

12 March 2026

Mr C. Hlebela
Head of Communications Division
Nersa
Kulawula House
526 Madiba Street
Arcadia
PRETORIA
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Delivery by email: charles.hlebela@nersa.org.za

Dear Mr Hlebela

REASON FOR DECISION ON ESKOM'S MYPD6 REVENUE APPLICATION

Please provide us with the complete and updated "Reason for Decision" for the complete and updated MYPD6 revenue application by Eskom.

AfriForum is a civil society organisation committed to the promotion of constitutional governance, accountability, transparency, and the protection of consumers' rights in South Africa. AfriForum regularly participates in regulatory and public law processes where decisions have far-reaching consequences for households, businesses, and the broader economy.

As per the High Court decision of 21 December 2025, the RAB portion of the MYPD6 decision was to be re-calculated and opened for renewed public participation. The NERSA decision on the MYPD6 application was subsequently announced after the required (but significantly reduced) participation process, and a statement made on the decision reached on 30 January 2026.

While the statement did contain an abbreviated explanation of the considerations on the specifics regarding the RAB part, the statement promised that a Reason for Decision would be made available on the Nersa website in due course. After many unsuccessful searches on separate occasions and dates, no document regarding the updated MYPD6 (as per 30 January 2026) could be found.

We are concerned that, despite the lack of transparent overall decision-making reasoning, the price setting process proceeded. Without a complete Reason for Decision document on the MYPD6 application, it can be reasoned that the application was simply seen as a sum of parts, with the different subsections seen as "plug and play" with no consideration of the influence of the separate parts on the overall outcome.

June 2024

Address: 58 Union Avenue, Kloofsig, Centurion • **Tel.:** 086 10 200 30

Member Affairs - Email: ledesake@afriforum.co.za • **Directors:** Ms A. Bailey, Mr P.J.W. Buys, Dr H.K. Coetzee, Mr P.L. Dekker, Mr F.J.D. de Klerk, Mr G.R. de Vries, Dr D.J. Hermann, Mr W.G. Human, Mr C.M. Kriel and Dr R. Pretorius. • **Company Secretary:** Mr W.A. Vogel.

Registration number: 2005/042861/08 • **NGO number:** 054 - 590

That was also the reason that AfriForum mentioned the WACC in the feedback of the RAB portion: It is irresponsible and injudicious to not consider the influence that a heady escalation in costs in one part of a calculation makes without understanding and re-evaluating the overall influence of the decision. As such, a total re-think of the applied MYPD methodology would have been prudent, including re-looking at calculations such as the WACC percentage that is subjective to a decision made by Nersa in this regard. A downward adjusted WACC should have saved consumers millions in electricity fees and put the onus on Eskom to recuperate losses instead of the consumer. Nersa is supposed to guard and protect the consumer against unreasonable energy prices, but unfortunately, no evidence of this is available.

The announcement of the acceptance of the Eskom Retail and Tariffs Adjustment application (ERTSA) by Nersa yesterday is also without an available Reason for Decision, only a note that it will be available "in due course". AfriForum is concerned that Nersa is shirking its regulatory responsibilities by not having the Reasons for Decisions available for public scrutiny.

As such, kindly acknowledge receipt of this letter and provide us with the complete and updated Reason for Decision for the complete and updated MYPD6 revenue application **within five working days**.

Kind regards

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