

Eskom clarifies court judgment

Eskom says while the North Gauteng High Court has decided to set aside the National Energy Regulator's decision to grant it a tariff increase, the revenue allowed for the 2016/17 year remains unchanged by the judgment.



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“As we await a decision by the National Energy Regulator of South Africa (Nersa) on the way forward regarding the North Gauteng High Court judgment, it is important to note that the court has ruled that the revenue allowed for the 2016/17 tariff will remain in force,” said Eskom in a statement on Wednesday evening, 17 August 2016.

The High Court ruled on Tuesday that the correct methodology had not been followed by Eskom when it requested an additional tariff increase for 2016 using the Revenue Clearing Account (RCA).

The applicants, who brought the application against Eskom before the court, asked the court to declare unlawful Nersa’s decision to grant Eskom an additional R11.2 billion in revenue for higher-than-anticipated energy costs and lower sales in 2013/14.

“In paragraph 122 of the judgment, the Judge said: ‘I agree with the applicants that, even if the RCA increase is set aside, the revenue approved for the 2016/17 tariff will remain in force, as well as the direct tariff to the customers and the tariff to municipalities’.

“Eskom is still studying the court judgment and its implications on our business,” said Eskom.

Nersa has indicated that it will announce its position on the matter in due course.

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