

**OFFICE OF THE CEO**

*Communications and Marketing*

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<b>Our Ref.:</b> ESKOM and municipal tariff escalations	<b>Your Ref.:</b>

**MEDIA STATEMENT: ESKOM AND MUNICIPAL TARIFF ESCALATIONS**

***For immediate Release.***

CENTLEC (SOC) Ltd questions the rationale behind the National Energy Regulator of South Africa's (NERSA) price determination which proves to impact severely on municipalities and its customer base.

The tariff increases mandated by NERSA in recent years have failed to adequately offset the escalating costs incurred by Eskom. The NERSA benchmark increase for 2023 was set at 15.1%, while Eskom's tariff increases stood at 18.49%. Furthermore, 2024 12.2% for Centlec and Eskom stood at 12.72%.

The continuous upward trajectory of Eskom tariffs, diverging from municipal tariff escalations, imposes financial strains that impact both the operational expenses of CENTLEC and the affordability of the prescribed rates for CENTLEC's customer base. The financial implications for the entity are further complicated by the misalignment between Eskom tariffs and municipal tariff escalations as approved by NERSA.

Tariff increment illustrated below:

**ESKOM INCREASE**

**CENTLEC INCREASE**

2019/2020	15.63%	13.07%
2020/2021	8.76%	6.90%
2021/2022	17.80%	15.06%
2022/2023	8.61%	7.47%
2023/2024	18.49%	15.1%
2024/2025	12.72%	12.2%

For the 2025/2026 financial year, Eskom has proposed 36% increase. We encourage the community, NPO's, NGO's, and all stakeholders to participate in the next coming NERSA public participation on the Eskom tariffs hike which is unaffordable.

END

Issued by Communications and Marketing.

All media enquiries to be directed to

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