



uMngeni Local Municipality
OFFICE OF THE MAYOR
Cllr Christopher Pappas
MAYOR

12 August 2024

Dear NERSA,

Subject: Objection to the Proposed 40% Electricity Tariff Increase by Eskom

I am writing to you in my capacity as Mayor of uMngeni Municipality to formally object to the proposed 40% increase in electricity tariffs by Eskom. The implications of such a significant hike are of great concern, and I must express my strong opposition on behalf of the residents and businesses within our community.

Our municipality, like many others across the country, is already facing considerable economic challenges. Unemployment remains high, and the cost of living continues to rise. An increase of this magnitude in electricity tariffs will place an untenable financial burden on our residents, many of whom are already struggling to manage their household expenses.

The repercussions of this proposed increase are far-reaching:

Exacerbation of Poverty and Inequality:

The proposed tariff rise will disproportionately impact low-income households, who already allocate a substantial portion of their income to basic necessities such as electricity. Many families will find themselves in a dire position, forced to make impossible choices between essential needs, thereby driving more people into poverty. The National government has not increased the 50 Kwh free basic electricity since its inception. This while inflation and the cost of living has increased.

Strain on Local Businesses:

Small and medium-sized enterprises (SMEs) are the cornerstone of our local economy, providing vital employment and services to our community. A steep rise in electricity costs will significantly inflate their operating expenses, leading to potential closures and job losses. This, in turn, will further weaken our local economy, diminishing economic activity and eroding the fabric of our community. Small towns are already struggling to create employment. Further burdening small businesses will continue the decline of small towns.

Pressure on Public Services:

As a municipality, we are committed to delivering essential services such as water, sanitation, and street lighting. The proposed increase in electricity costs will severely constrain our ability to maintain these services at their current levels. We may be forced to reallocate funds from other critical areas, ultimately compromising the quality of life for our residents.

Detriment to Sustainable Energy Initiatives:

While we recognise Eskom's need to recover costs and invest in infrastructure, we believe that such a steep increase will push paying households and businesses to adopt energy-efficient technologies and renewable energy sources. This will have a further negative effect on municipalities. This runs counter to our national objectives of rebuilding municipalities.

We understand the challenges that Eskom faces, particularly in maintaining and upgrading its infrastructure. However, we strongly urge NERSA to explore alternative solutions that do not disproportionately affect vulnerable communities.



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As the Mayor of uMngeni Municipality, I request that you reconsider the proposed tariff increase. We are eager to engage in constructive dialogue to identify a solution that ensures a sustainable electricity supply while acknowledging the economic realities faced by our communities.

In light of the concerns raised above, I would like to remind NERSA that there are longstanding issues stemming from the establishment of wall-to-wall municipalities that remain unresolved. Chief among these is Eskom's selective provision of electricity in areas that would otherwise serve as crucial revenue streams for municipalities, despite electricity reticulation being a constitutionally mandated responsibility of local government.

Thank you for your attention to this matter. We look forward to your response and remain hopeful that a more equitable resolution can be reached.

Yours sincerely

Signed Electronically

Cllr Christopher Pappas
MAYOR