



1. SUBJECT

The publication of Eskom's request to deviate from meeting certain requirements of the fourth Multi-Year Price Determination (MYPD4) methodology and Minimum Information Requirements for a Tariff Application (MIRTA).

2. PURPOSE

The purpose of this publication is to request stakeholders and affected parties to submit comments on Eskom's request to deviate from meeting certain requirements of the MYPD4 methodology and MIRTA.

3. INTRODUCTION AND BACKGROUND

On 23 February 2017, the National Energy Regulator (NERSA) granted Eskom permission to submit a one-year revenue application for 2018/19, in line with the MYPD4 Methodology, for consideration by the Energy Regulator instead of a full MYPD4 application.

On 27 March 2017, the Energy Regulator received a letter from Eskom stating that certain requirements of the MYPD Methodology, together with MIRTA, will not be met by Eskom in the 2018/19 application. Eskom requests condonation in line with clause 4.5 of the Methodology, which states that:

Any non-compliance with the procedure set out in this Methodology may be condoned by the Energy Regulator on application by Eskom. The following factors shall be taken into account by the Energy Regulator in deciding whether or not to grant condonation:

- a) the extent or degree of deviation;*
- b) the explanation for the deviation;*
- c) the impact of the deviation on the achievement of the objectives of the Methodology; and MYPD4 Methodology;*
- d) the prejudice to be suffered by Eskom, the members of the public and the economy if condonation is granted or not granted.*

4. ANALYSIS OF ESKOM'S REQUEST TO DEVIATE FROM MEETING CERTAIN REQUIREMENTS OF THE MYPD METHODOLOGY AND MIRTA

Eskom's request will be analysed according to the timelines below.

TIMELINES FOR THE APPROVAL PROCESS OF ESKOM'S REQUEST TO DEVIATE FROM MEETING CERTAIN REQUIREMENTS OF THE MYPD METHODOLOGY AND MIRTA		
Action	Responsibility	Timeframe
1. Publish Eskom's request to deviate from meeting certain requirements of the MYPD Methodology and MIRTA for stakeholder comments and publish notice	NERSA staff	03 May 2017
2. Closing date for stakeholder comments		18 May 2017
3. NERSA's decision on Eskom's request	ELS	26 May 2017

Eskom's request is available on the NERSA website at www.nersa.org.za. Stakeholders are requested to comment in writing on Eskom's request to deviate from meeting certain requirements of the MYPD methodology and MIRTA.

Written comments can be forwarded to mypd@nersa.org.za, hand-delivered to 526 Madiba Street, Arcadia, Pretoria or posted to PO Box 40343, Arcadia, 0083, Pretoria, South Africa. The closing date for the comments is **18 May 2017 at 16:00**.

For more information or queries on the above, please contact Ms Lehuma Masike at the National Energy Regulator.

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The End