

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2347**

**DATE OF PUBLICATION: 28 OCTOBER 2016**

Mr J R B Lorimer (DA) to ask the Minister of Public Enterprises: (1) With reference to her reply to question 847 on 11 April 2016, (a) what is the total amount of the fine imposed by Eskom on Optimum Colliery for the delivery of substandard coal, (b) what amount owed for the specified fine has been paid to date, (c) what are the terms of the repayment agreement and (d) by which date will the fine be paid in full; (2) whether any other fines have been imposed on any other coal suppliers for similar reasons; if not, why not; if so, in each case, (a) what are the relevant details, (b) how much did Eskom fine the specified coal suppliers, (c) when were such fines levied and (d) on what date will the fines be paid in full? NW2682E

**REPLY:**

(1) (a) R2, 176 530 611.99 accrued as at August 2015.

(1)(b) This penalty has not been paid by Optimum to date.

1. (c) No agreement has been reached.
2. (d) The matter is still the subject of arbitration, no agreement has been reached.
3. Yes.

(2)(a) Fines normally referred to as penalties have been levied in all instances where coal quality is at the bottom end of the expected range. A coal penalty regime is a standard condition of Eskom contracts.

(2)(b) For Eskom’s long-term coal suppliers, excluding Optimum Colliery which supplies Hendrina Power Station, a total of R90 million in penalties was levied for the period 01 April 2015 to 30 September 2016.

(2)(c) The price adjustments are effected in the month that payment for the respective coal supply was made and are reflected in both the invoice and in Eskom’s payment assessment.

(2)(d) The price adjustments are effected in the month that payment for the respective coal supply was made.