

Nersa, Eskom head to court over pricing

The National Energy Regulator of South Africa (Nersa) says it is studying a court application by Eskom which seeks to compel the energy regulator to reconsider Eskom's tariff increase application. This as Nersa rejected Eskom's multi-year electricity tariff increase application at the end of September.



Source: tomas1111 © 123RF.com

On Monday, 18 October, the power utility said it had filed an application in the High Court to review Nersa's decision to reject the tariff increase, citing the move as its only option.

"Regrettably, this is the only available option to avoid extremely serious and negative consequences for Eskom and, by necessary consequence, to National Treasury. The urgent High Court review requires Nersa to urgently process the Eskom revenue application for at least one year, as required by law.

"The proposed timeframe allows for a decision to be made in time for implementation by 1 April 2022," Eskom said.



Nersa rejects Eskom's plan, wants sustainable prices

Wendell Roelf 1 Oct 2021



Principles for determining pricing

At the end of September, Nersa announced that it had rejected Eskom's price application and had published a consultation paper on principles to be used when determining pricing.

“The new price determination approach will also take into consideration the rapid transformation of South Africa's electricity sector, respond to the transformation of the electricity industry and associated energy security concerns, rising electricity prices as well as the increase in self and private sector electricity generation,” Nersa said at the time

Now, Eskom says Nersa’s approach to price determination is “impossible” to apply.

“Nersa... requires Eskom to make a new application based on a methodology yet to be developed. This is impossible both from a legal process and timing point of view. It is hoped that Nersa will respond in a manner that allows for the stability of the country’s economy and the electricity industry,” the power utility said.

For more, visit: <https://www.bizcommunity.com>