



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

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Memorandum from the Parliamentary Office

259. Mr B G Nthebe (North West: ANC) to ask the Minister of Energy:

Whether the Government has established any mechanisms to ensure that the cost of electricity in South Africa does not have an adverse socio-economic impact on households (details furnished); if not, why not; if so, what are the relevant details? CO523E

Reply

The Department has an Electricity Pricing Policy which provides a mechanism for the pricing of electricity to ensure that the domestic consumer is protected from excessively high electricity tariffs. This policy is further supported by the Electricity Regulation Act of 2006 which empowers the National Energy Regulator of South Africa (the Regulator) to regulate the electricity prices among other things. The regulator, in its price determination, must take into account the socio-economic impact of the requested prices whilst ensuring the applicant has reasonable return on its investment. The regulator has a responsibility to disallow any costs that are not prudently incurred to protect the consumer from high prices.