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Media Release

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The City of Joburg demands Eskom to pay R3.4 billion in overcharges

The City of Johannesburg is taken aback by Eskom's decision to drag the courts into forcing it to pay an amount of R1 billion, while the national power utility owes R3.4 billion in overcharges over the years. The City is of the strong view that the financial obligations of City Power to Eskom vs the financial obligations of Eskom to the City should be treated in the same manner and symmetrically.

Following multiple discussions regarding queries that have been lodged in connection with gross inaccurate billing on bulk purchase invoices, Eskom has opted to ignore those issues, and rushed to the courts.

For the record, the City pays Eskom about R1 billion for electricity monthly. The City remains committed to paying for services rendered and validated as due, as it always has.

The City maintains that It is important to view the current matter within the prevailing context. The City has on various occasions raised concerns with the national energy supplier that it is being overbilled for the service received each month, since 2021.

City Power validates bulk purchases for completeness and accuracy using its own check metering infrastructure at major intake substations. In instances of potential discrepancies, it must be noted that it is due to this checked metering infrastructure that City Power was able to ascertain and quantify the extent of overbilling by Eskom. Eskom is notified as the billing authority in line with provisions of relevant NRS standards including NRS057. More often than not, the national utility chooses to ignore these discrepancies that are brought to their attention. Eskom has admitted in some cases that there have been potential billing inaccuracies and has so far refunded City Power at least R483m over the recent years.

In our assessments, however, there is so much more that is still due to the City, and we have in our engagement with Eskom two weeks ago, proposed that we bring in an independent electricity expert to give them comfort, and the national power utility has been reluctant.

The City has always been committed to engaging with Eskom with the expectation to find an amicable resolution which will benefit our residents in the City of Johannesburg, and the country at large hence the dispute resolution needs to be expedited.

As a matter of process, the City will be opposing the court application that Eskom filed, because it has no basis in facts and law.

ENDS

Issued by the City of Joburg

For enquiries, kindly send to mediaqueries@joburg.org.za