

Presentation to the NERSA hearings on Electric tariff increase for the 2022/23

by Petrus Gysman (Eastern Cape Faith leader)

I take the opportunity to give my heartfelt appreciation to represent those who are in normal circumstances the voiceless. Those who are the people on the periphery of society and who are overlooked in many instances. This presentation is an effort to give guidance to the National Energy Regulator of South Africa on the 20.5% tariff increase that is requested by Eskom to keep the lights on of the country.

Dear NERSA we are all aware that Eskom is struggling to keep the lights on. Eskom doesn't have much respect for the people of South Africa and load shedding sometimes happens without proper announcement when people plan their day. They would then hear that there will be load shedding so what respect does this entity has for a nation who are struggling because of the decline in jobs where people struggle to make a living.

Here in the local town where I live we rely on borehole water for human consumption, but when it is load shedding the pumps are off and the water supply is poor and sometimes there is no supply of water at all. The local municipality have to cart water to those affected areas. A woman who had a hairdressing business had to stop operating because of this.

We are living in the time of a pandemic and many of our people lost their jobs, some have to take pay cuts and our energy supplier want to increase its tariffs? We are living in a country where justice to all is of paramount importance, but our people in the rural areas they are suffering and many of them they are starting to live in conditions without electricity and as a faith leader I visit many houses where there is no electricity where people just light a candle and cook their meals outside on the open fire.

These fires are sometimes made when the wind is blowing and it can create bigger fires where other households are effected as many of these houses that I referred to are situated in dense areas. Preparing meals on an open fire needs wood and this leads to environmental destruction as people have to chop down trees to make the fires. The smoke from the fires is another cause of destruction to the ozone layer. So dear Nersa the poor people if they cannot afford a tariff increase than there will be more of them who will destroy the environment to survive and they will just tell themselves that we cannot effort expensive electricity.

The truth is that we cannot rely on Eskom as a sustainable electric supplier, so NERSA and government should think about renewable energy. People already struggle to make a living and this increase would not make it easier for our people please take this into consideration when you make your decisions.

I've spoken to some people of faith from different walks of life, and only one of them replied by saying that a tariff increase can work and I quote his response: *"If it means more people will get electricity then I will be positive towards upping the tariffs though we are being charged very high already. I want to see more people enjoy electricity like I do"*

Others respond by saying:

- Electricity tariffs should not increase because many people already struggle in these difficult financial times, it becomes too expensive to keep up with the high tariffs.
- My answer is 'no' increase because we are already struggling in these trying times an increase will just make the poor poorer and that is we who are on the floor (lowest part of society)
- I don't think that the tariffs should increase at this stage because the country struggling financially to cope after the devastating impact of covid 19 and the communities are just not in a position to effort a tariff increase. Many businesses who already suffers will have to close their doors.
- Seeing that most of the municipalities in SA who are already owing Eskom a lot of monies which they can't even pay on a monthly basis. This means that the dept. will only increase and hence Municipalities will have to increase their tariffs as well and the ordinary man will not be able to keep up since the salary doesn't increase with all these price hikes. E.g. with the increase of electricity, food, prices go up as well whilst the cost of living is killing our people.
- My understanding and view, as an ordinary citizen of South Africa, is that Eskom has no leg to stand on when it comes to arguing for a tariff increase. The information available to the general public, indicates that Eskom is trying to run a power utility that is poorly managed, and it should have been replaced ages ago. The carbon footprint it leaves, leaves much to be desired and simply no longer sustainable if it wants to compete in market related economy. Eskom is, as far as I am aware the only company who raises tariffs in a shrinking market, and a society suffering 35% of unemployment as millions of South Africans reliant on SASSA grants. It is a sad situation that, according to mainstream media, Eskom has been milked dry by organisations and individuals using it as a convenient ATM. My view would be that Eskom must first get to a point where it is properly managed and do what its first intention was at its inception, and that is to serve the people of this country. There is no way that they can ever expect people to simply accept year on year tariff increases with a product that is growing weaker and more irrelevant on a daily basis. South Africans are on their knees in trying to keep up with an economy that is weakening by the day, and also have to keep up with food and utility price hikes every other day.

The track record of Eskom is not of the best looking at the first report of the Zondo commission where we read of irregular expenditure. Dear Nersa as a faith leader who is in close contact with people and their circumstances I propose that Eskom should increase its tariffs. Please use your moral conscience and take into consideration the condition of the poorest of the poor. We don't trust Eskom reading about the warning of the unavailability of the Koeberg nuclear Power station's units 1 and 2 this year for refuelling makes immediately feel that here comes load shedding along with a tariff increase. I thank you.