## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

**RE :** **PARLIAMENTARY QUESTION NO 1655**

# DATE : 09 JUNE 2017

 **================================================================**

To provide the Minister with a response to Parliamentary Question Number 1655

|  |
| --- |
| **COVER MEMO AND THE PACKAGING OF PQ BY:****Department of Public Enterprises**  |
| **……………………………….****Acting Deputy Director-General** **Date:** | **COMMENTS:****………………………………………..** |
| **…………………………………****Mogokare Richard Seleke****Director-General****Date:** | **APPROVED/DECLINED/COMMENTS****…………………………………………..****…………………………………………..****………………………………………….** |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 1655**

**DATE OF PUBLICATION: 09 JUNE 2017**

Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises: What (a) is the latest cost projection for the completion of all units of the Kusile Power Plant, (b) amount has been spent on the construction of the specified power plant to date and (c)(i) are the expected time frames for the commercialisation and (ii) is the expected quantity of power output of each outstanding unit?    NW1861E

**REPLY:**

1.

The latest cost projection for the completion of all units at the Kusile Power Plant is R161.4 billion (excluding Interest During Construction), based on P80 costs.

P80 schedule is a risk-adjusted schedule that caters for the major risks that the projects are currently facing. It is based on the current contractor performance and risk provision for risks outside the control of the project (e.g. industrial action), based on historical events. P80 refers to an 80% chance of these risks materialising.

The amount spent on the construction of the specified power plant to date, as at 30 April 2017 is R113.07 billion (excluding Interest During Construction).

**(c)(i)**

The expected time frames for commercialisation of Kusile Units are based on a P80 schedule, as follows:

|  |  |
| --- | --- |
| **Kusile Units** | **P80 Commercial Operation Dates** |
| Unit 1 | 31-Jul-18 |
| Unit 2 | 31-Jul-19 |
| Unit 3 | 31-Aug-20 |
| Unit 4 | 31-Mar-21 |
| Unit 5 | 30-Nov-21 |
| Unit 6 | 30-Sep-22 |

**(c)(ii)**

The expected installed capacity of each of the 6 units at Kusile is 800MW, with a total combined installed capacity of 4,800MW.

**Remarks: Reply: Approved / Not Approved**

**Mr. Mogokare Richard Seleke Ms. Lynne Brown, MP**

**Director-General Minister of Public Enterprises**

**Date: Date:**