

APPLICATION FOR AN ELECTRICITY DISTRIBUTION LICENCE
OF THE ELECTRICITY REGULATION ACT, 2006 (ACT NO. 4 OF
2006).

Please return completed form to:

National Energy Regulator
HoD: Licensing and Compliance Department
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526 Vermeulen Street
Arcadia
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Arcadia
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PREAMBLE

Section 4 of the Electricity Regulation Act, 2006 (Act No. 4 of 2006) provide for the Regulator to issue licences for operation of electricity distribution facilities. Rules as determined by the Regulator specify that anyone owning and operating an electricity distribution facility requires to be licensed by the Regulator.

SECTION A

PARTICULARS OF APPLICANT

A1 Full name of applicant

A2 Address of applicant, or in the case of a body corporate, the registered head office

A3 Telephone number of applicant

(____)_____

A4 Fax number of applicant

(____)_____

A5 Contact person of applicant

Name _____

Telephone No _____

Fax No. _____

A6 Legal form of applicant

A7. In the case of a local government body, please state the grading of that authority

Note to Section A

State whether the applicant is a local government body, a juristic person established in terms of an act of parliament, a department of state, a company or other legal body.

If the applicant is a local government body, attach a copy of the proclamation establishing such body. Where the applicant is a company, the full names of the current directors and the companies registered number are required.

SECTION B COMMENCEMENT DATE OF LICENCE

B1 Desired date from which the licence (if granted) is to take effect

SECTION C

AREA OF OPERATION TO WHICH THE APPLICATION RELATES

C1 Please provide a sufficient description of the area of operation to which the application relates

C2 Please provide a sufficient description of the purpose of the distribution system and the users of the distribution system

SECTION D DETAILS OF THE DISTRIBUTION SYSTEM

D1 Please provide an overview of the current system and prospects for the next five years, which includes:

D.1.1 The Physical system

- Supply points connected to existing generators (Eskom and municipal power stations, neighbouring utilities) and transmission systems
- Delivery points connected to existing distributors and special customers
- Total kilometres per voltage of distribution lines¹
- Summary of large scale map showing geographical location of substations and routes of distribution lines
- Single line diagram of the distribution system
- Table showing all transformers, lines and substations also indicating the replacement values of such equipments as below:

Transformers

HV	LV	Number of transformers	MVA	Replacement value (R'000)

List of substations

Substation name	Voltages	Number of transformers	Total MVA	Replacement Value (R'000)

D.1.2 System characteristics

- Maximum demand
- Energy entering the system at supply points
- Energy leaving the system at delivery points
- Electrical losses, breakdown of causes and prospects

D.1.3 Grid code (Transmission and Distribution) compliance

- Adequacy of internal policies for grid code compliance

Note1: Lines and any other assets that are above 132 kV for historic reasons but utilised for distribution purposes are deemed as distribution assets and must be reported. For any future modifications/extensions of these assets, a pre- approval from the Regulator will be required.

Note 2: Updated Section D will be reported annually to the Regulator.

SECTION E MAINTENANCE PROGRAMMES

E1 Details of any proposed major maintenance programmes, including the expected cost and duration thereof, covering the next six years. Project proposals to state the expected availability, planned outage rate and forced outage rate of the distribution system over the next five years of operation.

E2 Please provide the actual (total) maintenance cost as a percentage of the replacement value (total).

E3 Provide details of person/body that will operate the distribution and co-ordinate with national transmission system. Also provide any agreements with National Control.

Note to Section E

Updated Section E will be reported annually to the Regulator.

SECTION F

CUSTOMER PROFILE

F1 Provide particulars of the person or persons to whom the applicant is providing or intends to provide electricity transmission services to. Also provide details of proposed tariffs for the distribution services.

SECTION G FINANCIAL INFORMATION

- G1 Submit projections of and current statements of the accounts in respect of the undertaking carried on by the applicant, showing the financial state of affairs of the most recent period, together with copies of the latest audited annual accounts where such have been prepared.

- G2 Submit annual forecasts for the next five years of costs, sales and revenues generated by the project, stating the assumptions underlying the figures. (Separate direct operating costs and overheads)

- G3 Estimates of net annual cash flows for subsequent periods (5 years; 10 years; 15 years) sufficient to demonstrate the financial security and feasibility of importing/exporting activities.

- G4 Project financing: Who will finance the project, how is funding split between debt and equity, and what is the terms and conditions of the funding agreements.

- G5 Fixed Assets – Provide summary of total assets of all distribution plant

SECTION H HUMAN RESOURCES INFORMATION

H1 Submit details of the number of staff and employees and their categories in service of the applicant and in any support services separate from the operation of the distribution system. Also provide information regarding relevant qualifications and experience in critical areas e.g. High voltage and low voltage regulations, switching, etc. Please provide any contracts in this regard.

SECTION I

**PERMISSION FROM OTHER GOVERNMENT
DEPARTMENTS OR REGULATORY AUTHORITIES**

- I1 Please provide of copies of the permits issued by other government departments or regulatory authorities in respect of erecting and operating the distribution system, including any environmental and safety approvals.

SECTION J

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

J1 Please provide information in terms of the following categories:

COMPONENTS	POINTS	0.5	0.75	1
Direct Empowerment	Black Ownership	10% to <20%	20% to 50%	>50%
	Black Management	20% to <35%	35% to 50%	>50%
	Black Female Management	1% to <5%	5% to 10%	>10%
Human Resource Development	Black Skilled Personnel as % of payroll	20% to <35%	35% to 50%	>50%
	Skills Development Programs as % of payroll	1% to <5%	5% to 10%	>10%
	Employment Equity i.e. Women Representation	20% to <35%	35% to 50%	>50%
Indirect Empowerment	Procurement from Black/BEE Suppliers	20% to <35%	35% to 50%	>50%
	Enterprise Development i.e. Monetary Investment or quantifiable non-monetary support in SMME with BEE contributions as % of Net Asset Value/ EBITDA/Total Procurement	10% to <20%	20% to 25%	>25 %
	Industry specific initiatives to facilitate the inclusion of black people in the sector as % of net profit	1% to <5%	5% to 10%	>10%
NERSA's Discretionary Points	Based on skills transfer and fulfilment or acceleration of other national objectives e.g. employment of disabled personnel robust implementation of mechanisms to verify the BEE status of suppliers reported under preferential procurement and utilization of DTI approved accreditation agencies and so on.	1% to <5%	5% to 10%	>10%

