**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 846**

**DATE OF PUBLICATION: 18 March 2016**

**Mr J R B Lorimer (DA) to ask the Minister of Public Enterprises:**

(1) With reference to the deal between Eskom and Exxaro-owned Arnot Colliery to supply coal to the Arnot Power Station, (a) what grade of coal was (i) contracted for and (ii) actually received by Eskom, (b) at what price, and (c) why was the contract cancelled; (2) with reference to the current deal between Eskom and Optimum Colliery to supply coal to the specified power station, (a) what grade of coal (i) was contracted for and (ii) is actually being received by Eskom, (b) at what price and (c) why is it suitable for use by Arnot Power Station? NW965E

**REPLY:**

(1)(a)(i)

* Calorific value (moisture free): 24,3 Mj/kg (base value) and between 23,3 and 25,4 Mj/kg
* Total moisture: 7,0 – 9,0% (range) and between 7,0 and 9,0%
* Ash content (moisture free): 23,0% (base value) and between 17,0 and 31,0%
* Volatile content (moisture free): 24,0% (base value) and between 21,0 and 29,0%
* Abrasiveness index: 375 mg Fe (base value) and between 325 and 425 mg Fe

(ii) The coal received by Eskom was within the contractual specifications range as per (i) above.

(b) The price of coal paid by Eskom at the expiry of the Agreement was R944.61/ton.

(c) The contract was not cancelled but expired on 31 December 2015.

(2)(a)(i) The coal contracted for Arnot Power Station is a better quality specification compared to the Arnot expired contract and is as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quality parameter** | **Unit** | **Quality Expected** | **Quality Specifications** | **Quality Rejection Limit** | **Measurement basis** |
| Calorific Value | MJ/kg | 24.0 | ≥22.5 | <22.5 | Air Dried |
| Total Moisture | % | 8 | ≤9.0 | >9.0 | As Received |
| Inherent Moisture | % | 4.1 |  |   | As Received |
| Ash | % | 20.2 | ≤24.3 | >24.3 | Air Dried |
| Abrasive Index (Eskom Mining House Method) | mgFe/4kg | <450 | <450 | >450 | Air Dried |
| Sulphur | % | 1.19 | ≤1.19 | >1.19 | Air Dried |
| Volatiles | % | 21.7 | ≥19.5 | <19.5 | Air Dried |
| AFT (Initial deformation) | ºC | 1380 | >1380 | <1380 | N / A |
| Sizing: (cumulatve) % |  |  |  |   | N / A |
| +60mm | 0 | 0 | >0 |
| +50mm-6.35mm | 550 | 550 | >5>50 |
| -3.35mm | 30 | 30 | >30 |
| -1mm | 15 | 15 | >15 |

(ii) The coal received by Eskom is within the contractual specifications as per (i) above.

(b) The contractual price is R470/ton to Arnot Power Station.

(c) The coal is suitable for Arnot Power Station as it meets the quality specification for the station.