

## Eskom implement 12% price hike



South Africans might believe it to be an April Fools' joke, but it is indeed reality and has been confirmed that Eskom's 12% electricity price increase for the 2024/25 year has kicked in on 1<sup>st</sup> April 2024.

The national power supplier said last week it had approached the National Energy Regulator of South Africa (Nersa) in October 2023 to approve its retail and structural adjustment application and the schedule of tariffs for the period from 1 April 2024 to 31 March 2025. It said on 14 December 2023, Nersa determined the tariff increase for 2024/25, applicable to Eskom's direct customer tariff from 1 April 2024 and to Eskom's tariffs for local authorities (municipalities) from 1 July 2024, as follows:

Local authority tariff charges – 1 July 2024 to 30 June 2025 – 12.72%; Eskom direct customers – 1 April 2024 to 31 March 2025 – all tariff charges except the affordability subsidy charge – 12.74%; and affordability subsidy charge of 25.24%.

According to Eskom the average increase applied to the key industrial and urban tariffs will be 13.29%, owing to the increase in the affordability subsidy charge.

"The affordability subsidy charge is raised as a subsidy to the Homelight 20A tariff, and is determined by Nersa. This charge exists due to historically lower Homelight 20A tariff increases and is paid for by the non-municipal large industrial and urban tariffs," it said.

"There are no tariff structural changes for 2024/25.

However, Eskom is considering a tariff restructuring submission to Nersa for implementation in 2025/26."

Meanwhile the Public Servants Association (PSA) said its concerned that the recently announced electricity and fuel increases will deepen the financial burdens of public servants and all South Africans.

Claude Naicker is the PSA spokesperson and says the decision to raise electricity prices, coupled with fuel hikes has sent shockwaves through communities already struggling with economic uncertainty.

He warned that these increases will have a detrimental impact on the livelihoods of workers, including public servants who are already stretched thin as they endeavour to fulfil their duties.

"The timing of these price hikes is particularly distressing given the recent announcement of a mere 4.7% salary increase for public servants by the Minister of Public Service and Administration," Naicker said.

"This inadequate adjustment fails to keep pace with the rising cost of living, leaving public servants struggling to make ends meet."

In conclusion Naicker added that the salary increase is a projected inflation-linked and not a real wage increase, whilst the cost of living is well above the inflation rate.

"This, coupled with the recent announcement not to cut interest, further exacerbates the financial burden on workers," he said.