

Nersa under pressure to resist Eskom's 14% electricity hikes

According to ESI-Africa, the Energy Regulator of South Africa (Nersa) told South Africa's parliamentary portfolio committee on energy that, with Eskom proposing a 14% electricity price hike this year, a number of important factors would weigh heavily when determining the actual price increase. "We must get into price increases that are inflation related," said Nersa's Thembanani Bukula, adding that in the past few years' electricity price increases in South Africa have been steep, as they were influenced by capital cost requirements for the construction of new power stations in Medupi, Kusile, and Ingula.

It is believed that Eskom will be seeking an annual increase of between 14.5% to nearly 20% over the next five years. Hearings will take place in January 2013, once the Eskom application is made public, with a decision on the increase at the end of February. This increase would apply from April 2013. The DA's deputy energy spokesman, David Ross, argues that Eskom's infrastructure costs should not be placed on the shoulders of electricity consumers. "In the last three years there have been increases of a total of 68%," he said, adding that consumers should not end up paying for Eskom's capital expenditure programme.

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