



Len Coetzer.



Albert Brugman.



Linda Grimbeek.

'Unethical' increase condemned

Richard Nkosi

MBOMBELA - Eskom's application for a tariff hike was slammed by local stakeholders during the public participation session held by the National Energy Regulator of South Africa (Nersa) at the Orion Hotel last Friday.

Nersa has been touring the country to get input from the public on Eskom's proposed 15 per cent increase over the next three years.

The delegation from Nersa consisted of CEO Chris Forlee and board members Jacob Modise, Nomfundo Moseti, Fungai Sibande and Muzi Lukhele. Nersa questioned Eskom's figures. Ted Blom, on behalf of the Energy Expert Coalition (EECO), said the 70 per cent increase was premature. "The three-year increase is definitely unethical in light of downward trends," he said in his presentation.

The Kruger Lowveld Chamber of Business and Tourism (KLCBT) proposed an increase of 4,8 per cent.

COO, Linda Grimbeek, told the panel that the proposed increase will have a negative impact on businesses and individuals.

"Eskom is a critical service provider to all businesses. If South African Airways could receive a rescue package, which is certainly not as critical to the economy, so can Eskom. We feel that government, as the owner of the company, should rescue Eskom in order to make payments of these loans without increasing of rates to cash-strapped



Nomfundo Moseti, Fungai Sibande and Muzi Lukhele.

consumers and businesses. Unfortunately that comes out of our taxes too," said Grimbeek.

"To businesses, there will be sharp increases in unemployment and business closures. To Eskom, you will lose clients and revenue as businesses close down. More people will not pay their bills, directly and to municipalities. Clients will convert to alternative energy and you will lose them forever. You will make yourself redundant by high cost and unreliable service delivery.

"There will also be a shrinking tax base, less exports as South African companies will lose global competitiveness. There will be

protests without end. South Africa will look like a real third-world country where government can willy-nilly increase any prices to fund their extravagance."

Albert Brugman, Manganese Metal Company chief financial officer, said the increases for three years should not be approved without an appropriate strategy.

He said they have employed 600 workers, of which 400 are full-time employees. "If the electricity prices are hiked, we will be forced to look at other alternatives like retrenching some of our workers," said Brugman.

Len Coetzer, representing the Cairn/Burnside Interest Group, said they have 350 landowners that pay R21 million towards Eskom annually.

"We have about 900 domestic workers employed. If the tariffs go ahead as proposed by Eskom, we will be forced to retrench some of them," said Coetzer.

The hearings continue.