

**16 March 2023**

## **MEDIA STATEMENT**

### **NERSA'S DECISION ON ESKOM'S RETAIL TARIFF AND STRUCTURAL ADJUSTMENT FOR THE 2023/24 FINANCIAL YEAR**

The National Energy Regulator of South Africa (NERSA) confirmed today that at its meeting held on 10 March 2023, the Energy Regulator made a determination on Eskom's Retail Tariff and Structural Adjustment (ERTSA) application and approved an average tariff increase of 18,65% for Eskom's standard tariff customers and an increase of 18,49% for municipalities. Key industrial and urban customers will realise an 18,65% increase plus an additional 7.37c/kWh to cater for the subsidy, which increases from 5.69c/kWh resulting in a 29,53% increase. Homelight 20Amp customers will realise a lower increase of 10%.

Municipalities will realise a lower increase of 18,49% because, 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 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 18,49% as opposed to the 18,65% that the rest of Eskom's customers will see. 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 increase for Eskom's standard tariff customers will be effective from 1 April 2023 and for municipalities from 1 July 2023.

NERSA will issue the guideline for municipal distributors after consultation with stakeholders. Table 1 below shows the approved increases applicable to the various customer categories.

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#### **Regulator Members:**

Mr T Bukula (Chairperson) Ms Z Mpungose (Deputy Chairperson) \*Adv NP Sithole (Chief Executive Officer)  
\*Mr N Gumede \*Ms N Maseti \*Mr MW Mkhize Ms T Semane Mr FK Sibanda Ms PN Sibiyana  
\*Full-Time Regulator Members

**Table 1: Retail tariff adjustment (2023/24)**

<b>Customer Category</b>	<b>Average Increase</b>
Total Standard Tariffs	18,65%
Municipal – 1 July 2023	18,49%
<b>Eskom Direct Customers</b>	
Key Industrial & Urban: Megaflex, Miniflex, Nighsave Urban, WEPS, Megaflex Gen	
<b>Other Tariff Charges</b>	
Other Tariff Charges	18,65%
Affordability Subsidy (Paid by Industrial and Urban Eskom Customers)	29,53%
<b>Rural:</b> Ruralflex, Nighsave Rural, Landrate, Landlight, Ruraflex Gen	18,65%
Homelight 20A	
Block 1 (0-350kWh)	10,00%
Block 2 (>350kWh)	10,00%
Homelight 60A	18,65%
Homepower	18,65%

Eskom submitted its ERTSA application for the 2023/24 financial year on 28 February 2023, together with the schedule of standard tariffs. On 2 March 2023, Eskom submitted a revised version with a lower increase of 10% for Homelight 20 Amp customers.

The ERTSA application is an application that Eskom submits after the determination and approval of its revenue. In this application, Eskom demonstrates how the approved revenues will be recovered from each customer category.

It is important to indicate that the NERSA-approved tariffs exclude the value-added tax (VAT), as the Minister of Finance determines the rate. The Minister of Finance last proclaimed a VAT increase in 2018, from 14% to 15%. Eskom will ensure that its approved Schedule of Standard Prices for 2023/24 is published on its website and communicated to all customers.

The Reasons for Decision document will be available on the NERSA website at [www.nersa.org.za](http://www.nersa.org.za) in due course.

**End.**

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