

**APPLICATION FOR AN ELECTRICITY IMPORT AND EXPORT LICENCE IN  
TERMS OF THE ELECTRICITY REGULATION ACT, 2006 (ACT NO. 4 OF  
2006)**

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**SECTION A PARTICULARS OF APPLICANT**

A1 Full name of applicant (business name) and business registration number

National Transmission Company South Africa SOC Ltd  
Registration number: 2021 / 539129 / 30

A2 Address of applicant, or in the case of a body corporate, the registered head office

Physical address:

2 Maxwell Drive  
Sunninghill  
Sandton  
Gauteng  
2157

Postal address:

PO Box 1091  
Johannesburg  
Gauteng  
2000

A3 Telephone number of applicant: **Redacted**

A4 Fax number of applicant: **Redacted**

A5 Email address of applicant: **Redacted**

A6 Contact person:

First name: Segomoco Martin

Surname: Scheppers

Telephone No: **Redacted**

Mobile No: **Redacted**

Fax No.: **Redacted**

Email address: **Redacted**

A7 Legal form of applicant

National Transmission Company South Africa SOC Ltd

Registration number: 2021 / 539129 / 30

Names of Directors:

- Calib Cassim
- Segomoco Martin Scheppers
- André Marinus De Ruyter

Company Secretary:

- Mayor Mlawuli Manjingolo

The National Transmission Company South Africa SOC Ltd is a juristic person and a state-owned company.

**Note to Section A**

- 1) State whether the applicant is a local government body, a juristic person established in terms of an act of parliament, a department of state, a company or other legal body.
- 2) If the applicant is a local government body, attach a copy of the proclamation establishing such body. Where the applicant is a company, the full names of the current directors and the company registration number are required.

## **SECTION B COMMENCEMENT DATE OF LICENCE**

*B1 Desired date from which the licence (if granted) is to take effect*

The date on which the agreement concluded or to be concluded between Eskom Holdings SOC Ltd and National Transmission Company South Africa SOC Ltd pursuant to sections 113, 115 and 116 of the Companies Act No. 71 of 2008, in terms of which the transmission business of Eskom Holdings SOC Ltd will be transferred to the Buyer by operation of law (“**Merger Agreement**”) becomes fully effective in accordance with its terms, which is stated in the Merger Agreement to be the 1<sup>st</sup> (first) day of the 2<sup>nd</sup> (second) calendar month following the date upon which the last of the suspensive conditions provided for in the Merger Agreement is fulfilled or waived, and subject to the solvency and liquidity test having been passed by both Eskom Holdings SOC Ltd and National Transmission Company South Africa SOC Ltd as required by the Companies Act No. 71 of 2008) (“**Implementation Date**”).

The aspiration is that all the Merger Agreement suspensive conditions would be fulfilled to enable an Implementation Date of 1 April 2023.

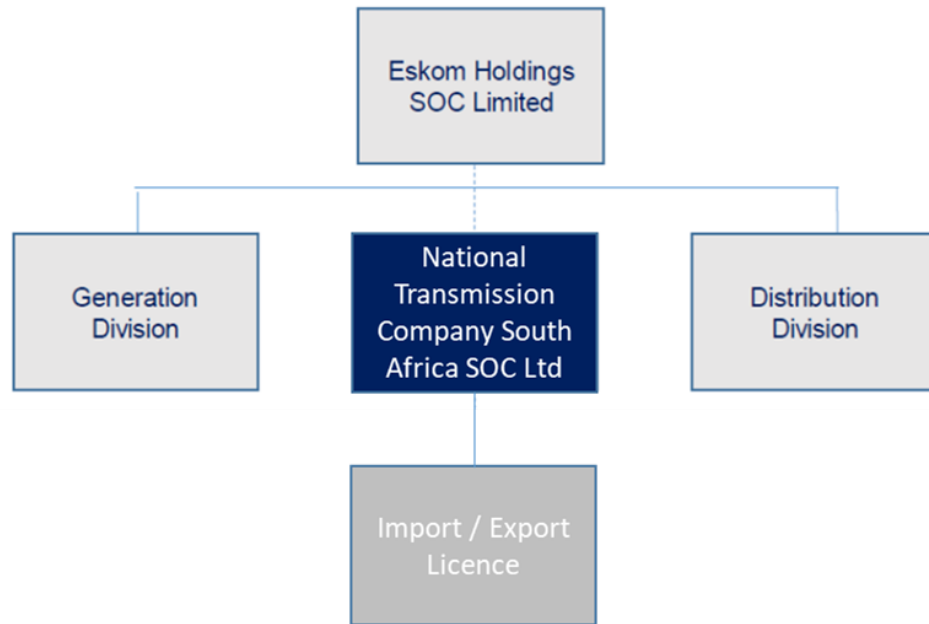
### **Note to Section B**

- 1) The normal processing time for a licence application is 120 days once all relevant information has been provided and there are no objections received.

## Scope of Licence Application and Company Shareholding

The National Transmission Company South Africa SOC Ltd (hereafter referred to as “NTC”) is a wholly owned subsidiary of Eskom Holdings SOC Ltd as shown in Figure 1.

**Figure 1: National Transmission Company South Africa SOE Ltd Licensing**



This NTC licence application, in terms of the Electricity Regulation Act (2006), is to import and export electricity.

## **SECTION C AREA OF OPERATION TO WHICH APPLICATION RELATES**

*CI Please provide a sufficient description of the area of operation to which the application relates*

International imports and exports of electricity are presently conducted by Eskom Holdings SOC Ltd as a licensed activity based on Eskom's Southern African Power Pool (SAPP) membership and Intergovernmental Agreements.

Subject to obtaining a Transmission licence, NTC intends to own and operate the transmission system within the borders of the Republic of South Africa and will facilitate cross border energy purchases and sales with countries that are interconnected to the South African Grid and beyond.

Eskom Holdings SOC Ltd currently holds an import and export licence as per the letter issued by NERSA as well as its SAPP membership to which South Africa and Eskom acceded to in 1995. These enable Eskom Holdings SOC Ltd to undertake import and export activities at both Transmission and Distribution voltage levels.

This Import and Export licence application by NTC is to enable continuation of import and export activities presently fulfilled by Eskom Holdings SOC Ltd as detailed in this application. Eskom Holdings SOC Ltd is willing to relinquish this role in favour of the SAPP roles and obligations accruing to NTC. SAPP membership of NTC will be initiated following support from DMRE.

Imports and Exports are transacted based on power purchase agreements and power sales agreements entered into with cross border utilities, cross border IPPs as well as via the SAPP competitive markets.

### **SAPP membership**

In 1995, an Inter-governmental Memorandum of Understanding (MOU) was entered into between the Southern African Development Community (SADC) countries. Its purpose was to enhance regional power co-operation through the establishment and operation of the Southern African Power Pool (SAPP).

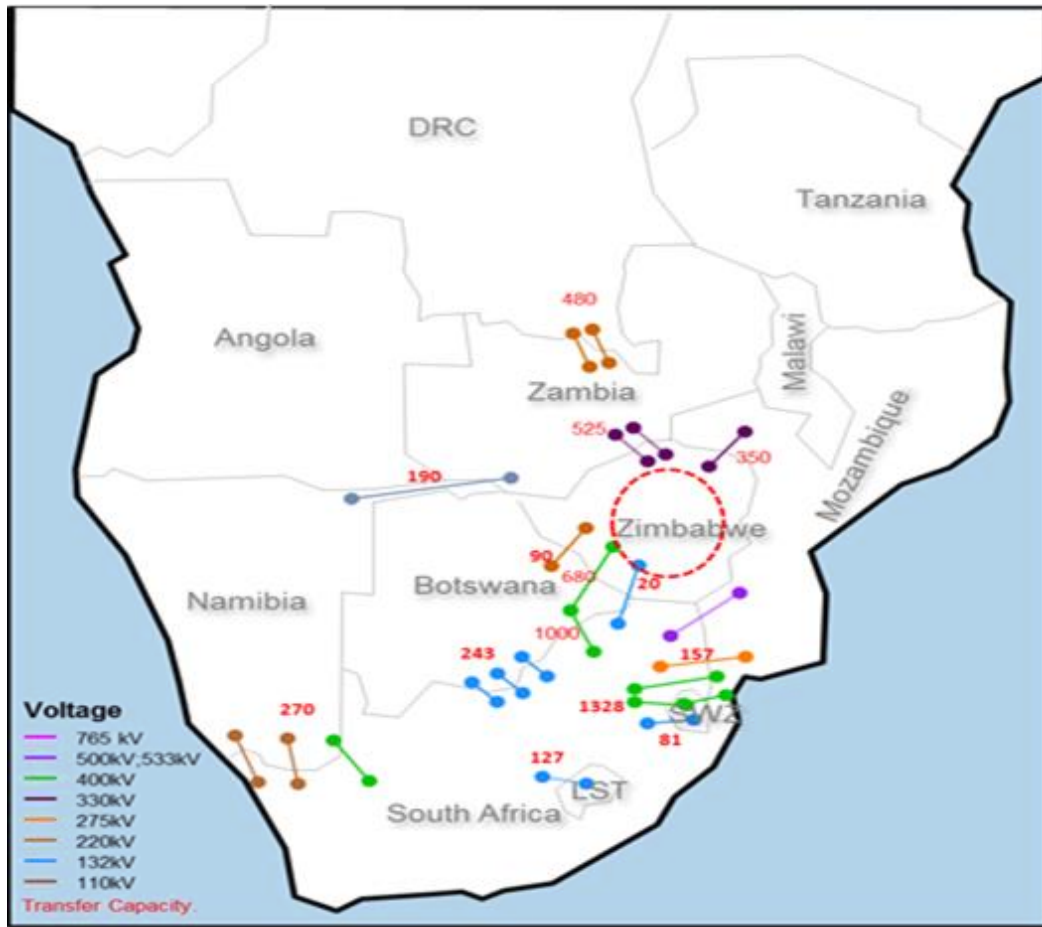
Eskom has the following rights and obligations arising out of the SAPP agreements:

- a) access or ability to supply emergency energy from and to other members;
- b) access or provide wheeling services from and to other members where it is technically feasible – each operating member has an obligation to allow wheeling of capacity or energy through its system;
- c) access and provision of maintenance schedules to assist with co-ordination of outages; and
- d) access to SAPP subcommittees and training provided by SAPP.

C2 Please provide a sufficient description of the area of operations and the cross-border network interconnections

Electricity is transported across regions through interconnectors which connect adjacent regions as seen in Figure 2 below. Each country owns, operates and maintains the portion of the lines in their jurisdiction.

**Figure 2: Interconnectors Map**



Subject to fulfilment of the suspensive conditions to the Merger Agreement and transfer of Eskom Holdings’ Transmission business to NTC, the NTC will utilize the interconnectors as detailed in Table 1 for import and export business activities.

**Table 1: List of NTC Interconnectors**

Interconnectors	Interconnecting Country
Aggeneis - Harib No1 220kV	Namibia
Aggeneis - Harib No2 220kV	Namibia
Aries - Kokerboom 400kV	Namibia
Apollo CS - Cahora Bassa No1 533kVdc	Mozambique
Apollo CS - Cahora Bassa No2 533kVdc	Mozambique



<b>Interconnectors</b>	<b>Interconnecting Country</b>
Komatipoort - Ressano Garcia No1 275kV	Mozambique
Komatipoort - Corumane 110kV	Mozambique
Arnot - Maputo No1 400kV (Motraco network)	Mozambique
Camden - Edwaleni II No1 400kV (Motraco network)	Eswatini
Normandie - Mahamba 132kV	Eswatini
Spitskop - Segoditshane No1 132kV	Botswana
Spitskop - Gaborone South No2 132kV	Botswana
Dwarsberg-Segodishane 132kV	Botswana
Dwarsberg-Gaborone South 132kV	Botswana
Matimba - Phokoje 400kV	Botswana
Messina - Beitbridge (Zimbabwe) 132kV (Dx)	Zimbabwe
Tweespruit - Maseru No1 132kV (Dx)	Lesotho
Tweespruit - Maseru No2 132kV (Dx)	Lesotho

**SECTION D PARTICULARS OF LONG-TERM TRADING ARRANGEMENTS WITH CROSS-BORDER AGREEMENTS**

*D1 Cross-Border Agreements as applicable*

Cross-border agreements are for defined time periods. The agreements are renewed as and when they expire in accordance with the prevailing export / import strategy.

The following cross border agreements are applicable:

- a) Bilateral contracting: Power Supply Agreements (PSAs) and Power Purchase Agreements (PPAs) where contracts are either on a firm or non-firm basis. Firm PSAs are subject to the load curtailment reduction that is in proportion to the load shedding stages that are determined by NRS 048-9, whilst non-firm PSAs are suspended in the event of increased demand in South Africa including use of Open Cycle Gas Turbines (diesel) and load shedding.
- b) SAPP markets participation and transactions ranges from month-ahead to an hour-ahead, as well as 10 minutes ahead in line with the SAPP Balancing Market.
- c) The provision of wheeling paths through the transmission systems are facilitated for Trading Partners as per the SAPP rules and SAPP prices.
- d) Emergency energy is supplied upon request by Trading Partners, depending on availability of power as provided for in terms of the SAPP rules. The emergency energy is priced in line with declared emergency rates to SAPP and is based on the marginal unit to be utilised to supply emergency energy.

Table 2 provides details of the respective agreements and trading partners.

**Table 2: Details of Agreements and Trading Partners**

	<b>Customer Type</b>	<b>Country</b>	<b>Contract type</b>	<b>Agreement/ Tariff type</b>
<b>Botswana Power Corporation (BPC)</b>	Utility	Botswana	Power Supply Agreement (PSA)	Negotiated pricing agreement (NPA)
<b>Namibia Power Corporation (NamPower)</b>	Utility	Namibia	PSA	NPA
<b>Zimbabwe Electricity Transmission and Distribution Company (ZETDC)</b>	Utility	Zimbabwe	PSA	NPA

	<b>Customer Type</b>	<b>Country</b>	<b>Contract type</b>	<b>Agreement/ Tariff type</b>
<b>Mozambique Transmission Company (Motraco)</b>	Transmission Company selling to end user	Mozambique	PSA	NPA
<b>Eswatini Electricity Corporation (EEC)</b>	Utility	Eswatini	PSA	NPA
<b>Lesotho Electricity Company (Pty) Ltd (LEC)</b>	Utility	Lesotho	PSA and Power Purchase Agreement (PPA)	Megaflex
<b>NamPower-Orange River Cross Border Supply (ORCS)</b>	Mine at Namibian border	Namibia	PSA	Megaflex and Nightsave Rural
<b>Electricidade de Mocambique (EDM)</b>	Utility	Mozambique	Standby agreement	NPA
<b>Hidroeléctrica de Cahora Bassa (HCB)</b>	Independent Power Producer	Mozambique	PPA	NPA

*D2 Particulars of the contractual arrangements with international customers if applicable*

The agreements between Eskom Holdings and its international partners, as described above, permit the assignment either on written notice by Eskom Holdings of its rights and obligations to NTC, in circumstances of a group restructuring sanctioned by the Government, or approval by the counterparty.

These agreements will transfer to NTC by operation of law with effect from the Implementation Date (and subject to the Merger Agreement becoming fully effective).

## **SECTION E CUSTOMER PROFILE**

*E1 Provide particulars of the person or persons to whom the applicant is providing or intends to provide Import / Export services. Also provide details of proposed pricing principles for the Import / Export services.*

### **1. Current Trading Portfolio**

NTC will trade with cross border utilities in terms of power supply agreements, power purchase agreements and SAPP competitive markets. It will also facilitate wheeling on behalf of cross border utilities and receives a wheeling service from the cross-border utilities. Table 2 provides details of the respective agreements and trading partners.

The tariffs applicable to cross border import (PPAs) and export (PSAs) services are approved in terms of the following:

- a) The Significance and Materiality Framework agreement between Eskom Holdings SOC Ltd and the Minister of Public Enterprises provided for in Section 54 of the Public Finance Management Act read with associated Treasury Regulations; and
- b) Any NERSA approvals as required.

### **2. Exports pricing**

Cross border PSAs should comply with the Department of Mineral Resources and Energy Electricity Pricing Policy (2008), which determines that cross border customers should not receive subsidies from South African customers.

Bilateral agreement export pricing comprises of:

- a) Energy purchased at the aggregated price of Eskom Generation, IPPs, Renewables and International imports;
- b) Wires charges in alignment with NERSA revenue determinations. Wires charges consist of Network charges, applicable to the capital and maintenance costs of the network infrastructure, Reliability charges which recover Ancillary Services charges, as well as Losses costs incurred during the transport of electricity in accordance with the South African Grid Code (Transmission Tariff Code); and
- c) Including a reasonable margin.

Currently, sales on the SAPP market are pursued when there is excess power available during standard and off-peak periods. The pricing considers the bilateral export rates currently in place and the cost of sales.

### **3. Imports pricing**

Bilateral PPAs are held with HCB and LEC with the following pricing policies applied for the procurement of electricity:

- HCB: is a negotiated PPA based on the RSA – Portugal Inter- Governmental Agreement. Terms and conditions of the agreement are in terms of the mandate obtained by Eskom. Pricing is based on the Avoided Tariff Cost Mechanism as defined in the amended and restated 2007 contract between Eskom and HCB.
- LEC: this agreement is based on the RSA – Kingdom of Lesotho Water Treaty. In terms of this agreement LEC tariff will be no worse than an equivalent RSA customer with self-generation capability. This is equivalent to the Megaflex tariff in RSA. Clause 8 of the same agreement provides for Eskom purchases of non-firm LEC excess power and tariffs are escalated in line with the NERSA approved tariff increases.
- Currently, purchases on the SAPP market are pursued when there are prevailing supply constraints within South Africa.

### **4. Connection to Transmission network**

Cross-border customers requiring connection to the RSA transmission network are required to submit a written application together with the prescribed application fee as per the RSA Grid Code. The Network Service Provider (NSP) then provides the customer with a quotation that contains the relevant scope, connection costs and timelines. Regional customers are considered premium connections and are liable for all costs pertaining to the connection. The connection assets located within the RSA border will belong to the NSP.

## **SECTION F FINANCIAL INFORMATION**

### **1. Overview: NTC Financial Information**

#### **1.1 Solvency and Liquidity Test**

In order for NTC to begin trading as a company, the solvency and liquidity test as outlined in Section 4 of the Companies Act must be met. In terms of this Act, a company satisfies the solvency and liquidity test at a particular time if, considering all reasonably foreseeable financial circumstances of the company at that time, the assets of the company, as fairly valued, equal or exceed the liabilities of the company, as fairly valued (solvency); and it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date on which the test is considered (liquidity).

Based on the audited Annual Financial Statements (AFS) for the year ending 31 March 2021 and the audit opinion provided, Eskom and therefore the Transmission division meets the solvency and liquidity requirements as outlined in Section 4 of the Companies Act.

Furthermore, Eskom (the parent company of NTC) is compliant with the Companies Act requirements of Sections 28 and 29 which deal with accounting records and financial statements. Transmission division's specific accounting records have been audited as a divisional audit pack. The auditor's report to management does not reflect any concerns around the Transmission division that would be traditional "red flags" for going concern. The Eskom AFS for the year ending 31 March 2021 have been signed off by the external auditors on a going concern basis.

Transmission's results are noted in the AFS for Eskom as part of segment reporting. The Eskom AFS for the year ending 31 March 2021 have been signed off by the external auditors on a going concern basis. It must be noted that Transmission results are noted in the AFS for Eskom as part of segment reporting.

#### **1.2 Future Forecasts**

Future revenue/price applications to NERSA in respect of Transmission charges will be made by NTC with the view that Transmission, as an efficient licensee, will be able to recover the full cost of its licensed activities, including a reasonable margin or return, and a full pass through on all IPP and Eskom generation costs.

The legal basis for this recovery is based on the Electricity Regulation Act, 2006 (Act No. 4 of 2006). Sec 4(a)(ii) of the Act states that,

*"The Regulator must... regulate prices and tariffs."* Section 14(1)(d) provides that, *"The Regulator may make any license subject to conditions relating to... (d) the setting and approval of prices, charges, rates and tariffs charged by licensees"*.

Further, sections 15(1)(a) and (2) of the Act prescribe the following tariff principles:

- (1) *A license condition determined under section 14 relating to the setting or approval of prices, charges and tariffs and the regulation of revenues -  
a) must enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return”*
- (2) *A licensee may not charge a customer any other tariff and make use of provisions in agreements other than that determined or approved by the Regulator as part of its licensing conditions.”*

Further, provisions of the Electricity Pricing Policy (EPP) speak to cost recovery and revenue requirement. Policy Position 1 of the EPP provides that:

*“The revenue requirement for a regulated licensee must be set at a level which covers the full cost of production, including a reasonable risk adjusted margin or return on appropriate asset values.”*

This is further supported in section 2.2 of the EPP in which the following is stated:

*“In the absence of competition, regulators may select from a range of methodologies to regulate the industry. All these options have some advantages and disadvantages. Regardless of the method of regulation or price formation it is essential that an efficient and prudent licensee should be able to generate sufficient revenues that would allow it to operate as a viable concern now and in the future.”*

In conclusion, the ERA and the Electricity Pricing Policy allow for the recovery of efficient costs and earning a fair return on assets.

**RESPONSES TO SPECIFIC FINANCIAL QUESTIONS:**

*F1 Submit projections of and current statements of the accounts in respect of the undertaking carried on by the applicant, showing the financial state of affairs of the most recent period, together with copies of the latest audited annual accounts where such have been prepared.*

**Redacted**

*F2 Submit annual forecasts for the next five years of costs, sales and revenues stating the assumptions underlying the figures.*

**Redacted**



*F3 Estimates of net annual cash flows for subsequent periods (5 years; 10 years; 15 years) sufficient to demonstrate the financial security and feasibility of importing / exporting activities.*

Net annual cash flows will depend on the tariff awarded to NTC. In order to ensure that at all times NTC acts prudently, the NTC spend will be limited to the cash available to the business from operations supplemented either by equity injection or borrowings to the extent that the Balance Sheet will allow. The extent of the reliance on equity injection and / or borrowings is dependent on the tariff that is awarded by NERSA.

*F4 Transmission financing: Who will finance, how is funding split between debt and equity, and what are the terms and conditions of the funding agreements?*

**Redacted**

*F5 Fixed Assets – Provide summary of total assets*

The fixed assets utilised by NTC to perform import and export activities has been included as part of the NTC Transmission Licence application scope.

## SECTION G HUMAN RESOURCES INFORMATION

*G1 Submit details of the number of staff and employees and their categories in the service of the applicant in any support services separate from the applicant. Also provide information regarding relevant qualifications and experience in critical areas e.g. Professional registration (Engineering Council of South Africa – ECSA), Government Certificate of Competency.*

### 1. Human Resources Overview

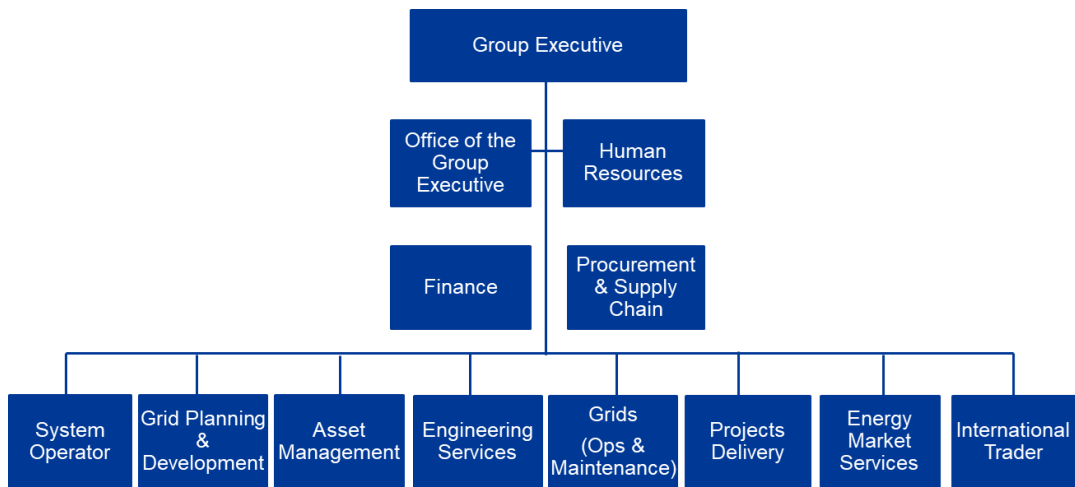
The information in this section is a depiction of the current re-organized Transmission division as currently structured internally to Eskom Holdings SOC Ltd, which will be transferred to the NTC on the Implementation Date.

As part of Eskom’s organisational restructuring and divisionalisation process in preparation for the establishment of the NTC, employees in corporate services and support functions were re-linked to Transmission during FY20 and FY21. The aim of this process was to:

- strengthen operations and maximise decision making;
- improve levels of accountability at the right levels of business;
- improve operational and financial efficiencies;
- maximise execution of strategy; and
- improve productivity and value delivery.

The existing Transmission structure is depicted in Figure 3. The present mandate is to provide reliable and efficient transmission network, system operator and energy market services to the South African and designated electricity markets.

**Figure 3: Existing Transmission Structure**



The Transmission Division comprises of the Regional Grid areas for operating and maintenance, the System Operator, Grid Planning and Development, Asset Management,

Engineering, Project Delivery, International Trader, as well as Energy Market Services. Service functions include Human Resources, Finance, Office of the Group Executive (Information Management, SHREQS management, Assurance, Communication etc.) and Procurement & Supply Chain Management.

Import and Export activities as described in this licence application will primarily be conducted by employees in the International Trader business unit. Support services (HR, IM, Finance, Legal, etc. will be provided by corporate functions).

## 2. Current Transmission staff complement and Employment Equity Profile

**Redacted**

## 3. Workforce Plan

The NTC staff complement is expected to increase to 3 226 by FY2025, representing a 4% growth. Legal separation from Eskom requires the new Transmission entity to resource itself in the various functional / service areas in order to deliver on its new and expanded mandate.

- International Trader business unit staff compliment which will conduct the import and export activities is projected to increase moderately over the period.
- Transmission centralized service functions such as legal, compliance & regulatory resources to support various contract functions in the International Trader business unit.

Transmission has developed a detailed workforce plan as summarized in Table 3 highlighting how it expects to grow over the next few years by providing critical skills that will enable it to meet its mandate.

**Table 3: Five Year Workforce Plan**

<b>Transmission: Workforce Plan</b>	<b>FY22 Actual</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Headcount	2 928	3 154	3 152	3 226	3 225	3 225

The above Transmission Workforce Plan is currently under review to ensure the current and future staffing requirements support Transmission objectives. The review takes into account business factors directly driving staffing demands; such as production plans, capital projects, customer numbers, number of substations and kilometre of lines. The current review also considered the resource requirements for the Transmission Development (TDP) and Transmission Refurbishment Plan (TRP) plant projects for the period 2021-2030.

#### **4. Skills Development and Pipelining**

Transmission has developed a detailed workforce plan which provides for skills and capacity development in compliance with the Skills Development Act and its regulations. A moderate staff complement growth for the International Trader is projected over the 5-year period.

#### **5. HR Legislation**

HR is responsible for making sure that the NTC will meet its legal obligations in terms of compliance to the following legislation:

- Labour Relations Act 66 of 1995,
- Employment Equity Act 55 of 1998,
- Basic Conditions of Employment Act 75 of 1997,
- Skills Development Act 97 of 1998,
- Unemployment Insurance Act 30 of 1996.

## **SECTION H PERMISSION FROM OTHER GOVERNMENT DEPARTMENTS OR REGULATORY AUTHORITIES**

*H1 Please provide of copies of the permits issued by other government departments or regulatory authorities in respect of trading activities.*

### **1. South African Revenue Services (SARS)**

NTC will initiate to register and obtain a licence from SARS (Customs) to import and export electricity from SADC. Transmission is currently operating under Eskom Holdings' licence and import & export code.

### **2. SAPP Membership**

The NTC will apply (or inherit) membership to SAPP and deliver on the aspirations of the SADC Inter-Utility Memorandum of Understanding (IUMOU), which would need approval from the SAPP EXCO. The Department of Mineral Resources and Energy which is signatory to the SADC IUMOU may also be required to endorse NTC's SAPP Membership.

### **3. Cross-border Projects**

According to section 54(2) of the PFMA read with Eskom's Significance and Materiality Framework (SMF), where a transaction involves a business operation, shareholding, or investment beyond the borders of South Africa, PFMA approval is generally required on account of possible political or socio-economic consequences.

Infrastructure projects above R1.5 billion will require PFMA approval as well as informing National Treasury in writing of the transaction.

However, the following will not require approval, but the Minister of Public Enterprises must be informed of such:

- Signing a non-binding Memorandum of Understanding with any foreign entity, as well as a membership of any foreign institute, professional body, mutual company or similar.
- Regional customer request for network strengthening, refurbishment, and maintenance projects below R1.5 billion.

### **4. Signing New Power Supply Agreements**

The conclusion of new PSAs for use of power from outside South Africa for longer than 36 months, or where the tariff is a non-standard Eskom tariff and the tenure exceeds 10 (ten) years, requires the approval of the Minister of Public Enterprises in terms of the Significance and Materiality Framework agreement between Eskom and the Minister of Public Enterprises in terms of Section 54(2) of the Public Finance Management Act. NERSA needs to grant approval as well.

## **5. Signing New Power Purchase Agreements**

For new PPAs, the new generation capacity regulations process will be followed whereby the PPA is pursuant to a Ministerial determination in terms of section 34 of the ERA. These processes will be determined by the DMRE, with NERSA concurrence.

## **6. Safety**

NTC subscribes and commits to compliance with the OHS Act, Act 85 of 1993 and Eskom Holdings SHEQ Policy (32-727). Based on each Business Unit/ Grid's operational scope and activities, Transmission complies to all applicable legal obligations including National, Provincial and Local Municipality By-laws, which are managed and updated on the SHE Legal Register and tracked on the OHS Compliance Universe.

Transmission has been implementing and maintaining OHS processes which are periodically evaluated to ensure compliance and conformance to legal and other requirements and is ISO 45001: 2018 certified. The NTC will continue to apply these practices and apply for a name change to the current ISO 45001: 2018 certification.

## SECTION I BROAD-BASED BLACK ECONOMIC EMPOWERMENT

*II* Please provide information in terms of the following categories:

COMPONENTS	POINTS	0.5	0.75	1	
Direct Empowerment	Black Ownership	10% to <20%	20% to 50%	>50%	
	Black Management	20% to <35%	35% to 50%	>50%	
	Black Female Management	1% to <5%	5% to 10%	>10%	
Human Resource Development	Black Skilled Personnel as % of payroll	20% to <35%	35% to 50%	>50%	
	Skills Development Programs as % of payroll	1% to <5%	5% to 10%	>10%	
	Employment Equity i.e. Women Representation	20% to <35%	35% to 50%	>50%	
Indirect Empowerment	Procurement from Black/BEE Suppliers	20% to <35%	35% to 50%	>50%	
	Enterprise Development i.e. Monetary Investment or quantifiable non-monetary support in SMME with BEE contributions as % of Net Asset Value/ EBITDA/Total Procurement	10% to <20%	20% to 25%	>25 %	
	Industry specific initiatives to facilitate the inclusion of black people in the sector as % of net profit	1% to <5%	5% to 10%	>10%	
NERSA's Discretionary Points	Based on skills transfer and fulfilment or acceleration of other national objectives e.g. employment of disabled personnel robust implementation of mechanisms to verify the BEE status of suppliers reported under preferential procurement and utilization of DTI approved accreditation agencies and so on.	1% to <5%	5% to 10%	>10%	



## **SECTION J ADDITIONAL INFORMATION**

*Provide any other relevant information related to this application*

The Ministry of Public Enterprises has approved the application made in terms of the Public Finance Management Act, sections 54(2)(c) and 54(2)(d), for the sale by Eskom Holdings of its Transmission business to its new wholly owned Transmission subsidiary and the subscription for shares in NTC by Eskom Holdings.

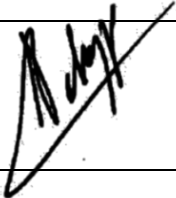
The Ministry of Finance has also approved the Eskom application in terms of sections 54(2)(c) and 54(2)(d) of the PFMA for the operationalization of the NTC through the proposed disposal of Eskom's transmission business to NTC.

**SECTION K DECLARATION**

On behalf of the applicant, I hereby declare that:

- (a) the applicant shall always comply in every respect with the conditions attached to any licence that may be granted to the applicant;
- (b) the applicant shall always comply with lawful directions of the National Energy Regulator of South Africa;
- (c) the information provided by me on behalf of the applicant is accurate and complete in all respects; and
- (d) I am authorised to make this declaration on behalf of the applicant.

Signed:


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Full name(s) of Signator(y/ies):

Segomoco Martin Scheppers	
---------------------------	--

Position held (if the applicant is a company, co-operative, partnership, unincorporated association, or any other body corporate):

Director: National Transmission Company South Africa SOC Ltd	
--	--

Date:

13 Jan 2023
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