

# Nersa rejects Eskom's plan, wants sustainable prices

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The National Energy Regulator of South Africa (Nersa) has rejected a multi-year revenue application by state-owned power utility Eskom, the regulator said in a statement on Thursday, 30 September. Nersa said it will embark on a consultation process to develop a new methodology that will ensure sustainable electricity prices.



Source: Reuters/Siphiwe Sibeko

Eskom is mired in a financial crisis and is struggling to power the country's economy because of regular faults at ageing coal-fired plants that provide most of the country's electricity.

The revenue applications, if approved by the regulator, provide an important mechanism for Eskom to claw back money from customers via tariffs.

In January, Nersa allowed Eskom to recoup an additional R6bn after a court set aside several of its earlier decisions.



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"The energy regulator will request Eskom to submit a one-year interim application for the 2022/23 financial year, preferably based on the principles of a new approach that is under consideration," it said in a statement.

It had rejected Eskom's fifth multi-year price determination (MYPD5) revenue application for the financial years 2022/23, 2023/24 and 2024/25 on the basis that it was based on an expired methodology.

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