



Hessequa

Munisipaliteit / Municipality / U Masipala

Office of the Executive Mayor

P.O. Box 29
Riversdale
6670

Phone: (028) 713 8011

E-mail: pamayor@hessequa.gov.za

12 August 2024

The Chairperson & Chief Executive Officer
National Energy Regulator of South Africa (NERSA)
Kulawula House
526 Madia Street
Arcadia
PRETORIA
0083

E-mail: Phumla.Botha@nersa.org.za
Mondi.Shozi@nersa.org.za

Dear Chairperson & Chief Executive Officer,

RE: OPPOSITION TO ESKOM'S PROPOSED TARIFF INCREASES

Statement by Hessequa Executive Mayor, Grant Riddles

I hereby formally object to Eskom's application to increase the price of electricity by 40 % in the 2024/25 financial year.

Sharp electricity price increases over recent years, combined with lower economic growth, high inflation rates and excessive load shedding, mean that many formal and informal businesses are under severe financial pressure. After the Covid pandemic, businesses struggled to do business successfully again, some could not even keep their doors open, and then they had to face a new challenge, namely load shedding.

With rising electricity prices in South Africa, there are several electricity costs 'tipping points' that can lead businesses to make decisions that significantly change their electricity demand profiles, such as to:

- decide not to invest further in Hessequa
- decide to generate their own electricity,
- decide to close their business.

These kinds of decisions will have major consequences for Hessequa's residents. If businesses choose to postpone or cancel their investments, or indeed to close, this will not only affect forecasts of economic growth, but also have an impact on **unemployment**.

A third of Hessequa's residents are indigent households, people who must choose between electricity or putting food on the table. We are faced with an extremely dangerous situation in our municipal area; if this planned price hike follows through, more of our formal and informal businesses will close their doors, as fuel, and food costs will rise along with the increase in the cost of energy.

A planned increase closer to the inflation rate of 5.5 % would be a more viable option, but even this would still burden the end user who simply cannot afford this increase.

Reconsider your application and withdraw it as soon as possible, as this proposed increase will hit the poorest of the poor the hardest.

Kind regards

A handwritten signature in black ink, appearing to read 'Grant Riddles', written over a horizontal line.

Grant Riddles
Executive Mayor