

Eskom seeks 32% power tariff hike in April

Eskom is seeking an average power tariff increase of just over 32% for the financial year that starts on April 1 2023, much higher than originally sought, it said on Thursday, 15 September.



Source: Reuters/Siphiwe Sibeko

South Africa's energy regulator Nersa has said it intends to announce its decision on Eskom's tariff application in November. It rarely allows Eskom the full increase it applies for, with disputes between the two often ending up in court.

Eskom was allowed to increase tariffs by an average of 9.61% this April, whereas it had asked to raise them by 20.50%. The size of its new request means electricity users in the country, already grappling with a cost-of-living crisis, could face much higher power bills next year.



Eskom official says it could take a year or more to end load shedding

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Reasons for larger hike

In a statement, state-owned Eskom said higher diesel and fuel oil prices, depreciation of its generation assets and greater procurement from independent power producers were some of the main reasons it was asking for a larger hike.

Eskom has been mired in financial crisis for years and regularly implements power cuts that constrain economic growth in Africa's most industrialised nation.

The company argues that Nersa has not allowed it to recoup sufficient revenue via electricity tariffs and says that is one reason why it is dependent on government bailouts.

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