

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2015/3413**

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**Mr J A Esterhuizen (IFP) to ask the Minister of Cooperative Governance and Traditional Affairs:**

Who is paying for the consumption of 28,2% of electricity that is purchased and distributed by the City of Johannesburg and lost through illegal connections amounting to R2,5 billion in monetary value?

**NW4074E**

**Reply:**

The following information was provided by City Power Johannesburg:

The electricity distribution industry is characterised by distribution losses, and categorised into technical and non-technical losses.

Technical losses represent the energy lost when transmitted and distributed through overhead lines, transformers and cables to reach the customer, while non-technical losses represent losses due to theft of electricity, unbilled and incorrectly billed customers, Large Power Users illegally converted to pre-paid mode, vandalism and bypassing of meters and illegal connections.

The 28,2% losses with a monetary value of R2,5 billion refers to the 2013/14 financial year, and reflects the total distribution losses, technical and non-technical. Technical losses are calculated at 9% and non-technical losses are the difference between the total distribution and the technical losses.

For the 2014/15 financial year the total distribution losses was reduced to 18,63% with technical losses at 9% and non-technical losses at 9,63% amounting to R1,524 billion.

The City of Johannesburg annually makes budget provision for the purchase of electricity and the sale thereof and due to non-technical losses, the actual sales is less than the budget. The City of Johannesburg therefor pays for the non-technical losses.