

Nersa approves 18.65% power price hike for Eskom

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The National Energy Regulator of South Africa (Nersa) on Thursday, 12 January, approved an 18.65% power price rise for beleaguered state utility Eskom for the financial year starting on 1 April, less than the company requested.



Source: Reuters/Siphwe Sibeko

Eskom had sought an increase of more than 32%, citing higher fuel costs, depreciation of its generation assets and higher procurement from independent power producers.

Regulator Nersa also approved a 12.74% tariff increase for the following year.

Eskom has been mired in financial crisis for years and is dependent on government bailouts.

Nersa rarely grants Eskom the full tariff increase it seeks, with disputes between the two often ending in court.

"The energy regulator attempted to strike a balance between Eskom's financial sustainability issues, the impact on the

South African economy, and affordability of electricity services to customers," Nersa chair Thembeni Bukula told a media briefing.

Eskom said it would issue a statement on the tariff increase on Friday.

Eskom is implementing some of the deepest power cuts on record of about six to eight hours a day for most households. It implemented power cuts on more than 200 days last year, the most in a calendar year.



Government to take on Eskom debt in staggered way

Kopano Gumbi and Rachel Savage 12 Jan 2023



Government to absorb part of Eskom debt

President Cyril Ramaphosa has been trying to reform the debt-laden company since taking office in 2018 to make it more efficient, but progress has been slow. His government plans to take on part of Eskom's roughly R400bn debt.

Finance minister Enoch Godongwana said earlier on Thursday the government would take on Eskom's debt in steps. How much debt is absorbed by the government depended, in part, on the price increase granted by Nersa, he said.

"It's an important variable because it's going to demonstrate to me Eskom's sustainability in the long-term and ... therefore what debt should I take," the minister told Reuters.

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