

Joburg residents to face monthly R200 service charge alongside 12.72% electricity hike



Nersa approved City Power's application to charge some of its customers a monthly rate of R200 for the maintenance of its infrastructure. File picture: Independent Newspapers

In addition to the 12.7% tariff increase, residents of the City of Johannesburg who use prepaid meters will face a recurring monthly fee of R200 for network and service charges.

The tariff hike and service fee came into effect on July 1, applying to middle and high-income earners. Indigent customers, however, will be exempted and have been allocated a slightly lower tariff increase.

The new charges were announced last week by City Power after the National Energy Regulator of South Africa (Nersa) approved its tariff increase application.

Speaking to Eyewitness News (EWN), City Power's General Manager for Tariffs, Frank Hinda, said that previously, the prepaid structure was not designed to charge customers and this has since proven to be unsustainable.

Hinda explained that the R200 will be deducted when customers purchase electricity.

He gave an example and said: "You take the R200 and split it into two, the R100 will be used for the basic charges and the other R100 you will be getting kilowatt hours, which will approximately 16kW, 17KW or 18KW around there. When you come back again with R100, we will split it into two, R50 will go to the services and R50 for consumption," he told EWN.

He further explained that if the monthly fee is not paid, the debt will carry over to the next month.

Meanwhile, last week, Eskom obtained a court order against the City of Joburg, demanding that the municipality settle its debt of over R1 billion, which has escalated to R3.4 billion due to interest

Eskom said the Joburg City Power started to default on their payments in October 2023 and the utility has received no payments since March 2024.