



Select Committee on Appropriations
3rd Floor
90 Plein Street
Cape Town
8000
Per Facsimile: (086) 625-7421

Date:
04 March 2010
Enquiries:
Neo Tsholanku
Tel: (011) 800 2560
Fax: (011) 800 5503 / 3487

Our reference: COM0213

Dear Mr Nodada

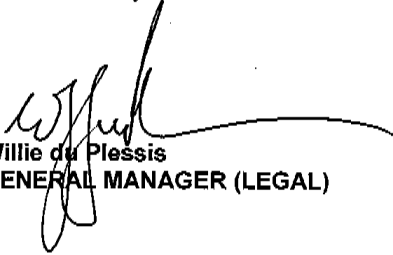
ESKOM'S COMMENTARY ON THE DIVISION OF REVENUE BILL 2010

Eskom appreciates the opportunity to comment on the Division of Revenue Bill 2010.

The specific comments on the Division of Revenue Bill 2010 is outlined in the attached document. We have not been furnished with the relevant comment form and took the liberty of using a format usually used for commenting on IAEA documents.

We hope our input adds value.

Yours sincerely



Willie du Plessis
GENERAL MANAGER (LEGAL)

Corporate Services Division

Head Office
Megawatt Park Maxwell Drive Sunninghill Sandton PO Box 1091 Johannesburg 2000 SA
Tel +27 11 800 8111 Fax +27 11 800 5503 www.eskom.co.za

Directors: PM Makwana (Acting Chairman) LCZ Cele SD Dube LG Josefsson (Swedish) HB Lee (Korean)
WE Lucas-Bull J Mirenge (Rwandan) JRD Modise AJ Morgan U Nene PS O'Flaherty* (*Executive Director)
Company Secretary: Vacant
Eskom Holdings Limited Reg. No 2002/015527/06



COMMENTS BY ESKOM ON DIVISION OF REVENUE BILL [B4-2010] ISSUED BY THE SOUTH AFRICAN REVENUE SERVICES

PUBLISHED FOR GENERAL COMMENT IN THE GOVERNMENT GAZETTE – NOTICE [B4-2010]

1. INTRODUCTION

We thank the South African Revenue Services ("SARS") for granting us the opportunity to comment on the Division of Revenue Bill ("the bill").

We fully support the intention of the bill and have made the following general comments.

2. GENERAL COMMENTS

1. INEP GRANTS

- a) In order to optimise the INEP grant, Municipalities allocated a grant must be given flexibility to use their allocation for the electrification of settlements that may be in Eskom's areas of supply, in the event that Eskom does not have enough funding to do this. In the event of that eventuality, the Municipality must either implement the project themselves using Eskom's designs or appoint Eskom as a contractor to carry out the work. On completion of the project, the networks created as a result thereof and associated customers should be transferred to Eskom at no cost and form part of the electrification assets under the custody of Eskom.
- b) Notwithstanding the re-gazetting, the Dept of Energy must be given authority to move funding between Eskom and Municipalities in the event that either Eskom or the Municipality is not performing as per the plans submitted to the department. The decision should be done before re-gazetting and formalised at re-gazetting in order not to lose time. The decision to do so must rest with the Department and not with the recipient of the grant.

3. CONCLUSION

Eskom would like to extend its appreciation to SARS for the opportunity to influence the provisions of the bill. We trust that our comments have been constructive and that they were of assistance in finalising the bill. In the event that further clarification or information is required, Eskom would be more than happy to provide same.