

KWA-ZULU NATAL BRANCH

P.O. Box 147, Durban, 4000
Tel: [031] 311-9016

e-mail: naidoorl@elec.durban.gov.za
084 200 1984
Fax: [031] 306-3196

MINUTES OF THE GENERAL MEETING HELD AT CATHEDRAL PEAK, DRAKENSBURG

ON THURSDAY, 20th & FRIDAY, 21st NOVEMBER 2014

PRESENT:	Jayshree Pershad	Chairperson – eThekwini
	Eveon Nomnganga	Vice Chairperson – Msunduzi (present day 1)
	Peter Fowles	AMEU
	Bathandwa Vazi	Salga
	Slindile Masondo	Salga
	Jay Kalichuran	eThekwini
	Sandile Maphumulo	eThekwini
	Sifiso Zungu	eThekwini
	William L. Mapena	eThekwini
	Khanyisile Mthembu	eThekwini
	Ntombi Ndlela	eThekwini
	Thami Magubane	eThekwini
	Cindy Mazombe	eThekwini
	Nathi Nkwanyana	eThekwini
	George Mashinini	eThekwini
	Jonathan Hunsley	eThekwini
	Manoj Hanuman	eThekwini
	Vijay Batohi	eThekwini
	Nkanyisa Gumede	eThekwini
	Doray Vallo	Msunduzi
	Simpiwe Mchunu	Msunduzi (present day 1)
	L Ntuli	Msunduzi (present day 1)
	Tumelo Gopane	uMhlathuze
	Bheka Kanyile	uMhlathuze
	Daniel Mohapi	uMhlathuze
	Gerhard Balzer	Umvoti
	Pool Mahadeo	Eskom (present day 1)
	Tasco Mbinda	DoE (present day 1)
	Elsie Mashigo	ABB
	Kamalan Chetty	ABB
	Mmakgoshi Sebata	ABB
	Tom Phillips	Inspired Interfaces
	Asaph PHEME	Landis & Gyr
	Dawie van Niekerk	Landis & Gyr
	Mabotja Mmatholo	Landis & Gyr (present day 2)
	Harold Hayes	Landis & Gyr (present day 2)
	Pragasen Pillay	Itron
	Popo Jada	TDS (present day 2)
	Londa Shange	Gubela Trading
	Ameet Lallo	Accenture (present day 2)
	Daniel Read	Optron
	Derek Watson	Beka-Schreder
	Brent Killian	Beka-Schreder
	Nkanyiso Madlala	Beka-Schreder
	Gordon Arons	Beka-Schreder
	Thierry Grima	Transfix Transformers (present day 2)
	Mthunzi Luthuli	Transfix Transformers (present day 2)
	Dave Meek	Proconics (present day 1)
	Donald Hobson	Proconics
	Mzwakhe Msimano	Proconics
	Nozie Ntambekwana	Conlog

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Sharron Burger	Genlux
Benjamin Bosch	Schneider-Electric
Gary Klopper	Impact Energy
Dwayne Baker	Nkwazi Consulting Engineers (present day 1)

APOLOGIES:	Ken Tupper	Abaqulusi
	Pradesh Ramsunder	Emnambithi
	Cyril Moodley	Umtshezi
	Jaap Le Grange	Umlalazi
	Maxwell Mthembu	eThekwini
	Sew Harilal	eThekwini
	Roy Wienand	eThekwini
	Veer Ramnarain	eThekwini
	Marius Pitzer	Megger
	Kris Yankanna	Aberdare Cables
	Zanele Njova	Gubela Trading
	Enock Zikalala	Beka
	Rick St. John	Lucy Switchgear
	Kris Yankana	Aberdare
	Scott Morrison	Aberdare
Dirk Talijaard	CBI	

1. WELCOME AND OPENING OF MEETING

Eveon opened the meeting and welcomed everyone to the meeting. He then handed over to Sandile to officially open the meeting and a warm welcome went out to the delegates of SALGA, DoE, Eskom and the eThekwini political principles and the Affiliates attending the meeting.

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 with the inclusion of SARPA attendance.

5. CONFIRMATION OF MINUTES OF THE MEETING HELD ON 19th & 20th June 2014 at Port Edward Holiday Resort.

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

6. MATTERS ARISING FROM THE MINUTES

None

7. REPORT FROM MEMBER OF EXECUTIVE COUNCIL

Peter Fowles reported back from the Committee meetings that were held on the 12th & 13th November 2014.

Standing Committee Meeting

❖ Financial Statements

– 2014 Budget

- October 2014: surplus R2.38m (predicted at year end R1.16)
- Membership fees on track at R1.2m
- Convention registration fee income – R2.3M (R0.98 due)
- Convention sponsorship – R4.4m
- Appreciation of investment – R1.08m

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- ❖ Mandate of the Standing Committee
 - To produce an annual budget
 - To authorize financial transactions and contracts
 - To oversee the financial position (sustainability/risk)
 - To oversee internal processes of the Association
 - To oversee the delegations of the general secretary
- ❖ Affiliate Matters
 - A new Chair and Committee was nominated
- ❖ Convention 2015
 - 4-7 October 2015 at the Sandton Convention Centre
- ❖ Leave – Peter Fowles
 - On leave from 20th March to 20th June 2015
- ❖ Branch Operating Guidelines
 - Responsibility or organization of meetings
 - The responsibility for the organization of branch meeting rests with the Branch Chairman and the Branch Secretary, in liaison with the nominated Branch Affiliate Representative.
 - Recommended presentation / exhibition fees
 - Affiliate member – R2000.00
 - Non-Affiliate member – R4000.00
 - Support to engineer members to attend the meetings
 - To try and sponsor Municipal representatives, whose Municipalities are not able or willing to provide financial support to attend the Branch meetings
 - Branch accounts
 - Individual bank accounts to be closed
 - All balances are to be transferred to the individual ledger accounts for each Branch within the national AMEU financial system

Legal & Statutory Committee

- ❖ ESLC Mandate
 - Changing structure to a formal 'non-profit' legal identity
 - The draft constitution is being debated
 - Limitation of liability – is risk to participants
- ❖ Boundary Disputes
 - Standing Committee Task Team Workshop held on 25 March 2014 produced a position paper
 - Legal opinion on the SDA
 - Media statement on Eskom and SALGA to sign Co-operative Agreement on 31 Oct. 2014
 - SALGA/Eskom partnering for electricity distribution
- ❖ 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

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- ❖ Electricity Supply By-Laws
 - Drakenstein amended By-Laws are out for public comment
 - Council approval was expected by the end of October 2014
- ❖ Role of Municipalities as Electricity Service Authorities
 - The SALGA draft document recommends
 - Amend the MSA to clarify electricity distribution definition
 - Clearly define which Municipalities are electricity service authorities
 - Allow Municipalities to fulfill their executive authority function
 - A continued and important role for the National Regulator
 - Cabinet level support and changes in the current Eskom practice

- ❖ Overhead Power Lines (SANS) 10280-1) Workshop
 - Design, clearance, earthing and maintenance – 26 September 2014

Tariffs Committee

- ❖ EIUG – Concerns on the wheeling of energy over Municipal networks
 - Current challenges include economic, regulatory and commercial
 - No common, agreed and approved wheeling framework
 - Eskom says the problem is not unique to Municipalities
 - 3rd party transportation of energy framework in public domain
 - NERSA is not responding to queries from the EIUG or Eskom
 - 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
- ❖ NERSA – Inclining Block Tariffs (IBT)
 - Presentation was done by Shirley Salvoldi – influence of IBT's on Eskom's tariff subsidy levels
 - Introduction of IBT's in 2010/11 increased subsidy levels (already at +/- R2bn), by R1.32bn in (11/12), R2.36bn in (12/13) and R2.86bn in (13/14)
- ❖ NERSA – Electricity Resellers
 - The AMEU submission was on 7 May 2014
 - Public hearings was on 22 July 2014 and was done by Leshan Moodliar
 - No decision as yet
- ❖ Eskom MYPD3 Process
 - NERSA decision on 30th July 2014 - approved RCA balance of R7 818m compared with Eskom application for a cumulative RCA balance of R18 396m
 - Media statement on 3rd October 2014 – implementation in the 2015/16 will result in an average tariff increase of 12.69% for standard customer tariffs in 2015
 - RFD was issued in October
- ❖ ESKOM – Funding of Supplies
 - A meeting with National Treasury - 3 July 2013 as 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
- ❖ NERSA – Municipal Tariff Guidelines and Benchmarks for the 2015/16 Financial Year
 - Eskom granted a tariff increase of 12.69% (did not allow for all costs – probably increase to 13%)
 - Estimate 16% increase in the Municipal bulk tariff w.e.f 1 July
 - NERSA requested a meeting on Municipal guidelines on 12 November 2014

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- ❖ NERSA - Non-Financial Information (NFI) Manual
 - AMEU circular 2014
 - Draft (NFI) open for comment and due by 28th November 2014
 - Public hearings to take place on 4th December 2014 and must register by Friday 21st November 2014)

Education & Training Committee

- ❖ Eskom Training Initiatives
 - SALGA MOU with Eskom – offer of assistance to training of Municipal employees
 - Request for top 3 priorities in training
- ❖ AMEU Electrical Training Workgroup
 - Approach LGSETA to reconsider funding continuing
 - New electrician qualification developed by LGSETA published but some content omitted
 - Process to evaluate if this content is important
 - Trade testing is a concern for Municipalities that did not address core business of the Municipalities
 - Trade test (practical) would be generic and non-generic areas would be covered in a theory part of the trade test
 - Switching Operator qualification almost at public comment stage
 - The next meeting will be held on 18/19 February 2015 in Bloemfontein
- ❖ COGTA Competency Profiles
 - A person appointed as a Senior Manager must have the competencies as set out in this framework
 - This competency framework replaces regulation 26(8) of the Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers
 - The competency framework consists of six leading competencies which comprise of twenty (20) driving competencies that communicate what is expected for effective performance in Local Government
 - All serving Senior Managers to undergo competence assessment testing
- ❖ National Infrastructure Skills Development Grant (ISDG) Update by National Treasury
 - Was introduced in 2011/12, to strengthen the capacity of Local Government to effectively deliver quality infrastructure by increasing the pool of skills available in the local sphere and create jobs for the unemployed graduates in the built environment
 - 2014/15 – 446 graduates (74 Electrical Engineering trainees, 2 Engineers, 4 Technologists, 31 Technician, 37 Apprentices at 18 Municipalities
 - R114m in 2014/15 – conditional grant
 - Number of selection criteria to be considered for funding

Technical Committee

- ❖ Renewable Energy /Embedded Generation
 - The AMEU to consider additional committee to focus on RE/embedded issues
 - NERSA has indicated that it intends issuing a consultation paper in February 2014 outlining the possible regulatory environment for “distributed power generation”
 - Lack of response by NERSA to requests for approval of tariffs for SSEG power purchases
 - Meeting arranged with NERSA senior officials
- ❖ Eskom System Supply Status
 - AMEU / Eskom Workgroup produced a draft report
 - Update
 - Load reduction alert on 13th November 2014 (cold weather this week expected to increase load by 1000MW)
 - Majuba output at 1600MW (will not reach 2500MW)

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- Dams running out of water
 - Current shortage of diesel in RSA – Eskom used the November budget for diesel in 3 days)
 - Load shedding is likely this weekend to allow for filling of dams to prepare for next week
 - High levels of unplanned outages with delays in RTS of some plants
 - Several DR products with some new pilots over next 2-3 months
- ❖ Review of the EDI's Asset Status Report (ADAM)
- DoE submission to PCE (PN – 5th 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
- ❖ SWH Programme
- Legal documentation is being finalized
 - DoE claim to be in “discussion with Municipalities” as the programme will be made available to them from 2015/16 financial year
- ❖ Electrification/NEAC
- 5% Eskom levy to be included in allocations in future
 - Retraction by DoE (INEP) official
 - Indication of Eskom change in policy to exclude costs of meters from this levy – effective increase to 10%
 - Department of Human Settlements (DoHS) policy on internal wiring costs of homes
 - DoE issued a draft position paper that radically alters the situation
 - INEP Policy Documents
 - Currently under review by a small team
- ❖ Presidential Infrastructure Co-ordination Commission (PICC) – Strategic Integrated Project 10
- Focuses on the delivery of electricity which has numerous socio-economics benefits
 - Energy security for transmission, distribution and universal access to electricity
 - Eskom will lead 3 SIPs, including SIP 10 co-ordination office
 - SIP 10 office – data collection, analyse data & identify constraints, facilitate unblocking and produce reports quarterly
 - Geospatial view of backlog
 - Challenges with funding, skills, lack of standardisation, servitudes, EIA
 - Indications of non-delivery, networks constrained, safety etc
 - Reporting aim is not to provide additional work for Municipalities
 - Budget spend – what is planned vs what is achieved (performance)
 - Business Plan
 - Call for a briefing meeting on 19th November 2014
- ❖ Proposal to Establish an African Utilities Telecoms Council (UTC)
- Summit on 18/19 November 2014
 - AMEU Involvement
 - Keynote address by the AMEU President
 - 2 AMEU representatives on the panel discussion on spectrum issues
 - AMEU member presentation on automation project
 - Role to be played by the expansion of telecoms and ICT technologies and services in future smart grids
 - Organizational for model for proposed AUTC
 - Non-profit trade association concentrating on telecoms as they affect utility organizations in South Africa
 - Benefits to utilities in developing relationships with energy and telecoms regulators, ICT vendors and public telecom network operators

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- ❖ Smart Metering
 - Approach by Dti (13th November 2014), IDC wishes to assist Municipalities with the rolling out of Smart meters

Publicity & Papers Committee

- ❖ Website
 - Members can now update their details on the website
- ❖ AMEU News
 - The November 2014 edition – there is problems with posting
- ❖ E-BULLETIN
 - Apologies for the late publication of the September edition of the E-Bulletin
 - There will not be a October edition
- ❖ Convention 2015
 - There was a request to consider themes appropriate for the centenary convention

8. Nominations for the following were done.

Engineer member – Maxwell Mthembu
HDI Representative – Eveon Nomnganga
Female Representative – Jayshree Pershad

9. Presentation by Optron – Trimble Feedback
Presentation can be obtained on request.
10. Presentation by eThekwini – Grid Code Feedback
Presentation can be obtained on request.
11. Presentation by Beka-Schreder –
Presentation can be obtained on request.
12. Presentation by Impact Energy – Power Quality
Presentation can be obtained on request.
13. Presentation by Inspired Interfaces – An integrated Approach to Network Design
Presentation can be obtained on request.
14. Presentation by Accenture – Evolution of Smart Metering
Presentation can be obtained on request.
15. Presentation by Transfix Transformers – Enhancing Quality & Efficiency of Transformers
Presentation can be obtained on request.
16. General Items

Attendance at SARPA Meetings

- Sandile advised that eThekwini will pay for one association only
- Issues discussed at the SARPA meetings are important to the AMEU members as well
- Would need to factor the issues of SARPA into the AMEU agenda
- Informed the meeting that the issue was first raised in 2008 and it was discussed at the Executive meeting and also discussed with SARPA

17. Introduction of Gordon Arons from the Affiliates Committee

- Derek introduced Gordon who has been nominated into the Affiliates Committee
- Gordon gave a brief overview of the plans going forward of the Affiliates Committee

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18. Next Meeting Date and Venue

The next meeting date is 12 & 13 March 2015, venue recommended was Jozini Tiger Lodge & Spa

19. Vote of Thanks

Jonathan thanked all the presenters for their presentations and gave a brief summary of the presentations that were done over the two days. He also wished all well over the festive season period.

20. Closure

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