

**KWA-ZULU NATAL BRANCH**

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**MINUTES OF THE GENERAL MEETING HELD AT JOZINI TIGER LODGE, JOZINI**

**ON THURSDAY, 12<sup>th</sup> & FRIDAY, 13<sup>th</sup> MARCH 2015**

PRESENT:	Jayshree Pershad	Chairperson – eThekwini
	Eveon Nomnganga	Vice Chairperson – Msunduzi (present day 1)
	Bathandwa Vazi	Salga
	Slindile Masondo	Salga
	Babalo Mqeke	DoL
	Nkosana Ntlekeni	Eskom
	Jay Kalichuran	eThekwini
	Sandile Maphumulo	eThekwini
	Sifiso Zungu	eThekwini
	William L. Mapena	eThekwini
	Khanyisile Mthembu	eThekwini
	Cllr Bhengu	eThekwini
	Cllr Shabalala	eThekwini
	Lucky Mdlalose	eThekwini
	Nathi Nkwanyana	eThekwini (present day 1)
	George Mashinini	eThekwini
	Jonathan Hunsley	eThekwini
	Sew Harilal	eThekwini
	Roy Wienand	eThekwini
	Manju Naidoo	eThekwini
	Nkanyisa Gumede	eThekwini
	Deputy Mayor Mdluli	Newcastle
	Sipho Sibeko	Newcastle
	Pradesh Ramsunder	Emnambithi
	Lucus Holtzhauzen	Emnambithi
	Cyril Moodley	Umtshezi
	Jaap Le Grange	Umlalazi
	Steady Zamisa	Mpofana (present day 1)
	Doray Vallo	Msunduzi
	Moses Ngobese	Msunduzi
	Sifiso Myende	Msunduzi
	Denis Barker	Kokstad
	Godfrey Gwagwa	Kokstad
	Nandi Sihlali	Hibiscus
	Tumelo Gopane	uMhlathuze
	Bheka Kanyile	uMhlathuze
	Daniel Mohapi	uMhlathuze
	Themba Simamane	uMhlathuze
	Kamalan Chetty	ABB
	Sasha Ramjathan	ABB
	Jason Evershed	ABB (present day 2)
	Dave Turton	Edgeline
	Prince McIneka	Edgeline
	Kris Yankanna	Aberdare Cables
	Meshack Matla	Aberdare
	Tom Phillips	Inspired Interfaces
	Asaph PHEME	Landis & Gyr
	Pragasen Pillay	Itron (present day 1)
	Popo Jada	TDS
	Louis Ehlers	ARB (present day 1)
	Sbu Msweli	ARB

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Daniel Read	Optron
Derek Watson	Beka-Schreder
Brent Killian	Beka-Schreder
Enock Zikalala	Beka-Schreder (present day 2)
Nkanyiso Madlala	Beka-Schreder
Gordon Arons	Beka-Schreder (present day 2)
Anesh Timul	Hellermann Tyton
Daryl Naidoo	Hellermann Tyton
Jerome Ganasen	Herllermann Tyton
Marcel Raman	Hellermann Tyton
Donald Hobson	Proconics (present day 1)
Nozie Ntambekwana	Conlog
Benjamin Bosch	Schneider-Electric
Rick St. John	Lucy Switchgear
Marius van der Bank	PTSI
Yolanda Booyens	PTSI
Gary Klopper	Impact Energy
Hylton Detimer	Impact Energy (present day 2)
Vincent Lizheng	Huawei
Wendy Long	Alectrix

APOLOGIES:	Peter Fowles	AMEU
	Ken Tupper	Abaqulusi
	Gerhard Balzer	Umvoti
	Maxwell Mthembu	eThekwini
	Veer Ramnarain	eThekwini
	Marius Pitzer	Megger
	Zanele Njova	Gubela Trading
	Scott Morrison	Aberdare
	Elsie Mashigo	ABB
	Dirk Talijaard	CBI

1. WELCOME AND OPENING OF MEETING

Sandile opened the meeting and welcomed everyone to the meeting. He extended a warm welcome to the Deputy Mayor Nduli of Newcastle. He then handed over to the Chair and kindly requested that all delegates introduce themselves. Mayor Mdluli then officially opened the meeting and a warm welcome went out to the delegates.

2. NOTICE OF MEETING

The notice of the meeting was duly served.

3. APOLOGIES

Apologies were noted.

4. ADOPTION OF THE AGENDA

The agenda was adopted and approved.

5. CONFIRMATION OF MINUTES OF THE MEETING HELD ON 20<sup>th</sup> & 21<sup>st</sup> November 2014 at Cathedral Peak.

Copies of the minutes had been circulated to all members. Minutes were then confirmed as correct, was adopted by Sandile Maphumulo and seconded by Gary Klopper.

6. MATTERS ARISING FROM THE MINUTES

None

7. SARPA Issues

A) Umhlathuze and Msunduzi have also withdrawn from SARPA.

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- B) Presentation by eThekweni – Infrastructure Theft in the City  
**Presentation can be obtained on request.**

8. REPORT FROM MEMBER OF EXECUTIVE COUNCIL

Sandile Maphumulo reported back from the Committee meetings that were held on the 11<sup>th</sup> & 12<sup>th</sup> February 2015.

**Standing Committee Meeting**

❖ Financial Statements

- 2014 Budget
  - December 2014: surplus R2.37m (predicted at year end R1.16)
  - Membership fees on track at R1.2m
  - Convention registration fee income – R2.3M (R0.68 due)
  - Convention sponsorship – R4.4m
  - Appreciation of investment – R1.08m

❖ Executive Strategy Session

- Was held on the 5/6 March 2015

❖ Eskom War Room

- Load shedding schedules to be simple and communicated
- Eskom was told to introduce certainty

❖ Branch Operating Guidelines

- All branches was notified of the changes

❖ Convention 2015

- 4-7 October 2015 at the Sandton Convention Centre
- A draft budget is being discussed
- Registration fees to increase  $\pm$  CPI

**Legal & Statutory Committee**

❖ Boundary Disputes

- SALGA/Eskom Partnering Agreement for Electricity Distribution – media statement 31 October 2014
- NERSA letter to the AMEU announcing review of supply areas for distribution licences
- Once the TOR has been developed, sub-groups will address areas of concern
- Suggested that the SDA issue be addressed as a priority

❖ Dti Designation Process - Transformers

- Transformers have not yet been designated, Dti is hoping to complete the designation process for small transformers in the near future
- An article in the August 2014 e-Bulletin, *the Minister advises that “the designation of residential electricity meters is binding on the public sector, including and especially Municipalities”*
- Can specify local production and content even if not designated in section 9 (3) of the PPPF

❖ Electricity Supply By-Laws

- Drakenstein amended By-Laws promulgated in November 2014
- It was distributed to AMEU members and is now on the website

❖ Illegal connections – Responsibility in terms of the OHS

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- A query on the applicability of the Act towards the persons engaged in doing and benefitting from illegal connections
- Does the responsible person know and was action taken
- Reasonable man test
- Query to be referred to DoL

❖ Ekurhuleni Customer Court Challenge

- LPU used to be provided by a town, it is now incorporated into the Ekurhuleni Metro, at Eskom rates
- Customer physically supplied by Eskom but now Metro is billing the customer at Metro tariff rates as within its area of supply
- Customer wants Eskom supply at Eskom rates
- Court challenged with Eskom and Ekurhuleni as respondents
- Case may be referred to NERSA for mediation and arbitration
- This is the 2<sup>nd</sup> challenge being faced by Ekurhuleni

❖ Load Shedding Incidents

- Fatality in Bloemfontein reported as a result of load shedding
- Various legal issues arising from load shedding
  - Processed (injection moulding) interrupted
  - Pot left on the stove
- NRS 048-9 (version 2) being finalized as a matter of urgency
  - May deal with some of these issues
  - Main principle is to deal with customers equitably
  - To become a VERSA document (license condition)

**Tariffs Committee**

❖ EIUG – Concerns on the wheeling of energy over Municipal networks

- NERSA established an Advisory Forum on 27 August 2014 – NERSA, EIUG, AMEU, Eskom and SALGA to review the approved document and also advise on the new areas to be included
- AMEU representatives are Leshan Moodliar, S Delpont and Ndivhuwo Lithole
- A meeting was held on 5 December 2014
- A 2 day workshop to be held in March
- EIUG/Eskom to present their views/requirements
- Task teams will investigate areas of dispute
- Important issues with increasing roll out of EG

❖ NERSA – Eskom’s 2015/16 Time of Use Structural Adjustment

- Consultation paper distributed to AMEU members on 11 December 2014
  - Time of use period will change for the TOU tariffs
  - Eskom will change the names for the following tariff components in 2015/16
- Closing date 9 January 2015 – Public Hearing 5 February
- No AMEU comment submitted
- Decision expected on 12 March 2015
- Not part of the guidelines for Municipalities so can it be implemented in the 2015/16 financial year

❖ NERSA – Discussion Document – SSREG: Regulatory Framework for Distributors

- Distributed to AMEU members on 12 December 2014
- Closing date is the 16 January 2015 – Public hearing is in April 2015
- Significant comment submitted – including SALGA
- Consultation paper now to be issued on 28 February 2015
- 30 Days for comments
- SALGA workshop possibly to take place on 17 March 2015 to consolidate comments from affected parties

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- ❖ NERSA – Electricity Resellers
  - The AMEU submission was on 7 May 2014
  - Public hearings was on 22 July 2014 – suggested to be withdrawn
  - New consultation paper published on 9 February 2015
  - Deadline for comments is 9 March 2015
- ❖ Eskom MYPD3 Process
  - RCA balance process to date related to MYPD2 period
  - Eskom submitted the new RCA application for year 1 of MYPD3
    - Any increase will only be from 1 April 2016
  - Media statements are confusing
  - Any diesel operating costs from this year will only be recovered in 2017
- ❖ ESKOM – Funding of Supplies
  - A meeting with National Treasury - 3 July 2013 a national problem
  - A follow up meeting on 4 March 2014 and by mid-October National Treasury advised that the issue is still to be addressed
  - Cannot be addressed from current initiatives
- ❖ NERSA – Municipal Tariff Guidelines and Benchmarks for the 2015/16 Financial Year
  - Eskom granted a tariff increase of 12.69%
  - Consultation paper published on 18 November 2014
    - Municipal bulk 14.24% with effect from 1 July 2015
    - Municipal guidelines increase by 12.20%
  - NERSA stakeholder workshop held on 2 December 2014
  - AMEU comments have been submitted
  - Decision was expected on 29 January 2015
  - Comment on NERSA's view, the deadline is 15 March for submission/approval of tariff applications
- ❖ NERSA - Non-Financial Information (NFI) Manual
  - Public hearing held on 4 December 2014 and was poorly attended
  - Eskom presented concerns and NERSA called a special meeting to clarify
  - A blank section to be provided for Electricity Resellers
- ❖ AMEU Annual Tariff Survey
  - Tariff model for 2014/15 from Stephen Delpont to be posted on the AMEU website
  - Merely a comparison of costs resulting from tariffs and is for interest only and does not show cost reflectivity
  - Care is advised in reducing tariffs due to pressure as they must be set for sustainability
- ❖ Ekurhuleni Metro – Cost of Supply Study
  - Determine the real cost of supply
  - Based on NRS058 methodology and use replacement cost of assets
  - Looked at all components of cost, including profit and losses Merely a comparison of costs resulting from tariffs and is for interest only and does not show cost reflectivity
  - Care is advised in reducing tariffs due to pressure as they must be set for sustainability

### **Education & Training Committee**

- ❖ Eskom Training Initiatives
  - Municipalities may participate in the Eskom simulator training
    - A limit of 20% spaces is available
  - Network Controller Training
    - Currently only on-job training – duration is dependent on the candidate
    - Qualification has not yet been finalized and registered with the QCTO
    - When it is registered, duration of training is expected to be one year

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- Catalogue of Eskom Training
  - No list is available – only EAL service desk
  - SALGA will be publishing a list of training available to Municipalities
- ❖ Government Certificate of Competency
  - Approach LGSETA to reconsider funding as failed
  - 5 Municipal candidates passed in the last set of examinations
  - Pass statistics improving slightly (DoL)
    - June 2013 – 1% Plant knowledge
    - December 2013 – 12%
    - June 2014 – 11%
    - December 2014 – estimated 14%
  - DoL is wanting to encourage mentors/coaches from Municipalities to improve training
  - Not keen on amending curriculum to accommodate electricity distribution skills

### Technical Committee

- ❖ DEA Workshop on PCB Removal
  - Developed regulations to phase out the use of PCB's
  - Requires users of PCB's to develop and execute phase out plans by deadline of 2015
  - Invitation to attend the workshop on 24 February 2015
    - Introduce the project
    - Outline roles and responsibilities of all parties
    - Map out the way forward
- ❖ Eskom System Supply Status
  - Thank you to Municipalities for their support
  - Load shedding to remain a regular feature due to maintenance policy and increase in unplanned outages between 5000 and 9000 MW
  - Liquidity situation under pressure, diesel, lower sales, building new capacity, arrear debt and tariffs (not CR)
- ❖ Eskom War Room
  - Municipalities were summoned to a meeting on Tuesday and was advised to:
    - Update the load shedding schedules to produce a standard schedule
      - A team under CCT established to formulate by the 1<sup>st</sup> week in March
    - To start looking at some of the solutions and to use the team that investigated co-operating with DR initiatives
  - Load shedding schedules to include:
    - He whole 24 hours of each day
    - Every day of the week
    - Based on date and not the day of the week
    - Blocks of 2 to 4 hours only permitted
    - Show stages of load shedding – 1, 2, 3A and 3B
- ❖ Review of the EDI's Asset Status Report (ADAM)
  - DoE submission to PCE (PN – 5<sup>th</sup> November 2014)
    - Backlog assessment update – R68bn
    - The *“unplanned outages like the ones that hit Johannesburg on Monday were caused by the poor maintenance of electricity infrastructure”*
    - The backlog was huge and lack of maintenance had been due to lack of money by Municipalities
    - *“Municipalities were not using the funds on the tariff structure to fix the electricity infrastructure*
  - Was not able to arrange a meeting to discuss ADAM plus other issues with Dr Barnard – Acting DG: DoE

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❖ SWH Programme

- Media release dated 4 February 2015
  - DoE has taken over the Eskom rebate process with effect from 2 February 2015
  - Social programme details to be available by 31 March 2015
- Funding reportedly available as follows:
  - 2015/15 : R398 m
  - 2016/17 : R372 m
  - 2017/18 : R400 m
  - No application process as yet – RFI submissions of 2012 to be used
  - No clarification if the R1.2 bn to Eskom to be available for allocation

❖ Electrification/NEAC

- 5% Eskom levy to be included in allocations in future
  - Change to exclude costs of meters – effective increase to 10%
  - Issue still not finalized
- INEP Policy Documents – Review Meeting 3 February 2015
  - Department of Human Settlements (DoHS) policy on internal wiring costs of homes – DoHS is responsible for the cost
  - Upgrading of informal settlements – relocation of service cost – DoHS is responsible but have no funds - beneficiary
  - 80% occupancy rule for commencing electrification projects – to be removed
  - Electrification of mixed developments and developer projects – team to investigate
  - Electrification of backyard dwelling – insufficient information - possibly not part of electrification.

❖ Proposal to Establish an African Utilities Telecoms Council (UTC)

- Summit on 18/19 November 2014
- AMEU Involvement
  - Keynote address by the AMEU President
- Role to be played by the expansion of telecoms and ICT technologies and services in future smart grids
- Non-profit trade association concentrating on telecoms as they affect utility organizations in South Africa
- Establishment in progress – Board to be appointed in approximately two months
  - Invitation for memberships

❖ Smart Metering

- Approach by Dti (13<sup>th</sup> November 2014), IDC wishes to assist Municipalities with the rolling out of Smart meters

**Publicity & Papers Committee**

❖ Website

- Is now mobile friendly

❖ AMEU News

- The March 2015 edition – problems with posting has been resolved

❖ E-BULLETIN

- January 2015 edition is now mobile friendly

❖ Convention 2015

- Theme: AMEU Centenary Celebrations – Alternative Trajectories Towards the SA Electricity Regime
- The call for papers was sent out and the deadline is Friday 3 April 2015

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9. Report from Affiliates Representative

- ✓ Derek advised that he had nothing to report back.
- ✓ To re-look at the cost of venue choices, the cost of travel and the cost of venues are becoming a problem.
- ✓ Municipalities previously hosted and invited the affiliates into their regions and absorb the costs of hosting the meeting.
- ✓ If Local Councils can again start hosting the meetings and that would take a huge strain of the finances.
- ✓ To implement a registration cost for affiliates at attend the meeting, Derek to discuss with Rosemary.

9. Presentation by Optron – Trimble Feedback  
**Presentation can be obtained on request.**

10. Presentation by Umhlathuze – Renewable Energy Initiative  
**Presentation can be obtained on request.**

11. Presentation by Umhlathuze – Technical Operation Centre  
**Presentation can be obtained on request.**

12. Presentation by Huawei – ICT Solution for Power Utility  
**Presentation can be obtained on request.**

13. Presentation by Hellermann Tyton – Overview of the Company  
**Presentation can be obtained on request.**

14. Presentation by Dept. of Labour – Construction Installations  
**Presentation can be obtained on request.**

15. Presentation by Dept. of Labour – Construction Installations  
**Presentation can be obtained on request.**

16. Presentation by Impact Energy – Power Quality & Solutions  
**Presentation can be obtained on request.**

17. Presentation by SALGA – Renewable Energy / Energy Efficiency in LG Projects Implemented  
**Presentation can be obtained on request.**

18. Presentation by Eskom – Power System Status in SA  
**Presentation can be obtained on request.**

19. Presentation by ABB – Transformer Components  
**Presentation can be obtained on request.**

20. Presentation by Edgeline – Overview of Edgeline Engineering  
**Presentation can be obtained on request.**

21. Next Meeting Date and Venue

The next meeting date is 25 & 26 June 2015, venue recommended was Newcastle.

19. Vote of Thanks

Tom Philips thanked all the presenters for their presentations and gave a brief summary of the presentations that were done over the two days. Roy Wienand did the vote of thanks.

20. Closure

The Chairperson thanked everyone for attending and wished everyone a safe journey home.