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Our ref: PJ Wassenaar/es/QB0973

Your ref:

1 August 2022

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Sir / Madam

SAKELIGA NPC / ESKOM HOLDINGS SOC LTD - LOAD REDUCTION POLICY

1. We confirm that we act for Sakeliga NPC ["our client"].
2. Our client has been approached by several of its supporters, who include Agri North West, the Transvaal Agricultural Union (TLU SA), their respective members and other organisations and individuals who are direct customers of Eskom in the North West and Limpopo provinces.
3. For the purposes of this letter, our instructions are that direct customer of *inter alia* the following Eskom supply lines are affected:
 - 3.1 North West - Mimosa feeder line;
 - 3.2 North West - Pella feeder line;
 - 3.3 Limpopo – ST 2021 feeder line;
 - 3.4 Limpopo – ST 2022 feeder line;
 - 3.5 Limpopo – Sanria Rural / Tuinplaas feeder line;

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- 3.6 Limpopo – SLG 2022 feeder line;
- 3.7 Limpopo – SGP 2021 feeder line;
- 3.8 Limpopo – Soutpan/Ingwe feeder lines;
- 3.9 Limpopo – Zebra feeder lines;
- 3.10 Limpopo – Levubu K feeder lines;
- 3.11 Limpopo – Mulendane / Tshakuma feeder line;
- 3.12 Limpopo – Lephalale TST feeder line;
- 3.13 Limpopo – Villa Nora / Rural Marken feeder line;

(the "affected direct customers")

- 4. The affected direct customers have been experiencing continual electricity supply disruptions [a.k.a "blackouts"] in addition to the implementation of the national program of load-shedding since November 2021.
- 5. The introduction of these additional outages coincided with Eskom's announcement that it would implement load reduction in six provinces, ostensibly to avoid overloading the network and resulting damage to infrastructure in "high-density areas that are prone to network overloading".
- 6. Section 5.7.1 Electricity Regulation Act 4 of 2006 provides that:

"Customer voluntary and involuntary load reduction events are characterised by the curtailment, partial curtailment, or reduction of customer load magnitude, but no actual interruption of supply occurs."
- 7. Despite the locality of the affected direct customers, being mostly agricultural farms and smaller organisations, not falling within high high-density areas, the feeder lines concerned have been subjected to continual electricity supply disruptions which are attributed to 'load reduction' by Eskom and which occur in addition to the implementation of the national program of load-shedding.

8. However, in respect of these affected direct customers on the affected feeder lines, Eskom is not implementing load reduction in the manner provided for in section 5.7.1 Electricity Regulation Act. Instead, the affected direct customers are simply being subjected to additional blackouts without adequate forewarning or explanation by Eskom.
9. It is our instruction that during a meeting conducted between Eskom and Agri North West on 25 April 2022, Eskom undertook to propose a workable solution to complete audits on the two specific feeder lines in order to manage the need to implement load reduction. Agri North West undertook to support the process and communicate and facilitate any necessary steps with its structures.
10. Agri North West further requested that load reduction on the two specific feeder lines, the Mimosa and Pella feeder lines, be stopped immediately, pending the outcome of the audits and the subsequent arrangements with affected direct customers in order to alleviate the impact on paying customers.
11. In a response to the aforesaid request on 6 May 2022, your Ntidiseng Makgamatha ["Makgamatha"] advised that Eskom would continue to implement load reduction on the aforesaid lines as an interim measure, pending an audit of the feeder lines and the monitoring of reduction in losses to an acceptable level.
12. Makgamatha further stated that she confirmed and effectively undertook that "the team is on site until next week to do audits in the Skuinsdrift and Mimosa".
13. However, in the intervening 2-month period, the affected direct customers have not been contacted by Eskom for the purposes of executing the audit referred to by Makgamatha, or at all.
14. Further communications from Agri North West to Eskom, enquiring as to the execution of the audit, have not received the courtesy of a response.
15. There is presently no evidence at all to suggest that the audit referred to by Makgamatha is being executed, notwithstanding the fact that the two specific feeder lines continue to be subjected to blackouts under the guise of load reduction.
16. In the circumstances, the only reasonable conclusion is that:

- 16.1 Eskom is imposing targeted black-outs on its direct customers under the guise of load reduction;
- 16.2 Eskom is thereby acting in breach of the Electricity Regulation Act 4 of 2006; and
- 16.3 Eskom is thereby prejudicing:
 - 16.3.1 the ability of its direct customers to conduct their businesses, especially in the farming and related agricultural sectors;
 - 16.3.2 electric equipment and infrastructure on the affected businesses and farms, utilised in the affected direct customers' conduct of their businesses, which is damaged or at risk of damage by unannounced blackouts;
 - 16.3.3 the profitability of affected businesses, and in turn puts at risk thousands of employment opportunities in the affected areas;
 - 16.3.4 the food security of the Republic of South Africa, which is reliant on the ability of its direct customers to conduct their businesses in the farming and related agricultural sectors; and
 - 16.3.5 the safety and securing of all persons residing on or otherwise present on the affected farms during targeted black-outs on its direct customers, implemented under the guise of load reduction.
17. These prejudicial impacts have been exacerbated by the recent escalation of the national program of load-shedding, which sees Eskom implement levels 4 and 6 loadshedding on impractically short notice to customers.
18. In addition to the aforesaid, our client has been approached by other organisations, businesses and individuals across the North West and Limpopo provinces, whose members report similar electricity supply disruptions in their respective provinces.
19. Eskom's approach appears to be extensively coordinated to target South Africa's farming communities discriminately and unfairly.
20. In the present instance, we are accordingly instructed by our client to address the following demand to Eskom:

- 20.1 That Eskom provide our offices with an undertaking in writing within 10 days of this letter to the effect that it will conduct and complete an audit of all feeder lines stated in paragraph 3 above, within 3 months of this letter;
 - 20.2 That Eskom provide our offices with an undertaking in writing within 10 days of this letter to the effect that, pending the execution of an audit of the affected feeder lines, Eskom will only implement load reduction as provided for in section 5.7.1 Electricity Regulation Act 4 of 2006 subject to the provision of reasonable written notice to affected direct customers;
 - 20.3 That Eskom provide our offices with an undertaking in writing within 10 days of this letter to the effect that Eskom will immediately cease with the implementation of electricity disconnections/disruptions on the affected feeder lines, other than in the implementation of the national program of load-shedding;
 - 20.4 That Eskom provide our client with a report on its audit of the affected feeder in order for our client to advise its supporters on the status and outcome of the line audits conducted by Eskom.
21. Our client hopes that this matter can be resolved amicably and expeditiously. However, should we not receive an adequate response to the aforesaid demand, our client reserves the right to institute appropriate legal action against Eskom without further notice to yourselves, which may include urgent applications.
 22. Our client and its affiliated organisations are also willing to meet with Eskom in order to seek long term solutions.
 23. We trust that you will find this in order and we await your responses.

Yours faithfully,



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