 3 RCA (Yr 2,3,4)	7 776	7 776	7 776	7 776
MYPD 3 RCA (Yr5)		1 876	1 876	
RCA arising (2018/19)			6 150	6 150
RCA (2014/15, 2015/16 and 2016/17)			4 545	
Supplementary application and three RCAs			1 194	
Additional revenue			9 570	
Total Revenue from standard customers	198 715	214 759	245 709	228 524
Volumes	186 064	184 898	183 856	183 856
Price	106,80	116,15	133,64	124,29

End