

NO.	ORGANIZATION	COMMENTS	DME RESPONSE
1	Nelson Madela Eskom City of Cape Town City of Cape Town – elec. department EIUG EDI Holdings AMEU	<p>Definition of reticulation:</p> <p>Nelson Mandela: The definition takes away customers from the Municipality. The Bill restricts the right of Municipalities it only allows them to set tariffs only to small customers. The definition of reticulation is unconstitutional because it restricts municipalities from their constitutional right to reticulate electricity.</p> <p>Eskom, The definition of electricity reticulation should be voltage based. Reticulation must be defined as 380V.</p> <p>City of Cape Town, defines reticulation as 132 kV and below, including all customers within the municipal jurisdiction. The Municipal Structures Act defines reticulation and split the powers between the district and local government. Bulk supply of electricity is allocated to districts for which the purposes of such supply, the transmission, distribution and where applicable the generation of electricity.</p> <p>EIUG, Reticulation should be defined as retail to community customers below the 5GWhours or enter into a service delivery with the RED. The RED must own the network.</p> <p>City of Cape Town, there is no need to define reticulation because the Municipal Structure Act defines reticulation.</p> <p>City of Cape Town – electricity department, reticulation must be defined so that it includes all trading and distribution within a municipality's area of jurisdiction and the limit of 5GW must be removed.</p> <p>EDI Holdings - "reticulation" should mean trading of electricity as defined</p>	<p>The presentation will address these views on the way forward..</p>

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		<p>in the ER Act.</p> <p>EDI Holdings, any definition of reticulation has good chance of a constitutional challenge</p> <p>Implication of the current definition of reticulation:</p> <ul style="list-style-type: none"> - the definition requires major restructuring of the assets - assets ownership is not clarified in the definition of reticulation, consumer on the same network might be charged different tariffs - economic regulation will not be properly implemented by the regulator - municipalities will have conflicting interest of being the provider and a regulator for electricity reticulation. Economic regulation by municipalities might be ineffective. <p>BUSA, The proposed definition of "reticulation" is unworkable as two suppliers have to work on the same electrical system.</p> <p>AMEU, Definition of reticulation</p> <ul style="list-style-type: none"> - The definition separate customers - it is not government intention to reduce the powers of the regulator in regulating the whole industry 	
3	Chamber of Mines	Chamber of Mines , The definition of reticulation must include other service provider other than the municipality.	To be included
4	Solidarity		
5	SALGA, City of Cape Town	SALGA , Municipalities should be supported if they fail to perform not to take the service away. The service delivery agreement must provide the municipality with some monitoring mechanisms.	The restructuring of the industry aimed at assisting municipality

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			with sharing of skills, price systems, etc. through the REDs
6	<p>EIUG</p> <p>Business Unity of South Africa (BUSA)</p> <p>RED 1</p>	<p>Definition of “domestic end user”</p> <p>EIUG, The Minister should not prescribe the customers qualifying to be reticulation customers through regulations. This must be done through legislation only.</p> <p>BUSA, The definition of “domestic end user” is undesirable and will lead to uncertainties – customer categories should not be at the discretion of the Minister</p> <p>RED 1, the definition of community, domestic end-user must be clarified.</p>	If one of the proposed definition become accepted, there will be no need to define “domestic end user and community”
7	<p>CENTLEC</p> <p>City of Cape Town</p>	<p>CENTLEC, The definition for “community, domestic end user and light industrial” must be aligned with the definition outlined in the MSA.</p>	The effect of community as defined in the MSA will be examined for the purpose of this Bill.
8	Eskom	<p>Eskom, The Bill must provide for transfer of servitude.</p>	To be included
9	<p>RED 1</p> <p>City of Cape Town – electricity department</p>	<p>RED 1, the municipality as a service authority must not be licensed but the service provider should be licensed and regulated by NERSA</p>	
10	Eskom	<p>Eskom, Section 28(6): the right for a service provider to provide service to reticulation laps at the commencement of this Act. A transitional mechanism must be included and remove the automatic lapsing of the provision of services to reticulation of service.</p>	Transitional mechanism will be made to ensure that there is no disturbance on

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			service delivery to the community.
11	Eskom	<p>The Bill must provide for national cross subsidies</p> <p>The Bill provides for Service Delivery Agreement (SDA) between the Municipality and the Service Provider and the following is recommended:</p> <ul style="list-style-type: none"> ○ The framework of the SDAs should be agreed upon between service providers and a collective organisation representing all the municipalities, for example, the South African Local Government Association (SALGA). The framework agreed upon will then be used to conclude SDAs with municipalities. ○ That the SDA will be for a fixed period with an option for renewal ○ Tariffs must be predictable and be predicted in the SDA ○ SDA shall provide for procedure to be followed should one of the parties thereto wish to terminate the SDA ○ Municipalities should further be exempted from complying with section 78 of the Municipal Systems Act Procedure. 	<p>It will be difficult to legislate a framework for all Municipalities, however the Bill makes a provision for the Minister to prescribe specific issues of national importance for inclusion in the SDA</p>
12	Eskom	The National Norms and standards must be set by the Minister in consultation with the regulator	Agree
13	COSATU, NUM, NUMSA, SAMWU	<p>The amendment Bill was never tabled at NEDLAC.</p> <p>Section 78 of the MSA was never followed in this regard. Labour and local community was never consulted.</p> <p>The Bill must be withdrawn</p>	The Bill was tabled at NEDLAC as a mix Bill. Several meetings were held with NEDLAC.
14	City of Cape	City of Cape Town , the Department of Minerals and Energy, Provincial	It will not help to

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	Town COSATU, NUM, NUMSA, SAMWU	<p>and Local Government and National Treasury should redraft the Bill and submit it to the sitting of the Minerals and Energy, Finance and Local Government Parliamentary Committees for consideration.</p> <p>City of Cape Town - electricity department, the Bill should be withdrawn and be amended accordingly</p> <p>COSATU, NUM, NUMSA, SAMWU, the Bill should be withdrawn due to lack of consultation.</p>	<p>withdraw the Bill because there are diverse views in relation to the regulation of reticulation services.</p>
15	City of Cape Town	<p>Local Government has a strong developmental role to play in the area over which it is given jurisdiction and the sources of funding come from various sources including electricity. Tempering with the electricity will affect municipal budget and result into significant impact on delivery of social services.</p>	<p>The Bill will not affect municipal budget because municipalities are not prevented from holding a distribution licence and provide electricity to large customers within their area of jurisdiction.</p>
16	Eberhard	<p>The Electricity Regulation Amendment Bill will prevent NERSA from setting or approving electricity prices for the vast majority of electricity consumers in South Africa. Instead, government will hand this power to municipalities acting under national norms and standards prescribed by the Minister of Minerals and Energy.</p> <p>Municipalities will also be able to exercise authority over other service providers, such as Eskom, operating in their areas of jurisdiction</p>	<p>The Constitution section 156 (1) gives Municipalities executive authority over reticulation. However, national government can regulate municipalities through legislation and intervene using section 139 of the</p>

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17	Eberhard	<p>What is to be done? First, the proposed amendments should be withdrawn. The existing Electricity Regulation Act gives NERSA the power to regulate the entire electricity network, including Eskom and municipalities in line with section 155(7) of the constitution.</p> <p>Second, Electricity Distribution Industry Restructuring legislation should be introduced that maps out a clear restructuring path that recognizes the rights of effective municipal electricity distributors to continue - but provides for the transfer of failing electricity distributors to a National Electricity Distributor, led by Eskom</p>	Constitution.
18	AMEU	NERSA should regulate a service provider not the service authority. The municipality should adopt tariff policy regulated by the Minister.	
19	Solidarity	The proposed amendment does not promote consolidation. Smaller municipalities don not have capacity to conduct the electricity business	The RED will be a service provider.
20	AMEU	Municipal surcharge must be collected from the distribution industry by the distribution agent.	Nobody is opposed to surcharges, however the manner in which they are set raises some concerns.
21	AMEU	The municipality should allow contentious subsidization between customer categories through the municipal tariff policy. The setting of tariffs should be left to economic regulation and should be set by the Service Provider and approved by the NERSA. This makes particular sense where the Service Provider services more than one municipality, or when seen in a national context.	The Bill provides for development of a reticulation policy by a municipality
22	COSATU, NUM,	The definition of customer should be deleted because is similar definition	Customer will be

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	NUMSA, SAMWU	with "domestic end user" The word "person" should be replaced with the word public entity.	deleted "person" will be changed to RED
23	Nelson Mandela	Objects of the Bill There is no explanations in the object of the Bill on why is necessary to define reticulation.	The objects of the Bill will include the purpose for defining reticulation.
24	City of Cape Town	The City of Cape Town recommends that significantly more work be undertaken on this Bill. The proposed way forward is that the objects of this Bill be clearly articulated to determine: <ul style="list-style-type: none"> • exactly what issues related to electricity service will be regulated; • whether both the Service Authority and the Service Provider are to be regulated; • the role of the South African National Energy Regulator in setting national service standards; • the purpose and extent of licensing ; and • the extent of compliance and synergy with other legislation, particularly local government legislation 	To be included on the objects of the Bill
25	NERSA, Eskom EDI Holdings	Constitutional amendment NERSA , First option 1: There is no need to amend the constitution to provide for regulation of the reticulation service effectively and there will be no need for the amendment Bill. Eskom , Amending the constitution will solve the challenges associated with regulation of reticulation.	
26	NERSA	Regulations	

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	<p>City of Cape Town – electricity department;</p> <p>EIUG</p> <p>Chamber of Mines</p> <p>EDH Holdings</p>	<p>NERSA, Dual regulation is unworkable – the only workable option is for the NERSA to regulate the entire industry.</p> <p>City of Cape Town – electricity department, the regulator must licence the service provider not the municipality.</p> <p>EIUG, dual regulation is unworkable. NERSA should regulate the whole electricity industry.</p> <p>Chamber of Mines, the regulator does not have powers to regulate reticulation service.</p> <p>EDH Holdings, economic regulation should be conducted centrally through the regulator.</p>	<p>Licensing reticulation has a greater chance of a unconstitutional challenge. The Bill provides a different option of regulating reticulation through norms and standard.</p>
27	<p>Business Unity of South Africa, Chamber of mines</p>	<p>Clause 28 (1) (j)</p> <p>This clause refers to customers or domestic end users. Surely domestic end users should be categorized as customers?</p> <p>Chamber of Mines, section 28 should include community involved in the governance of the electricity reticulation through the use of section 17 of the MSA</p>	<p>The word customer will be removed from the Bill.</p> <p>A new section will be inserted compelling municipalities to encourage community participation</p>
28	CENLEC	CENLEC , Section 28 (2)(j) content of reporting does not give specific	A clause will be

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29	Business Unity of South Africa, Chamber of Mines, RED 1 and Eskom	<p>Secti</p> <p>The rider to reticulate laps commence this Aechanism must be ill and remi autoprovision of the retia services curren</p>
30	<p>NERSA,</p> <p>Eskom,</p> <p>Chamber of Mines</p> <p>City of Cape Town –Electricity department</p>	<p>Sectiandards</p> <p>NERS regulator must pri the norm stand.</p> <p>Eskones, norms and stamust be consutor.</p> <p>Eskos a framework forg of tarif munist be properly regulatnsure cons across norms and standard be prescril be opeously with the Bill.</p> <p>City ricity department, Fon through and sgulation</p>
31	Business Unity of South Africa, NERSA	<p>Sectince Indicators</p> <p>BUSxpressed at the propat key perf</p>