

**INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP) PLAN TO
ACHIEVE UNIVERSAL ACCESS TO ELECTRICITY BY 2012
MASTERPLAN / BUSINESS PLAN**

1. EXECUTIVE SUMMARY

“Government recognises that household access to adequate energy services for cooking, heating, lighting and communication is a basic need. Whilst these needs can be met by various fuel-appliance combinations, government recognises that without access to electricity, a clean, convenient and desirable fuel, human development potential is ultimately constrained

Government commits itself to implementing reasonable legislative and other measures, within its available resources, to progressively realise universal household access to electricity.” (Energy White paper 1998)

Access to electricity is taken to include grid supplies, Solar Home Systems, generators, hybrid systems, battery systems or any other supply solution which provides appropriate and affordable electricity supply. The decision of which technology to utilise, will be based on life cycle cost analysis and the number of connections made in terms of the budget allocation.

Department of Minerals and Energy is responsible for planning, coordination, administration, monitoring and evaluation of the Integrated National Electrification Programme (INEP). The programme is implemented by transferring the allocation of approximately R1.4 billion to licensed distributors in terms of the Electricity Act such as Eskom and some licensed municipalities with capacity to distribute electricity and to undertake the execution of the electrification programme. Eskom is mainly responsible for rural areas where there is insufficient infrastructure to connect households.

The Department of Minerals and Energy (DME) through Integrated National Electrification Programme (INEP) has to comply with a set target to electrify households and reach universal access by 2012. This is the commitment and undertaking made by the President on his State of the Nation Address.

2. BACKLOG

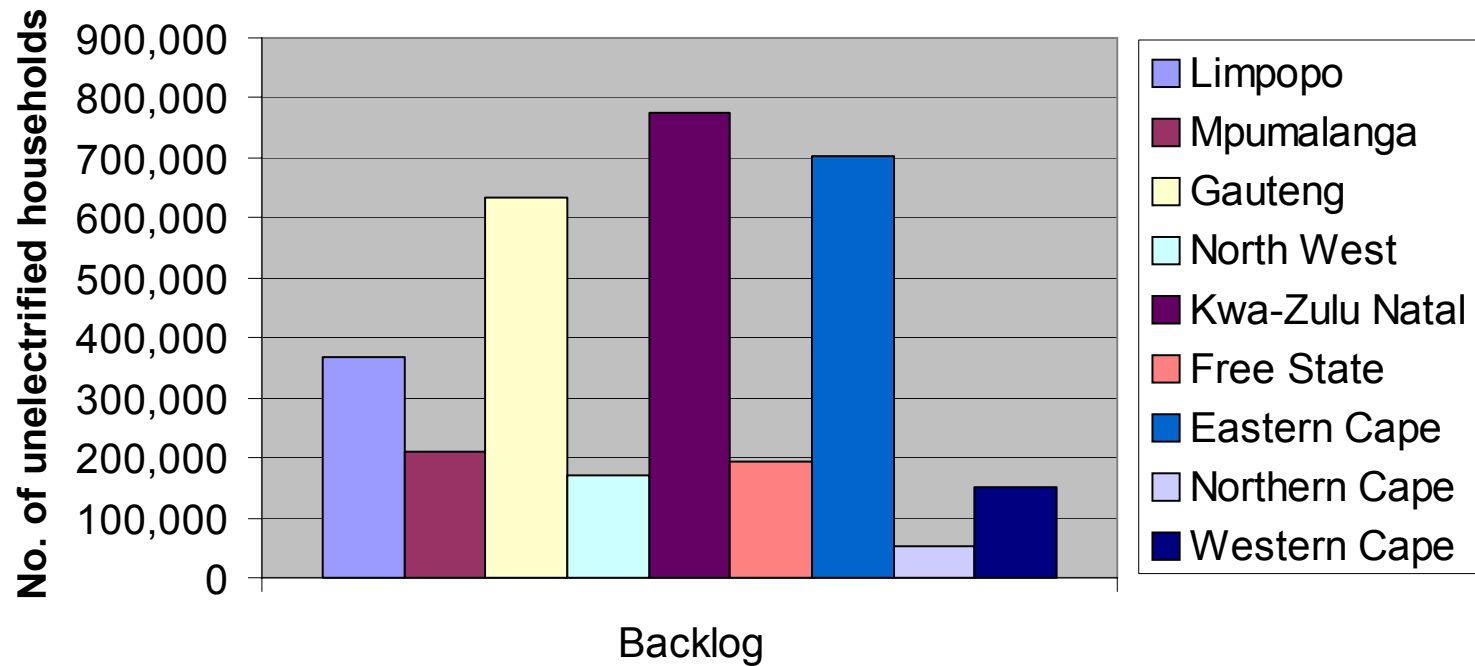
Households

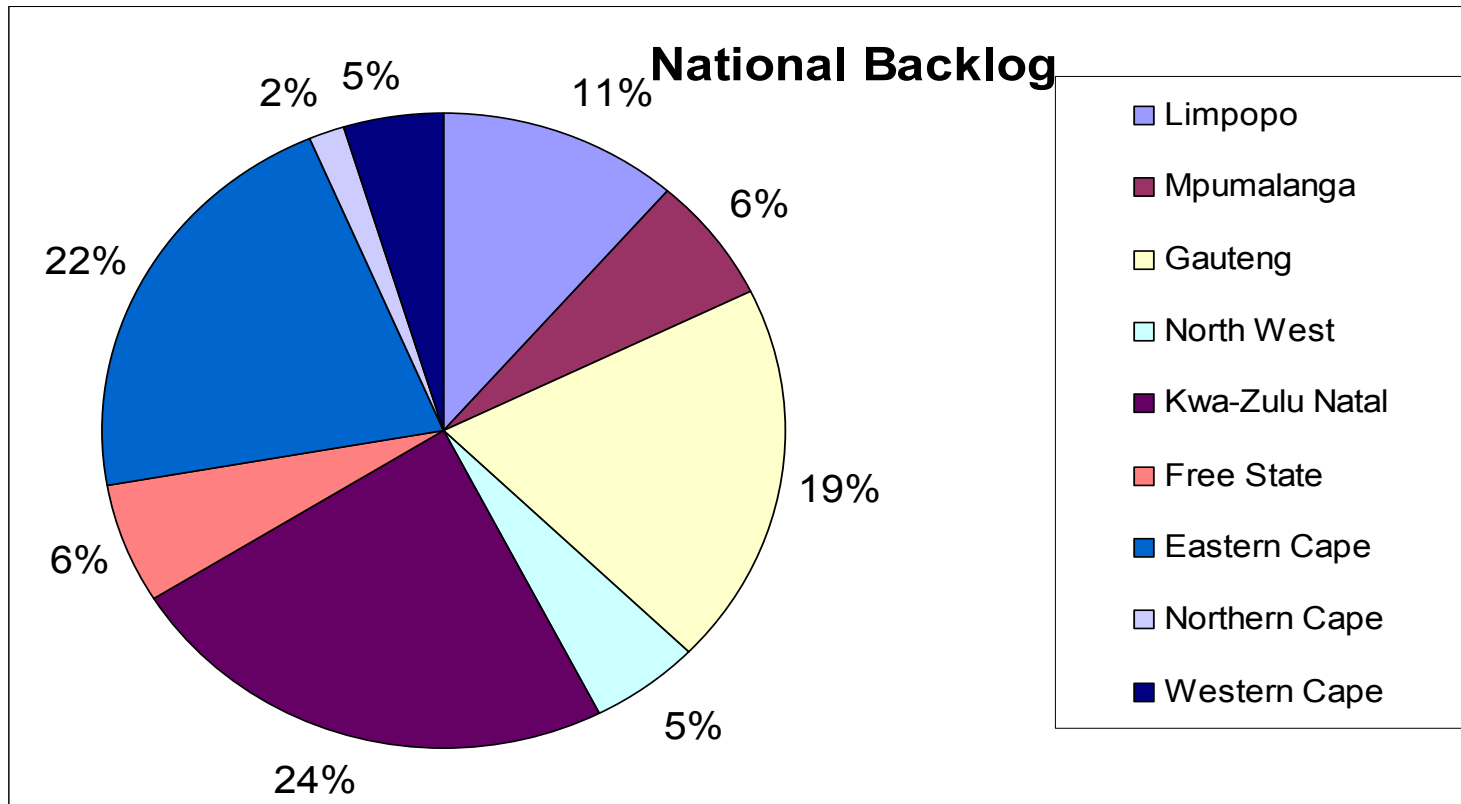
The un-electrified households backlog to date (31 March 2006) in South Africa is **3.4 million** households; the breakdown of the total backlog per province is shown on the chart below.

The households' backlog per province:

Province	Eskom Area	Municipal Area	Total Backlog
Eastern Cape	625,760	103,721	729,481
Free State	156,805	44,507	201,312
Gauteng	256,750	415,969	672,719
Kwazulu-Natal	657,642	156,890	814,532
Limpopo	345,725	36,460	382,185
Mpumalanga	155,137	60,343	215,480
North West	150,142	27,859	178,001
Northern Cape	45,302	11,326	56,628
Western Cape	75,759	90,436	166,195
Total	2,469,022	947,511	3,416,533

National Backlog





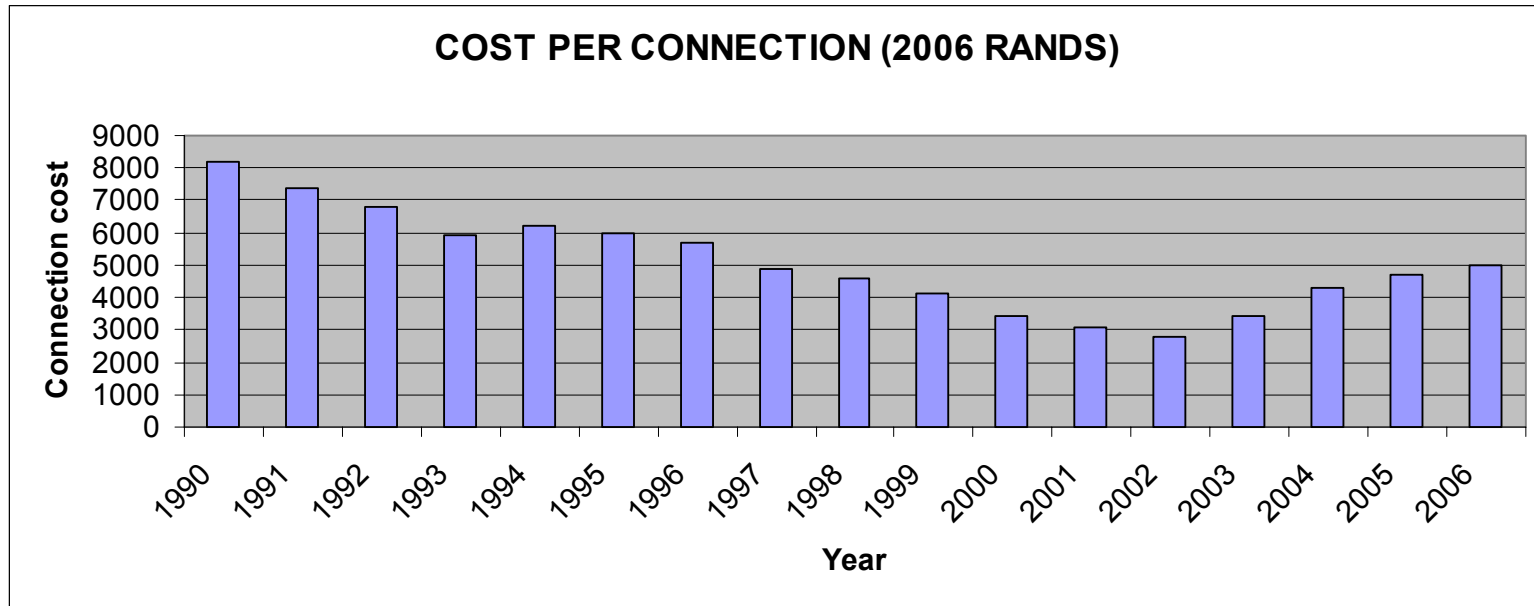
The above charts indicate the number of houses (including informal settlements) not connected to the National grid (Backlog) to date. In terms of the National backlog, 28% of the backlog is in the municipal area of supply and 72% in the Eskom area of supply.

Schools and Clinics

As part of the electrification programme, schools and clinics not electrified before 2001, form part of the backlog to be eradicated by 2012. The backlog on Schools and Clinics are indicated in the table below:

Province	Schools	Clinics
Eastern Cape	1924	150
Free State	157	0
Gauteng	0	0
Kwa Zulu-Natal	2230	0
Limpopo	263	0
Mpumalanga	400	0
North West	151	13
Northern Cape	6	8
Western Cape	0	0
Total	5131	171

Electrification cost per connection trend (2006 Rand terms)



The above chart indicates the trend on cost per connection since 1990 at 2006 Rand terms, the trend indicate that if South Africa invested today on Electrification Programme, the cost per connection will be in the region of R 8000.00, this was the result of higher design parameters at the time. However from 2002, the cost per connection started to increase, the increase as a result of the fact that the current electrifications projects are executed in more rural areas where previously no electricity infrastructure existed. According to our projections the average cost per connection will stabilize at around R 6000.00 {Subject to the cost of material (Copper) and construction costs}.

3. ACHIEVING UNIVERSAL ACCESS TO ELECTRICITY BY 2012

The target to reach universal access to electricity by 2012 is possible; however, several challenges facing the Integrated National Electrification Programme must be addressed to enable smooth rollout of the programme. The challenges include:

- Insufficient programme resources
- Building of new bulk infrastructure in rural areas
- Refurbishment and rehabilitation of electrical infrastructure
- Building municipal capacity without negatively impacting on service delivery
- **Structured Planning Approach**
- Technology Innovations
- Project Management
- Social Interventions (LED projects etc)
- Development of a Geographical Design Tool
- Resources Management (Project Managers, Consultants, Material, Contractors etc)

4. INTEGRATION OF OTHER ALTERNATIVE ENERGY (RENEWABLE ENERGY)

In line with the Energy White paper of 1998 *“Government will provide focused support for the development, demonstration and implementation of renewable energy sources for both small and large-scale applications”*.

“Immediate priorities for this programme will be biomass applications (for the use of biomass, not for its production), passive building design, photovoltaic, micro-hydro and wind-based electricity systems and solar water heating. Activities will include information dissemination, education, extension and referral services, and the active promotion of implementation where applicable”

Therefore the department will continue to encourage the use of alternative energies and the implementation of appropriate technologies to support universal access to electricity/energy.

5. CURRENT SCENARIO

The current National Electrification Funding (NEF) is approximately R1.4 billion annually from the fiscus and is able to result in approximately **150 000** connections per year of the total Backlog of 3.4 million households. The table below shows the MTEF allocations and the outputs thereof:

	2007/08	2008/09	2009/10
Households	R 1,440,910,000	R 1,746,395,000	R 2,317,778,000
Schools and Clinics	R 45,000,000	R 90,000,000	R 150,000,000
Total	R 1,485,910,000	R 1,836,395,000	R 2,467,778,000

Outputs per annum

	2007/08	2008/09	2009/10
Households	150,000	150,000	150,000
Substations	10	10	10
Schools and Clinics	1,136	2,200	1,780

With the current rate, it will take approximately 25 years to reach universal access to electricity, and therefore appropriate steps need to be taken to ensure that the commitment and undertaking of the State is achieved. This will include the allocation of additional funding, acceleration of skills development programmes, integration and acceleration of the housing programme and intensive use of BEE service providers.

6. FUNDING REQUIREMENTS

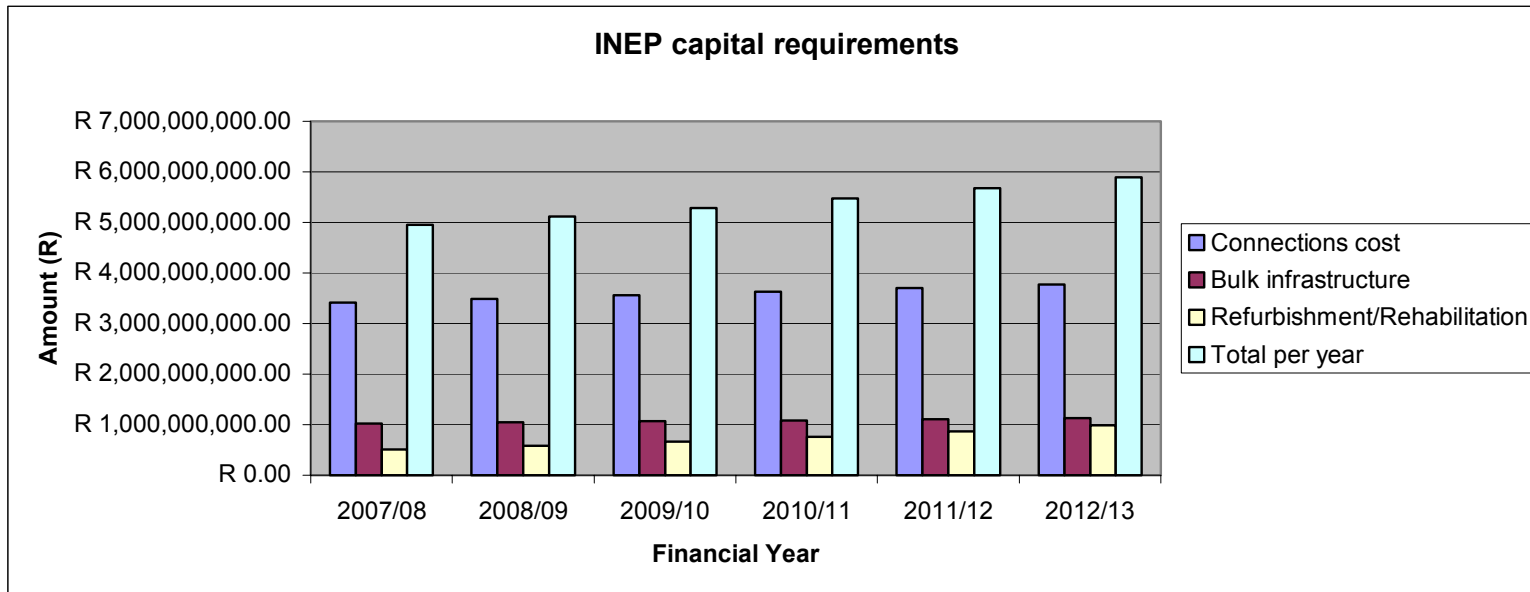
In order to achieve universal access, the following allocations as indicated in the table below must be made annually for electrification of households, schools, clinics and farm worker houses:-

The table below indicates that a total of **R 5 billion** is required annually to address backlog on electrification.

Financial year	Connections cost	Bulk infrastructure	Refurbishment/Rehabilitation	Total per year
2007/08	R 3,416,533,000.00	R 1,024,959,900.00	R 512,479,950.00	R 4,953,972,850.00
2008/09	R 3,484,863,660.00	R 1,045,459,098.00	R 584,227,143.00	R 5,114,549,901.00
2009/10	R 3,554,560,933.20	R 1,066,368,279.96	R 666,018,943.02	R 5,286,948,156.18
2010/11	R 3,625,652,151.86	R 1,087,695,645.56	R 759,261,595.04	R 5,472,609,392.47
2011/12	R 3,698,165,194.90	R 1,109,449,558.47	R 865,558,218.35	R 5,673,172,971.72
2012/13	R 3,772,128,498.80	R 1,131,638,549.64	R 986,736,368.92	R 5,890,503,417.36
Totals	R 21,551,903,438.76	R 6,465,571,031.63	R 4,374,282,218.33	R 32,391,756,688.72

N.B

The Funding requirements indicated above does not include operational costs, the adjustment should be done on the operational budget of INEP BPU chief directorate to ensure effective planning ,implementation, monitoring and evaluation of the Integrated National Electrification Programme. The estimated amount of R 20 million will be required in addition to the current R 21 million (Total operational budget = R 41 million).



The graph above shows the capital required for the Integrated National Electrification Programme to reach universal access by 2012/13. It should be noted that the total cumulative amount required to reach universal access is R32 billion. This amount was R25 billion during the last financial year, however, due to the increase in electrification material prices, the population growth and many other factors, the amount has escalated by R7 billion.

The tables below indicates per province the proposed funding requirements, amount of connections required to realise the vision of universal access by 2012 and the year at which some of the provinces will reach universal access.

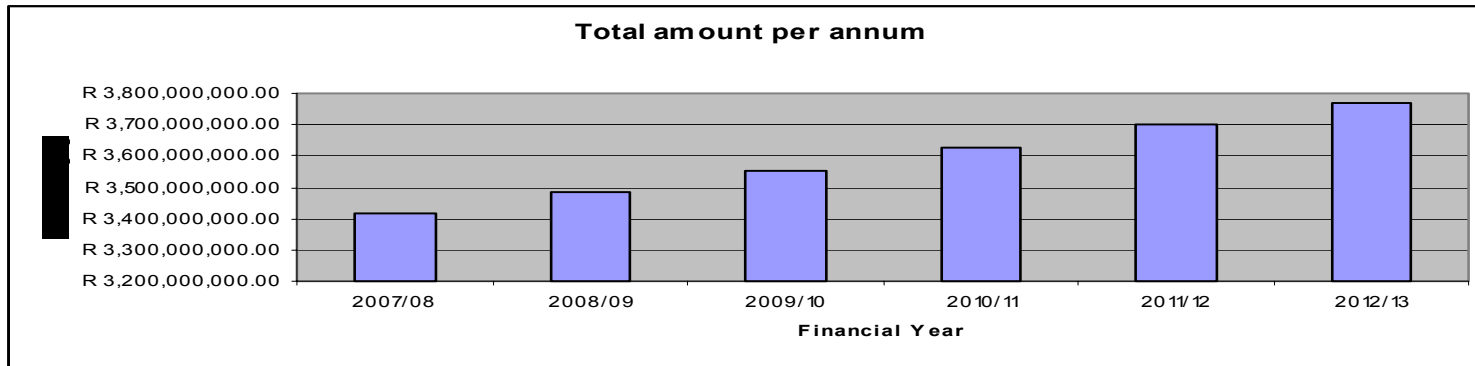
Funding requirements (Connections: 2007/8)

Province	Eskom Area	Municipal Area	Total Backlog	Allocation per year	Connections @ 6000 ave: 2007
Eastern Cape	625,760	103,721	729,481	R 729,481,000.00	121,580
Free State	156,805	44,507	201,312	R 201,312,000.00	33,552
Gauteng	256,750	415,969	672,719	R 672,719,000.00	112,120
Kwazulu-Natal	657,642	156,890	814,532	R 814,532,000.00	135,755
Limpopo	345,725	36,460	382,185	R 382,185,000.00	63,698
Mpumalanga	155,137	60,343	215,480	R 215,480,000.00	35,913
North West	150,142	27,859	178,001	R 178,001,000.00	29,667
Northern Cape	45,302	11,326	56,628	R 56,628,000.00	9,438
Western Cape	75,759	90,436	166,195	R 166,195,000.00	27,699
Total	2,469,022	947,511	3,416,533	R 3,416,533,000.00	569,422

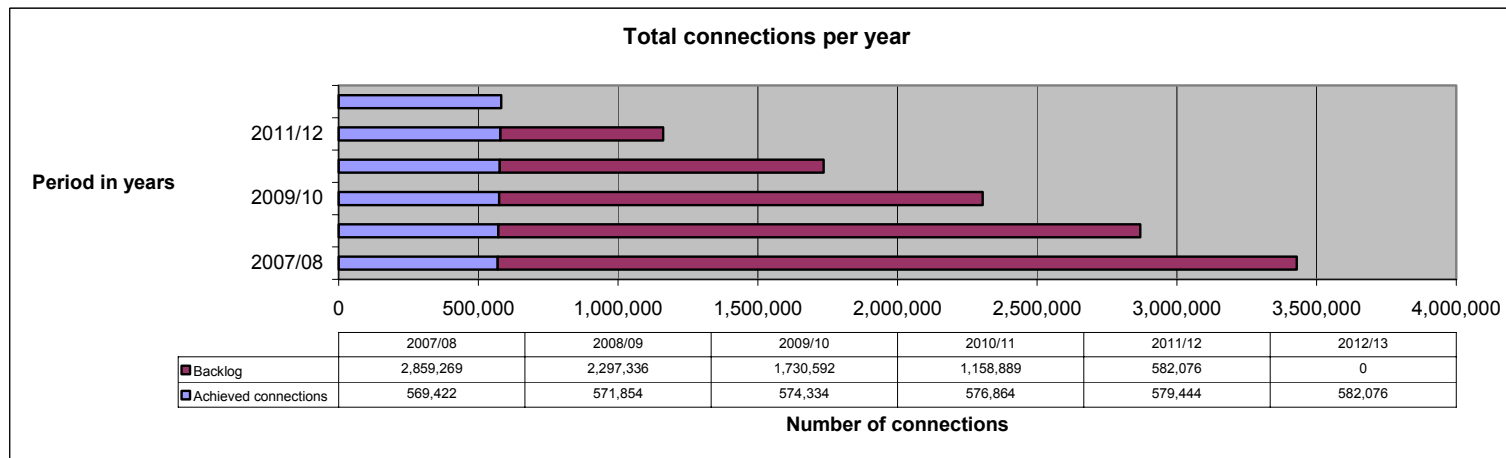
Funding requirements (Bulk Infrastructure: 2007/8)

Province	Total Backlog	Infrastructure Cost
Eastern Cape	729,481	R 218,844,300.00
Free State	201,312	R 60,393,600.00
Gauteng	672,719	R 201,815,700.00
Kwazulu-Natal	814,532	R 244,359,600.00
Limpopo	382,185	R 114,655,500.00
Mpumalanga	215,480	R 64,644,000.00
North West	178,001	R 53,400,300.00
Northern Cape	56,628	R 16,988,400.00
Western Cape	166,195	R 49,858,500.00
Total	3,416,533	R 1,024,959,900.00

Household connections cash flows for 2007/8 to 2012/13

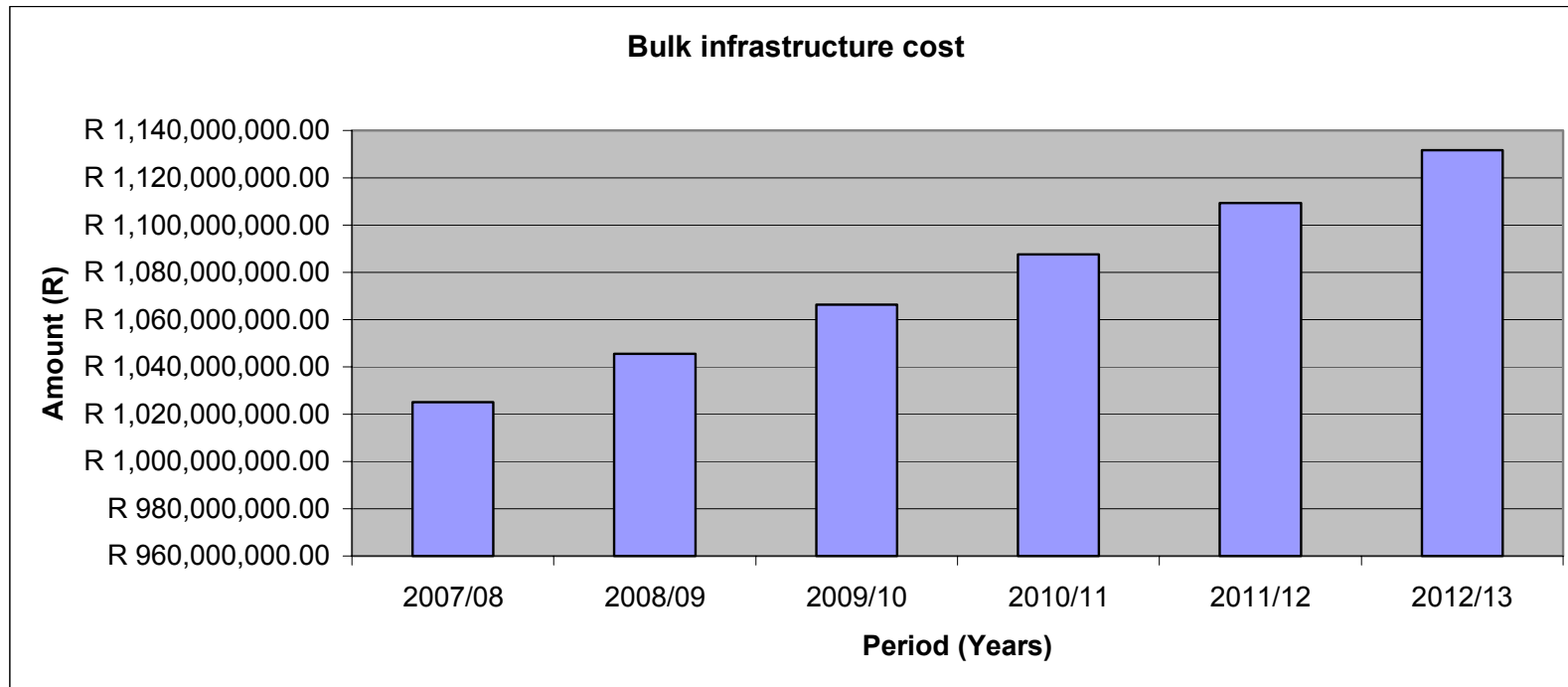


Connections per annum from 2007/8 to 2012/13



The graph above indicates the number of connections required per year to reach universal access by the year 2012/13.

Infrastructure Cash flow from 2007/8 to 2012/13



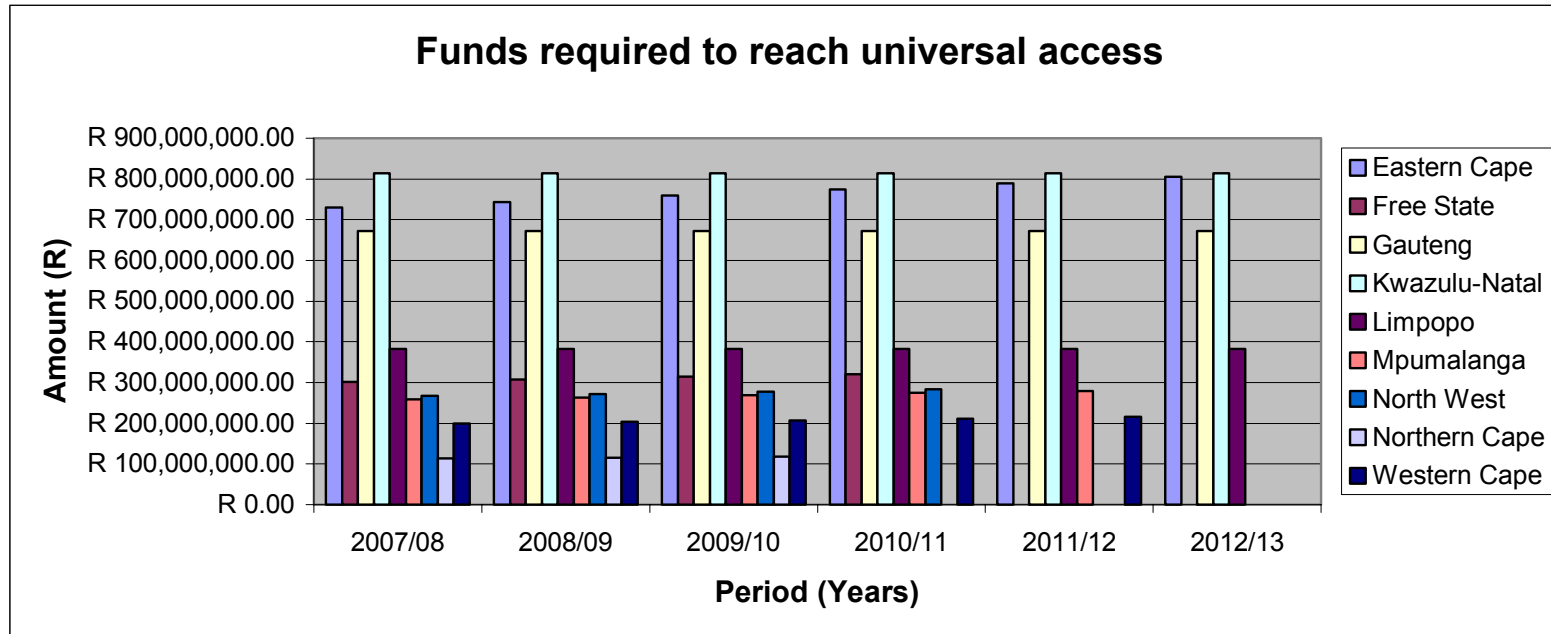
Since the Department took responsibility of the Electrification Programme, the main focus has been on electrifying households (including farm worker houses), schools and clinics without putting much consideration on the development of bulk infrastructure. The annual electrification of households is now on the decline as the available capacity on the electricity network is being absorbed by the number of household being connected on the grid. It has therefore become of importance that the development and upgrading of infrastructure be catered for in the allocation to enable further electrification of households.

7. REFURBISHMENT/REHABILITATION PROGRAMME

Due to the lack of maintenance and ageing of electrical infrastructure, the quality of supply in electricity for municipalities is greatly affected. Although it is the responsibility of the Municipality to operate and maintain their assets as stated in the Municipal Systems Act (MSA), it has become evident that Municipalities are facing challenges, both financially and technically in maintaining their electricity assets.

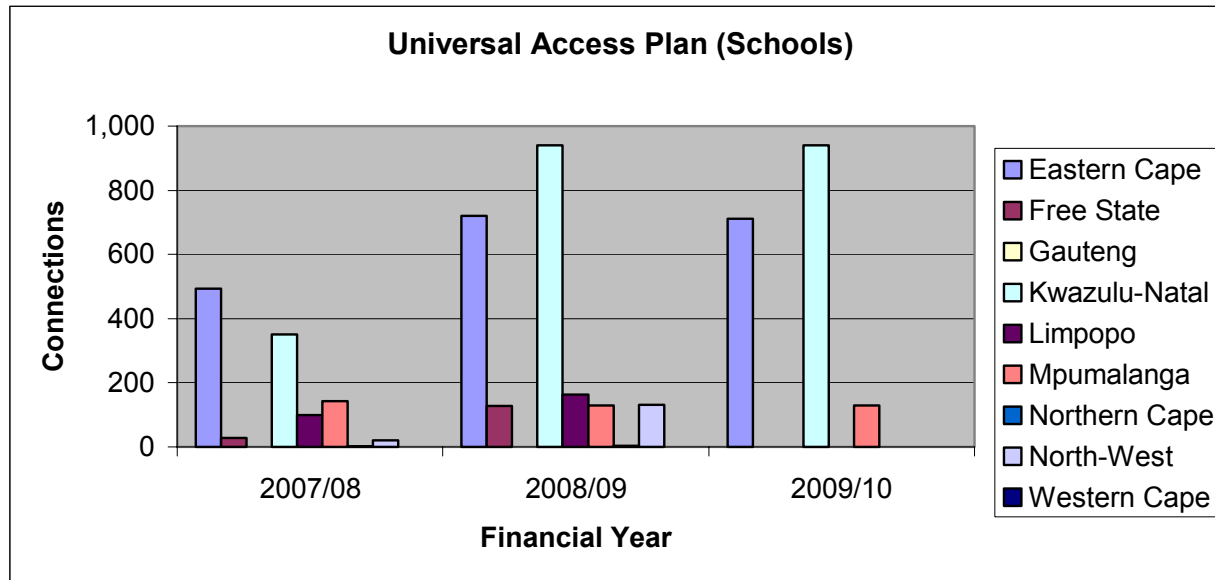
It is due to these challenges that the Department of Minerals and Energy has decided upon assisting Municipalities with the refurbishment/rehabilitation of electricity assets. A framework for funding of refurbishment/rehabilitation projects is currently being developed; however, there are two pilot projects that are currently executed to enable the Department to determine benchmarks for funding of these projects. The funding of the two pilot projects was split between the DME, the DBSA and the Municipality concerned.

8. TOTAL UNIVERSAL ACCESS STRATEGY PERIOD (6 YEARS)



The table above indicates that the universal access can be reached within three years in the Northern Cape (2009/10), four years for Free State and North West Provinces (2010/11), and five years for Mpumalanga and Western Cape (2011/12). The other provinces (Limpopo, KwaZulu Natal, Eastern Cape and Gauteng) will continue until 2012/13.

Schools and Clinics (Accelerated Plan)



The schools and clinics plan has been accelerated as per the directive of the Minister of Minerals and Energy that all school and clinics must be electrified by the end of 2008/09. An allocation of R45m has been made available in the 2007/08 financial year for the eradication of clinics backlog. The schools backlog will be eradicated in the 2009/10 financial year as indicated on the graph above.

9. CAPACITY TO IMPLEMENT THE PROGRAMME

Capacity to implement the programme relates to the following: -

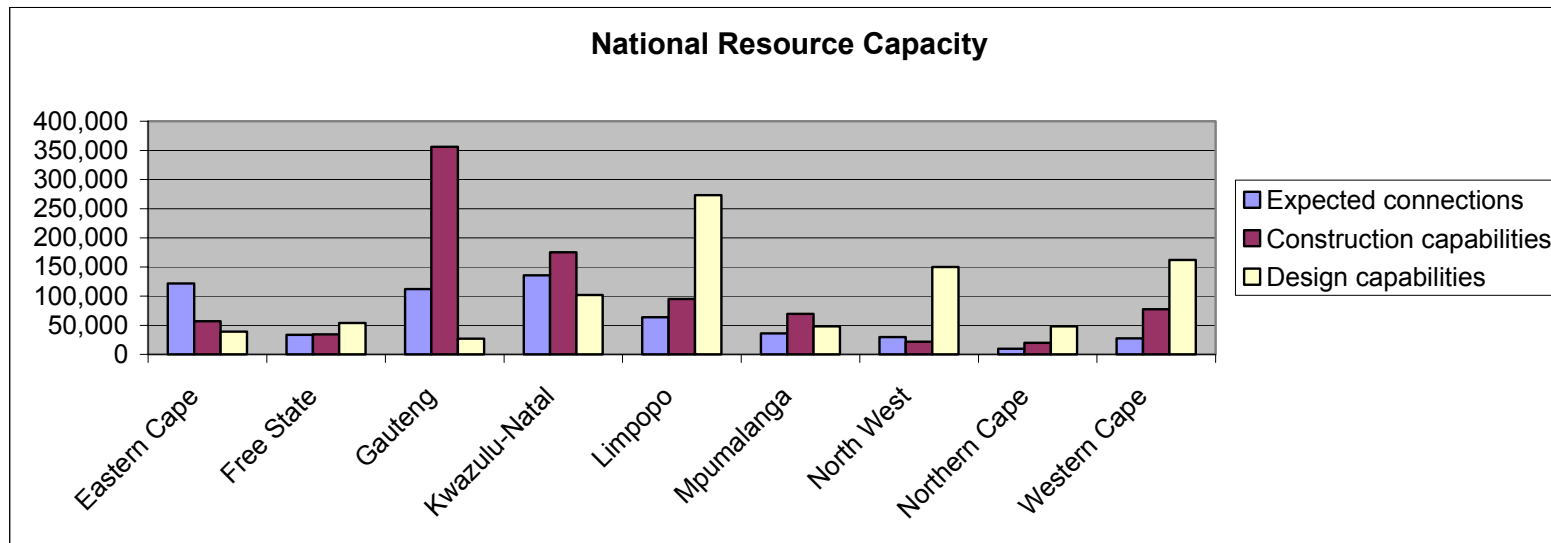
- Programme management and planning
- Availability of Technical skills (Consulting Engineers and Contractors)
- **Availability of required material for electrification (Transformers, cables, poles, meters etc.)**

Province	Total Backlog	Expected Connections	Construction capabilities	Design capabilities	CIDB Contractors	Consultants	80% of contractors	60% of consultants
Eastern Cape	729,481	121,580	56,800	39,000	71	13	57	8
Free State	201,312	33,552	34,400	54,000	43	18	34	11
Gauteng	672,719	112,120	356,000	27,000	445	9	356	5
Kwazulu-Natal	814,532	135,755	175,200	102,000	219	34	175	20
Limpopo	382,185	63,698	95,200	273,000	119	91	95	55
Mpumalanga	215,480	35,913	69,600	48,000	87	16	70	10
North West	178,001	29,667	21,600	150,000	27	50	22	30
Northern Cape	56,628	9,438	20,000	48,000	25	16	20	10
Western Cape	166,195	27,699	77,600	162,000	97	54	78	32
Total	3,416,533	569,422	906,400	903,000	1,133	301	906	181

The table indicates the available electrical contractors and consultants in the country currently registered in the database for Construction Industry Development Board* (CIDB) for Contractors and the database for the South African Association of Consulting Engineers (SAACE).

The assumptions that have been made are that:

- Connections per contractor – 1000 connections.
- Connection design per consultant – 5000 connections per year
- **80% of the contractors will participate on electrification projects**
- 60% of the consultants will participate and have knowledge of electrification programme



The chart above indicate that based on the above assumptions there is enough capacity to implement the programme, however there is also a need to train additional personnel in the Electrical engineering and construction sector.

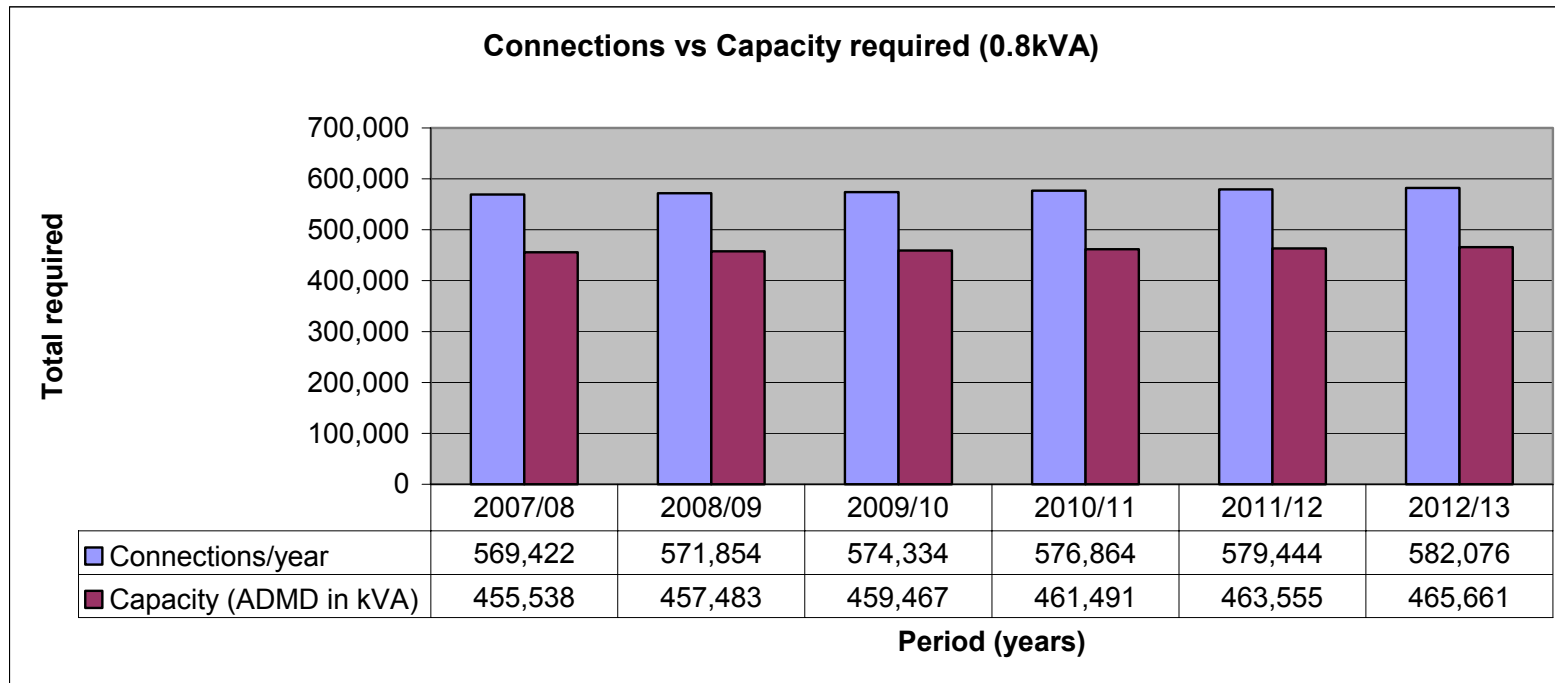
* The Construction Industry Development Board (CIDB) is a statutory organisation that develops standards for contractors in South Africa. Electrical engineering contractors are required to comply with the requirements as set out by the CIDB. The current challenge is that CIDB requirements are high for the existing contractors. Most contractors, mainly BEE contractors, do not qualify to be awarded tenders as they do not meet the minimum requirements as set out by the distributors (Municipalities, Eskom).

This defeats the purpose of BEE participation in the electrification programme and minimise the number of new entrance contractors (electrical). INEP will ensure that emerging contractors participate in the programme by ensuring that a lower level entry is required for electrification projects as well as monitoring of new entrance.

10. SUPPORT TO MUNICIPALITIES

Notwithstanding the total departmental strategy on capacity building in the electricity industry (REDs formation), the department has initiated a Municipal Assistance Programme (MAP) whereby the department will deploy Electrical engineers and technicians to municipalities who needs assistance (project consolidate municipalities). The department will use the current Technical Audit Consultants as well as additional personnel in the Provinces to support municipalities in the planning and implementation of the electrification programme. Additional to the above strategy, the department in its internship programme will employ trainee Engineers and Technicians to work with appointed consultants at municipalities for mentoring and training purposes.

11. ELECTRICAL NETWORK CAPACITY REQUIREMENTS



The increase in demand for network capacity is directly proportional to the amount of connections expected in a particular year, by 2012/13; a total of 2 .76GVA (2760MVA) is estimated for After Diversity Maximum Demand (ADMD). These projections predict that there will be an increase in the demand requirements for electrification.

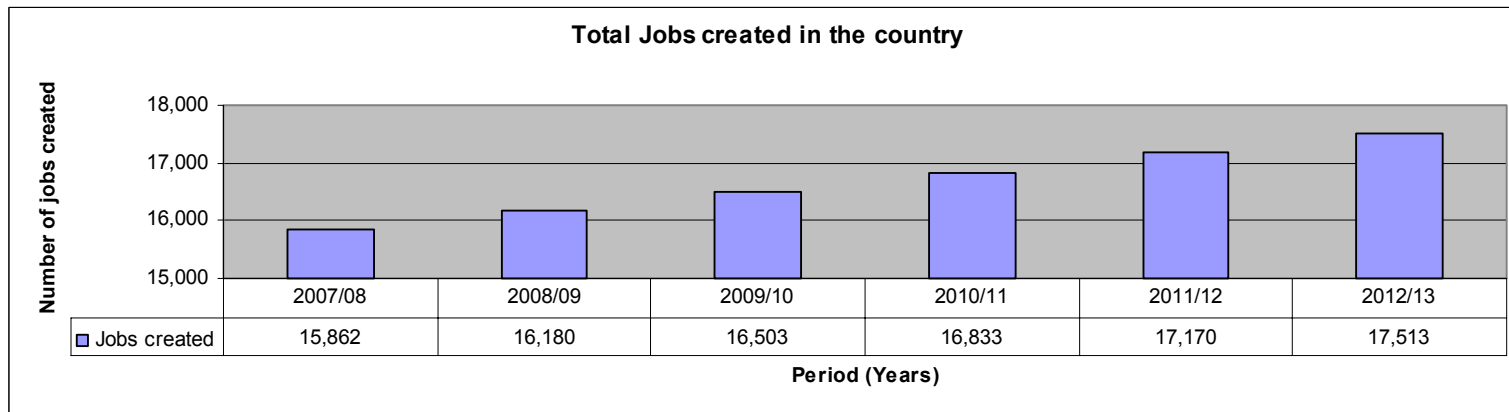
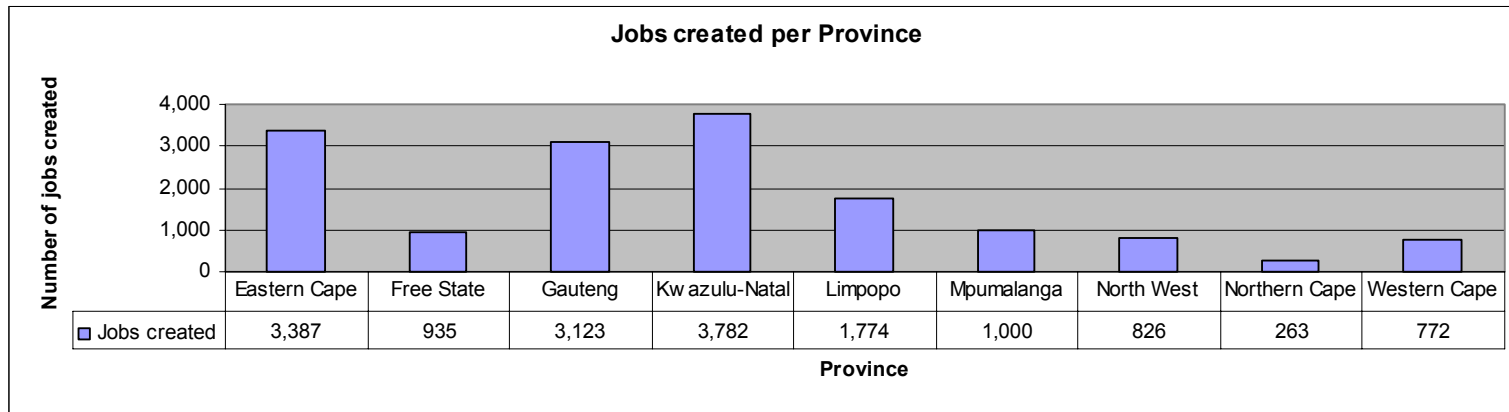
12. SOUTH AFRICAN INDUSTRIAL CAPACITY TO SUPPLY BULK MATERIAL FOR ELECTRIFICATION

There has been a greater decline in the manufacturing sector in South Africa, especially on the manufacturing of what is termed long lead time material such as Transformers, Cables and Switchgears. The Department of Minerals and Energy, together with other stakeholders (the dti, the dfa, the dpe etc.) must consider attracting overseas manufacturing companies or suppliers to participate in the South African infrastructure development, these will have a positive effect in the South African manufacturing and distribution sectors and South Africa can act as a gateway to Africa in the future.

13. SKILLS DEVELOPMENT AND JOB CREATION

The Integrated National Electrification Programme will be implemented in accordance with the Energy White Paper of 1998 with a greater focus on job creation and achievement of poverty alleviation through integration of electrification with municipal IDPs and facilitate greater participation of previously disadvantaged Communities in the operations and Management of sector activities with particular emphasis on women, youth and the disabled.

The graphs below indicate the estimated jobs to be in the programme nationally and per province. The figures are based on the DME's strategic document that with the current funding of approximately R1.4 billion, 5000 jobs will be created in the 2006/7 programme. With the doubling of the programme funding, an estimated amount of 10 000 jobs will be created.



14. TRAINING

Closer links by implementing agent (Licensed distributors) with training institutions will be required in order obtain and identify relevant training needs to support the programme. The DME will update its implementation policy document to request the implementing agents to train additional personnel; this accredited training will then be reported as part of our social indicators.

15. ECONOMIC BENEFITS

The implementation of the electrification programme will result in;

- The increase in employment as a result of the need to employ additional personnel on the programme implementation;
- Economic growth as a result of the complete value chain of the resources required for electrification programme;
- Greater participation of the private sector in the implementation of the programme through human resource development.

16. CONCLUSION

The DME is committed to achieve universal access within the identified period; the target is possible if all issues indicated can be addressed. The DME will continue to encourage the private sector, public sector and all stakeholders participating in the electrification programme to give their support. These will result in greater skills development, economic growth and ultimately contribute to poverty alleviation.

The following are the external universal access dependencies that are not within direct control of the Department of Minerals and Energy.

- Allocation of additional funding to the electrification programme as outlined in the funding requirements within this document
- Acceleration of the housing programme, especially in the un-proclaimed areas and informal settlements
- The increasing cost of construction as well as price of material (Copper)

Although the above issues can be influenced by the Department, there is no direct control of the outcome.

17. ANNEXURES

- Maps: Electrification Status per district

5. INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

Issue

5.1 Framework for the Creation of Electricity Assets

Recommendation

- ❖ The NEAC to support the Framework for the Creation of Electricity Assets.

Deliberation

- ❖ The INEP BPU representative will make a presentation.

FRAMEWORK FOR CREATION OF ELECTRICITY ASSETS BY MUNICIPALITIES NOT HAVING THE ELECTRICITY DISTRIBUTION LICENCES

BACKGROUND

The DME is responsible for planning, funding, implementation, monitoring and evaluation of the INEP. The entire role includes developing policies that will ensure effective administration and governance of the electricity assets once they are created

Within the current frameworks only Municipalities with distribution licence issued by NERSA (NER) in terms of the Electricity Act. (Currently Electricity Regulation Act) are entitled to the electrification subsidy administered by the DME. Municipalities without the distribution licence are expected to be serviced by Eskom as an implementing agent of the DME For electrification programme.

In terms of the electrification policy, Eskom does not own the electrification assets; it holds these assets in trust on behalf of government. All assets created with electrification funding are ring-fenced and belong to the state. After restructuring process is completed, the state will decide on the ownership.

CREATION OF ASSETS

The basic principles for municipalities without a distribution license not to create electricity assets are:

- Capacity to operate and maintain the assets
- Sustainability of the created assets
- Eskom currently holds a distribution license within respective municipalities
- Electricity industry restructuring process

LEGISLATIVE CONSIDERATION

- The Constitution
- Electricity Act (Currently Electricity Regulation Act)
- Municipal Systems Act
- Municipal Finance Management Act
- Public Finance Management Act

ASSET CREATION FRAMEWORK

The DME as Sector Leader will continue to lead the electrification programme and any entity (municipality) that made funding available for electrification must apply to the Minister for authorization. The assets created will be included as part of the electrification assets currently managed by Eskom on behalf of government.

The following will be the information to be supplied by municipality aspiring to create electricity assets:

- Municipalities must get an approval in writing from the Minister of Minerals and Energy prior to electrifying a village within Eskom supply area.
- A clear and transparent indication of where the funding was sourced must be provided by the municipality (Loan, equitable share, MIG etc)
- A clear and transparent process as to how the funding was allocated to electricity infrastructure.
- An undertaking from Eskom that the created assets will be maintained and operated by Eskom under the Eskom NERSA licence conditions.
- A municipal Council Resolution indicating that the created assets will be handed over to Eskom for operation and maintenance (Management) as well as revenue collection.
- Included in the Council Resolution must be an indication that these assets form part of the electrification assets (INEP assets)
- A letter from Eskom indicating the availability of capacity (bulk) to accommodate the planned connections.
- All assets to be created must comply with minimum Eskom standards for electrification projects.
- An indication in writing that all designs as well as technical details have been approved by Eskom

5. INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

Issue

5.2 Municipal INEP Progress Report

Recommendation

- ❖ The NEAC to take note of the municipalities electrification performance and progress to date

Deliberation

- ❖ The INEP BPU representative will make a presentation

Department of Minerals and Energy

Performance of the Integrated National Electrification Programme

Presentation to the NEAC
August 2007

Chris van Zyl
Sarah Seitshiro



the dme

Department:
Minerals and Energy
REPUBLIC OF SOUTH AFRICA

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Municipal Programme 2007/08 Budget allocation / Transfers June 2007

Eastern Cape	80,127	17.1%	7,377	1.58%
Free State	32,621	7.0%	0	0.00%
Gauteng	89,900	19.2%	0	0.00%
KwaZulu Natal	86,500	18.5%	13,156	2.81%
Limpopo	32,584	7.0%	0	0.00%
Mpumalanga	52,033	11.1%	752	0.16%
Northern Cape	9,442	2.0%	845	0.18%
North West	47,070	10.1%	0	0.00%
Western Cape	37,550	8.0%	0	0.00%
TOTAL	467,827	100.0%	22,130	4.7%

Municipal Programme 2006/07 Budget allocation

Summary by province	Revised allocation (R'000)	Year to Date Actual Transfers (R'000)	% of total allocation	Year to date Expenditure (Excluding Top-Up Funding) (R'000)	Expenditure as % of Actual Transferred Funds
Eastern Cape	64,064	64,024	16.4%	57,202	89.3%
Free State	23,573	23,573	6.0%	12,039	51.1%
Gauteng	82,244	82,244	21.0%	70,583	85.8%
KwaZulu Natal	78,506	78,506	20.1%	60,757	77.4%
Limpopo	17,573	17,573	4.5%	15,945	90.7%
Mpumalanga	46,666	46,549	11.9%	22,942	49.3%
Northern Cape	15,102	15,102	3.9%	13,733	90.9%
North West	29,264	29,264	7.5%	28,695	98.1%
Western Cape	34,138	34,138	8.7%	25,586	74.9%
TOTAL	391,130	390,973	100.0%	307,482	78.6%

Municipal Connections 2007/08

To date no connections have been reported

Municipal Connections 2006/07 (as at end June 2007)

Province Name	Revised Connections	Connections Actual June	Inception to date Actual Connections	% Connections
Eastern Cape	10,074	249	8,730	86.66%
Free State	3,492	749	1,371	39.26%
Gauteng	24,871	0	2,743	11.03%
Kwazulu/Natal	18,515	716	16,315	88.12%
Limpopo	4,410	840	3,529	80.02%
Mpumalanga	7,461	552	3,242	43.45%
North West	1,738	384	1,422	81.82%
Northern Cape	4,150	0	2,358	56.82%
Western Cape	7,566	189	3,255	43.02%
Total	82,277	3,679	42,965	52.22%

Household Connections 2006/07 and 2007/08 Explanation of performance lag

- Financial year-end misalignment influences top-up funding
 - March for National
 - June for Municipal
- Transfers completed by March, yet municipalities usually complete programme by June
- Will only get complete picture by end July.
- Municipalities still busy with 2006/07 projects.

CHALLENGES

- Memorandum of Agreement not signed by Munic's and DME
- Houses not available for electrification (Planning)
- Late project approvals by municipalities (Council resolutions)
- Prolonged municipal procurement processes
- Municipalities still busy with electrification projects for 2005/06, 2006/07

Recommendations

- INEP Capital Programme to monitor and visit municipalities which do not perform
- Issue letters of non – compliance for those municipalities that do not report on a monthly basis.
- Withhold allocations if munics do not report.
- Reallocate if Municipalities are still busy with 2006/07 projects.

Conclusion

- To make the INEP programme a success DME should assist and monitor municipalities very closely.
- REM's need to visit municipalities and be visible.

5. INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME

Issue


5.3 Progress Report on ESKOM Electrification Programme

Recommendation

- ❖ The NEAC to take note of the electrification progress to date

Deliberation

- ❖ The Eskom representative will make a presentation.



Eskom Performance Feedback NEAC





Eskom 2004/5 Program Performance as at June 2007



Eskom Electrification Program Performance

PROVINCE	TOTAL SCHEDULED EXPENDITURE	TOTAL EXPENDITURE 2005/6 FINANCIAL YEAR	TOTAL EXPENDITURE 2006/7 FINANCIAL YEAR	TOTAL EXPENDITURE 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE EXPENDITURE	Percentage of Inception to Date Expenditure versus Total Scheduled Expenditure
EASTERN CAPE	18,876,496.65	13,438,605.72	6,640,441.80	-30,197.45	20,048,850.06	106.21%
LIMPOPO	14,000,001.14	10,886,722.90	0.00	458,815.86	11,345,538.76	81.04%
KWAZULU/NATAL	10,623,502.21	7,875,983.12	4,079,173.38	170,322.53	12,125,479.03	114.14%
Grand Total	43,500,000.00	32,201,311.74	10,719,615.17	598,940.94	43,519,867.85	100.05%

PROVINCE	TOTAL SCHEDULED CONNECTIONS	TOTAL CONNECTIONS 2005/6 FINANCIAL YEAR	TOTAL CONNECTIONS 2006/7 FINANCIAL YEAR	TOTAL CONNECTIONS 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE CONNECTIONS	Percentage of Inception to Date CONNECTIONS versus Total Scheduled CONNECTIONS
EASTERN CAPE	1,681	809	5,491	325	6,625	394.11%
LIMPOPO	4,085	3,521	0	0	3,521	86.19%
KWAZULU/NATAL	1,741	1,126	1,727	58	2,911	167.20%
Grand Total	7,507	5,456	7,218	383	13,057	173.93%



Eskom 2005/6 Program Performance as at June 2007



Eskom Electrification Program Performance

PROVINCE	TOTAL SCHEDULED EXPENDITURE	TOTAL EXPENDITURE 2005/6 FINANCIAL YEAR	TOTAL EXPENDITURE 2006/7 FINANCIAL YEAR	TOTAL EXPENDITURE 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE EXPENDITURE	Percentage of Inception to Date Expenditure versus Total Scheduled Expenditure
EASTERN CAPE	109,855,612.72	108,937,440.87	1,872,211.80	12,737.28	110,822,389.95	100.88%
FREE STATE	9,068,034.42	4,453,334.48	197,327.75	55,746.36	4,706,408.59	51.90%
GAUTENG	30,859,141.15	26,297,988.11	22,993,191.57	1,607,471.40	50,898,651.08	164.94%
KWAZULU/NATAL	99,494,030.59	91,779,769.83	3,676,283.83	16,512.62	95,472,566.28	95.96%
LIMPOPO	135,832,222.72	107,548,686.92	20,880,994.59	0.00	128,429,681.51	94.55%
MPUMALANGA	25,407,559.63	23,443,305.07	3,942,580.23		27,385,885.30	107.79%
NORTH WEST	35,821,363.03	23,832,435.57	1,078,407.45		24,910,843.03	69.54%
NORTHERN CAPE	2,521,731.20	2,504,467.54	184,543.47	26,944.95	2,715,955.96	107.70%
WESTERN CAPE	13,010,068.75	12,184,176.84	3,084,792.85		15,268,969.69	117.36%
Schools and Clinics over expenditure recovery		1,670,421.65	0.00	0.00	1,670,421.65	0.00%
Grand Total	461,869,764.21	402,652,026.88	57,910,333.55	1,719,412.60	462,281,773.03	100.09%



Eskom Electrification Program Performance

PROVINCE	TOTAL SCHEDULED CONNECTIONS	TOTAL CONNECTIONS 2005/6 FINANACIAL YEAR	TOTAL CONNECTIONS 2006/7 FINANCIAL YEAR	TOTAL CONNECTIONS 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE CONNECTIONS	Percentage of Inception to Date CONNECTIONS versus Total Scheduled CONNECTIONS
EASTERN CAPE	23,035	22,153	2,081	0	24,234	105.21%
FREE STATE	1,301	1,833	784	0	2,617	201.15%
GAUTENG	5,560	7,271	4,003	0	11,274	202.77%
KWAZULU/NATAL	14,023	17,362	1,229	0	18,591	132.58%
LIMPOPO	27,962	23,551	5,161		28,712	102.68%
MPUMALANGA	7,242	6,504	165		6,669	92.09%
NORTH WEST	6,762	6,248	12		6,260	92.58%
NORTHERN CAPE	503	647	34	0	681	135.39%
WESTERN CAPE	4,063	2,294	1,122		3,416	84.08%
Grand Total	90,451	87,863	14,591	0	102,454	113.27%



Eskom 2006/7 Program as at June 2007



Eskom Planned Electrification Program

PROVINCE	TOTAL SCHEDULED CAPEX	TOTAL EXPENDITURE 2006/7 FINANCIAL YEAR	TOTAL EXPENDITURE 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE EXPENDITURE	Percentage of Inception to Date Expenditure versus Total Scheduled Expenditure
EASTERN CAPE	240,651,809.25	238,548,564.53	3,676,932.64	242,225,497.17	100.65%
FREE STATE	22,310,625.29	16,707,584.00	378,881.58	17,086,465.57	76.58%
GAUTENG	50,769,664.56	38,422,989.34	221,852.90	38,644,842.24	76.12%
KWAZULU/NATAL	175,247,044.93	171,821,603.85	737,662.64	172,559,266.49	98.47%
LIMPOPO	74,415,344.51	72,427,583.84	940,050.17	73,367,634.01	98.59%
MPUMALANGA	47,026,243.04	47,343,784.65	1,574,452.06	48,918,236.71	104.02%
NORTH WEST	81,162,183.87	82,170,576.88	544,444.19	82,715,021.06	101.91%
NORTHERN CAPE	16,806,883.59	13,490,998.09	340,384.04	13,831,382.13	82.30%
WESTERN CAPE	19,193,799.22	15,356,557.43	2,544,861.77	17,901,419.20	93.27%
Grand Total	727,583,598.25	696,290,242.60	10,959,521.99	707,249,764.58	97.21%

BUDGET TYPE	TOTAL SCHEDULED CAPEX	TOTAL EXPENDITURE 2006/7 FINANCIAL YEAR	TOTAL EXPENDITURE 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE EXPENDITURE	Percentage of Inception to Date Expenditure versus Total Scheduled Expenditure
HOUSEHOLDS	680,358,044.80	677,249,898.73	3,500,367.80	680,750,266.53	100.06%
SCHOOLS AND CLINICS	47,225,553.45	19,040,343.86	7,459,154.19	26,499,498.05	56.11%
GRAND TOTAL	727,583,598.25	696,290,242.60	10,959,521.99	707,249,764.58	97.21%



Eskom Planned Electrification Program

PROVINCE	TOTAL SCHEDULED CONNECTIONS	TOTAL CONNECTIONS 2006/7 FINANCIAL YEAR	TOTAL CONNECTIONS 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE CONNECTIONS	Percentage of Inception to Date CONNECTIONS versus Total Scheduled CONNECTIONS
EASTERN CAPE	14,487	14,685	117	14,802	102.17%
FREE STATE	3,211	3,883	47	3,930	122.39%
GAUTENG	9,547	7,616	0	7,616	79.77%
KWAZULU/NATAL	18,535	19,479	436	19,915	107.45%
LIMPOPO	11,061	17,089	3	17,092	154.52%
MPUMALANGA	4,204	3,261	0	3,261	77.57%
NORTH WEST	10,297	4,658	248	4,906	47.64%
NORTHERN CAPE	2,295	1,373	0	1,373	59.83%
WESTERN CAPE	3,325	3,516	86	3,602	108.33%
Grand Total	76,962	75,560	937	76,497	99.40%

BUDGET TYPE	TOTAL SCHEDULED CONNECTIONS	TOTAL CONNECTIONS 2006/7 FINANCIAL YEAR	TOTAL CONNECTIONS 2007/8 FINANCIAL YEAR	TOTAL INCEPTION TO DATE CONNECTIONS	Percentage of Inception to Date CONNECTIONS versus Total Scheduled CONNECTIONS
HOUSEHOLDS	76,490	75,288	890	76,178	99.59%
SCHOOLS AND CLINICS	472	272	47	319	67.58%
GRAND TOTAL	76,962	75,560	937	76,497	99.40%





Eskom 2007/8 Program as at June 2007



Eskom Planned HH Electrification Program

Project Type	TOTAL GAZETTED CAPEX INCLUDING VAT	TOTAL SCHEDULED CAPEX INCLUDING VAT	TOTAL GAZETTED AND TRANSFERRED YTD CAPEX (Including VAT)	TOTAL SCHEDULED YTD CAPEX (Including VAT)	TOTAL ACTUAL YTD CAPEX (Including VAT)
FWH Sum	3,769,980.00	2,351,819.50	898,320.00	282,339.24	619,706.23
HOUSEHOLDS Sum	575,553,761.67	624,302,238.44	151,293,839.64	91,664,917.91	116,861,272.76
INFILLS Sum	0.00	0.00	0.00	0.00	142,312.54
INFRASTRUCTURE Sum	212,100,831.75	199,957,388.87	117,206,977.94	32,131,863.87	42,733,582.64
PRE ENGINEERING Sum	78,835,845.00	39,774,741.91	15,005,245.44	6,855,984.40	87,380.29
RETICULATION ONLY Sum	17,760,705.24	21,207,041.63	3,985,440.00	3,160,080.00	782,223.78
	888,021,123.66	887,593,230.35	288,389,823.02	134,095,185.41	161,226,478.25

Project Type	TOTAL GAZETTED CONNECTIONS	TOTAL SCHEDULED CONNECTIONS	TOTAL YTD GAZETTED CONNECTIONS	TOTAL YTD SCHEDULED CONNECTIONS	TOTAL YTD ACTUAL CONNECTIONS
FWH Sum	900	765	213	205	143
HOUSEHOLDS Sum	91,621	101,667	15,561	11,930	11,822
RETICULATION ONLY Sum	0	0	0	0	2,348
	92,521	102,432	15,774	12,135	14,313

Eskom Planned HH Electrification Program

PROVINCE	TOTAL GAZETTED CAPEX INCLUDING VAT	TOTAL SCHEDULED CAPEX INCLUDING VAT	TOTAL GAZETTED AND TRANSFERRED YTD CAPEX (Including VAT)	TOTAL SCHEDULED YTD CAPEX (Including VAT)	TOTAL ACTUAL YTD CAPEX (Including VAT)
EASTERN CAPE Sum	260,771,962.13	249,700,473.57	64,736,788.07	44,211,277.14	52,838,514.74
FREE STATE Sum	5,973,144.00	10,140,230.46	1,493,286.00	790,840.80	1,143,607.78
GAUTENG Sum	56,652,907.40	48,842,171.75	15,987,737.85	3,979,402.56	7,171,697.40
KWAZULU/NATAL Sum	275,784,303.94	283,043,626.99	136,663,313.60	61,840,585.98	61,079,345.21
LIMPOPO Sum	141,380,882.35	142,644,939.99	37,121,890.59	10,260,573.88	10,200,893.10
MPUMALANGA Sum	67,516,997.04	66,553,231.73	16,879,249.26	4,359,619.09	3,804,062.87
NORTH WEST Sum	47,209,368.78	45,516,276.12	7,324,668.15	6,571,280.34	18,381,203.83
NORTHERN CAPE Sum	12,105,532.32	14,884,514.88	3,026,383.08	1,593,528.48	1,667,136.88
WESTERN CAPE Sum	20,626,025.70	26,267,764.86	5,156,506.43	488,077.16	4,940,016.45
Grand Total	888,021,123.66	887,593,230.35	288,389,823.02	134,095,185.41	161,226,478.25

Eskom Planned HH Electrification Program

PROVINCE	TOTAL GAZETTED CONNECTIONS	TOTAL SCHEDULED CONNECTIONS	TOTAL YTD GAZETTED CONNECTIONS	TOTAL YTD SCHEDULED CONNECTIONS	TOTAL YTD ACTUAL CONNECTIONS
EASTERN CAPE Sum	30,987	32,746	5,690	5,945	3,100
FREE STATE Sum	1,162	2,030	291	18	408
GAUTENG Sum	7,830	5,788	2,258	307	1,083
KWAZULU/NATAL Sum	21,796	26,245	687	2,841	3,898
LIMPOPO Sum	11,075	14,762	2,769	898	5,298
MPUMALANGA Sum	8,171	8,529	2,043	247	14
NORTH WEST Sum	6,515	6,148	791	1,699	24
NORTHERN CAPE Sum	2,051	2,042	513	160	387
WESTERN CAPE Sum	2,934	4,142	734	20	101
Grand Total	92,521	102,432	15,774	12,135	14,313

Eskom Planned S&C Electrification Program

PROVINCE	TOTAL GAZETTED 2007/8 CAPEX	TOTAL SCHEDULED 2007/8 CAPEX	Gazetted and Transferred YTD TOTAL Capex (Including VAT)	Scheduled YTD TOTAL Capex (Including VAT)	Actual YTD TOTAL Capex (Including VAT)
EASTERN CAPE	20,393,249.10	20,223,389.10	3,758,850.18	1,821,990.18	4,955.58
FREE STATE	1,704,300.00	1,336,764.00	0.00	62,472.00	0.00
KWAZULU/NATAL	23,577,344.34	23,585,096.34	4,667,231.82	4,674,983.82	177,290.37
LIMPOPO	22,116,000.00	20,154,288.00	0.00	0.00	355,542.65
MPUMALANGA	12,084,000.00	15,238,608.00	0.00	0.00	0.00
NORTH WEST	2,257,182.90	2,021,824.20	0.00	0.00	2,560.38
NORTHERN CAPE	421,800.00	421,800.00	0.00	0.00	0.00
WESTERN CAPE	2,508,000.00	2,508,000.00	0.00	0.00	0.00
Grand Total	85,061,876.34	85,489,769.64	8,426,082.00	6,559,446.00	540,348.99

BUDGET TYPE	TOTAL GAZETTED 2007/8 CAPEX	TOTAL SCHEDULED 2007/8 CAPEX	Gazetted and Transferred YTD TOTAL Capex (Including VAT)	Scheduled YTD TOTAL Capex (Including VAT)	Actual YTD TOTAL Capex (Including VAT)
Schools	83,137,231.44	85,382,284.74	8,125,122.00	6,559,446.00	540,348.99
Clinics	1,924,644.90	107,484.90	300,960.00	0.00	0.00
Total	85,061,876.34	85,489,769.64	8,426,082.00	6,559,446.00	540,348.99



Eskom Planned S&C Electrification Program

PROVINCE	TOTAL GAZETTED 2007/8 CONNECTIONS	TOTAL SCHEDULED 2007/8 CONNECTIONS	Number of Gazetted YTD Connections	Number of Scheduled YTD Connections	Number of Actual YTD Connections
EASTERN CAPE	200	155	0	0	0
FREE STATE	29	25	0	0	0
KWAZULU/NATAL	250	263	1	1	2
LIMPOPO	194	180	0	0	2
MPUMALANGA	106	134	0	0	0
NORTH WEST	21	22	0	0	0
NORTHERN CAPE	2	2	0	0	0
WESTERN CAPE	1	1	0	0	0
Grand Total	803	782	1	1	4

BUDGET TYPE	TOTAL GAZETTED 2007/8 CONNECTIONS	TOTAL SCHEDULED 2007/8 CONNECTIONS	Number of Gazetted YTD Connections	Number of Scheduled YTD Connections	Number of Actual YTD Connections
Schools	784	781	1	1	4
Clinics	19	1	0	0	0
Total	803	782	1	1	4



Eskom Planned Total Electrification Program

PROVINCE	TOTAL GAZETTED 2007/8 CAPEX	TOTAL SCHEDULED 2007/8 CAPEX	Gazetted and Transferred YTD TOTAL Capex (Including VAT)	Scheduled YTD TOTAL Capex (Including VAT)	Actual YTD TOTAL Capex (Including VAT)
EASTERN CAPE	281,165,211.23	269,923,862.67	68,495,638	46,033,267	52,843,470
FREE STATE	7,677,444.00	11,476,994.46	1,493,286.00	853,312.80	1,143,607.78
GAUTENG	56,652,907.40	48,842,171.75	15,987,737.85	3,979,402.56	7,171,697.40
KWAZULU/NATAL	299,361,648.28	306,628,723.33	141,330,545.42	66,515,569.80	61,256,635.58
LIMPOPO	163,496,882.35	162,799,227.99	37,121,890.59	10,260,573.88	10,556,435.75
MPUMALANGA	79,600,997.04	81,791,839.73	16,879,249.26	4,359,619.09	3,804,062.87
NORTH WEST	49,466,551.68	47,538,100.32	7,324,668.15	6,571,280.34	18,383,764.21
NORTHERN CAPE	12,527,332.32	15,306,314.88	3,026,383.08	1,593,528.48	1,667,136.88
WESTERN CAPE	23,134,025.70	28,775,764.86	5,156,506.43	488,077.16	4,940,016.45
Grand Total	973,083,000.00	973,082,999.99	296,815,905.02	140,654,631.41	161,766,827.23

BUDGET TYPE	TOTAL GAZETTED 2007/8 CAPEX	TOTAL SCHEDULED 2007/8 CAPEX	Gazetted and Transferred YTD TOTAL Capex (Including VAT)	Scheduled YTD TOTAL Capex (Including VAT)	Actual YTD TOTAL Capex (Including VAT)
Schools and Clinics	85,061,876.34	85,489,769.64	8,426,082.00	6,559,446.00	540,348.99
Households	888,021,123.66	887,593,230.35	288,389,823.02	134,095,185.41	161,226,478.25
Total	973,083,000.00	973,082,999.99	296,815,905.02	140,654,631.41	161,766,827.23



Eskom Planned Total Electrification Program

PROVINCE	TOTAL GAZETTED 2007/8 CONNECTIONS	TOTAL SCHEDULED 2007/8 CONNECTIONS	Number of Gazetted YTD Connections	Number of Scheduled YTD Connections	Number of Actual YTD Connections
EASTERN CAPE	31,187	32,901	5,690	5,945	3,100
FREE STATE	1,191	2,055	291	18	408
GAUTENG	7,830	5,788	2,258	307	1,083
KWAZULU/NATAL	22,046	26,508	688	2,842	3,900
LIMPOPO	11,269	14,942	2,769	898	5,300
MPUMALANGA	8,277	8,663	2,043	247	14
NORTH WEST	6,536	6,170	791	1,699	24
NORTHERN CAPE	2,053	2,044	513	160	387
WESTERN CAPE	2,935	4,143	734	20	101
Grand Total	93,324	103,214	15,775	12,136	14,317

BUDGET TYPE	TOTAL GAZETTED 2007/8 CONNECTIONS	TOTAL SCHEDULED 2007/8 CONNECTIONS	Number of Gazetted YTD Connections	Number of Scheduled YTD Connections	Number of Actual YTD Connections
Schools and Clinics	803	782	1	1	4
Households	92,521	102,432	15,774	12,135	14,313
Total	93,324	103,214	15,775	12,136	14,317



Eskom Planned Special Clinics Electrification Program

PROVINCE	TOTAL SCHEDULED 2007/8 CAPEX	TOTAL SCHEDULED 2007/8 CONNECTIONS	Scheduled YTD TOTAL (Including VAT)	Actual YTD TOTAL (Including VAT)
EASTERN CAPE	39,671,910.03	105	0.00	25,728.43
NORTH WEST	5,208,389.97	1	0.00	0.00
NORTHERN CAPE	119,700.00	3	0.00	0.00
Grand Total	45,000,000.00	109	0.00	25,728.43

PROVINCE	TOTAL SCHEDULED 2007/8 CAPEX	TOTAL SCHEDULED 2007/8 CONNECTIONS	Number of SCHEDULED YTD Connections	Number of Actual YTD Connections
EASTERN CAPE	39,671,910.03	105	0	1
NORTH WEST	5,208,389.97	1	0	0
NORTHERN CAPE	119,700.00	3	0	0
Grand Total	45,000,000.00	109	0	1



Eskom BEE as at June

Province	Sum of BWO R	Sum of Total BEE	Sum of Total Excl VAT	% BEE	% BWO of BEE	Total Reported Spend (Rand)	% used in BEE Report
Eastern Cape	31,712,570.64	55,322,523.40	57,928,866.32	95.50%	57.32%	49,859,271.47	116.18%
Free State	149,433.01	1,609,302.81	1,749,308.83	92.00%	9.29%	1,306,290.04	133.91%
Gauteng	403,097.75	18,759,195.18	18,810,675.72	99.73%	2.15%	8,513,936.22	220.94%
KwaZulu-Natal	13,692,112.26	30,720,969.74	32,718,065.54	93.90%	44.57%	54,429,680.45	60.11%
Mpumalanga	533,879.16	5,082,466.08	5,091,666.08	99.82%	10.50%	3,974,818.31	128.10%
North West	2,951,316.23	18,306,463.88	18,333,598.58	99.85%	16.12%	16,046,692.85	114.25%
Northern Cape	188,629.47	1,120,002.76	1,171,592.31	95.60%	16.84%	1,858,381.04	63.04%
Northern Province	2,613,184.45	10,897,053.12	11,218,250.69	97.14%	23.98%	9,482,191.63	118.31%
Western Cape	1,155,362.20	1,536,798.20	1,542,568.38	99.63%	75.18%	6,433,732.81	23.98%
Grand Total	53,685,240.61	144,207,263.97	149,417,081.25	96.51%	37.23%	153,728,096.18	97.20%

Eskom EPWP as at June

PROVINCE	Sum of Person-days of work: (Excluding Person-days of Training) (From 1 April 2007)	Sum of Total Number of Temporary Job Opportunities (From 1 April 2007)	Sum of Total Number of Permanent Job Opportunities (From 1 April 2007) (Not full time employees of Contractor)	Average of Average Daily Minimum Wage	Sum of Non-Accredited Training: Persons Trained	Sum of Non-Accredited Training: Person - Days of Training
EASTERN CAPE	107.00	28.00	5.00	45.00		
FREE STATE		0.00	0.00			
GAUTENG		56.00	0.00			
KWAZULU/NATAL	17,095.00	416.00	127.00	57.86		183.00
LIMPOPO		0.00	0.00			
MPUMALANGA		0.00	0.00			
NORTH WEST		0.00	0.00			
NORTHERN CAPE		0.00	0.00			
WESTERN CAPE		0.00	0.00			
Grand Total	17,202.00	500.00	132.00	56.25		183.00

