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**ESKOM**

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Your Ref./U Verw.

Our Ref./Oms verw.

Enquiries/Navrae

Dear People in 2023

Congratulations! The fact that you are reading this letter means that you are the recipients of good wishes sent to you from Eskom, 25 years ago. As we write this, we have very little idea what the world will be like when you read it, but we have faith that you will be part of a dynamic organisation in a successful country.

As you probably know, the reason for our burying this time capsule with the items in it is to give you a glimpse of what life was like 25 years ago, at the end of the 20th century.

My name is Allen Morgan and I was appointed chief executive of Eskom, South Africa's national electricity supplier, in 1994. Eskom is the fourth largest electricity supplier in the world in terms of installed generation capacity, and fifth largest in terms of electricity sales. We have 24 power stations, mostly coal-fired, and the only nuclear power station in Africa. We operate a sophisticated transmission system that carries more than half of Africa's electricity. Our national electrification campaign has connected 1,75 million homes to the national network, and more than doubled the number of connections in South Africa.

Eskom is a proud organisation, well known and respected in power supply circles throughout the world. We now have some 37 000 employees, down from 65 000 in 1985. Eskom makes a significant contribution to the South African economy in several ways. Perhaps the most important is the fact that we stimulate economic growth by providing electricity at prices among the lowest in the world. Despite being an effective monopoly electricity supplier, we have managed our costs down to the point where foreign suppliers are reluctant to compete with us.

The government has just passed the Eskom Amendment Act of 1998. This places the ownership of Eskom's assets in the hands of the State, formalising our ownership structure. Many talks are being held between various stakeholders about how Eskom and the whole Electricity Supply Industry (ESI) should be structured. As you can imagine, there are many different views.

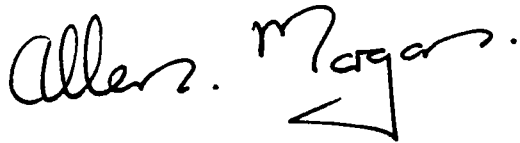
We face various challenges at this time. The biggest is non-payment of account. Some people feel that they should be given electricity for nothing, regarding it as a right. This attitude obtains in the local government sector as well, with people refusing to pay rents and service fees. We are making progress but much remains to be sorted out.

The next challenge is a question of generation capacity. Since the mid-1980s we have had a surplus of generation capacity that we have managed. We predict that this will have disappeared around 2007, but you know whether this prediction was accurate or not.

We are also developing the Pebble Bed Nuclear Technology as a possible source of safe, economic and environmentally-friendly source of energy for the future. There is much interest from the power industry in countries such as China and Japan, and some opposition from anti-nuclear groups such as Earthlife Africa. I wonder if they still exist in 2023.

I have worked in Eskom for more than 30 years now, and am looking forward to retiring quite soon. I hope to be around in 2023, still taking a keen interest in the affairs of the ESI in South Africa. Perhaps you would like to look me up and we could have a good laugh about this letter.

Kind regards

A handwritten signature in black ink that reads "Allen Morgan". The signature is written in a cursive style with a large, stylized 'M' and a long horizontal stroke at the end.

Allen Morgan

CHIEF EXECUTIVE