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MEDIA STATEMENT

HIGH COURT OF SOUTH AFRICA (GAUTENG DIVISION, PRETORIA) JUDGEMENT ON NERSA'S DECISION ON ESKOM'S FOURTH MULTI-YEAR PRICE DETERMINATION FOR THE FINANCIAL YEARS 2019/20, 2020/21 AND 2021/22

The National Energy Regulator of South Africa (NERSA) has noted the judgement of the High Court of South Africa (Gauteng Division, Pretoria) delivered today, 28 July 2020, to review and set aside NERSA's decision on Eskom's fourth Multi-Year Price Determination (MYPD4) for the 2019/20, 2020/21 and 2021/22 financial years.

The judgement follows NERSA's acknowledgment of procedural unfairness in the MYPD4 decision concerning the inclusion of the R23 billion Government grant without allowing Eskom to submit its representation in line with the National Energy Regulator Act, 2004 (Act No. 40 of 2004), read with the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).

NERSA notes, with serious concern, that the judgement has gone beyond NERSA's acknowledgment of procedural unfairness, and the unsuccessful consultations between NERSA and Eskom, by pronouncing on the MYPD4 tariff application. The judgement, if left uncontested, will not only disrupt the industry, but will further suppress economic recovery, considering the current threat that the country's economy is facing. This case was not merely a case between Eskom and NERSA, but rather a case of Eskom versus the South African economy and electricity consumers.

NERSA is currently studying the judgement and will advise on the way forward in due course.

End.

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