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Kantoor van die Uitvoerende Burgemeester
Office of the Executive Mayor
iOfisi kaSodolophu olawulayo

The Chairperson
National Energy Regulator of South Africa (NERSA)
Kulawula House
526 Madiba Street
Arcadia
Pretoria
0083

Per email: Phumla.Botha@nersa.org.za; Mondi.Shozi@nersa.org.za

Dear Mr Bukula

RE: OBJECTION TO ESKOM ON THE PROPOSED 40% TARIFF INCREASE

I am writing this letter to you to express our grave concern in terms of the proposed 40% increase in electricity tariffs by Eskom. With the severe economic challenges faced by our communities and businesses across the country, it is evident that such a significant rate increase will place unjustifiable financial constraints on the residents of Stellenbosch Municipality.

Stellenbosch Municipality serves a large component of previously disadvantaged communities that faces huge economic challenges and is dependent on electricity to support their income. In many cases small businesses provides barely enough income for their daily needs and such high electricity tariffs will cause many businesses to close down and become part of the unemployment statistics

Institutions like schools, training institutions, ECD's & churches will find it simply impossible to render services to their communities.

The consequences of this proposed tariff increase are extensive and will not only have a knock-on effect on the already burdened lower income groups but will also severely affect higher income households.

Stellenbosch Municipality has a strong business sector, and the tourism industry is essential for job creation and this exorbitant rise in electricity cost will inflate operational expenses and lead to job losses. The impact of loadshedding which pressurised residents to install embedded generation will further force consumers to reduce electricity usage thereby affecting the municipal revenue excessively. This in turn may further result in a decline in economic activities and might place the sustainability of the Municipality at a high risk.

Vandalism, copper cable and material theft has ravaged the municipal (and Eskom's) network, in which unforeseen funds had to be incurred by the Municipality to restore the services.

Despite the significant improvements made by the municipality in its communities, NERSA still continuous to approve tariff increases, which is detrimental to our local economy.

While we take cognisance of the challenges faced by Eskom to maintain infrastructure, we thus urge Eskom to look at alternative solutions to become more efficient and effective in its operations.

Given the above, I respectfully request Eskom to implore to NERSA to reconsider the proposed electricity tariff increases and the implications it will have on the well-being of our citizens and economic growth.

Yours faithfully,

Cllr. GMM van Deventer
EXECUTIVE MAYOR

Date: 2024-08-16