## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

 **FROM : Justin De Allende**

**RE :** **PARLIAMENTARY QUESTION NO 2645**

# DATE : 1 September 2017

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To provide the Minister with a response to Parliamentary Question Number 2645

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| **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 2645**

**DATE OF PUBLICATION: 1 September 2017**

Ms N W A Mazzone (DA) to ask the Minister of Public Enterprises: What (a) are the names of the current coal suppliers for each of Eskom’s coal power stations, (b) is the quantity of coal assigned to each supplier and (c) is the length of the contract in each case

**REPLY:**

The majority of coal supply agreements (CSA) are contracted on an energy basis (Giga joules). Some CSAs including the cost-plus, and a few fixed-price are already on a volume basis (Tonnes). In order to provide the quantity of coal, CSA’s on an energy basis had to be converted to tonnes, using the contracted and expected calorific value.

Furthermore, terms and conditions of the CSA provide flexibility in the volumes delivered to each power station, accommodating operational requirements such as the actual power station’s burn requirements.

Table 1: Names of the current coal suppliers for each of Eskom’s coal power station, quantities of coal assigned and the length of each contract.

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| --- | --- | --- | --- |
| **(a) Supplier Name** | **(a) Power Station Name** | **(c) Contractual Volumes Per Annum (Mt)** | **(d) Length of the contract (Years)** |
| Umsimbithi Mining (Pty) Ltd - Wonderfontein | Arnot | 2.4 | 3 |
| Exxaro Coal Mpumalanga (Pty) Ltd - NBC | Arnot/Komati/Tutuka | 2.88 | 8 |
| Vunene Mining (Pty) Ltd – Usutu | Camden | 1.20 | 5 |
| Silverlake Trading 447 (Pty) Ltd - Uitgevalen | Camden | 0.60 | 5 |
| Sudor Coal (Pty) Ltd - Halfgewonnen | Camden | 2.16 | 10 |
| South 32 (Pty) Ltd (BECSA) - Middelburg Mine Services | Duvha | 10.00 | 41 |
| Liketh Investments (Pty) Ltd - Tavistock/Tweefontein | Duvha/Komati | 1.30 | 7 |
| HCI Khusela Coal (Pty) Ltd – Palesa | Grootvlei | 1.92 | 8 |
| Optimum Coal Holdings – Optimum | Hendrina | 5.50 | 26 |
| Liketh Investments (Pty) Ltd - KK Pit 5 | Hendrina | 2.40 | 9 |
| South 32 (Pty) Ltd (BECSA) - Khutala | Kendal | 13.30 | 40 |
| African Exploration Mining and Finance Company - Vlakfontein | Kendal | 1.50 | 5 |
| Tshedza Mining Resources (Pty) Ltd - Manungu | Kendal/Kusile | 1.62 | 15 |
| Lurco Mining Services (Pty) Ltd - VDD | Komati | 0.48 | 7 |
| Koornfontein Mines (Pty) Ltd - Koornfontein | Komati | 2.40 | 7 |
| Anglo American Inyosi Coal SA (Pty) Ltd - Kriel | Kriel | 8.50 | 40 |
| African Exploration Mining and Finance Company - Chilwavhusiku | Kusile | 0.9 | 10 |
| African Exploration Mining and Finance Company - Mzimkhulu | Kusile | 2.48 | 10 |
| Universal Coal Development I (Pty) Ltd - Wolvenfontein | Kusile/Kendal | 2.00 | 9 |
| Anglo American Thermal Coal SA (Pty) Ltd - New Vaal | Lethabo | 17.80 | 40 |

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| --- | --- | --- | --- |
| **(a) Supplier Name** | **(a) Power Station Name** | **(c) Contractual Volumes Per Annum (Mt)** | **(d) Length of the contract (Years)** |
| Glencore (Xstrata) / African Rainbow Minerals JV - Goedgevonden | Majuba | 2.80 | 17 |
| Izimbiwa Coal (Pty) Ltd (previously Shanduka) - Graspan | Majuba | 2.10 | 8 |
| Kuyasa Mining (Pty) Ltd – Delmas | Majuba | 1.68 | 8 |
| Tegeta Exploration and Resources (Pty) Ltd - Brakfontein | Majuba | 1.36 | 11 |
| Wescoal Mining (Pty) Ltd - Elandspruit (Majuba) | Majuba | 0.42 | 5 |
| Ntshovelo Mining Resources (Pty) Ltd - Vlakvarkfontein | Majuba | 1.20 | 3 |
| Iyanga Mining (Pty) Ltd – Klipfontein | Majuba/Kendal/Kusile | 1.80 | 3 |
| Perisat Investments (Pty) Ltd - Rirhandzu | Majuba/Kusile | 1.20 | 5 |
| Exxaro Coal (Pty) Ltd – Grootegeluk | Matimba | 15.30 | 45 |
| Exxaro Coal (Pty) Ltd – Matla | Matla | 10.10 | 40 |
| Welgemeend Colliery (Pty) Ltd - Welgemeend | Matla | 0.84 | 8 |
| HCI Coal (Pty) Ltd – Mbali | Matla | 0.24 | 4 |
| Universal Coal Development (Pty) Ltd - New Clydesdale Complex | Matla | 1.20 | 7 |
| Izimbiwa Handling Systems (Pty) Ltd - Doornrug | Matla | 0.60 | 5 |
| Overlooked Colliery (Pty) Ltd - Overlooked | Matla | 1.29 | 6 |
| Exxaro Coal (Pty) Ltd – Grootegeluk | Medupi | 15.10 | 49 |
| Anglo American Thermal Coal SA (Pty) Ltd - New Denmark | Tutuka | 5.10 | 40 |
| Keaton Mining (Pty) Ltd - Vanggatfontein | Tutuka | 1.92 | 11 |
| Stuart Coal (Pty) Ltd - East Block | Tutuka | 1.44 | 8 |
| Wescoal Mining (Pty) Ltd - Elandspruit (Tutuka) | Tutuka | 1.14 | 5 |

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

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

**Director-General Minister of Public Enterprises**

**Date: Date:**