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# City Power Johannesburg (SOC) Ltd Annual Report 2011 / 2012

Registration No: 2000/030051/07  
(In terms of Section 21 of the Companies Act  
Municipal Finance Management Act, 2003 and Section 46 of the Municipal Systems  
Act, 2000)

## City Power 2011/12 Annual Report

CITY POWER JOHANNESBURG (SOC) LIMITED  
INCORPORATED UNDER SECTION 21 OF THE COMPANIES ACT

### COMPANY INFORMATION:

Registration number : 2000/030051/07  
Registered address : 40 Heronmere Road  
Reuven  
Booyens  
  
Postal address : PO Box 38766  
Booyens  
2016  
  
Telephone number : (011) 490-7000  
Fax number : (011) 490-7377  
Website : [www.citypower.co.za](http://www.citypower.co.za)  
Bankers : Absa Bank of SA Limited  
Auditors : Auditor-General

## City Power 2011/12 Annual Report

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## City Power 2011/12 Annual Report

### ABBREVIATIONS/ACRONYMS

Abbreviation/Acronym	Explanation
AA	Affirmative Action
Adv.	Advocate
AMR	Automated Meter Reading
BC	Bargaining Council
BEE	Black Economic Empowerment
CAIDI	Customer Average Interruption Distribution Index
CAIFI	Customer Average Interruption Frequency Index
CAPEX	Capital Expenditure
CMIP	Consolidated Municipal Infrastructure Program
COID	Compensation for Occupational Injuries and Diseases
CoJ	City of Johannesburg
CRR	Capital Replacement Reserve
CSI	Corporate Social Investment
DBSA	Development bank of South Africa
DIFR	Disabling Injury Frequency Rate
DSM	Demand-side Management
EAP	Employee Assistance Program
EE	Employment Equity
EPWP	Expanded Public Works Program
ESP	Expanded Social Package
EXCO	Executive Committee
FBE	Free Basic Electricity
GAAP	Generally Accepted Accounting Principles
GDS	Growth Development Strategy
GE	Gender Equity
GRAP	Generally Recognized Accounting Practices
HR	Human Resources
HV	High Voltage
IAS	International Accounting Standards
IDP	Integrated Development Plan
IEP	Integrated Energy Planning
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
IPSAS	International Public Sector Accounting Standards
ISD	Infrastructure and Services Department
ISO	International Organisation for Standardization
JDA	Johannesburg Development Agency

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Abbreviation/Acronym	Explanation
<b>JMPD</b>	Johannesburg Metro Police Department
<b>Joburg</b>	Johannesburg
<b>JRA</b>	Johannesburg Roads Agency
<b>JRAS</b>	Johannesburg Risk and Audit Services
<b>KPI</b>	Key Performance Indicator
<b>kV</b>	Kilovolts
<b>LPU</b>	Large Power Users
<b>LV</b>	Low Voltage
<b>MD</b>	Managing Director
<b>ME's</b>	Municipal Entities
<b>MEC</b>	Member of the Executive Council
<b>MIG</b>	Municipal Infrastructure Grant
<b>MFMA</b>	Municipal Finance Management Act
<b>MMC</b>	Member of the Mayoral Committee
<b>MOE</b>	Municipal Owned Entity
<b>MSA</b>	Municipal Systems Act
<b>MV</b>	Medium Voltage
<b>MVA</b>	Megavolt Amperes
<b>NERSA</b>	National Energy Regulator Of South Africa
<b>NPR</b>	Network Performance Related
<b>OHSAS</b>	Occupational Health and Safety Standard
<b>OPEX</b>	Operating Expenditure
<b>PPA</b>	Purchasing Power Agreement
<b>Rev</b>	Reverend
<b>R&amp;CRM</b>	Revenue and Customer Relationship Management
<b>RDP</b>	Reconstruction and Development Program
<b>SAIDI</b>	System Average Interruption Duration Index
<b>SAIFI</b>	System Average Interruption Frequency Index
<b>SALGA</b>	South African Local Government Authority
<b>SAP</b>	Systems, Applications and Products in Data Processing
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SDA</b>	Service Delivery Agreement
<b>SHEQ</b>	Safety, Health, Environmental and Quality
<b>SHER</b>	Safety, Health, Environmental and Risk
<b>SHU</b>	Shareholder Unit
<b>SSM</b>	Supply Side Management
<b>SOC</b>	State Owned Company
<b>SWH</b>	Solar Water Heaters
<b>TOU</b>	Time of Use
<b>WSP</b>	Workplace Skills Plan

## City Power 2011/12 Annual Report

### SCOPE OF THIS REPORT

This annual report covers City Power's governance, financial, social responsibility, and environmental, broader economic and overall sustainability performance information for the financial year 2011/12. It provides an account of the company's progress as at the end of June 2012 and offers a forward-looking perspective in terms of future plans and value generating strategies

### ABOUT CITY POWER

#### **Company Profile**

City Power Johannesburg (SOC) Ltd (City Power) is accountable for providing electricity services to all its customers. As the electricity distribution service provider of the City of Johannesburg, City Power's core competency is to purchase, distribute and sell electricity within its geographical footprint.

City Power was established in 2001 as an independent municipal entity, wholly owned by the City of Johannesburg. The National Energy Regulator of South Africa (NERSA) granted City Power a license to trade on 19 December 2001. Today, City Power has approximately 400 000 customers; ranging from domestic to commercial and industrial properties.

The City, by means of a Service Delivery Agreement, regulates the service provided by City Power in respect of financial issues (such as tariffs and capital expenditure), human resource issues (such as skills development), delivery targets (maintenance of assets and addressing assets) and standards of customer care.

City Power is accountable to provide network services to all its customers, which include:

- the purchasing and distribution and sale of electricity
- constructing networks
- connecting customers
- repair and maintenance of networks
- installation and maintenance of public lighting

The City of Johannesburg provides most of the customer retail services for all customers. This includes processing of applications, customer queries, customer complaints and customer accounts.

City Power is not the sole provider of electricity services for the City. The areas not covered by City Power (predominantly Soweto and Sandton) are serviced by Eskom.

## City Power 2011/12 Annual Report

### City Power's Network Infrastructure

Measure Indicator	Unit	2011/12	2010/11	2009/10
Eskom Supply Points	No.	43	42	42
High Voltage Substations (Bulk Intake Points)	No.	5	5	5
Medium Voltage Substations (Major Substations) excl. Bulk Intake Substations	No.	87	87	87
Low Voltage Substations (Devices)	No.	18,366	18,366	17,964
High Voltage Overhead Transmission Lines > 44kV	km	811.37	811.37	811.17
High Voltage Transmission Cables > 44kV	km	101.1	101.1	101.1
Medium Voltage Overhead Lines >20.5kV and <44kV	km	9.6	9.6	9.6
Medium Voltage Cables >20.5kV and <44kV	km	118.8	118.8	118.8
Ripple Relays Installed	No.	196,000	192,000	181,711
Ripple Relays In-service	No.	128,800	124,800	119,435

Table 1 City Power's network infrastructure by year

City Power operates six independent networks, representative of the former municipal transmission systems. Figure 1.0: below provides a simplified schematic representation of City Power's Johannesburg transmission system and bulk power nodes.

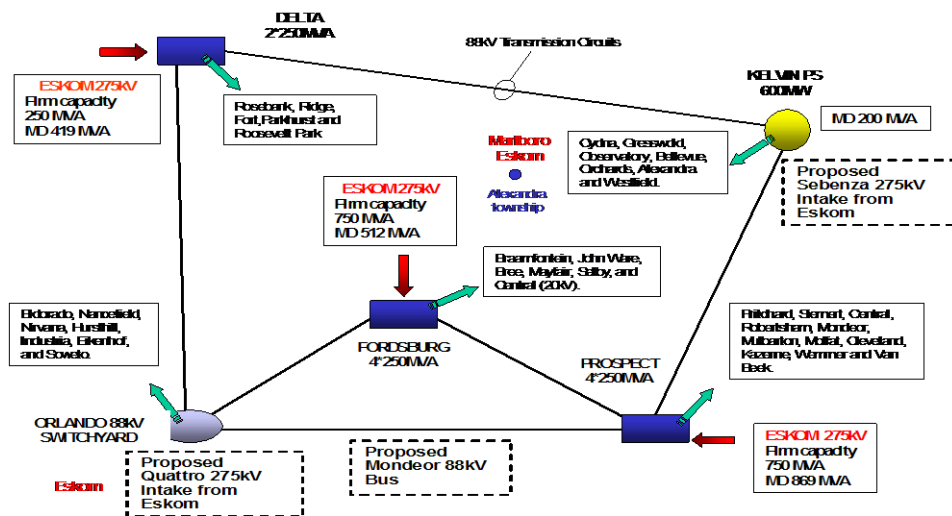


Figure 1 Schematic Representation of City Power's transmission system and bulk power nodes

## City Power 2011/12 Annual Report

### City Power's Johannesburg transmission system and power nodes

The visual representation above shows that bulk power is received from Eskom at three bulk intake points (Prospect, Fordsburg and Delta) at a voltage of 275kV. At these stations, the voltage is transformed down to 88kV for onward transmission via City Power's transmission grid to over 30 major step-down substations. In addition, the 88kV transmission network is supplemented by a power input from the independently operated Kelvin Power Station.

There are also two smaller substations which receive an in-feed directly from the Eskom networks, which supply a small number of City Power customers

### Customer Base

The greatest category of City Power's customers are prepayment customers (59%) followed by domestic customers (37%), in line with the trend from the previous years.

Type	2011/12	2010/11	2009/10
Agriculture	29	29	29
LPU	4,113	4,078	3,391
Business	10,744	10,209	8,762
Domestic	158,268	177,571	166,639
Prepayment	249,213	216,019	180,062
<b>Total</b>	<b>422,367</b>	<b>407,906</b>	<b>358,873</b>

Table 2 City Power type of customer by year

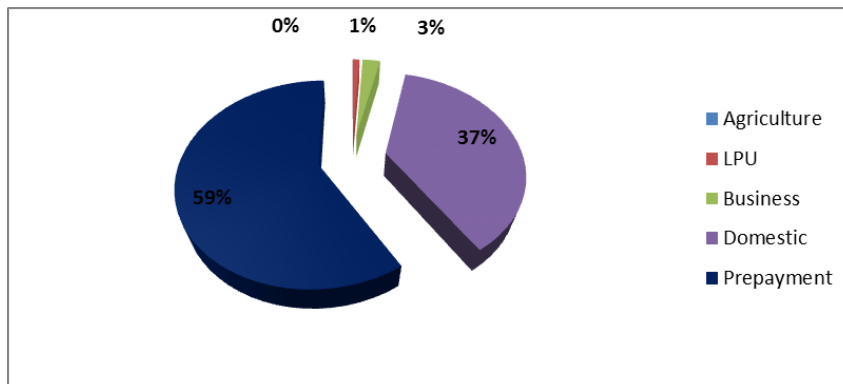


Figure 2 Customer categories 2011/12

## City Power 2011/12 Annual Report

### Electricity Sales and Purchases

#### Sales

Measure Indicator	Unit	2011/12	2010/11	2009/2010
Electricity sales	MWh	10,129,226	11,272,961	11,633,380
Growth in electricity sales	%	-10.15	-3.1	3.74
Revenue	R'000	12,088,478	9,786,301	7,235,256
Growth in revenue	%	23.52	35.26	31.3
Number of customers	No.	422 367	407,906	345,523
Gross margin	%	36.73	40.22	32.6

#### Purchases

Measure Indicator	Unit	2011/12	2010/11	2009/2010
Bulk purchases	MWh	13,064,152	13,116,388	13,117,250
Direct costs of bulk purchases	c/kWh	56.71	47.7	36.45
Gross Margin	%	37	40	33
% reduction in electricity consumption	%	3.7	4.7	3.7

Table 3 Electricity Sales and Purchases for the past 3 years

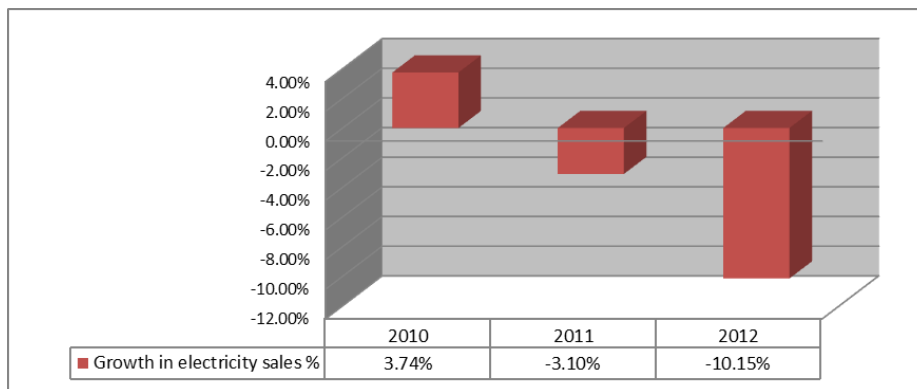


Figure 3 Growth in electricity sales (as a percentage for the past 3 years)

## City Power 2011/12 Annual Report

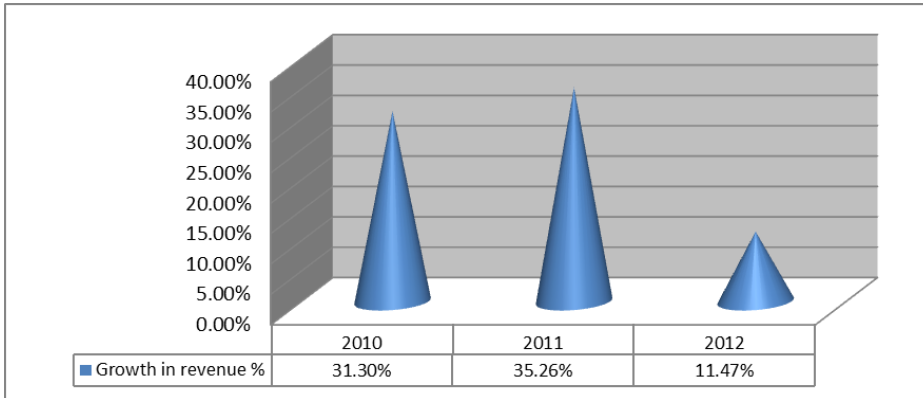


Figure 4 Growth in revenue (as a percentage) for the past 3 years

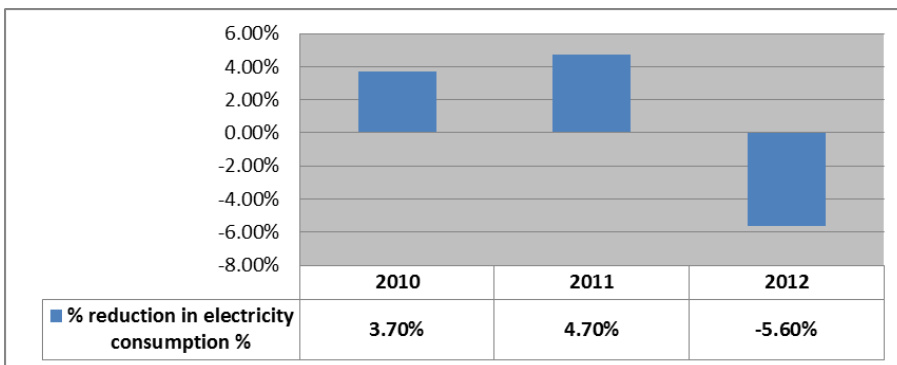


Figure 5 Percentage reductions in electricity consumption over the past 3 years

## City Power Staff Complement

City Power fosters effective human resources practices with a view to contributing to the organisation's goals. It has a total staff complement of 1,643(permanent and contract).

Categories	Male					Female					TOTAL
	African	Colored	Indian	White	Male Total	African	Colored	Indian	White	Female Total	
Top management (Executives)	1	0	0	1	2	1	0	0	0	1	3
Senior management	12	1	2	4	19	3	0	0	1	4	23
Professionally qualified and experienced specialists and mid-management managers and professionals	117	6	5	68	196	101	1	1	8	111	307
Skilled technical and academically qualified workers, junior management, supervisors and technicians	80	19	4	29	132	23	2	0	5	30	162
Artisans (all types)	229	16	3	71	319	16	1	0	0	17	336
Administrative	36	3	0	5	44	83	6	3	27	119	163
Semi-skilled and discretionary decision making	489	9	0	5	503	37	2	0	1	40	543
Elementary Positions	57	0	0	0	57	47	2	0	0	49	106
<b>Total (permanent and contract)</b>	<b>1,021</b>	<b>54</b>	<b>14</b>	<b>183</b>	<b>1,272</b>	<b>311</b>	<b>14</b>	<b>4</b>	<b>42</b>	<b>371</b>	<b>1,643</b>

Table 4 City Power staff compliment for 2011/12, by race and gender

### City Power's Area of Supply

City Power's area of supply covers 885 km<sup>2</sup>. The map below depicts both Eskom's (green) and City Power's (pink) area of supply.

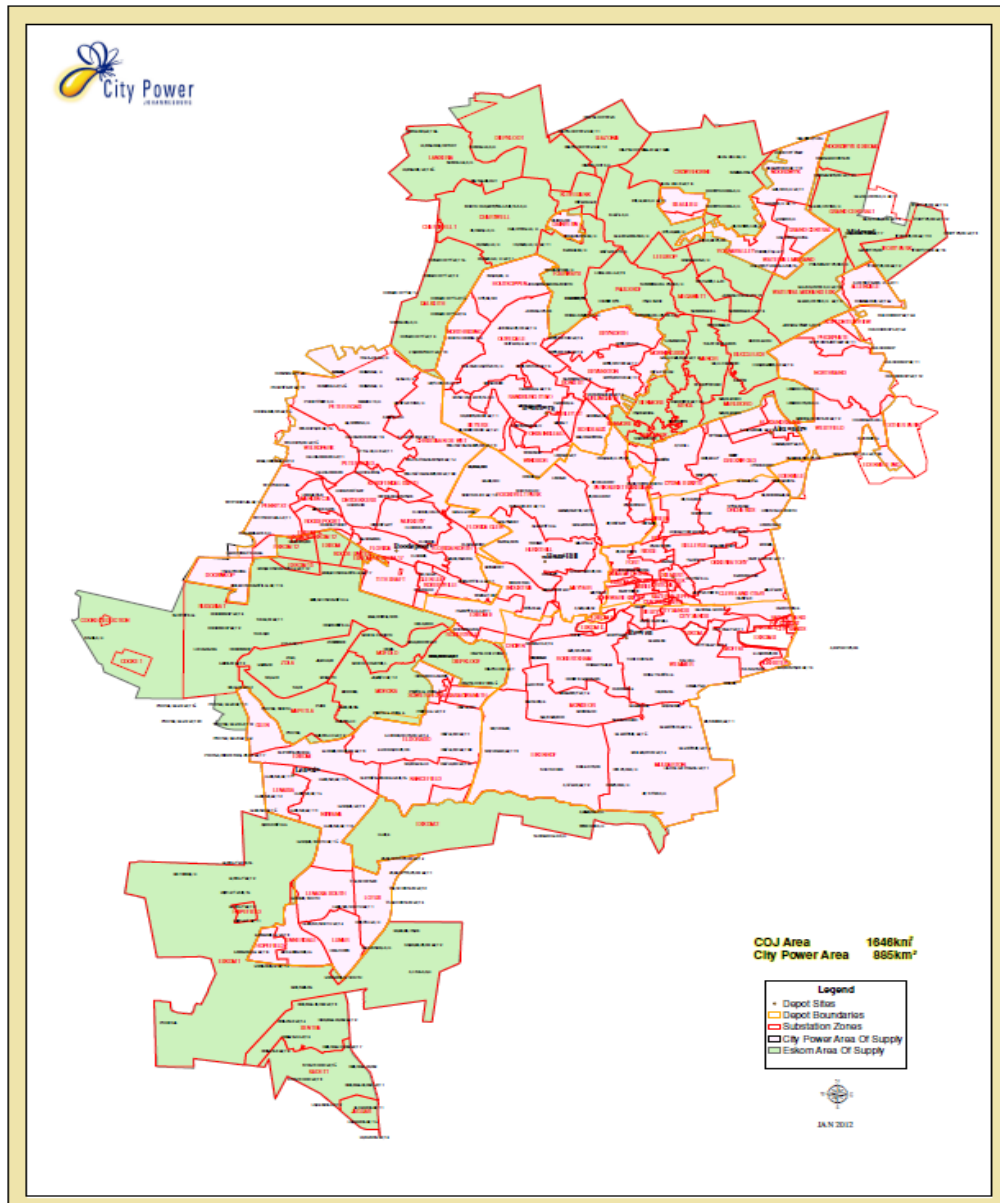


Figure 6 Graphical depictions of City Power and Eskom's areas of supply

## City Power 2011/12 Annual Report

### Organisational Structure as at 30 June 2012

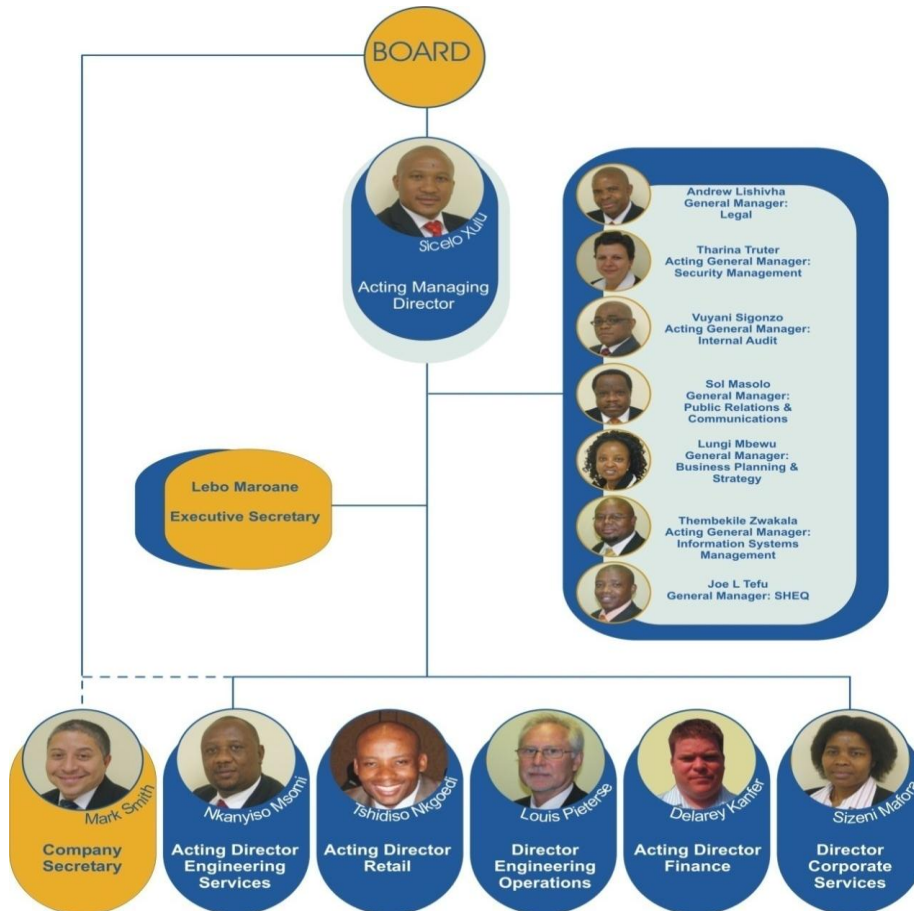


Figure 7 The City Power Management team for 2011/12

### Changes in the composition of management during the current year:

*Secondment of Mr Delarey Kanfer as Acting Director Finance from 1 June 2012*  
*Secondment of Ms Nonhlanhla Nsele to Finance as of 1 June 2012*  
*Appointment of Tshidiso Nkgoedi as Acting Director for Retail Management as of 1 June 2012*  
*Appointment of Thembekile Zwakala as Acting General Manager for Information System Management as of 1 October 2011*  
*David Matsheketsheke was returned to his original position in Finance as of 31 May 2012*

# City Power 2011/12 Annual Report

## Vision, Mission, Values, and Business Principles

### Vision

To be a world-class electricity distributor

### Mission

The mission of City Power is to meet the expectations of its customers and stakeholders by:

- Providing a sustainable, affordable, safe and reliable electricity supply
- Providing prompt and efficient customer services
- Developing and incentivizing its employees
- Being the preferred equal opportunity employer
- Undertaking its business in an environmentally acceptable manner

### Aspired values

City Power aspires to be:

- Resourceful
- Resilient
- Reliable
- Respectful

And to always act with integrity.

### Business Principles

The company endeavours to operate its business in accordance with the following business principles:

- Customer-centric organisation
- Seamless value chain driven organisation
- Maximum technology enablement
- Zero tolerance for poor performance
- Business-case driven investment decisions
- One stop service, doing it right the first time

## City Power 2011/12 Annual Report

### City Power's Strategic Considerations

#### Growth Development Strategy 2040

City Power was established in 2001 according to the principles of the Egoli 2002 Plan and it is wholly owned by the City of Johannesburg. The review of the Growth Development Strategy 2030 was brought about by a shift in the light of climate change and natural resource scarcity. Natural resource scarcity affects both human and economic development. Without securing natural resources, cities cannot sustain human and economic development. "Cities are seeking new ways of overcoming critical natural resource constraints, 'decoupling' as a concept has emerged to assist national governments and cities to 'decouple' economic production and consumption from resource use. The emphasis has shifted in an important way, reframing economic and human development within the context of sustainability."

Several themes emerged from the document, which will impact on how City Power does business in the future, if it is to align itself to the goals of the City of Johannesburg. These themes gave rise to master programmes and flagship programmes, which are outlined below.

#### Joburg 2040 : Towards Implementation

##### EMERGING MASTER PROGRAMMES

ENABLING RESILIENCE, INCLUSION & SUSTAINABILITY	Transforming deprived spaces, integrated planning for inclusive development, area-based economic initiatives, informal settlements to interim sustainable settlements, single window for poor & vulnerable, long & healthy life for all, food resilience
ENABLING GROWTH & JOB CREATION	Transforming the economy, targeted economic growth, proactive land management, transit oriented development, competitiveness support,
EMPOWERING CITIZENS & PARTNERSHIPS	customer care, civil and business sector mobilisation Multi-level Skills development, support to schools and lifelong learning and ECD
GOING GREEN	Green ways & shift to green, low carbon economy, reduce recycle reuse, integrated urban water management systems, building climate change resilience
INSTITUTIONAL RENEWAL	Metro system of governance, institutional leadership development, IGR, communication, financial resilience

Figure 8 CoJ Growth and development strategy 2040

## City Power 2011/12 Annual Report

### GDS Master Programs

Master Program	City Power Program
<b>Master Program 1:</b> Enabling Resilience, Inclusion & sustainability	<ul style="list-style-type: none"> <li>• Refurbishment of Ageing Network</li> <li>• Improve Network performance and quality of supply and service</li> <li>• Refurbishment of aging infrastructure</li> </ul>
<b>Master Program 2:</b> Enabling growth & job creation	<ul style="list-style-type: none"> <li>• Revenue Step Change (Revenue Generation and protection)</li> <li>• Expansion and Strengthening of Bulk Infrastructure</li> </ul>
<b>Master Program 3:</b> Empowering citizens & partnerships	<ul style="list-style-type: none"> <li>• Improve Customer Centricity and people development</li> </ul>
<b>Master Program 4:</b> Going Green	<ul style="list-style-type: none"> <li>• Demand Side Management</li> <li>• Supply Side Management</li> <li>• Smart Grid Solutions</li> </ul>
<b>Master Program 5:</b> Institutional renewal	<ul style="list-style-type: none"> <li>• Continuous improvement of the business</li> </ul>

Table 5 GDS Master Programs

### GDS Flagship Programmes

City Power’s revised business plan ensures alignment with the City’s strategic direction and the GDS 2040. City Power forms part of the sustainable infrastructure cluster and the cluster has identified six flagship sub-programmes which driven by different departments and ME’s. The specific sub program driver by City Power is the “Shift to low carbon infrastructure’.

GDS – Flagship IDP Sub Programs	
1. Urban Water Management	<ul style="list-style-type: none"> <li>- Water Loss Management</li> <li>- Repairs and maintain dams</li> </ul>
2. Green Ways and Mobility	<ul style="list-style-type: none"> <li>- Pedestrian bridges</li> <li>- Rea Vaya BRT</li> <li>- Repair and Maintenance of Roads</li> </ul>
3. Integrated Waste Management	<ul style="list-style-type: none"> <li>- Separation at Source</li> <li>- Landfill to gas</li> </ul>
4. Shift to low Carbon infrastructure	<ul style="list-style-type: none"> <li>- Smart metering</li> <li>- Energy efficiency</li> </ul>
5. Sustainable Human Settlement	<ul style="list-style-type: none"> <li>- Basic Needs</li> <li>- Upgrading of marginalized Areas</li> </ul>

Table 6 GDS Flagship Programs

## City Power 2011/12 Annual Report

### Shift to low Carbon infrastructure

City Power has the following short, medium and long term objectives for the low carbon infrastructure program

Short term	Medium term	Long term
<ul style="list-style-type: none"> <li>Focus on Revenue generation and protection programs through roll out of pre-paid and smart metering infrastructure</li> <li>Reduction of electricity distribution losses</li> <li>Demand Side Management ( DSM) including SWH for RDP and energy efficient lighting</li> <li>Consider "bi-directional" metering arrangements (smart meters) to support renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Review electricity products</li> <li>Introduce "Green Tariff" to stimulate renewable energy and carbon reduction</li> <li>Develop "wheeling charges" to facilitate transport of 3rd party electricity across City Power networks</li> <li>Introduce time of use management at household level</li> </ul>	<ul style="list-style-type: none"> <li>Move towards a network/ wires company as opposed to electricity distributor</li> <li>Consider DSM, SSM and network de-congestion through "buy-back" schemes (energy mix)</li> <li>Enable Smart Grids electricity networks in support of the Smart City concept</li> </ul>




Table 7 Short, medium and long term objectives of the low carbon infrastructure program





### City Power's Strategic Issues

In addition to aligning its strategy to the 2040 Growth and Development Strategy, City Power undertook an exercise to clearly identify its main strategic issues, extrapolated into six key focus areas. These issues were outlined in City Power's business plan for the year under review and are included in this report as a measure of City Power's performance for the year. The key focus areas are:

- 1) Review Business Model
- 2) Energy Management
- 3) Revenue Step Change (including zero tolerance)
- 4) Clean Audit
- 5) Asset Management
- 6) Public Lighting

The six key focus areas were identified to arrive at key performance indicators for City Power. Key focus areas describe specific areas of focus to address various challenges faced by City Power. The objectives and achievements of each key focus area are listed in the table below. Highlights include a marked improvement of 7.4% in metering reading performance for the year under review.

Symbol	Definition	Symbol	Definition	Symbol	Definition
	On track to be completed by proposed completion date		Behind schedule, but will catch up to reach proposed completion date		Behind schedule

Key Focus Area	Objectives	Proposed Completion date	Status	Achievements for the 2011/12 Financial Year
Review Business Model	To re-align business operating model to better enable delivery of strategy.	31 December 2012		<ul style="list-style-type: none"> <li>As-is analysis including strategy map and operating model development</li> <li>Strategy map critique</li> <li>Mapping of key driving forces</li> <li>Development of strategic options/continuums</li> <li>Definition of organisation design philosophy</li> <li>Development of high level value chain, structure and business model</li> <li>Alignment with GDS and sustainability documents</li> <li>Development of energy environment deck</li> <li>Facilitation of ideation workshop</li> </ul>
Energy Management	To define revenue and energy management strategy	31 December 2012		<ul style="list-style-type: none"> <li>Development of value driver model to inform strategic choices: allows quantification of financial impact of strategic choices, ranking of critical success factors, generates revenue statistics for planned intervention business cases</li> <li>Progress has been made on producing a single project charter for RSC, zero tolerance and Energy Management</li> </ul>
Revenue Step Change (RSC): including zero tolerance	<p>Improve meter reading performance</p> <p>Ensure accurate billing on large power users</p> <p>Management of the agency agreement</p> <p>Roll out pre-paid metering in line with strategy</p>	30 June 2015		<ul style="list-style-type: none"> <li>Interactions with contractors to understand exceptions, managed through a detailed daily reconciliation between CoJ and CP records.</li> <li>Daily CoJ reporting with regards to metering reading performance shows marked improvement (7.46% June 2012 compared with May 2012, same portions).</li> <li>Improvement in trend to bring on-line 100% of LPU/AMR meters. Since the project started in early May 2012 a further 1,315 meters have been brought on-line (as at end of June 2012), total of 7, 304 LPU/AMR.</li> <li>Improving our access to and read rate of the inaccessible meter population in June 2012. The contractor has been issued with knock &amp; drop leaflets, a full communications plan has been aligned and a customer call centre established to handle individual customer queries;</li> <li>Visits are being made as per the schedule for addressing and reducing the total number of faulty meters</li> <li>Total number of job cards supplied to CoJ has been increased.</li> <li>Pre-paid sales daily statistics are being produced, by area.</li> </ul>
Clean Audit	Put in place a process to achieve and maintain an unqualified audit	31 August 2012		<p>The process to achieve an unqualified audit report is centred on the completeness and accuracy of meter readings. The following initiatives has been implemented to address this:</p> <ul style="list-style-type: none"> <li>Physical verification of City Power customer population</li> <li>Reconciliation of meter readings obtained and used for billing purposes</li> <li>Reading of all unread meters during June 2012</li> </ul>

## City Power 2011/12 Annual Report




Key Focus Area	Objectives	Proposed Completion date	Status	Achievements for the 2011/12 Financial Year
				<ul style="list-style-type: none"> <li>Updating of SAP with changed meters relating to prepaid and AMR</li> <li>Continuous removal of illegal connections (2149 removed in 4<sup>th</sup> quarter)</li> </ul>
Asset Management	Develop techniques and processes for creating, maintaining & accounting of assets.	On-going		<ul style="list-style-type: none"> <li>High level assessment into City Power's ISO 55000 readiness was conducted.</li> <li>Fault reporting system completed</li> <li>Network performance analysis pilot project completed</li> </ul>
Public Lighting	To quantify PL costs and find innovative means to manage PL.	On-going		<ul style="list-style-type: none"> <li>Good Maintenance of street lighting on main roads/ routes and secondary roads</li> <li>YTD figure for public lighting maintenance stands at 96%</li> </ul>
Human Capital Investment	Ensuring that the right people with the right skills are in the right positions to deliver strategy.	On-going		<ul style="list-style-type: none"> <li>Organisational design policy drafted</li> <li>Competency based interviewing currently being utilized</li> <li>Sourcing of psychometric assessment tools in progress</li> <li>Competency dictionary developed</li> <li>On-boarding process has been enhanced for all new appointees</li> </ul>

Table 8 City Power's 6 key focus areas and achievements for the 2011/12 financial year

## Growth and Development Strategy (GDS) and City Power's Strategic Agenda Alignment

The CoJ has a Growth and Development Strategy (GDS), which is translated into its integrated development plan (IDP). City Power influences the GDS's many sectors and principles, but most of the company's influence resides in the infrastructure and services sector. The five-year plan for the infrastructure and services sector is to achieve:

*"A city with a backbone of efficient and well-maintained service infrastructure, extended to all, so that all citizens and stakeholders can access an expanding package of innovative, safe, reliable and affordable services."*

### Actual performance against target – City Power's contribution to infrastructure and services sector

During the year under review, City Power has reported a number of successes against target in the areas of basic services delivery, quality of services and reducing electricity losses. The table below details City Power's target and actual performance over the past three years as part of its contribution to the sector plan.

5 year target	Delivery Agenda/ Plan for 2011/12	Actual Performance	Actual Performance	Actual Performance
		2011/12	2010 / 2011	2009 / 2010
<b>COMPLIANCE WITH BASIC SERVICES DELIVERY PROGRAMME</b>				
95 % electrification	100 % of targeted areas through formalization programme: 5,000 new electrifications	5,610 new electrifications	4,369 houses were electrified.	6,901 houses were electrified.
	4,000 public lights to be installed in priority areas	5,126 public lights installed in priority areas	4,057 public lights installed in priority areas	5,161 public lights installed in priority areas
<b>INFRASTRUCTURE UPGRADE AND MAINTENANCE</b>				
Design and implement long-term asset management strategy and plan	Continue to implement infrastructure refurbishment programme 2011 planned / unplanned maintenance target – '70/30'	Planned/ unplanned ratio= 62:38	Planned/ unplanned ratio= 59:41	Planned/ unplanned ratio= 45:55
<b>IMPROVE QUALITY OF SERVICES</b>				
Reduce outages by 50%	'Identify and prioritise obsolete equipment and systems for replacement in current year'	Relays in 30 equipment bays	Completed electricity network maintenance strategy and plan	Research and development stage of the network maintenance strategy and plan
	Reduce network related outages			
	HV outages NPR: 75 MV outages NPR: 850	HV outages NPR: 68 MV Outages NPR: 941	HV outages NPR: 128 MV Outages NPR: 1,150	HV outages NPR 76 MV outages NPR: 891
	Set a baseline for:			
	CAIDI: 256	368.67	366.44	258.58
	CAIFI : 1.07	0.08	1.12	1.09
	SAIDI: 9.7	18.96	11.65	9.73
SAIFI: 0.03	3.08	0.03	0.04	

## City Power 2011/12 Annual Report

IMPLEMENT DEMAND SIDE MANAGEMENT INTERVENTIONS				
DSM	Reduce electricity consumption by 7MW: Remote management and monitoring of street lights	YTD savings of 1.2mW	949 W	1143 W
	Continue to roll out Energy Efficient lights	24,522 energy efficient lights installed achieving an energy saving of 1.2 MWH	17,168 energy efficient lights were replaced thus achieving an energy reduction of approximately 949W	Total of 20,674 florescent lights were replaced thus achieving an energy reduction of approximately 1143W
	Implement Solar Water Heating project	The procurement process has been concluded and service providers have been appointed, and the project is earmarked to start in July 2012.	A business case, financial modelling and a bid process has commenced, however, financial process has not been finalized due to financial constraints	This is a long term project which is still being investigated and planned
	Installation of prepayment meters: 40,000 planned for the year	Total of 23,178 meters installed	Total of 8,616 prepayment meters installed.	Total of 3,001 prepayment meters installed.
REDUCE UNACCOUNTED FOR AND NON-REVENUE ELECTRICITY LOSSES				
Reduce electricity losses	Continue with a program to stop illegal connections	3,584 illegal connections removed	Continuously working with JMPD and SAPS to remove illegal connections –total of 4,077 were removed	Total of 7,537 illegal connection removed with the assistance of SAPS and JMPD
	Installation of smart meters	Evaluations are being finalized	No smart meters installed.	Total of 7,469 smart meters installed
	Roll-out of protective structures	No protective structures audited in this period. City Power is currently busy with the procurement process	No protective structures installed.	No protective structures installed.
	Reduce losses: 12.05% planned for the year	17.21% Total losses	19.29% Total losses	11.75% Total losses
		Technical 9%	Technical 9%	Technical 9%
		Non -Technical 8.21%	Non -Technical 10.29%	Non -Technical 2.75%
Continue with a program of auditing meters as part of a bigger strategy to reduce losses	6, 089 meters audited 4,375 actioned tip offs and summons issued	7,537 illegal connection removed	48,693 illegal connections removed	

Table 9 City Power's performance against target for the past 3 financial years

## City Power 2011/12 Annual Report

### Leadership Overview



**CITY OF JOHANNESBURG**  
**Councilor Matshidiso Mfikoe**  
MMC: EISD

#### **Foreword by Member of the Mayoral Committee for Environment and Infrastructure Services Department**

The City of Johannesburg continues to strive towards realising its vision of becoming a world class African City. A key aspect of this goal is the provision of reliable electricity and responding to the challenges of climate change and variability.



City Power was established in 2001 according to the principles of the Egoli 2002 Plan. During the year under review the City of Johannesburg developed the Growth and Development Strategy (GDS 2040) which is its long-term plan to ensure sustainable delivery of service, deal with social and economic development, involve residents in local government and promote a safe and healthy environment.

A key aspect of the GDS 2040 is that the City of Joburg wants to provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure that is supportive of a low carbon economy. The City is changing course in an important way by reframing economic and human development within the context of sustainability. It is pleasing to report that City Power has delivered on a number of important strategic areas and that City Power has aligned itself to the goals of the City of Johannesburg.

Highlights for the year under review include a marked improvement in metering reading performance and improved access to the previously inaccessible meter population. It is gratifying to note that not only did City Power exceed the set target for installation of public lights (5,126 installed against a target of 4,000) but also that the maintenance of public lighting improved significantly for the year under review with the introduction of proactive maintenance in identified areas. The need for a robust strategy to address challenges in the areas of customer relations and billing continues to be a focus. In a particularly pleasing development, the aforementioned survey has showed that resident satisfaction in the area of billing has increased. However, there is still much work to be done in this regard.

Subsequent to the financial year end, the Gauteng City Region Observatory conducted a survey on Quality of Life in the Gauteng City Region 2011 which confirms increased access to basic services, leading to improvement in the quality of life for residents. I wish to take this opportunity to recognise the efforts and commitment of the City Power Board and Management. By continuing to work together, we will be able to achieve our goal of a world class African City in Johannesburg.

## City Power 2011/12 Annual Report

### Foreword by Chairperson of the Board of City Power Rev. Frank Chikane



I am pleased to present an annual report which shows the ongoing efforts of City Power to align itself to the strategic priorities of the City of Johannesburg, our shareholder. As a result, City Power has been able to contribute to achieving the some of the integrated development plan targets for the period.

The biggest proportion of City Power's customers is the category of prepayment customers and indications are that more and more consumers are seeing the benefits of the prepayment model. This not only helps customers to reduce costs but also assists in reducing energy consumption and thus helps reduce emissions, in line with a low carbon economy.

During the year under review, capital expenditure has been utilised to stabilise the network, reduce outages, address backlogs and improve revenue collection City Power has again attained a qualified audit opinion for the current financial year mainly due to revenue that was based on estimates for extended periods. The board has raised its concern over management's inability to stabilise the revenue control environment. We have taken note of management's action plans and the process improvements to date and will continue to monitor the progress until the matters are resolved. The board supports management in its efforts to resolve the qualification and have confidence in their action plans.

Having joined City Power in April 2012 I would like to commend the previous board for their commitment to moving City Power to this point. City Power boasts a board of directors with a range of valuable qualifications and skills and we are fortunate to have enjoyed a committed and relatively stable board and management team this year. I extend my thanks to them for their leadership and efforts to guide City Power towards achieving its goals.

Subsequent to the end of the financial year the board appointed Mr Sicelo Xulu as the MD of City Power effective 1 September 2012. This will further stabilise the organisation and ensure continued performance improvement.

## City Power 2011/12 Annual Report

### Foreword by the Managing Director of City Power Mr. Sicelo Xulu



The year has been characterised by steady progress on the strategic priorities of City Power. The financial performance was mixed, partly as a result of the dichotomy of needing to reduce electricity consumption in the country, which has the effect of reducing revenue. Certainly, City Power has achieved and exceeded its goals in terms of the Growth and Development Strategy and Key Performance Areas as aligned to the goals of the City of Johannesburg.

City Power forms part of the sustainable infrastructure cluster. The five-year plan for the infrastructure and services cluster is to achieve a city with a backbone of efficient and well-maintained service infrastructure, extended to all, so that all citizens and stakeholders can access an expanding package of innovative, safe, reliable and affordable services.

During the year under review, City Power reported a number of successes against target in the areas of basic services delivery, quality of services, installation and maintenance of streetlights and reducing electricity losses. A number of programmes and initiatives have been initiated and are gathering momentum. In line with City Power's strategic decision to spend most of its Opex and Capex to strengthen and expand its High Voltage (HV) network, the organisation has significantly reduced HV outages, though there is a need for greater improvement on medium and low voltage performance. Network performance-related outages at the HV level have improved year on year. A comprehensive analysis of network performance was initiated during the year under review and a general improvement in restoration times has been achieved, which should help to mitigate negative customer service delivery perceptions.

A pleasing highlight is that no employee fatalities occurred during the financial year. However, four public fatalities were reported and City Power continues to institute community awareness campaigns to inform and educate the public on the potential dangers of electricity with a view to further limiting fatalities in future. The Revenue Step Change (RSC) Programme has been introduced to provide solutions to challenges faced by the City in terms of revenue, billing and cash collection. The main objectives of the RSC are to improve meter reading performance, ensure accurate billing on large power users, manage the agency agreement and roll out pre-paid metering in line with the City's strategy.

The Auditor General has issued a qualified audit opinion on the annual financial statements presented in this report and has detailed the areas which led to this qualification. The Audit Committee and the board of City Power have noted the findings. They acknowledge that the findings relate to historical billing challenges, but also raised concern over management's difficulty in stabilising the revenue control environment. A number of controls and procedures have been implemented over the past 6 months. We are confident that the results of these initiatives will begin to reflect in the new financial year as we begin to register improvements on the material problems identified by the Auditor General.

I am honoured to serve with a board and management team at City Power which embraces the goals of the organisation and City of Johannesburg. I express my appreciation to them and each staff member for their commitment. In so doing, I also acknowledge the pivotal role they play in City Power's success.

## City Power 2011/12 Annual Report

### Qualifications and Skills

#### **Board Members**

City Power boasts a board of directors with a range of valuable qualifications and skills.

There were a number of changes to the board during the financial year under review. An annual general meeting was held on 24 April 2012 at which six non-executive directors were retired, three were retained and seven new non-executive members appointed. Two of these newly appointed non-executive directors were appointed to the audit & risk committee. The three independent audit & risk committee members were retained. An additional non-executive director was appointed by the Mayoral Committee with effect from 11 May 2012. The movements are captured in the table below.

Included in the table below is the qualification and skills matrix information of City Power's audit & risk committee, which comprises members who are financially literate and possess diverse relevant skills.

From 24<sup>th</sup> April onwards, no meetings were held by the remaining sub-committees (HR & remuneration committee, pricing & regulatory committee, SCM & oversight committee) nor were any members nominated to serve on these committees as a process of reviewing the roles and responsibilities of the sub-committees was embarked on, with a view to retain, or establish new committees.

RETIRED BOARD OF DIRECTORS							
Name	Designation	Race	Gender	Appointment Date	Retirement Date	Qualifications	Skills
Ms. K Simelane	Board chairperson Member HR Sub-Committee Member SCM Sub-Committee	Black	Female	2001/07/01	2012/04/24	BA social work & psychology HDPM M Phil EDP Board leadership	Human behaviour Strategic planning Coaching Management Facilitation Business administration
Ms D Dondur	Non-executive director Member board Chairperson audit and risk sub-committee Member HR sub-committee	White	Female	2008/09/01	2012/04/24	MBA Bachelor of accounting CA (SA) B Compt Hons Certificate in theory of accounting Hons in business administration Certificate in labour relations EDP certificate in advanced HR	Business administration Finance Accounting Auditing HR
Adv K Garlipp	Non-executive director Chairperson scm sub-committee Member pricing and regulatory sub-committee	White	Male	2006/08/10	2012/04/24	M.Sc engineering (water utilization) B.Sc engineering (civil) LLM LLB AEP: advanced executive program Professional engineer Admitted advocate of the high court Certificate in contract management	Law Civil engineering Management Finance Business acumen
Mr B Hawksworth	Non- executive director Member board Member audit and risk sub-committee	White	Male	2009/01/01	2011/09/20	CA (SA)	Accounting
Ms J Kumbirai	Non-executive director Member board Chairperson pricing and regulatory sub-committee Member HR sub-committee	Black	Female	2005/06/30	2012/04/24	MBA Certified internal auditor (CIA) GIBS executive leadership programme Bachelor of accountancy (Hons)	Accounting Auditing Finance

## City Power 2011/12 Annual Report

RETIRED BOARD OF DIRECTORS							
Name	Designation	Race	Gender	Appointment Date	Retirement Date	Qualifications	Skills
Prof T Marwala	Non-executive director Member board Member pricing and regulatory sub-committee Member SCM sub-committee	Black	Male	2005/01/31	2012/04/24	Post doctorate in information technology PhDcomputational intelligence in engineering systems Masters of engineering in mechanical engineering BSc mechanical engineering Technical analysis & fund management SAIM programme-business management governance, Risk and Ethics (business media in education initiative)	Electrical engineering Technology development
Mr H Mateya	Non-executive director Member board Chairperson HR sub-committee Member audit and risk sub-committee (appt 20 Sept 2011) Member pricing and regulatory sub-committee	Black	Male	2007/02/01	2012/04/24	MBA LLB Higher diploma in corporate law B.com Snr executive program at Harvard	Business administration Finance Strategic management Law

Table 10 Retired Board qualifications and skills matrix

## City Power 2011/12 Annual Report

CURRENT BOARD OF DIRECTORS						
Name	Designation	Race	Gender	Appointment Date	Qualifications	Skills
Rev F Chikane	Board chairperson	Black	Male	2012/04/24	M Public administration MA Theology Senior managers in government program Corporate governance training course Diploma in theology	Human behaviour Counselling Strategic planning Leadership coaching and mentoring Management Facilitation Administration
Adv. G Badela	Non-executive director Member board Member HR sub-committee Member SCM sub-committee	Black	Male	2007/01/03	MBA LLB MSc electro-mechanical engineering MSc packaging technology MSc engineering management Admitted advocate of the high court	Engineering Law Contract management Project Management Business administration
Mr. N Galawe	Non-executive director Member board	Black	Male	2012/04/24	B Tech extractive metallurgy	Plant design & commissioning Project management Business leadership Entrepreneurship
Ms. Z Hlatshwayo	Non-executive director Member board	Black	Female	2012/05/11	Management advancement program MSc in social policy & planning in developing countries BA (Humanities) Postgraduate diploma in education	Strategy Policy planning and analysis Advocacy General management
Mr. N Hlubi	Non-executive director Member board Member audit & risk sub-committee	Black	Male	2012/04/24	Management advancement program CFP (financial planning) Certificate in compliance management MBA (3 <sup>rd</sup> year)	Business administration Law Finance Compliance & management Audit & risk management
Mr. B Mofokeng	Non-executive director Member board Member audit & risk sub-committee	Black	Male	2012/04/24	B Juris LLM (company tax) LLB H Dip Tax Senior management program Finance for non-financial managers Executive management program	Tax advisory management Legal practice Litigation

## City Power 2011/12 Annual Report

CURRENT BOARD OF DIRECTORS						
Name	Designation	Race	Gender	Appointment Date	Qualifications	Skills
Ms. N Mohlala	Non-executive director Member board	Black	Female	2012/04/24	Postgraduate diploma in management Diploma in municipality management Management development program Licensed Accountant Certificate – IAC- Accountant Technician	Accounting & Finance HR Management Training & Personnel Development Community work Strategy Project management Operational management Marketing
Dr. M Motebang	Non-executive director Member board	Black	Female	2012/04/24	BA development studies and political science D Phil development studies	Strategic planning Coaching Management Facilitation Reporting Leadership
Dr. Y Ndema	Non-executive director Member board Member pricing and regulatory sub-committee Member SCM sub-committee	Black	Female	2008/01/09	PhD (Public law) B Proc (Law) LLM (Tax law) LLB Certificates in advanced corporate law & securities law, compliance management, legal writing	Law Compliance Corporate governance
Mr. T Sithole	Non-executive director Member board	Black	Male	2012/04/24	MBA BSc electrical engineering Project management Strategic management	Business leadership Engineering design Project management Power/Electrical engineering Energy management Project finance asset management ISO system compliance
Mr. S Xulu	(Acting) Managing director Member HR sub-committee Member pricing and regulatory sub-committee	Black	Male	2010/01/11	B Tech electrical engineering ND electrical engineering BSc Hons Executive development program	Capital planning and designs Engineering Management Project management

Table 11 Current board qualifications and skills matrix

## City Power 2011/12 Annual Report

Name	Designation	Race	Gender	Appointment Date	Qualifications	Skills
Mr. H Moolla	Independent audit committee member	Indian	Male	2007/01/02	B Com (accounting and business economics) Postgraduate Diploma in accounting CA (SA)	Finance
Mr. W Hattingh	Independent audit committee member	White	Male	2008/01/09	MBA M Com (specializing in performance audits) B Com (Hons) ND. management services	Finance
Ms. L Fosu	Independent audit committee member	Black	Female	2010/01/26	B Com (Accounting) Postgraduate diploma in management (financial accounting) B Acc (Hons) CA (SA)	Finance Accounting Auditing

Table 12 Independent audit committee members qualifications and skills matrix

## Qualifications and skills of City Power management<sup>1</sup>

The table below details the qualifications and contact details of the top management team at City Power at 30 June 2012.

Name	Position	Level/ band	Qualifications	Supervisor/ Report to	Contact Detail	Change from prior year (Y/N)
Mr. S Xulu	Acting Managing Director	Executive	*BSc (Hon's) (specialization Applied Science: Electrotechnics) * B-Tech: Electrical Engineering (heavy current) *Nat. Dip.: Electrical Engineering (heavy current)	Board and City Manager	011 490 7320	N
Mr. D Kanfer	Acting Director: Finance (seconded)	Executive	CA (SA)	Managing Director	011 490 7667	Y
Ms. S Mafora	Director: Corporate Services	Executive	*BA (Social Sciences) *MBA	Managing Director	011 490 7390	N
Mr. T Nkgoedi	Acting Director: Retail Services	Executive	*B.Com Accounting *Management Development Programme (MDP) *Executive Development Program (EDP)	Managing Director	011 490 7066	Y
Mr. N Msomi	Acting Director: Engineering Services	Executive	*MSc in International Economics, Organisational & Strategic Systems *Advanced International Strategy & Project Management Technology * Leadership Programme Certificate * BSc Electrical Engineering (H/C) * Diploma in Electrical Engineering (H/C)	Managing Director	011 490 7531	N
Mr. L Pieterse	Director: Engineering Operations	Executive	*NHD Electrical Engineering *Exec. Dev. Programme	Managing Director	011 490 7033	N
Mr. M Smith	Company Secretary	Executive	*B.Proc * LLB	Board and Managing Director	011 490 7170	N
Mr. A Lishivha	GM: Legal Services	Managerial	*LLB	Managing Director	011 490 7175	N
Mr. S Masolo	GM: Public Relations and Communications	Managerial	*BA * BA Hons *SED *Certificate in Journalism *Certificate in Radio Journalism	Managing Director	011 490 7600	N

<sup>1</sup>For detailed movements of the management team in the 2011/12 financial year please refer to section: Organisation Structure as at 30 June 2012

## City Power 2011/12 Annual Report

Name	Position	Level/ band	Qualifications	Supervisor/ Report to	Contact Detail	Change from prior year (Y/N)
Ms. N Mbewu	GM: Business Planning and Strategy	Managerial	*MBA * N. Dip HR *B Ed (Hons) * B Paed * Member of the IoDSA.	Managing Director	011 490 7551	N
Mr. V Singonzo	Acting GM: Internal Audit	Managerial	*Bachelor OfAccounting Science (B Compt) * National Diploma Cost Accounting * General Internal Auditor (GIA)	Managing Director	011 490 7384	N
Mr. J Tefu	GM: SHEQ	Managerial	*BTech in Safety Management *National Diploma in Safety Management	Managing Director	011 490 7131	N
Ms. T Truter	GM: Security Management	Managerial	*B Com in Security Risk Management	Managing Director	011 490 7648	N
Mr. T Zwakala	Acting GM: Information Systems	Managerial	*H Dip IT (IT Auditing) *Certification in Information Management Security)	Managing Director	011 490 7722	Y

Table 13 Top Management Team

## City Power 2011/12 Annual Report

### Performance Review

City Power operates in a fairly complex & challenging environment with competing stakeholder expectations, priorities and various operational challenges. Below are some of the organisation's major highlights, achievements and challenges for financial year under review.

#### Achievements

The company has reported mixed performance in the 2011/12 financial year. A number of programs and initiatives have been initiated and are gathering momentum. In line with City Power's strategic decision to spend most of its Opex and Capex to strengthen and expand its HV network, the organisation has significantly reduced HV outages by using condition monitoring and live-line technology. In contrast, there is a need for greater improvement on MV and LV performance.

A selection of the highlights, achievements and interventions for the 2011/12 financial year is listed below:

- City Power achieved a surplus of R1.4 billion, significantly exceeding the budget of R359.1 million
- A fully Certified ISO accreditation was retained within the three ISO Standard requirements:
  - ISO 14001:2004 (Environment Management System)
  - ISO 9001:2008 (Quality Management System)
  - OHSAS 18001:2007 (Health and Safety)
- There has been a general improvement in employee safety standards. DIFR for the year is 0.51 which is significantly below the international benchmark of less than 1.
- The entrance ramp in the A-Block building to accommodate disabled employees was completed and formally opened on 28 November 2011. This forms part of reasonable accommodation as defined in the Employment Equity Act 55 of 1998.
- The company has also exceeded its target and the national guidelines of 2% disability representation and has achieved 2.89%.
- City Power has a B-BBEE policy which is compliant with the Broad-Based Black Economic Empowerment Act no 53. Of 2003 and has achieved level 3 B-BBEE status.
- Network performance-related outages at the High Voltage level have improved year on year. The reported level for the year is below target (68 compared to a target of 75).
- The maintenance of street lighting has picked up momentum, resulting in an overall improvement in street lighting maintenance performance.
- City Power has achieved a year to date figure of 5,610 new electrifications against a set target of 5,000.
- City Power spent the total controllable portion of the 2011/12 Capex by 31 May 2012.
- City Power been awarded a number of accolades this year:
  - A green award by The Chartered Institute of Logistics and Transport of South Africa in recognition of all green initiatives (environmental awareness), waste management processes and climate change mitigation measures instituted by City Power.

## City Power 2011/12 Annual Report

- The Best Technical Paper Award at the AMEU technical conference for live-line transmission upgrade projects
- The Assegai Award in recognition of its innovative SMS communication system with customers.
- A comprehensive analysis of network performance was initiated during the year under review, which is expected to aid the prioritization of resource allocation for network maintenance.
- A general improvement in restoration times has been achieved throughout the year, which should help to mitigate negative customer service delivery perceptions.

### **Revenue Step Change**

The Revenue Step Change (RSC) Program has been introduced to provide solutions to the City's challenges in terms of revenue, billing and cash collection. The main objectives of the RSC are to improve meter reading performance, ensure accurate billing on large power users, manage the agency agreement and roll out pre-paid metering in line with CoJ's strategy.

RSC performance over the period has been good, with positive trends reported specifically in the areas of increasing the number of actual meter reads, manual LPU and LPU/AMR, job cards and more recently inaccessible meters. Significant work on the RSC program remains.

### **Challenges**

Two major challenges have been identified for the financial year which will have an impact on City Power's ability to attain an unqualified audit: public fatalities and losses for the year. City Power has put mitigation measures in place to overcome these challenges.

Despite the improvement of employee safety standards, public safety remains a challenge. In response to the four public fatalities reported during the year under review and in order to remain socially responsible, community awareness campaigns are being implemented to educate the community on the potential dangers of electricity.

Reported losses for the year under review are 17.21%, comprising technical and non-technical losses. Non-technical losses are mainly caused by incomplete meter reading, billing inaccuracies and illegal connections. Initiatives to reduce losses are being implemented through the Revenue Step Change and Zero Tolerance projects. Specific steps taken include:

- The installation of STATS meters to deliver improvements in energy balancing through evidencing units bought and sold;
- Implementing interventions to improve the number of accurate meter-readings;
- Achieving significant progress in terminating service of identified illegal connections during May and June 2012.
- City Power is working closely with the City's R&CRM department to improve management of billing issues.

City Power recognizes the impact of the challenges identified and is committed to striving for continuous business performance improvement with a view to meeting and exceeding the expectations of all its stakeholders.

## City Power 2011/12 Annual Report

### Financial Overview

Key financial indicators	2011/12	2010/11	2009/10
	R'000	R'000	R'000
Total assets	12,339,347	11,554,129	8,791,780
Total equity	5,344,398	3,930,772	3,071,706
Total equity and liabilities	12,339,347	11,554,129	8,791,780
Short-term loan to shareholder	1,190,591	1,786,482	1,242,378
Bank balances	30	20	20
Capital expenditure	(702,663)	(1,089,833)	(813,306)
Municipal infrastructure grants (MIG)	45,000	54,516	45,410
Revenue	12,088,478	9,786,301	7,235,256
Grant and subsidies	186,441	202,315	325,838
Direct cost	(7,647,830)	(5,984,046)	(4,416,241)
Employee costs	(696,754)	(663,772)	(625,930)
Finance income	199,501	143,711	128,566
Finance costs	(388,482)	(400,187)	(393,714)
Surplus before tax	1,838,197	1,119,898	953,034
Income tax expense – deferred	(424,571)	(260,832)	(235,393)
Surplus for the year	1,413,626	859,066	717,641
Net cash from operating activities	204,558	1,837,304	1,568,445
Net cash used in investing activities	(788,910)	(1,270,662)	(1,056,400)
Net cash from financing activities	584,362	(566,642)	(512,045)
Financial ratios	2011/12	2010/11	2009/10
	R'000	R'000	R'000
Liquidity	1.80:1	1.22:1	1.2:1
Solvency	1.75:1	1.21:1	1.18:1
Total operating expenditure/revenue	23.73%	29.63%	32.11%
Interest coverage	5.73	3.80	3.42

Table 14 Key financial indicators

### Human Resources Overview

	2011/12	2010/11	2009/10
Number of Employees	1,643	1670	1,697
Employment equity %	88.9%	88%	73.98%
Gender equity %	21%	20.42%	18.85%
% of People with disabilities	2.92	2.88	0.01
Training cost ('000)	3,019	3,905	2,554
Black economic empowerment %	80%	81%	78.15%

Table 15 Key HR indicators

## Performance against Integrated Development Plan and City Power Balanced Scorecard

Within the strategy map, value propositions are linked to key balanced scorecard perspectives. This section outlines these value propositions, key performance areas, indicators and actual performance for the financial year 2011/12 from financial, customer, internal and learning and growth perspectives.

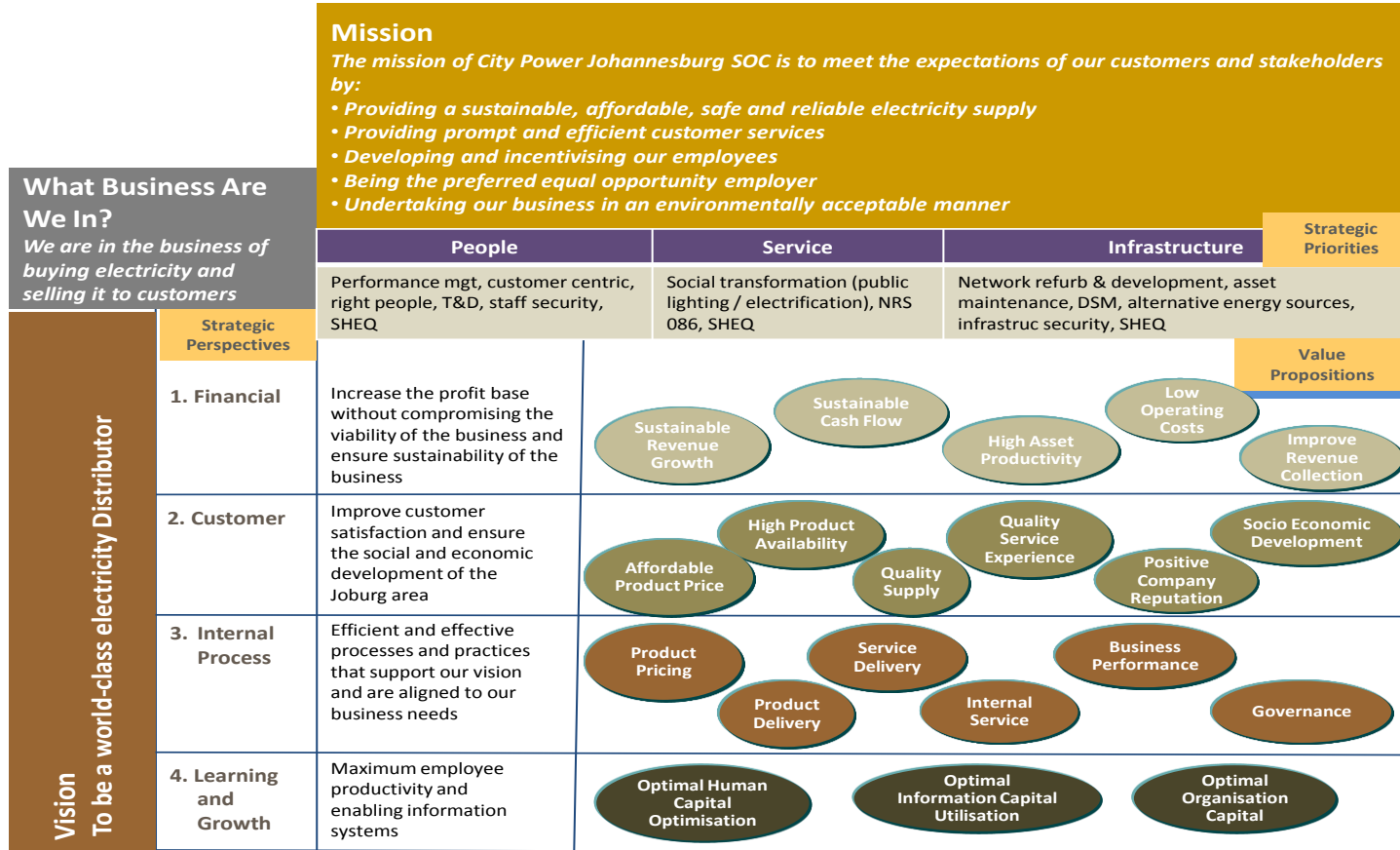


Figure9 City Power's strategy map for 2011/12

## City Power 2011/12 Annual Report

### Financial Perspective

From a financial perspective, City Power reported mixed performance for the year under review, which is detailed in the table below. Performance that met or exceeded target is highlighted green and below target performance is highlighted in red.

Whilst the organisation exceeded its target on net profit and payment levels, it did not attain its target on losses which have increased. Initiatives to reduce losses are being implemented, including the following mitigating:

- The installation of STATS meters to deliver improvements in energy balancing through evidencing units bought and sold
- Implementing interventions to improve the number of accurate meter-readings;
- Achieving significant progress in terminating service of identified illegal connections during May and June 2012.
- City Power is working closely with R&CRM to improve management of billing issues

Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
Sustainable Revenue Growth/ Low Operating Costs	Effective Financial Management	Net Profit	R'000	<b>399,526</b>	359,087	<b>1,410,956</b>
Sustainable Revenue Growth/ Low Operating Costs	Effective Financial Management	Gross Margin	%	<b>37.40</b>	32.31	<b>39.76</b>
Sustainable Revenue Growth/ Low Operating Costs	Revenue Improvement	Total Losses	%	<b>19.29</b>	12.05	<b>17.21</b>
Sustainable Revenue Growth/ Low Operating Costs	Revenue Improvement	Technical Losses	%	<b>9.00</b>	9.00	<b>9.00</b>
Sustainable Revenue Growth/ Low Operating Costs	Revenue Improvement	Non - Technical Losses	%	<b>10.29</b>	3.05	<b>8.21</b>
Sustainable Cash Flow	Effective Financial Management	Net Cash Flow Position	R'000	<b>1,786,502</b>	2,259,710	<b>1,190,621</b>
Improve Revenue Collection	Revenue Improvement	Payment Levels – All Customers	%	<b>86.27</b>	92.00	<b>92.37</b>

Table 16 Financial perspective- key performance indicators

# City Power 2011/12 Annual Report

## Customer Perspective

From a customer perspective, City Power is pleased that the strategic decisions taken are having a positive effect. Performance from the perspective of customers is detailed in the table below. Performance that met or exceeded target is highlighted green and below target performance is highlighted in red.

City Power took a strategic decision to spend most of its Opex and Capex to strengthen and expand its HV network, resulting in a significant reduction of HV outages by using condition monitoring and live-line technology. In contrast, there is a need for more improvement on MV and LV performance. Most of these outages were due to equipment failure and to a lesser degree, protection malfunction and overloading.

The Customer Satisfaction Index, which provides the data included in this table to measure customer satisfaction, is a survey for consolidated CoJ electricity customers and is therefore not specific to City Power. City Power is investigating the possibility of commissioning its own survey that will be designed to effectively measure customer satisfaction of City Power services.

City Power is moving towards using CAIDI, CAIFI, SAIDI and SAIFI to measure customer and system interruption. These KPI's have been monitored and measured over the last three years to create a company baseline for benchmarking against other distributors. As the accuracy of LV connectivity data improves, a more realistic target will be set, which is likely to improve performance. The SAIDI, SAIFI and CAIDI performance is adversely impacted by theft and vandalism, damage by external parties, traffic congestion and a largely underground system.

Faults restoration within a specified time frame as a percentage of total number of faults reported is specified in the service quality system NRS047 as a KPI with which City Power needs to comply. During the year under review, City Power attained three of the four restoration time categories (3.5; 7.5 and 24 hours) - an improvement compared to the previous financial year. The times of the outage and traffic congestion within Johannesburg are factors which make the KPI of 1.5 hours difficult to attain.

In the area of fatalities, City Power has reported four public fatalities and no staff fatalities. The *Public Fatalities: Controllable* KPI refers to the number of public fatalities due to electricity related incidents caused by City Power. In an effort to maintain low controllable public fatalities, City Power conducts staff and contractor training. *Public Fatalities: Uncontrollable* KPI refers to the number of public fatalities that are mainly due to electrocution as a result of various factors such as customer negligence, tampering with electricity installations, attempted theft of infrastructure, etc. City

## City Power 2011/12 Annual Report

Power is conducting community awareness campaigns to ensure greater awareness within communities of the dangers of electricity.

The organisation has not attained its KPI on percentage reduction in electricity consumption due to a delay in the procurement process for solar water heaters, smart metering and energy efficiency lights. This delay has impacted on job opportunities created as per the Expanded Public Works Programme policy relating to temporary jobs. City Power has finalised all these processes and expects to attain this target going forward.

City Power has done well in attaining the KPI's on the number of new electrification customers and provision of new public lights in both formal areas and informal areas.

Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
High Product Availability	Power Outages NPR (Network Performance Related)	HV (High Voltage) Outages	Number	128	75	68
High Product Availability	Power Outages NPR (Network Performance Related)	MV (Medium Voltage) Outages	Number	1,150	850	943
Quality Service Experience	Customer satisfaction and responsiveness	Customer Satisfaction Index Consolidated Customers	%	65	75	65
Quality Service Experience/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	CAIDI	Minutes	366.44	256.00	368.67
Quality Service Experience/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	CAIFI	Number	1.12	1.07	0.08
Quality Service Experience/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	SAIDI	Hours	11.65	9.70	18.96
Quality Service Experience/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	SAIFI	Number	0.03	0.03	3.08
		Within 1.5 Hrs.	%	25.16	30.00	30.51

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Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
		Within 3.5 Hrs.		51.32	60.00	73.58
		Within 7.5 Hrs.		80.71	90.00	91.96
		Within 24 Hrs.		98.37	98.00	98.85
Positive Company Reputation	Health and Safety	Public Fatalities: Controllable	Number	1	0	1
Positive Company Reputation	Health and Safety	Public Fatalities: Uncontrollable	Number	2	0	3
Governance	Health and Safety	Employee job related fatalities	Number	0	0	0
Positive Company Reputation	Regulatory Compliance (NERSA NRS 047 (Quality of Service))	% Reduction in electricity consumption	%	4.3	3	-5.6
Socio Economic Development	Economic Development & Job Creation	Job opportunities created as per EPWP (Expanded Public Works Program) policy: Temporary jobs.	Number	3,284	3,000	2,333
Socio Economic Development	Households with at least basic services	Number of new electrification customers	Number	4,369	4,000	5,610
Socio Economic Development	Improve Public Lighting	Provision of new Public lights in the <u>formal Areas and Informal Areas</u>	Number	4,057	4,000	5,126

Table 17 Customer perspective- key performance indicators

# City Power 2011/12 Annual Report

## Internal Perspective

Performance from an internal perspective is detailed in the table below. Performance that met or exceeded target is highlighted green and below target performance is highlighted in red.

The maintenance of public lighting improved significantly with the introduction of proactive maintenance in identified areas. In contrast, despite an improvement brought about by condition-based monitoring, the planned: unplanned maintenance target for the year was not attained. NRS047 is a regulatory standard used for the monitoring of quality of service in the South African electricity industry. Meeting and reporting on these targets is imperative condition for maintaining City Power's license.

The following KPI's are managed by R&CRM as an agent for City Power:

- Total number of calls answered in 30 seconds as a percentage of calls received
- Number of customer complaints/queries resolved per total queries received through SAP Customer Relationship Management
- Average time taken for City Power to resolve referred queries that that require investigations (NRS 047)

City Power is working closely with R&CRM to attain performance improvement on these KPIs.

NRS048 is a regulatory standard used for the monitoring of quality of supply in the South African electricity industry. This standard acknowledges that quality of supply requirements varies between customer categories and per network type. City Power has attained these KPIs.

City Power has achieved three of the four KPIs that are information technology related. The organisation is reviewing its IT strategy to ensure improvement in system performance.

The company has instituted a plan to ensure the attainment of unqualified audit report.

City Power has achieved and exceed targets for BEE spend, engendered company spend and ISO management system compliance.

## City Power 2011/12 Annual Report

Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
Service Delivery	Improve Public Lighting	Maintenance of Public lights	%	92	85	98
Service Delivery/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	% planned: unplanned maintenance	Index	58:42	70:30	62:38
Service Delivery/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	Total number of calls answered in 30 seconds as a percentage of calls received	%	12.92	85	50.90
Service Delivery/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	Number of customer complaints/queries resolved per total queries received SAP CRM	%	20.21	95	98
Service Delivery/ Governance	Regulatory Compliance (NERSA) NRS 047 (Quality of Service)	Average time taken for City Power to resolve queries that are referred to them that require investigations	days	21.75	10	0
Service Delivery /Governance	Regulatory Compliance (NERSA) NRS 048 (Quality of Supply)	NRS 048 Compliance – Category 4 - Domestic	%	100	97	100
Service Delivery /Governance	Regulatory Compliance (NERSA) NRS 048 (Quality of Supply)	NRS 048 Compliance - Category 3 - Rural	%	100	97	97.5
Service Delivery /Governance	Regulatory Compliance (NERSA) NRS 048 (Quality of Supply)	NRS 048 Compliance - Category 2 - Industrial	%	100	97	100
Internal Service	Improve Information Technology Management	Information systems Network availability	%	98	97	94

## City Power 2011/12 Annual Report

Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
Internal Service	Improve Information Technology Management	Information systems Applications availability	%	<b>98.9</b>	97	98
Internal Service	Improve Information Technology Management	Data Recovery at PC level	%	<b>100</b>	100	100
Internal Service	Improve Information Technology Management	Data Recovery at Application (server) level	%	<b>100</b>	100	100
Business Performance	Effective Financial Management	Attainment of unqualified audit report	Index	<b>In progress</b>	Unqualified audit with matters of emphasis	Qualified audit report
Governance	BEE and Engendered Companies empowerment	BEE Spend (Opex plus Capex)	%	<b>80.55</b>	78	80
Governance	BEE and Engendered Companies empowerment	Engendered Company Spend	%	<b>28.35</b>	28	30
Governance	Environment	ISO Management System Compliance – SHEQ	Index	<b>Unqualified audit with two minor findings</b>	Unqualified Audit Report	Unqualified Audit Report

Table 18 Internal perspective- key performance indicators

# City Power 2011/12 Annual Report

## Learning and Growth Perspective

Performance from the perspective of learning and growth is detailed in the table below. Performance that met or exceeded target is highlighted green and below target performance is highlighted in red.

City Power has identified human capital investment as one of its Key Focus Areas (KFAs) which is contributing to ensuring that there are right people, with right skills in the right positions. Ultimately, this is expected to result in improvements on the following KPIs:

- Percentage of total grants received back from EW-Seta
- Total number of performance scores based on performance discussions submitted as a percentage of total staff complement
- Signed compacts in place as a percentage of total complement
- Number of voluntary scarce / critical skills separations as a percentage of total number of separations
- Loss time rate
- Individual absenteeism frequency rate

The EW-Seta grants received in the current financial year (ending 30/6/2012) relate to the skills development levies paid in the previous financial year (ending 30/6/2011). The scores are submitted in January and July will therefore be finalised in August 2012.

City Power has performed well in terms of the following KPIs:

- Disabling Injury Frequency Ratio (DIFR): on-going activities to prevent possible accidents as far as possible, such as continuing enhancement of management practices and development of a safety culture.
- Employment Equity (Affirmative Action): City Power exceed the EE target by more than 5% (achieving 79.23% against a target of 74%)
- Employment Equity (Gender Equity Ratio): the appointment of cleaners on 1 June 2012 had a positive effect on this ratio as most of the employees are females. Furthermore City Power has plans to appoint females in senior positions.
- Percentage of Employees with Disabilities: the Human Resources department embarked on road shows to clarify the definition of People with Disabilities in line with the Employment Equity Act No 55 of 1998.
- A number of tasks undertaken to comply with CoJ environmental management framework.

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- HIV/Aids workplace interventions were executed and achieved the stated results. An integrated wellness strategy was implemented, which incorporates programs such as wellness days, employee assistance programs, awareness campaigns and HIV/AIDS education and awareness.

Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
Optimal Human Capital Utilisation	Effective Human Resources Management	Percentage (%) of total grants received back from EW-Seta	%	20.2	55	74
Optimal Human Capital Utilisation	Effective Human Resources Management	Total number of performance scores based on performance discussions submitted as a percentage of total staff complement	%	80	80	95
Optimal Human Capital Utilisation	Effective Human Resources Management	Signed compacts in place as a percentage of total complement	%	80	80	95
Optimal Human Capital Utilisation	Effective Human Resources Management	Number of voluntary scarce / critical skills separations as a percentage (%) of total number of separations	%	36	52	47.1
Service Delivery	Effective Human Resources Management	<b>Loss time rate:</b> Number of all leave days taken excluding annual leave x 100 / Total work days	%	2.8	2.8	3.3
Service Delivery	Effective Human Resources Management	<b>Individual absenteeism frequency rate:</b> Number of absences / (Average number of employees x Annual Individual Working Days) x100	%	13.31	13.31	10.14
Service Delivery	Human Resources Development	Disabling Injury Frequency Ratio (DIFR)	Ratio	0.46	1	0.51
Governance	Human Resources Development	Employment Equity (Affirmative Action )	%	88.38	74	79.23
Governance	Human Resources Development	Employment Equity (Gender Equity Ratio)	%	20.42	25	20.91
Governance	Human Resources Development	% of People/ Employees with Disabilities	%	2.88	1.1	2.89

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Value Propositions	Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
					Target	Actual
Governance	Environment	Number of tasks undertaken to comply with CoJ environmental management framework	Number	6	6	6
Socio-economic Development	Health and Safety	HIV/Aids workplace interventions executed and achieved the stated results	Number of Projects	1 Program + 6 projects	7	9

Table 19 Learning & growth perspective -key performance indicators

## City Power 2011/12 Annual Report

### Stakeholder Requirement Reporting

The KPIs outlined in the table below are reported for monitoring purposes and not for performance measurement. For this reason, no value propositions are linked to each Key Performance Area. The KPI's are included as they could have an impact on turnover, direct costs, Opex and bad debts as it impacts on net profit. Likewise, they could impact Capex and its impact on BEE and engendered spend. Performance that met or exceeded target is highlighted green and below target performance is highlighted in red.

Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
				Target	Actual
Effective Financial Management	Direct Costs	C/kWh	<b>47.7</b>	56.32	58.47
Effective Financial Management	Turnover	R'000	<b>9,148,051</b>	11,082,031	10,908,871
Effective Financial Management	Opex	R'000	<b>2,900,071</b>	2,422,475	2,871,295
Effective Financial Management	Bad Debts contribution	R'000	<b>851,248</b>	520,150	705,499
Effective Financial Management	CAPEX: Controllable	R'000	<b>795,941</b>	500,450	500,325
Effective Financial Management	CAPEX: Non-Controllable	R'000	<b>293,892</b>	269,874	202,337
Effective Financial Management	Opex spent on maintenance programmes as a % of overall Opex budget	%	<b>9.9</b>	11.5	8.5
Effective Financial Management	Capex spent on network as a percentage of the overall Capex budget	%	<b>95</b>	92	92
Effective Financial Management	% of ME's capital budget spent	%	<b>100</b>	100	99.9
Effective Financial Management	% Variance against ME's operating budget	%	<b>310.6</b>	-	292.9

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Key Performance Area	Key Performance Indicator	Unit	Baseline	2011/12	
				Target	Actual
Effective Financial Management	Reconciliation of intercompany balances with the CoJ	%	<b>100</b>	100	100
Effective Financial Management	Reconciliation of intra company balances with other ME's	%	<b>100</b>	100	100
Effective Financial Management	Fully SA GRAP compliant register of assets	%	<b>100</b>	100	100
Households with at least basic services	Total Number of Customers	Number	<b>407,906</b>	407,906	423,386
Households with at least basic services	Number of active prepaid customers	Number	<b>216,019</b>	216,019	249,213
Households with at least basic services	Number of active billed / invoiced customers	Number	<b>191,887</b>	191,887	175,173
Households with at least basic services	Number of households receiving free basic electricity	Number	<b>28,010</b>	28,010	3,260
Households with at least basic services	Number of new prepaid conversions	Number	<b>8,616</b>	2,250	17,110

Table 20 Stakeholder requirements reporting- key performance indicators

## Analysis of Capital Expenditure

The original approved City Power Capital Budget for the 2011/12 financial year was R844 million. However the budget was revised to R771 million at mid-year as a result of the budget cuts on both the controllable and the non-controllable components of the budget. This approved revised budget includes loans to the value of R297 million, DSM funding to the value of R191 million, Engineering Services contribution of R12 million and grants and public contributions making up the remaining R271 million.

The year-end capital expenditure amounted to R702,7 million compared to the full year revised budget of R771 million. The reported figure this reflects under spending of R68 million as a result of the non-controllable component, which comprises of the grants funding, public contributions and insurance funding.

Project Detail (By Project)	Original Budget	Total Revised Budget for the year	Actual for FY	Full year variance
Electrification	50,952,000	48,948,483	50,668,567	-1,720,084
Service Connections	129,065,000	129,065,000	47,096,962	81,968,038
Township Reticulation	0	0	1,657,149	-1,657,149
Upgrading of Electrical Network	59,800,000	134,827,478	138,995,474	-4,167,996
Network Development	38,200,000	0	0	0
Building Alterations/ Construction	13,772,230	2,384,823	2,384,823	0
Office Equipment/Computers	2,015,549	2,284,213	2,284,213	0
Computer Software	7,211,617	0	0	0
Tools and Loose Gear	3,217,491	1,711,570	1,711,570	0
Plant and Machinery	27,082,477	48,896,787	48,642,266	254,521
Meters and Load Management	262,000,000	195,883,986	195,883,986	0
Protection	11,400,000	10,610,540	10,610,540	0
Scada	15,000,000	0	0	0
Furniture	700,636	395,720	395,720	0
Public Lighting	45,000,000	89,543,448	113,775,985	-24,232,537
Refurbish of Bulk Infrastructure	178,500,000	80,771,952	80,771,952	0
Insurance	0	25,000,000	7,783,912	17,216,088
<b>TOTAL</b>	<b>843,917,000</b>	<b>770,324,000</b>	<b>702,663,119</b>	<b>67,660,881</b>

Table 21 Breakdown of capital expenditure

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### Controllable Capex

The year-end expenditure on controllable capital projects (projects funded from CoJ loans, DSM funding and the Engineering Services contributions) amounted to R500 million which reflects 99.97% expenditure compared to the budget.

(Controllable) Project Detail (By Project)	Original Budget	Total Revised Budget for the year	YTD Actual	Variance for year
Electrification	21,362,520	17,967,378	17,967,378	0
Public Lighting	16,000,000	4,716,447	4,716,448	-1
Electrical Infrastructure	202,445,958	330,711,463	330,711,463	0
Power Systems	15,100,000	10,652,566	10,610,540	42,026
Other Capex & asset purchases	66,560,000	55,604,592	55,604,592	0
Refurbish of Bulk Infrastructure	179,519,522	80,797,554	80,714,843	82,711
<b>TOTAL</b>	<b>500,988,000</b>	<b>500,450,000</b>	<b>500,325,265</b>	<b>124,735</b>

Table 22 Controllable Capex

### Electrical Infrastructure

Electrical Infrastructure comprises the upgrade of electrical networks, network development as well as meters and load management projects. The expenditure includes the Revenue Step Change project, the projects to replace bare overhead conductors with Arial Bundled Conductor, emergency projects, solar water heater projects and various upgrades of electrical infrastructure projects. The expenditure for the year amounted to R331 million, which is in line with the revised budget of R331 million.

### Electrification

The expenditure for the year amounted to R18 million which is in line with the full year revised budget R18 million.

### Power Systems

Power Systems comprises SCADA and protection projects. The expenditure includes projects such as the remote terminal unit installations, 88kV protection upgrade projects and load management expansion projects. The expenditure for the year amounted to R11 million, which is on par with the budget of R11 million.

### Bulk Infrastructure

The expenditure includes projects such as transformer replacement program, the upgrade of Kelvin Gresswold 88kV overhead lines and the switchgear replacement program. The expenditure for the year amounted to R80,71 million which is almost in line with the revised full year budget of R80,80 million.

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Figure 10 Energy efficient house project: Innesfree Park Sandton showing the building of the super structure



Figure 11 Energy efficient house project: Innesfree Park Sandton showing installation of solar water geysers



Figure 12 Substation upgrades and installations in Robertsham

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Figure 13 Substation upgrades and installations in Robertsham Figure 14 Nancefield substation upgrades and installations



Figure 15 Nancefield substation upgrades and installations

## City Power 2011/12 Annual Report

### Non-Controllable Capex

(Non - Controllable) Project Detail (By Project)	Original Budget	Total Revised Budget for the year	Actual for FY	Variance for year
Electrification	30,982,000	30,982,000	32,701,189	-1,719,189
Public Lighting	45,000,000	84,827,000	108,930,647	-24,103,647
Electrical Infrastructure	279,470,000	0	4,167,996	-4,167,996
Service Connections	129,065,000	129,065,000	47,096,962	81,968,038
Township Reticulation	0	0	1,657,149	-1,657,149
Refurbish of Bulk Infrastructure	15,000,000	0	0	0
Other Capex & asset purchases	0	0	0	0
Insurance	0	25,000,000	7,783,912	17,216,088
<b>TOTAL</b>	<b>499,517,000</b>	<b>269,874,000</b>	<b>202,337,855</b>	<b>67,536,145</b>

Table 23 Non-controllable Capex

Non-controllable capital projects are projects which are funded by capital grants and public contributions. The expenditure for the year amounted to R202 million compared to the full year revised budget of R270 million. The under-spending is as a result of lower claims received from insurers than anticipated and low number of service connection applications received.

#### Electrification

The program includes projects such the electrification of Pennyville, Tshepisoong and Doornkop. Expenditure for the year amounted to R33 million compared to the full year revised budget of R31 million. The over spending of R1,7 million occurred as a result of funds received from public contributions for service connections.

#### Public Lighting

The expenditure for the year amounted to R109 million compared to the revised full year budget of R85 million. This reflects overspending of R24 million which consists of R20 million received from Department of Mineral and Energy after the budget adjustment period during the financial year, as well as R4 million received from public contributions.

#### Electrical Infrastructure

Expenditure for the year amounted to R4 million as per the revised budget of R4 million. The expenditure is funded through public contributions.

#### Service Connection

The expenditure for the year amounted to R47 million and the budget has since been revised to reflect actual expenditure. The projects in this category are funded through public contributions.

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### **Insurance**

This category of projects is funded by insurance and the budget has been revised to reflect actual expenditure. The year-end expenditure amounted to R8 million. The number of insurance related claims was below initial projections.

During the course of the 2011/12 financial year, it became necessary to reprioritize the budget. This reprioritization was informed by change in priorities as dictated by network conditions, emergency work, customer demand, urgent service delivery imperatives that had to take place during the course of the financial year as well as non-controllable expenditure.

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### Assessment of directors' and senior managers' municipal accounts

Directors' municipal accounts				
Name	Designation	Municipality	Municipality account number	Account status
Mr. S Xulu	Acting Managing Director	Ekurhuleni Municipality	BML OF025C1	Current
Mr. D Kanfer	Acting Director: Finance (Seconded)	Emsuleni Municipality		Account is being Queried
Ms. S Mafora	Director: Corporate Services	City Of Johannesburg	MDM0001A	Current
Mr. N Msomi	Acting Director: Engineering Services	City Of Johannesburg	505422660	Current
Mr. T Nkgoedi	Acting Director: Retail Services	City Of Johannesburg	505490974	Current
Mr. L Pieterse	Director: Engineering Operations	Ekurhuleni Municipality	2101015625	Current
Mr. M Smith	Company Secretary	City Of Johannesburg	300949880 301192578	Current
Senior managers' municipal accounts				
Name	Designation	Municipality	Municipality account number	Account status
Mr. A Lishivha	GM: Legal Services			
Mr. S Masolo	GM: Public Relations and Communications	Eskom	5528344593	Current
Ms. N Mbewu	GM: Business Planning and Strategy	Emsuleni Municipality	Prepaid	Current
Mr. V Singonzo	Acting GM: Internal Audit	City Of Johannesburg	403939322	30 Days
Mr. J Tefu	GM: SHEQ	City Of Johannesburg	504677553	60 Days
Ms. T Truter	GM: Security Management	City Of Johannesburg		Account is being Queried
Mr. T Zwakala	Acting GM: Information Systems			

Table 24 Directors' and senior managers' municipal accounts

## City Power 2011/12 Annual Report

### Statement of amounts owed by Government Departments and Public Entities

Account Number	Business partner name	Business partner type	Overall Result
201079836	R S A	National Government	824.62
201839276	PEOPLES REPUBLIC OF CHINA	National Government	48 291.33
202209830	HYDE PARK HIGH SCHOOL	Provincial Government	4 424.75
202304040	R S A TVL PROV ADMIN	National Government	113 986.90
205096423	OPENBARE WERKE	National Government	9 291.96
205103222	DEPT OF PUBLIC WORKS	National Government	5 853.56
205226111	PUBLIC WORKS DEPARTMENT	National Government	20 535.45
205226111	PUBLIC WORKS DEPARTMENT	National Government	1 785.49
205570695	CENTRAL GOVERNMENT	National Government	20 128.47
205570695	CENTRAL GOVERNMENT	National Government	1 030.12
205595052	REPUBLIC OF SOUTH AFRICA	National Government	44 236.00
205627875	REPUBLIC OF SOUTH AFRICA	National Government	38 770.39
205649903	TRANSVAAL WORKS DEPT	National Government	231 209.34
205851926	DEPT VAN GEMEENSKAPSBOU	National Government	35 013.94
205942669	SAPS	National Government	6 593.46
205950853	SAPS	National Government	(189 102.29)
205957376	DEPT OF COMMUNITY DEV	National Government	4 326.36
205991384	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	26 620.63
205991426	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	19 937.27
205991465	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	201 922.64
205991673	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	5 620.99
206037653	SAP YEOVILLE	National Government	19 975.01
206116288	DEPT PUBLIC WORKS AND LAND AFF	National Government	1 725.11
206126649	DEPT PUB WORKS & LAND AFFAIRS	National Government	4 015.57
206182717	DEPT OPENBARE WERKE	National Government	(1 550.03)
206218656	DEPT PUBLIC WORKS	National Government	4 912.15
206379784	SAPS	National Government	542.56
206516039	SAP ROSEBANK	National Government	70 771.71
206541388	S A P BLITSPATROLLIE BRIXTON	National Government	(266 924.36)
207068076	PUBLIC WORKS DEPARTMENT	National Government	67 103.80
207068647	DEPT OF COMMUNITY DEV	National Government	81 207.22
207069077	DEPT OF COMMUNITY DEV	National Government	15 710.18
207069390	DEPT OF COMMUNITY DEV	National Government	7 272.48
207069464	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	2 515.82
207069714	REPUBLIC OF SOUTH AFRICA	National Government	146 250.87
207069915	HOUSES	National Government	(32 585.74)
207079046	DEPT OF COMMUNITY DEV	National Government	(2 977.27)
207080718	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	1 261.37
220002412	BRAMLEY POLICE STATION	National Government	(483.92)
220008816	DIE HOOFDIREKTEUR/ Stella	National Government	33 858.31
220010501	EDUCATION MODEL C SCHOOLS 87369371	National Government	1 117 010.76
220016920	OPENBARE WERKE EN GRONDSAKE	National Government	(61 573.31)
220016920	OPENBARE WERKE EN GRONDSAKE	National Government	(159 253.97)
220018973	DIE SENIOR STREEKBESTUURDER MROOD01025	National Government	17 726.30
220021937	WEMMER PAN VLOOT BASIS	National Government	606 970.41
220022970	DIE STREEKSVERTEENWOORDIGER	National Government	19 858.54
220024991	FOREST HIGH SCHOOL	National Government	320 925.25
220025018	PREPRIMERE SKOOL DIE MOSSIE	National Government	155 005.28
220028428	PTN MORTUARY FOR COLOURDS PWD	National Government	(743.67)
220028435	SAP MOTOR WERKWINKEL	National Government	198 276.53
220028442	DIEPKLOOF PRISON P W D	National Government	1 563 674.87
220028700	PHILIP KUSHLICK SCHOOL	National Government	90 041.00
220028957	S A POLICE STATION HONEYDEW	National Government	162 638.28
220029005	DIE SENIOR STREEKBESTUURDER MROOD01023	National Government	28 001.59
220033682	SAP STATION BOOYSENS	National Government	208 594.44
220035859	R S A PUBLIC WORKS & LAND	National Government	218 095.05
220042510	R S A PUBLIC WORKS	National Government	234 710.26
220047406	ENNERDALE SECONDARY SCHOOL	National Government	22 067.13
220052068	SAP STATION NORWOOD	National Government	(2 096.20)

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Account Number	Business partner name	Business partner type	Overall Result
220052075	SAP FLATS / Yvonne	National Government	572 498.76
220055421	SOUTHVIEW SECONDARY SCHOOL	National Government	733 325.30
220055453	PARKSIDE PRIMARY SCHOOL	National Government	65 627.38
220056954	HOSPITAL HILL POLICE STATION	National Government	370 179.10
220056993	SAP SAM HANCOCK STR	National Government	69 564.58
220057002	SAP SAM HANCOCK STR	National Government	(29 395.63)
220057010	SAP SAM HANCOCK	National Government	2 322.24
220057027	SAP SAM HANCOCK	National Government	(64.93)
220057041	SAP SAM HANCOCK	National Government	1 536.58
220057059	SAP SAM HANCOCK	National Government	1 476.84
220057066	SAP SAM HANCOCK STR (PWD)	National Government	3 672.42
220057080	SAP SAM HANCOCK STR (PWD)	National Government	4 764.12
220057179	ALPHA PRIMARY SCHOOL	National Government	113 456.08
220057193	MODEL PRIMARY SCHOOL	National Government	315 625.21
220057274	SAP LENASIA	National Government	1 020 321.12
220057299	GREYVILLE PRIMARY SCHOOL	National Government	66 177.71
220058479	MYNTERING BURO PWD	National Government	(815.72)
220058542	OLD MEDICAL BUILDING PWD NIOH 1	National Government	7 073.86
220058550	PNEUMOCOONIOSIS RESEARCH PWD	National Government	(1 234.29)
220058567	SA INSTITUTE FOR MEDICAL	National Government	652 747.70
220058951	HARMONY PRIMARY SCHOOL	National Government	191 059.09
220058969	PENTA-ROSA PRIMARY SCHOOL	National Government	25 183.81
220059000	TOPAAS SECONDARY SCHOOL	National Government	(3 828.50)
220059151	SAP DODEHUIS EN KWARTIERE PWD	National Government	327 110.99
220061143	MISSOURILAAN SEKONDERE SKOOL	National Government	223 546.81
220061150	NANCEFIELD LAERSKOOL	National Government	81 729.88
220061954	KLIPTOWN REGIONAL COURT PWD	National Government	223 630.19
220062002	SAP LAW COURTS LENASIA	National Government	146 843.71
220062242	SAP CLEVELAND P W D	National Government	(73 394.78)
220062242	SAP CLEVELAND P W D	National Government	(1 874.68)
220062250	CLEVELAND POLICE STATION	National Government	31 085.54
220069512	JEPPE POLICE STATION	National Government	657 129.39
220069777	QUEENS HIGH SCHOOL HOSTEL	National Government	29 987.53
220072040	SAP BRIXTON (MOORD / ROOF AFD)	National Government	14 744.92
220072040	SAP BRIXTON (MOORD / ROOF AFD)	National Government	322 328.48
220075925	JHB Secondary School	National Government	9 043.38
220077094	LAERSKOOL LOUW GELDENHUYS	National Government	388.88
220078757	Helen Joseph Hospital	National Government	9 875 148.18
220078806	SAP RADIO STATION	National Government	686 667.52
220078845	R S A OPENBAREWERKE&GRONDSAKE	National Government	829 476.44
220080386	SA POLICE FLATS (TRIOMF)	National Government	860 037.87
220081414	R S A P A AFDELINGSINGENEUR	National Government	8 716.80
220083813	EAST BANK HIGH SCHOOL	National Government	26 276.99
220091003	JHB HOSPITAL	National Government	1 012 146.90
220091074	DIE SENIOR STREEKBESTUURDER	National Government	(40 987.91)
220091074	DIE SENIOR STREEKBESTUURDER	National Government	(347 324.76)
220091356	KENSINGTON SECONDARY SCHOOL	National Government	95 029.77
220091388	SA DEFENCE QUEENS HIGH	National Government	161 394.91
220092430	7TH DIV HEADQUARTERS PWD	National Government	141 720.42
220093794	ALEXANDRIA POLICE STATION	National Government	212 407.56
220100709	RIVERLEA LAERSKOOL	National Government	547 057.82
221038725	EDENVALE HOSPITAL	National Government	869 182.95
221038725	EDENVALE HOSPITAL	National Government	1 258 212.23
400032952	DEPT OF COMMUNITY DEV	National Government	18.36
400041241	SAP SATELIET STASIE AUCKLANDP	National Government	2 924.65
400061061	REPUBLIC OF SOUTH AFRICA	National Government	31 011.67
400183327	REPUBLIC OF SOUTH AFRICA	National Government	2 992.96
400186110	OPENBARE WERKE & GRONDSAKE	National Government	2 805.68
400205997	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	9.77
400205997	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	650.40
400217801	DEPT OF COMMUNITY DEV	National Government	9.21
400356386	SAP PARKVIEW	National Government	19 857.04
400356499	S A P 69 DUNDALK STREET	National Government	5 431.04
400356749	STREEKHOOFBESTUURDER	National Government	186 965.25

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Account Number	Business partner name	Business partner type	Overall Result
400356869	REGIONAL GENERAL MANAGER	National Government	10 316.44
400357862	DIE STREEKHOOFINSPЕКТЕUR	National Government	554 687.71
400358552	PROVINCIAL GOVERNMENT	National Government	172 833.90
400368536	SAP LANGLAAGTE	National Government	42 631.43
400574433	DEPT OF COMMUNITY DEV	National Government	344 231.31
400574761	DEPT OF COMMUNITY DEV	National Government	389 783.21
400663147	R S A TOD SENTRAAL RAND STRE	National Government	313 747.24
400692451	REPUBLIC OF SOUTH AFRICA	National Government	43 191.69
400713849	CENTRAL GOVERNMENT	National Government	59 740.87
400735708	Batho Pele Projects CC	National Government	59 540.80
400899720	DEPT OF COMMUNITY DEV	National Government	6 849.67
400902370	DEPT VAN PLAASLIKE BESTUUR	National Government	366 368.78
401762454	REPUBLIEK VAN SUID-AFRIKA	National Government	84 288.44
401762921	REPUBLIEK VAN SUID-AFRIKA	National Government	50 335.93
401762976	REPUBLIEK VAN SUID-AFRIKA	National Government	4 748.92
401762976	REPUBLIEK VAN SUID-AFRIKA	National Government	4 827.83
401808758	R S A PUBLIC WORKS & LAND	National Government	31 992.66
401886160	R S A PUBLIC WORKS & LAND	National Government	79 889.63
403304160	DEPT OF COMMUNITY DEV	National Government	39 293.74
403304160	DEPT OF COMMUNITY DEV	National Government	921.45
403304308	REPUBLIC OF SOUTH AFRICA	National Government	52 686.85
403304315	REPUBLIC OF SOUTH AFRICA	National Government	41 521.40
403304361	REPUBLIC OF SOUTH AFRICA	National Government	74 576.72
403304386	REPUBLIC OF SOUTH AFRICA	National Government	93 442.30
403304403	REPUBLIC OF SOUTH AFRICA	National Government	68 754.40
403305580	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	(462.98)
403305580	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	(239.49)
403305580	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	(2.57)
403305774	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	3 077.25
403307073	REPUBLIC OF SOUTH AFRICA	National Government	120 464.67
403312940	DEPT OF COMMUNITY DEV	National Government	2 526.07
403313542	CENTRAL GOVERNMENT	National Government	55 809.70
403314306	R S A HOOFDIREKTORAAT WERKE	National Government	58 746.30
403314345	R S A HOOFDIREKTORAAT WERKE	National Government	5 223.39
403314352	R S A OPENBAREWERKE&GRONDSAKE	National Government	1 941.71
403314458	R S A HOOFDIREKTORAAT WERKE	National Government	13 921.61
403337173	R S A HOOFDIREKTORAAT WERKE	National Government	102 641.63
500107866	DEPT OF COMMUNITY DEV	National Government	112 803.22
500138991	THE MANAGER GOVERNMENT GARAGE	National Government	4 226.91
500139106	DEPT V GEMEENSKAP 6109 3047 6	National Government	166 521.62
500143335	DEPT PUBLIC WORKS	National Government	8 565.55
500219802	GAUTENG PROVINCE-HOUSING DEV BRD	Provincial Government	43.67
500229159	SUID AFRIKAANSE VROUE	National Government	37.64
500253377	OPENBARE WERKE DEPARTEMENT	National Government	7 726.83
500272186	RAAD VAN VERTEENWOORDIGERS	National Government	1.24
500279826	RAAD VAN VERTEENWOORDIGERS	National Government	53 097.77
500290749	RAAD VAN VERTEENWOORDIGERS	National Government	99 751.28
500290918	RAAD VAN VERTEENWOORDIGERS	National Government	121.93
500293891	RAAD VAN VERTEENWOORDIGERS	National Government	56.55
500294045	S A PAAIE	National Government	64.09
500294052	S A PAAIE	National Government	64.09
500294609	S A PAAIE	National Government	63.53
500294951	RAAD VAN VERTEENWOORDIGERS	National Government	56.35
500294969	RAAD VAN VERTEENWOORDIGERS	National Government	1.86
500294990	RAAD VAN VERTEENWOORDIGERS	National Government	1.74
500295200	SOUTH AFRICAN NATIONAL ROADS AGENCY LTD	National Government	13.13
500295377	RAAD VAN VERTEENWOORDIGERS	National Government	56.36
500306004	GAUTENG PROVINCIAL HOUSING ADV BOARD	National Government	442.22
500311950	RAAD VAN VERTEENWOORDIGERS	National Government	720.47
500312382	RAAD VAN VERTEENWOORDIGERS	National Government	77.55
500312784	RAAD VAN VERTEENWOORDIGERS	National Government	742.60
500315320	R S A S A POLICE ENNERDALE	National Government	10 942.86
500315432	REPUBLIC OF SOUTH AFRICA	National Government	974.69
500436331	DEPT MANPOWER	National Government	82 305.69

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Account Number	Business partner name	Business partner type	Overall Result
501234987	GAUTENG PROVINCE-HOUSING DEV BRD	Provincial Government	42 794.22
501236448	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	4 530.58
501236712	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	1 756.20
501236783	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	157 138.27
501237120	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	12 124.74
501237709	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	5.27
501398304	DEPT OF COMMUNITY DEV	National Government	1 073.10
501398953	DEPT OF COMMUNITY DEV	National Government	3 921.60
501399548	DEPT OF COMMUNITY DEV	National Government	11 664.81
501416401	SAP MONDEOR	National Government	17 165.03
501416419	SAP MONDEOR	National Government	33 857.49
501424699	DEPT HOUSING AND LOCAL GOVT	National Government	3 897.75
501424709	DEPT HOUSING AND LOCAL GOVT	National Government	129 031.39
501424716	DEPT HOUSING AND LOCAL GOVT	National Government	105 653.87
501424723	DEPT HOUSING AND LOCAL GOVT	National Government	114 419.79
501425621	DEPT HOUSING AND LOCAL GOVT	National Government	122 745.55
501486247	DEPT OF COMMUNITY DEV	National Government	4 178.12
501531676	REPUBLIC OF SOUTH AFRICA	National Government	(1 368.83)
501580842	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	10 682.63
501581099	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	22 702.09
501587929	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	47.39
501682033	D E DEPT OF COMMUNITY DEV	National Government	13 677.23
501682234	DEPT OF COMMUNITY DEV	National Government	7 822.98
501682331	DEPT OF COMMUNITY DEV	National Government	9 024.16
501682393	DEPT OF COMMUNITY DEV	National Government	13 634.64
501682555	DEPT OF COMMUNITY DEV	National Government	9 559.97
501683125	DEPT OF COMMUNITY DEV	National Government	12 375.54
501683132	GAUTENG PROV HOUSING ADV BOARD	National Government	69 809.44
501683238	DEPT OF COMMUNITY DEV	National Government	8 016.85
501683333	DEPT OF COMMUNITY DEV	National Government	28 330.16
501683414	DEPT OF COMMUNITY DEV	National Government	6 327.24
501683439	DEPT OF COMMUNITY DEV	National Government	719.86
501683559	DEPT OF COMMUNITY DEV	National Government	4 847.41
501683679	DEPT OF COMMUNITY DEV	National Government	10 884.48
501683982	DEPT OF COMMUNITY DEV	National Government	19 687.97
501684009	DEPT OF COMMUNITY DEV	National Government	16 255.90
501684175	DEPT OF COMMUNITY DEV	National Government	10 589.77
501684626	DEPT OF COMMUNITY DEV	National Government	2 352.96
501684633	DEPT OF COMMUNITY DEV	National Government	4 489.76
501707778	DEPT HOUSING AND LOCAL GOVT	National Government	55 269.54
501724117	STATE HEALTH FAMLY PLANNING	National Government	(8 397.81)
501727439	NATIONAL GOVERNMENT OF THE REPUBLIC OF SA	National Government	119 075.75
501890347	CITY OF JOHANNESBURG	Provincial Government	2 029.82
501890347	CITY OF JOHANNESBURG	Provincial Government	1 841.70
501896042	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	159.43
501906798	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	544.46
501970994	HOUSING DEVELOPMENT BOARD	National Government	64.63
501974170	GAUTENG PROVINCE-HOUSING DEV BRD	Provincial Government	1 495.87
501975569	GAUTENG PROVINCE-HOUSING DEV BRD	Provincial Government	8 593.38
501981795	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	13 053.64
501986708	SAP KENILWORTH	National Government	3 498.10
501986708	SAP KENILWORTH	National Government	41 666.32
502046030	GAUTENG PROVINCIAL HOUSING ADV BOARD	National Government	8.09
502190845	DEPT PUBLIC WORKS&LAND AFFAIRS	National Government	34 200.00
502203406	DEPT OF COMMUNITY DEV	National Government	13 890.05
502203692	DEPT OF COMMUNITY DEV	National Government	5 859.95
502205227	HOUSING BOARD	Provincial Government	175.56
502206196	DEPT OF COMMUNITY DEV	National Government	8 586.44
502211799	REPUBLIC OF SOUTH AFRICA	National Government	5 373.25
502212072	REPUBLIC OF SOUTH AFRICA	National Government	945.37
502242912	DEPT HOUSING AND LOCAL GOVT	National Government	1 015 348.03
502301107	DEPT OF COMMUNITY DEV	National Government	8 904.52
502301192	HOUSING BOARD	National Government	514.08

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Account Number	Business partner name	Business partner type	Overall Result
502327592	DEPT HOUSING AND LOCAL GOVT	National Government	153 904.40
502327602	DEPT HOUSING AND LOCAL GOVT	National Government	211 312.78
502327612	DEPT HOUSING AND LOCAL GOVT	National Government	185 526.76
502327627	DEPT HOUSING AND LOCAL GOVT	National Government	54 645.01
502327634	DEPT HOUSING AND LOCAL GOVT	National Government	340 244.95
502327641	DEPT HOUSING AND LOCAL GOVT	National Government	136 459.48
502327659	DEPT HOUSING AND LOCAL GOVT	National Government	127 854.10
502335459	REGIONAL GENERAL MANAGER	National Government	142 307.36
502397254	DEPT OF COMMUNITY DEV	Provincial Government	143.21
502421436	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	22.90
502423088	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	3 122.35
502424405	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	1 510.17
502424927	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	7 823.62
502473674	TRANSNET LTD	National Government	542.13
502473674	TRANSNET LTD	National Government	316.60
503266896	DEPT OF COMMUNITY DEV	National Government	27 180.43
503278852	REPUBLIC OF SOUTH AFRICA	National Government	3 006.93
503279743	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	113.97
503316240	REGIONAL GENERAL MANAGER	National Government	24 739.58
503355899	M WEST RAND ADM BOARD	National Government	1 476.82
503425225	HOUSE OF DELEGATES LENASIA	National Government	0.23
503429886	HOUSE OF DELEGATES LENASIA	National Government	195.86
503440840	HOUSE OF DELEGATES LENASIA	National Government	35 123.91
503464859	DEPT OF COMMUNITY DEVELOPMENT	National Government	13 461.15
503472602	GAUTENG PROV HOUSING ADVISORY BOARD	National Government	9.97
503474007	DEPT OF COMMUNITY DEVELOPMENT	National Government	1 342.75
503647556	RAAD VAN VERTEENWOORDIGERS	National Government	505.00
504032944	GAUTENG PROVINCIAL HOUSING ADVISORY	National Government	29 245.05
504786217	CENTRAL GOVERNMENT	National Government	510.25
504786880	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	111.20
504796825	RAAD VAN VERTEENWOORDIGERS	National Government	75 529.28
504796844	RAAD VAN VERTEENWOORDIGERS	National Government	47 308.32
504796920	RAAD VAN VERTEENWOORDIGERS	National Government	33 678.54
504796952	RAAD VAN VERTEENWOORDIGERS	National Government	32 565.33
504797240	RAAD VAN VERTEENWOORDIGERS	National Government	1 799.74
504797339	RAAD VAN VERTEENWOORDIGERS	National Government	9 876.39
504800849	RAAD VAN VERTEENWOORDIGERS	National Government	694.21
504811128	RAAD VAN VERTEENWOORDIGERS	National Government	53 765.15
504811154	RAAD VAN VERTEENWOORDIGERS	National Government	74.68
504811720	RAAD VAN VERTEENWOORDIGERS	National Government	24 272.87
504812717	REPUBLIC OF SOUTH AFRICA	National Government	319 843.96
504816831	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	6 739.30
504817553	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	50 972.10
504819293	DEPT OF COMMUNITY DEV	National Government	18.70
504819825	DEPT OF COMMUNITY DEV	National Government	64.56
504821408	DEPT OF COMMUNITY DEV	National Government	24 715.81
504821775	DEPT OF COMMUNITY DEV	National Government	894.20
504823596	DEPT OF COMMUNITY DEV	National Government	217 022.52
504824367	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	(4 112.18)
504824977	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	613.58
504825339	DEPT OF COMMUNITY DEV	National Government	67 025.76
504825610	DEPT OF COMMUNITY DEV	National Government	329.26
504825836	DEPT OF COMMUNITY DEV	National Government	(6 725.93)
504825904	DEPT OF COMMUNITY DEV	National Government	15 497.74
504825949	DEPT OF COMMUNITY DEV	National Government	79 221.14
504826276	DEPT OF COMMUNITY DEV	National Government	95 967.59
504826438	DEPT OF COMMUNITY DEV	National Government	929.57
504826484	DEPT OF COMMUNITY DEV	National Government	86 048.54
504826815	DEPT OF COMMUNITY DEV	National Government	87 964.66
504826910	DEPT OF COMMUNITY DEV	National Government	86 048.54
504826935	DEPT OF COMMUNITY DEV	National Government	95 282.46
504826974	DEPT OF COMMUNITY DEV	National Government	86 050.49
504827034	DEPT OF COMMUNITY DEV	National Government	56.54
504827826	PROVINCIAL GOVERNMENT	National Government	(418.01)

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Account Number	Business partner name	Business partner type	Overall Result
504828594	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	3 682.81
504830064	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	27 249.82
504830120	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	50.85
504832223	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	37 176.01
504832470	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	41 050.37
504833040	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	83 322.16
504833280	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	9 208.58
504833347	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	10 053.46
504833347	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	1 570.99
504842782	CITY OF JOHANNESBURG	Provincial Government	27 456.34
504843105	DEPT OF COMMUNITY DEV	National Government	47.07
504843296	DEPT OF COMMUNITY DEV	National Government	21 081.30
504844236	HOUSING BOARD	National Government	6 305.89
504844294	HOUSING BOARD	National Government	6 762.57
504845159	REPUBLIC OF SOUTH AFRICA	National Government	61 949.19
504845159	REPUBLIC OF SOUTH AFRICA	National Government	2 106.05
504845448	CITY OF JOHANNESBURG	Provincial Government	6 121.54
504845448	CITY OF JOHANNESBURG	Provincial Government	2 573.48
504845751	DEPT OF COMMUNITY DEV	National Government	2 132.14
504847420	REPUBLIC OF SOUTH AFRICA	National Government	277 594.01
504849883	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	118 129.72
504850078	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	34 369.22
504850134	GAUTENG PROVINCE-HOUSING DEV BRD	National Government	(2 469.98)
504852406	DEPT OF COMMUNITY DEV	National Government	62 759.55
504852646	DEPT OF COMMUNITY DEC V	National Government	36 138.70
504854756	M WEST RAND ADM BOARD	National Government	383 913.07
504855326	HOUSE OF DELEGATES LENASIA	National Government	104 562.61
504858260	CITY OF JOHANNESBURG	Provincial Government	31 835.42
504858694	CITY OF JOHANNESBURG	Provincial Government	31 793.22
504867730	CITY OF JOHANNESBURG	Provincial Government	26 259.31
504867917	CITY OF JOHANNESBURG	Provincial Government	27 474.15
504867949	CITY OF JOHANNESBURG ELOPMENT	Provincial Government	30 737.88
504893385	PROVINCIAL GOVERNMENT	National Government	4 581.04
900010629	DEPT OPENBARE WERKE	National Government	54 774.56
900024131	MIDRAND PRIMARY SCHOOL	Provincial Government	(46.19)
900039410	MIDRAND HIGH SCHOOL	Provincial Government	685.14
900211879	GAUTENG PROV HOUSING DEV BOARD	National Government	9.84
			<b>39 114 079.37</b>

Table 25 Amounts owed by Government departments and public entities

## City Power 2011/12 Annual Report

### Recommendations and plans for next financial year

The approved budget for the 2012/13 financial year is outlined in the table below:

	2012-2013
<b>Turnover</b>	12,633,515
<b>Sales to Eskom</b>	458,711
<b>Cost of Sales</b>	(9,006,900)
<b>Gross Margin</b>	<b>4,085,326</b>
Gross margin %	32.34%
<b>Other Income</b>	116,452
<b>Grants &amp; DSM</b>	545,065
<b>Net Operating Income</b>	<b>4,746,844</b>
<b>Operating overheads</b>	<b>(2,772,776)</b>
Employee Related Costs Salaries	(773,680)
Gen.exp - Other	(871,834)
Repairs and maintenance	(405,966)
Contribution bad debts	(422,128)
Depreciation and amortisation	(299,168)
<b>Operating Profit before interest and taxes</b>	<b>1,974,068</b>
<b>Interest Payable</b>	<b>(388,148)</b>
<b>Interest Receivable</b>	<b>130,397</b>
<b>Profit before taxation</b>	<b>1,716,316</b>
Taxation	(445,569)
<b>Profit after tax</b>	<b>1,270,748</b>

Table 26 Approved budget for 2012/13 financial year

## City Power 2011/12 Annual Report

### Key Focus Areas for the 2012/13 financial year

City Power Priorities for the next 3 to 5 years are:

Business initiative	Project Stream	Project Manager	Business Alignment	Proposed completion
Attaining an <b>Unqualified audit</b> in a sustainable manner	<ul style="list-style-type: none"> <li>Revenue Audit</li> <li>Internal Audit Controls</li> </ul>	Delarey Kanfer	Audit Compliance	Ongoing
<b>Reduce losses</b> to 10%	<ul style="list-style-type: none"> <li>Revenue Step Change</li> </ul>	Tshidiso Nkgoedi	Retail Services	December 2015
Achieving 98% <b>meter reading</b> (100% Compliance to the by-law)	<ul style="list-style-type: none"> <li>99% Meter Reading AMR LPU customers</li> <li>95% Manual Meter Reading for Domestic customers</li> <li>98% Meter Reading for Domestic AMR</li> </ul>	Tshidiso Nkgoedi	Retail Services	June 2013
Achieving 100% <b>payment level</b> for key and LPU customer	<ul style="list-style-type: none"> <li>100% payment level</li> </ul>	Tshidiso Nkgoedi	Retail Services	June 2013
Achieving 90% <b>data accuracy</b>	<ul style="list-style-type: none"> <li>Data Governance</li> <li>Customer domain</li> <li>Employee domain</li> <li>Network domain</li> </ul>	Rachel Seabela	Data Management	2015
Installing 100 000 <b>SHW</b>	<ul style="list-style-type: none"> <li>Energy mix</li> <li>Megawatts reduced</li> </ul>	Nkanyiso Msomi	Asset Management	December 2016
Achieving full <b>compliance</b> to NRS 047 and 048	<ul style="list-style-type: none"> <li>NRS 047</li> </ul>	Tshidiso Nkgoedi	Retail Services	Immediately
	<ul style="list-style-type: none"> <li>NRS 048</li> </ul>	Louis Pieterse	Asset Management	Immediately
Achieving 90:10 <b>Planned: Unplanned</b>	<ul style="list-style-type: none"> <li>Power Outages</li> <li>Restoration Times</li> </ul>	Louis Pieterse	Asset Management	December 2015
Accelerated Visible <b>Service Delivery</b> .	<ul style="list-style-type: none"> <li>100% compliance to the SLA,</li> </ul>	Tshidiso Nkgoedi	Retail Services	Ongoing
	<ul style="list-style-type: none"> <li>Electrification,</li> <li>Public Lighting</li> </ul>	Nkanyiso Msomi	Asset Management	Ongoing
Innovative Product Pricing	<ul style="list-style-type: none"> <li>Introduction of Domestic Time of Use</li> <li>Green Tariffs</li> </ul>	Tshidiso Nkgoedi	Retail Services	2015

Table 27 Key Focus Areas for 2012/13

## City Power 2011/12 Annual Report

### Corporate Governance

#### **Statement of Compliance**

The board of directors and executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III code on corporate governance. Through this process, the shareholder and other stakeholders are assured that the company is being ethically managed according to prudent risk parameters in compliance with generally accepted corporate practices. The monitoring of the company's compliance with King III forms part of the mandate of the Audit & Risk Committee. The company has complied with the code in all material respects during the year under review.

The board of directors has adopted a board charter, which includes matters of ethics, procedure and conduct of committee members. The charter is aligned with the CoJ charter. Registers are kept and updated on the disclosure and declaration of interests of directors and senior management. The board and senior management ensure there is full material compliance to all relevant legislation. The Company Secretary has certified in terms of section 268(d) of the Companies Act that all statutory returns have been submitted to the Registrar of Companies. The board of directors subscribes to the City of Johannesburg's corporate governance protocol (the protocol) which, *inter alia*, regulates its relationship with CoJ as its sole shareholder and parent municipality in the interests of good corporate governance and good ethics.

City Power's practices are, in most material instances, in line with the principles set out in King III. Ongoing steps are taken to align practices with King III recommendations and the board continually reviews the company's progress to ensure improvements in corporate governance. During the review period, the company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act and the Municipal Finance Management Act (MFMA).

Annual board assessments and evaluations are conducted and an annual report for the previous year was efficiently completed in accordance with the prescripts of section 121 of the MFMA. The compilation of this annual report was guided by the same principles.

#### **Board of Directors**

City Power has a unitary board, which consists of executive and non-executive directors. An annual general meeting was held on 24 April 2012 at which six non-executive directors were retired, three were retained, and seven new non-executive members were appointed. Two of these newly appointed non-executive directors were appointed to the Audit & Risk Committee. The three independent Audit & Risk Committee members were retained. One additional non-executive director was appointed by the Mayoral Committee held on 10 May 2012 (appointment effective 11 May 2012).

## **City Power 2011/12 Annual Report**

During the year under review, the board was chaired by a non-executive director, Ms Getty Simelane, until her retirement on 24 April 2012. The new board Chairperson for the remainder of the financial year and into the new financial year is Rev. Frank Chikane.

The board meets regularly (at least quarterly) and retains full control over the company. The board remains accountable to the City of Johannesburg Metropolitan Municipality (the company's sole shareholder) and its stakeholders, the citizens of Johannesburg. A Service Delivery Agreement (SDA), concluded in accordance with the provisions of the Municipal Systems Act (MSA) governs the company's relationship with the City of Johannesburg. The board provides monthly, quarterly, bi-annual and annual reports on its performance and service delivery to its parent municipality as prescribed in the SDA, the MFMA and the MSA. Such reports are submitted within the stipulated timeframes.

Non-executive directors contribute an independent view to matters under consideration and add to the depth of experience of the board. The roles of Chairperson and Managing Director of the company are separated, with responsibilities divided between them. The Chairperson has no executive functions. Members of the board have unlimited access to the Company Secretary, who acts as an advisor to the board and its committees on matters including compliance with company rules and procedures, statutory regulations and best corporate practices.

The board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. A director and peer review as well as a board evaluation are undertaken on an annual basis.

The Articles of Association provide that the directors of the company will be elected by the shareholder and appointed by the board of directors. The Managing Director is appointed by the board.

## City Power 2011/12 Annual Report

Directors	Board	Board Workshops/ AGM	HR & Remuneration Committee	Pricing & Regulatory Committee	SCM Oversight Committee	Audit & Risk Committee
<b>NR OF MEETINGS HELD FOR THE FINANCIAL YEAR</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>4</b>	<b>4</b>	<b>15</b>
<b>Ms. G Simelane</b> <i>(Retired from Board on 24 Apr 2012)</i>	5 of 6	3 of 3	10 of 10	-	4 of 4	1 of 1
<b>Adv. G Badela</b>	7 of 7	3 of 4	9 of 10	-	4 of 4	-
<b>Ms. D Dondur</b> <i>(Retired from Board and Audit &amp; Risk Committee on 24 Apr 2012)</i>	4 of 6	2 of 3	7 of 10	-	-	12 of 15
<b>Adv. K Garlipp</b> <i>(Retired from Board on 24 Apr 2012)</i>	6 of 6	2 of 3	1 of 1	4 of 4	4 of 4	-
<b>Mr. B Hawksworth</b> <i>(Retired from Board and Audit &amp; Risk Committee on 20 Sep 2012)</i>	0 of 1	0 of 1	-	-	-	0 of 4
<b>Ms. J Kumbirai</b> <i>(Retired from Board on 24 Apr 2012)</i>	3 of 6	2 of 3	6 of 10	2 of 4	-	-
<b>Prof. T Marwala</b> <i>(Retired from Board on 24 Apr 2012)</i>	5 of 6	2 of 3	1 of 1	3 of 4	4 of 4	-
<b>Mr. J Mateya</b> <i>(Appointed to the Audit &amp; Risk Committee on 20 Sep 2011) (Retired from Board and Audit &amp; Risk Committee on 24 Apr 2012)</i>	6 of 6	3 of 3	10 of 10	3 of 4	-	10 of 12
<b>Dr. Y Ndema</b>	5 of 7	3 of 4	1 of 1	4 of 4	2 of 4	-
<b>Mr. S Xulu</b>	4 of 7	4 of 4	5 of 6	4 of 4	2 of 4	11 of 15
<b>Rev. F Chikane</b> <i>(Appointed Chairperson of Board on 24 Apr '12)</i>	1 of 1	1 of 2	-	-	-	-
<b>Mr. N Galawe</b> <i>(Appointed to Board on 24 Apr 2012)</i>	1 of 1	1 of 2	-	-	-	-
<b>Ms. Z Hlatshwayo</b> <i>(Appointed to Board on 11 May 2012)</i>	1 of 1	1 of 1	-	-	-	-
<b>Mr. N Hlubi</b> <i>(Appointed to Board and Audit &amp; Risk Committee on 24 Apr 2012)</i>	1 of 1	2 of 2	-	-	-	-
<b>Mr. B Mofokeng</b> <i>(Appointed to Board and Audit &amp; Risk Committee on 24 Apr 2012)</i>	1 of 1	2 of 2	-	-	-	-
<b>Ms. N Mohlala</b> <i>(Appointed to Board on 24 Apr 2012)</i>	1 of 1	2 of 2	-	-	-	-
<b>Dr. M Motebang</b> <i>(Appointed to Board on 24 Apr 2012)</i>	1 of 1	1 of 2	-	-	-	-
<b>Mr. T Sithole</b> <i>(Appointed to Board on 24 Apr 2012)</i>	1 of 1	2 of 2	-	-	-	-
<b>Independent Audit Committee</b>	-	-	-	-	-	-
<b>Ms. L Fosu</b>	-	1 of 3	-	-	-	9 of 15
<b>Mr. W Hattingh</b>	1 of 1	3 of 3	-	-	-	12 of 15
<b>Mr. H Moolla</b>	1 of 1	4 of 4	-	-	-	14 of 15
<b>DATES OF MEETINGS :</b>	31 Aug '11 sp 23 Sep '11 14 Oct '11 in-c 10 Nov '11 in-c 30 Nov '11 13 Dec '11 27 Jun '12	20 Sep '11 AGM 19 Nov '11 W/S 24 Apr '12 AGM 11 Jun '12 Ind.	17 Aug '11 18 Aug '11 in-c 14 Nov '11 7 Dec '11 sp 8 Feb '12 in-c 17 Feb '12 in-c 20 Feb '12 in-c 27 Feb '12 in-c 12 Mar '12 in-c 3 Apr '12 in-c	10 Aug '11 14 Nov '11 16 Feb '12 20 Apr '12	12 Aug '11 11 Nov '11 15 Feb '12 13 Apr '12	13 Jul '11 1 Aug '11 in-c 29 Aug '11 sp 13 Sep '11 4 Oct '11 sp 13 Oct '11 3 Nov '11 sp 18 Nov '11 29 Nov '11 sp 30 Nov '11 sp 12 Dec '11 sp 24 Jan '12 10 Feb '12 in-c 12 Apr '12 17 Apr '12
Legend: sp : special meeting in-c : in-committee meeting AGM : Annual General Meeting W/S : Workshop Ind. : Induction						

\*Mr B Hawksworth was granted leave of absence for medical reasons until his retirement at the AGM held on 20 September 2011.  
Table 28 Attendance at board and committee meetings for the period 1 July 2011 to 30 June 2012

## City Power 2011/12 Annual Report

### Audit & Risk Committee

The role of the Audit & Risk Committee is to assist the board by performing an objective and independent review of the functioning of the company's finance, accounting and risk control mechanisms. It exercises its functions through close liaison and communication with senior management and the internal and external auditors. The Audit & Risk Committee operates in accordance with a written charter authorised by the board, and provides assistance to the board with regards to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosures;
- Matters relating to risk management;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Reviewing and recommending the approval of external audit plans, findings, reports and fees;
- Reviewing and recommending the approval of strategic risks and mitigating strategies;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with the Code of Ethics.

### Changes to Board Committees

At a special board meeting held on 27 June 2012, the board reviewed the committees as well as their roles and responsibilities. The board suggested a change of structure of the committees, to be approved in July 2012. The suggested new committees are:

- 1) Audit Committee
- 2) Social & Ethics Committee
- 3) Risk, Assurance & Compliance Committee (including Oversight, Pricing and Regulatory)
- 4) Chairperson's Report Committee
- 5) HR Committee

The board agreed that the Company Secretary would review all terms of references for committees to establish where responsibilities might be transferred and limit duplication. The board will meet in July 2012 to approve the newly drafted terms of references and thereafter agree upon and approve the compositions of the committees (other than the Audit Committee), as well as nominate and approve the Chairpersons. The names of the new committees will also be confirmed at this meeting.

### Directors' Remuneration

In terms of the provisions of the Remuneration Policy adopted by the Mayoral Committee the Shareholder Unit is required, at least annually, to make recommendations on the Directors' fees payable to the Non-Executive Directors of the City of Johannesburg's municipal entities. In line with this requirement, the Shareholder Unit produces a report on the remuneration of Non-Executive Directors and Independent Audit Committee members which is in line with the provisions of the Municipal Finance Management Act, 2003 (MFMA) and Municipal Systems Act, 2000 (as amended).

## City Power 2011/12 Annual Report

The number of hours and the frequency of meetings to ensure compliance with the local government legislation and the City of Johannesburg's requirements are considered in the determination of fees payable to non-executive Board members. City Power pays their non-executive Board members in line with its budget size and the complexity of City Power. Any upwards adjustments of fees are linked to the amount of risk to the individual posed by the requirements of the MFMA.

Non-executive directors' and Independent Audit Committee members' fees are only paid in accordance with City Power's approved budget.

The retainer fees are payable to non-executive directors, where they qualify for the retainer to be paid (e.g. more than 60% attendance of all meetings).

### **Executive Directors' Remuneration**

City Power has a two-tiered performance management system that is a strategy based and output based system. The performance management system links congruently with the business plans and business planning process of City Power. It is an ongoing integrated process aimed at guiding and managing the employee's efforts at work to achieve individual and corporate objectives. It also includes a formal evaluation of the employee's performance during a specific time period, measured against agreed objectives and job standards, using agreed measurement methods and criteria. This is reflected in a Performance Compact.

Annually provision is made in the budget for the bonus pool; however, the actual payment of the performance bonus is subject to a directive from the City Power Board in conjunction with the City of Johannesburg.

City Power's performance management system aligns the key performance indicators of employees with the strategic objectives of City Power in order to ensure that the performance measurement of employees can be directly linked to the key performance indicators of the entity as a whole. Future remuneration in the form of bonuses will therefore be influenced by the extent to which the strategic objectives of City Power have been achieved

## City Power 2011/12 Annual Report

### Executive Director

Name	Salary R'000	Other Allowances R'000	Directors Fees R'000	Performance Bonus R'000	Travel Allowance R'000	TOTAL R'000
Mr. S Xulu	1369	121	0	0	128	1,618
<b>Total</b>	<b>1369</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>128</b>	<b>1618</b>

Table 29 Remuneration of the executive director

### Non-Executive Directors: Retired

Name	Directors Fees R'000	Travel Allowance R'000	TOTAL R'000
Ms. K Simelane	389	6	395
Ms. D Dondur	343	6	349
Adv. K Garlipp	146	7	153
Mr. B Hawksworth	0	0	0
Ms. J Kumbirai	85	6	91
Prof. T Marwala	116	2	118
Mr. J Mateya	326	10	336
<b>Total</b>	<b>1405</b>	<b>37</b>	<b>1442</b>

Table 30 Remuneration of non-executive directors (retired board)

### Non-Executive Directors: Current

Name	Directors Fees R'000	Travel Allowance R'000	TOTAL R'000
Rev. F Chikane	33	1	34
Adv. G Badela	175	5	180
Mr. N Galawe	16	0	16
Ms. Z Hlatshwayo	16	0	16
Mr. N Hlubi	22	1	23
Mr. B Mofokeng	22	1	23
Ms. N Mohlala	22	0	22
Dr. M Motebang	16	0	16
Dr. Y Ndema	129	2	131
Mr. T Sithole	21	1	22
<b>Total</b>	<b>472</b>	<b>11</b>	<b>483</b>

Table 31 Remuneration of non-executive directors (current board)

### Independent Audit Committee Members

Name	Directors Fees R'000	Travel Allowance R'000	TOTAL R'000
Ms. L Fosu	105	2	107
Mr. W Hattingh	128	5	133
Mr. H Moola	206	1	207
<b>Total</b>	<b>439</b>	<b>8</b>	<b>447</b>

Table 32 Remuneration of the independent audit committee members

## City Power 2011/12 Annual Report

### Executive Committee Members (as at 30 June 2012)

Name	Position	Salary R'000	Other Allowances R'000	Performance Bonus R'000	Travel Allowance R'000	TOTAL R'000
<b>Directors</b>						
Mr. S Xulu	Acting Managing Director	1,135	354	0	128	1,617
Mr. N Nkanyiso	Acting Director: Engineering Services	648	244	0	110	1,002
Mr. L Pieterse	Director: Engineering Operations	1,038	457	0	80	1,575
Ms. S Mafora	Director: Human Resources	997	233	0	122	1,352
Mr. T Nkgoedi	Acting Director: Retail Services	708	203	91	75	1,077
Mr. M Smith	Company Secretary	668	197	0	93	958
<b>General Managers</b>						
Mr. A Lishivha	GM: Legal Services	650	216	0	0	866
Mr. S Masolo	GM: Public Relations and Communications	735	182	0	50	967
Mr. V Singonzo	Acting GM: Internal Audit	342	175	52	76	645
Ms. L Mbewu	GM: Business Planning and Strategy	694	204	0	61	959
Ms. T Truter	GM: Security Management	534	134	0	98	766
Mr. T Zwakala	Acting GM: Information Management Systems	485	235	71	116	907
Mr. J Tefu	GM: SHEQ	524	226	0	93	843
<b>Total</b>		<b>9,158</b>	<b>3,060</b>	<b>214</b>	<b>1,102</b>	<b>13,534</b>

Table 33 Remuneration of the executive committee members

Comment [L1]: What about Nandi?

## City Power 2011/12 Annual Report

### SUSTAINABILITY REPORT

#### Sustainability Vision

A company's performance is governed not only by its environmental and social activities, but also by its economic achievements. The continued economic success of City Power is vital for the survival of the company and translates into job creation for employees who can, in turn, deliver positive impacts to people's livelihoods and society.

#### Sustainability Policies and Strategies

City Power's directive is that all policies need to be reviewed annually to ensure that they are aligned to the company strategies.

#### Material Issues

There were no material issues to be reported.

#### Sustainability Commitment

City Power's sustainable practices promote growth, innovation and efficiency. City Power provides solutions. These practices enhance the quality of life of the communities in which with the company operates and they benefit our customers, our employees, stakeholders and the shareholder.

#### Economic development

Providing electricity to all residents within the CoJ supply area is an integral part of City Power's supply mandate. The electrification of new areas and public lighting programs are critical components of the capital budget. During the year under review, over R1 billion was spent on BEE companies (79.09% of the value of the payments to BEE suppliers).

In the past year City Power has created 2,333 jobs through the EPWP (Expanded Public Works Programme) utilizing its capital projects.

City Power has sponsored various items over the financial year in line with their Corporate Social Investment (CSI) responsibilities.

Date	Charity	Items Sponsored	Amount
2011-2012	Moses Maren Missionary School, Emthonjeni Hospice, Tswaranang hospice & City Power food garden (Reuven)	Vegetable garden	R 100,167.60
2011-2012	Various charities & donations	Corporate gifts	R121,275.20
<b>TOTAL</b>			<b>R 221,442.80</b>

Table 34 City Power CSI sponsorship for 2011/12

## City Power 2011/12 Annual Report

### **Environmental development**

City Power has an environmental management system in place, aligned with CoJ systems. Policies and procedures have been approved by the relevant governance bodies and implementation action targets have all been met. City Power has retained its accreditation for the ISO 14001-2004 Environmental Management System.

### **Safety**

The company is extremely proud of its safety record. The number of workplace injuries has declined over the years and currently the measure for such injuries Disabling Injury Frequency Ratio (DIFR) is at 0.51, compared to the international benchmark of 1.

There is an ongoing process to improve management practices and to develop a culture of safety to ensure all possible accidents are prevented. City Power has retained its accreditation for ISO 9001 - Quality Management System and OHSAS 18001 – 2007 Occupational Health and Safety.

### **Financial Sustainability**

#### **Revenue streams**

The main revenue stream for City Power is electricity sales.

#### **Financial performance**

The company's financial performance is covered in detail in the audited annual financial statements. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that funds will be available to finance future operations and that the realization of assets and settlements of liabilities, contingent obligations and commitments will occur in the ordinary course of business. This is also supported by financial ratios.

## City Power 2011/12 Annual Report

	2011/12	2010/11
<b>GEARING</b>		
<b>Debt/Equity</b>		
Total liabilities	6,994,949	7,623,357
Equity	5,344,398	3,930,772
<b>Ratio:</b>	<b>1.31</b>	<b>1.94</b>
<b>Interest Cover</b>		
Profit before interest and tax	2,226,679	1,520,085
Net interest	388,482	400,187
<b>Ratio:</b>	<b>5.73</b>	<b>3.80</b>
<b>Current Assets</b>	5,181,738	4,751,660
<b>Current Liabilities:</b>	2,879,367	3,902,049
<b>Current Ratio:</b>	<b>1.80</b>	<b>1.22</b>
<b>Profit Margin</b>		
Nett Profit/Turnover	1,413,626	859,066
Total Revenue	12,088,478	9,786,301
<b>Ratio</b>	<b>11.69%</b>	<b>8.78%</b>
<b>Activity Analysis</b>	<b>2011/12</b>	<b>2010/11</b>
<b>Total Turnover</b>	12,088,478	9,786,301
<b>Average Assets</b>	11,946,738	10,172,955
<b>Ratio:</b>	<b>1.10</b>	<b>0.96</b>

Table 35 City Power financial ratios

### Financial assistance

City Power obtains financial assistance via grants from government.

## City Power 2011/12 Annual Report

### Sustainability risks

The board acknowledges its overall accountability for ensuring an effective results-driven integrated risk management process. Exco has implemented a risk control system to enable management to respond appropriately to significant risks that could impact negatively or positively on business objectives. Risk reviews are conducted with input from divisional and functional areas. Risks are identified and ranked by divisions and groups, reviewed, and then assessed by Exco, the Audit Committee, and the board to determine the major operational, strategic and business continuity risks.

The ratings of the risks are finalized after considering the mitigation plans, and executive accountability is assigned for each of the risks.

### Transformation and Empowering Employees

#### Skills Training

The ongoing development of employees in the workplace is a high priority for City Power. A great deal of emphasis is currently placed on the procurement of service providers for all mandatory training courses. These training courses include both technical and soft skills e.g. fire-fighting, first aid, rigging & slinging, Team Leader development.

City Power skills development and training also directly supports the ISO certification and re-certification initiatives.

#### Social development

The company is actively involved in promoting social development in terms of learnerships, internship and charity programs.

#### Learnership Programmes

There are currently fourteen (14) bursars assisted by the Company.

This total is made up of ten (10) African males and four (4) African females.

- One Bursar is studying towards Accounting Science (BCom)
- Two Bursars are studying towards Financial Accounting (BCom)
- One Bursar is studying towards Electrical Engineering (Diploma)
- 10 Bursars are studying towards BSc Electrical Engineering

There are currently 35 learners registered for ABET training.

Levels	African	
	Male	Female
Level 1	0	0
Level 2	12	0
Level 3	8	0
Level 4	15	0

Table36 City Power ABET learners

# City Power 2011/12 Annual Report

## Risk Management Governance and Processes

### Background

City Power is a municipal entity (ME) owned by the CoJ and as such City Power is continuously ensuring alignment and compliance to CoJ requirements. City Power's risk management process is aligned to and has adopted the CoJ risk management framework.

### Broad definition

Risk is defined as an event that may have an impact on the ability of the company to achieve its business objectives.

### Risk management process

A strategic risk assessment workshop was conducted on the 10 January 2011 by Exco, JRAS and SHU.

A Board/Exco Risk Workshop was held on 7 March 2011, at which the Audit & Risk Committee was mandated to review and drive the register before submitting it to the board for approval. The board approved the 2011/12 strategic risk register and approved its inclusion in the 2011/12 business plan at its meeting held on 23 June 2011 as recommended by the Audit & Risk Committee.

City Power' risk management process has four broad steps:

- Risk identification
- Risk assessment and treatment
- Monitoring and reporting
- Auditing

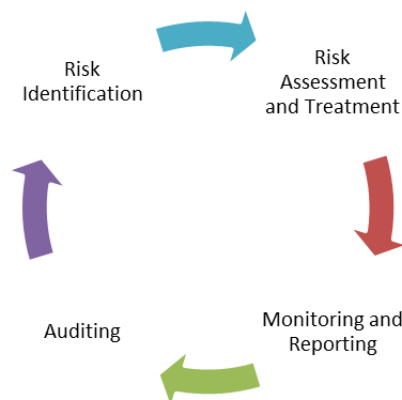


Figure 10 Diagrammatic representation of City Power's risk management process

## City Power 2011/12 Annual Report

### **Risk identification**

The City Power risk identification process is aligned to the CoJ framework. Company risks are identified annually and form part of the risk register. These risks are influenced by the executive committee, taken before the Audit Committee of the board and then approved by the board. The approved risks are then incorporated in the business plan.

### **Risk assessment and treatment**

Once risks have been identified, they must be subjected to a consistent assessment process to ensure City Power achieves an objective and holistic result that can inform its risk profile. Risk is measured in two ways:

- By the likelihood or frequency of the risk occurring
- By the severity/impact on City Power of the risk occurring

The City of Johannesburg has developed a two-stage assessment process to assess and quantify identified risks.

- 1) Impact and likelihood
- 2) Development of risk drivers and risk casual model

### ***Stage one – impact and likelihood***

The first stage involves assessing the potential impact (or severity) of each risk, and then the likelihood of the event occurring.

Each risk is scored on a scale of one to five. The table below details the criteria used to assess the potential impact/severity of each risk occurring.

Assessment of impact / severity					
		Financial	Reputation	Stakeholders	Customers
1	Not significant	Event would have little financial impact on either income or budget	Contained within individual service area. From a regulatory perspective, minor fines or penalties may have been suffered.	Employees may have suffered minor first aid injuries. Event may have resulted in localized staff morale problems.	Customers may have been minimally impacted. Event may impact minimally on achieving a performance target.
2-3	Minor	Event would have moderate financial impact (>2% on budget/income or >2%) on either income or budget.	Affects significant number of service areas but with likely short-term impact on public memory. From a regulatory perspective, fines or penalties >R50k may have been suffered. Customers may have been impacted resulting in complaints with media coverage (suburban newspaper).	Employees may have suffered temporary disabling injuries. Event may have resulted in staff loss causing minor to moderate consequences.	Event may impact on achieving a performance target where a major milestone was missed by more than 1 month, impacting on a client segment.
4-5	Moderate	Event would have serious financial impact (>4 -6% on budget/income or >4%) on either income or budget.	Regulator inquiry with medium-term impact on public memory. From a regulatory perspective, fines or penalties >R100k may have been suffered. Customers may have been impacted resulting in complaints with media coverage (local newspaper not front page).	Employees may have suffered multiple temporary disabling injuries. Event may have resulted in staff loss, causing serious consequences.	Event may impact on achieving a performance target where a major milestone was missed by more than 3 months and subsequent interruption over several days to customers.
6-7	Major	Event would have very serious financial impact (>8% on budget/ income or >8%) on either income or budget.	Medium-term public impact with minor political implications. From a regulatory perspective, fines or penalties >R150k may have been suffered. Customers may have been impacted resulting in complaints with media coverage (national TV headlines) and loss of Service >1 month.	Employees may have suffered multiple permanent disabling injuries. Event may have resulted in staff loss, causing very serious consequences.	Event may impact on achieving a performance target where a major milestone was missed by more than 6 months, resulting in a major customer impact.
8-9	Catastrophic	Event would have catastrophic financial impact (>15-25% on budget/income or >15%) on either income or budget.	Long-term impact on public memory and major political implications. From a regulatory perspective, fines or penalties >R500k may have been suffered. Customers may have been impacted resulting in complaints with media coverage (national TV headlines) and loss of service >6 months.	Employees may have suffered fatalities. Event may have resulted in staff loss, causing catastrophic consequences.	Event may impact on a performance target, where a major milestone was missed by more than 8 months to over 1 year.

Table 37 Criteria used to assess the potential impact/severity of each risk occurring.

Likelihood descriptor	Description	Probability
Almost certain : 8 to 9	Event has occurred within the last year repeatedly.	Event is certain to occur in this financial year.
Likely : 6 to 7	Event has occurred within the last financial year.	Event is likely to occur in this financial year.
Possible: 4 to 5	The event has a probability of occurring at some time in the next year.	Event has been recorded in organization as well as in sector in last two years.
Unlikely: 2 to 3	Very few recorded or known incidents; reasonable opportunity to occur as has occurred in other organizations within sector.	Event may occur at some time within the next two years.
Rare: 1	Event may occur in exceptional circumstances. No recorded incidents or little opportunity for occurrence.	No event recorded in the last three years.

Table 38 Criteria used to assess the likelihood of the risk occurring

The product of this stage-one assessment of impact and likelihood is an ***inherent risk score***, which can range from a minimum of 1 to a maximum of 25, by multiplying the frequency and impact scores.

### ***Stage two – development of risk drivers and risk casual model***

Risk drivers are those elements that tend to be the cause of the risk occurring. Risk drivers are a key process in risk management as they provide in-depth understanding of the risk. Analysis of the drivers leads to effective monitoring of the risk, and developing controls to mitigate or manage the risk. These will be measured and monitored as per the next phase of this project.

The formulation of risk drivers is to assist with understanding of the risk (i.e. make the risk more tangible) and in formulating controls, both pre- and post, and to manage/minimise the risk drivers, which in turn reduces the overall headline risk. If the drivers are not identified, the process will only providing a snapshot of risks at a specific point in time.

### **Monitoring and reporting**

Monthly, quarterly and annual reporting occurs and details progress and indicates the status of action items.

### **Auditing**

This process will be audited continuously.

### Top 13 Strategic Risks Status Report

The top 13 strategic risks for City Power and their status for the period under review are indicated in the table below.

#	Objectives	Risk Description	Background to the risk	Risk Consequence	Inherent Risk	Current controls	Actions to improve management of the risk
1	Energy management	Poor revenue collection	<ul style="list-style-type: none"> <li>Inadequate credit control measures</li> <li>Billing not correct/complete</li> </ul>	<ul style="list-style-type: none"> <li>Poor cash flow and liquidity problems.</li> </ul>		<ul style="list-style-type: none"> <li>Conversion from conventional to pre-paid</li> <li>Manage the Service Level Agreement with CoJ.</li> <li>Advised CoJ to segment customers as required by accounting standards and NERSA.</li> <li>Advised CoJ to re-introduce key customer executives.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous management of SLA.</li> <li>Conversion from conventional to pre-paid meters.</li> <li>Need to segment customers and reintroduce the key customer executive.</li> </ul>
2	Improve asset management	Cable theft	<ul style="list-style-type: none"> <li>Increase in copper price led to increase in network tampering and vandalism</li> </ul>	<ul style="list-style-type: none"> <li>Power interruptions.</li> <li>Company image.</li> <li>High insurance claims.</li> <li>Loss of revenue.</li> <li>Increase in operational expenditure.</li> </ul>		<ul style="list-style-type: none"> <li>Improved security in hot spot areas.</li> <li>Implemented crime Intelligence systems.</li> <li>Crime prevention strategy in place.</li> <li>Implementation of crime prevention technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Review additional prevention strategies.</li> </ul>
3	Business Model Review	Customer dissatisfaction.	<ul style="list-style-type: none"> <li>Causes include: outages, capacity demand, billing, etc.</li> <li>Low level of positive public opinion (company image) Poor performance of Call Centre</li> </ul>	<ul style="list-style-type: none"> <li>Low payment level.</li> <li>Poor company image.</li> <li>Loss of NERSA license</li> <li>Decline in customer satisfaction</li> </ul>		<ul style="list-style-type: none"> <li>Manage SLA with CoJ.</li> <li>Working with CoJ to improve processes.</li> <li>Internet faults logging system.</li> <li>SMS messaging system for planned outages.</li> <li>BC Forums</li> </ul>	<ul style="list-style-type: none"> <li>Review value chains.</li> </ul>
4	Energy Management	High primary energy pass through costs.(OCGT & KPS)	<ul style="list-style-type: none"> <li>Inadequate capacity nationally will result in the starting up of the gas turbines and increase in Kelvin dispatch resulting in high pass through energy costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increased cost of bulk purchases.</li> </ul>		<ul style="list-style-type: none"> <li>Strict control over PPA and penalties on poor delivery.</li> <li>Hold monthly meeting with Kelvin management.</li> <li>Limited provision for the gas turbines in the current budget.</li> </ul>	<ul style="list-style-type: none"> <li>Explore additional funding for the gas turbines. (e.g. Off-takers)</li> <li>Engage with third parties to buy power at the cost of generation.</li> </ul>

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#	Objectives	Risk Description	Background to the risk	Risk Consequence	Inherent Risk	Current controls	Actions to improve management of the risk
5	Energy Management	Business's inability to fund high capital and operational requirements out of current cash flows nor future tariff applications	<ul style="list-style-type: none"> <li>Lack of funding</li> <li>Company not able to obtain own funding.</li> </ul>	<ul style="list-style-type: none"> <li>Unable to meet the GDS, IDP, and Business Plan targets including electrification, inner-city project, public light, SHEQ etc</li> <li>Unable to refurbish the ageing network at an acceptable rate</li> <li>Not enough funds to upgrade the network e.g. fourth and fifth intake points</li> <li>Compliance to MFMA Requirements</li> </ul>		<ul style="list-style-type: none"> <li>Revenue generating projects</li> <li>Public Private Partnerships (PPP) initiatives</li> <li>Sourcing additional grant funding</li> </ul>	<ul style="list-style-type: none"> <li>Exploring the off-balance sheet arrangements with funding institutions.</li> <li>Seek additional grants from National Treasury and other departments.</li> </ul>
6	Business Model Review	Non availability and reliability of ICT.	<ul style="list-style-type: none"> <li>Extensive reliance on ICT</li> <li>Lack of investment in ICT due to competing business priorities</li> </ul>	<ul style="list-style-type: none"> <li>Low productivity</li> <li>Negative company image</li> <li>Poor business performance</li> </ul>		<ul style="list-style-type: none"> <li>Currently reviewing and updating the Information security policies and the disaster recovery strategy</li> </ul>	<ul style="list-style-type: none"> <li>Programme to align to King III recommendations.</li> <li>Review and strengthen the current controls.</li> <li>Modernising and upgrading infrastructure.</li> </ul>
7	Human Capital Investment	Fraud & Corruption	<ul style="list-style-type: none"> <li>Any form of fraud &amp; corruption taken place, including financial, asset, gift, collusion, etc.</li> <li>Conflict of interest</li> </ul>	<ul style="list-style-type: none"> <li>Loss of assets and funds.</li> <li>Entity image is tarnished.</li> </ul>	•	<ul style="list-style-type: none"> <li>A fraud policy has been introduced.</li> <li>A fraud and corruption prevention plan is in place.</li> <li>An illustrative list of strategic fraud risks is in place.</li> </ul>	<ul style="list-style-type: none"> <li>Awareness campaigns on anti-fraud and corruption.</li> </ul>
8	Obtain Unqualified Audit Opinion.	Qualified audit report.	<ul style="list-style-type: none"> <li>Inadequate internal controls. Insufficient financial staff.</li> <li>Non-compliance to GRAP standards.</li> </ul>	<ul style="list-style-type: none"> <li>Weak internal controls.</li> <li>Non-compliance to GRAP .</li> <li>Non-compliance to MFMA Improper reporting</li> </ul>	•	<ul style="list-style-type: none"> <li>Practicing good governance</li> <li>Actively addressing all issues raised in the previous year's management report.</li> </ul>	<ul style="list-style-type: none"> <li>Alignment with King III requirements.</li> <li>Continue to comply with legislation. Implementation of GRAP</li> <li>Integrated reporting</li> <li>Staff development</li> </ul>

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#	Objectives	Risk Description	Background to the risk	Risk Consequence	Inherent Risk	Current controls	Actions to improve management of the risk
9	Energy Management	Increase in non-technical losses	<ul style="list-style-type: none"> <li>Meter tampering, illegal connections.</li> <li>Faulty meters and no access - unable to bill customers.</li> <li>No meters at all</li> </ul>	<ul style="list-style-type: none"> <li>Loss of revenue and or cash</li> <li>NERSA Licence</li> </ul>		<ul style="list-style-type: none"> <li>Installation of semi AMR, tamper proof meters and pre-paid meters with protective structures;</li> <li>Removal of illegal connections and replacement with tamper proof meters with protective structures.</li> <li>Currently utilising JMPD &amp; SAPS to enforce by-laws.</li> <li>Continuous installation audits.</li> <li>Customer education programmes.;</li> </ul>	<ul style="list-style-type: none"> <li>Continue with present controls and monitor the effectiveness.</li> </ul>
10	Improve Asset management	Network interruptions	<ul style="list-style-type: none"> <li>Age of the network</li> <li>Uncontrollable events such as insufficient capital for upgrading and refurbishment of MV and LV network.</li> <li>Theft and vandalism of infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>Low productivity</li> <li>Negative company image</li> <li>Poor business performance</li> </ul>		<ul style="list-style-type: none"> <li>Maintenance and capital investment programme in place.</li> <li>Asset management system in place.</li> <li>Crime prevention strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of condition monitoring project and continuous review of additional crime prevention strategies</li> </ul>
11	Improve Asset management	Inadequate capacity to meet the demand. (Eskom & Kelvin)	<ul style="list-style-type: none"> <li>Eskom's failure to supply (generation and transmission)</li> <li>Ability of the Eskom network to sustain the new capacity demand.</li> <li>Inability of Kelvin Power Station to supply at the required level in terms of the PPA.</li> </ul>	<ul style="list-style-type: none"> <li>Load shedding.</li> </ul>		<ul style="list-style-type: none"> <li>City Power has applied for increased capacity from Eskom.</li> <li>Investigating distributed generation options.</li> <li>Implementing DSM programme. Resuscitate Gas Turbines.</li> </ul>	<ul style="list-style-type: none"> <li>Investigating alternative sources of energy e.g. solar power</li> <li>Piloting solar powered streetlights.</li> </ul>
12	Human capital Investment	Potential impact of HIV and Aids on the workplace and the business	<ul style="list-style-type: none"> <li>World-wide pandemic.</li> <li>Impact on the organisation is linked to available skills and competencies</li> </ul>	<ul style="list-style-type: none"> <li>Reduced productivity</li> </ul>		<ul style="list-style-type: none"> <li>On-going awareness and education</li> <li>Roll out of planned interventions to address the areas identified e.g. prevalence study, Cost impact analysis, etc</li> </ul>	<ul style="list-style-type: none"> <li>On-going HIV Counselling and testing.</li> <li>Cost impact analysis</li> <li>Disease management</li> <li>Intervention projects such as education and awareness</li> <li>Enhanced HIV/Aids policy</li> </ul>

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#	Objectives	Risk Description	Background to the risk	Risk Consequence	Inherent Risk	Current controls	Actions to improve management of the risk
13	Human capital Investment	Lack of focused development of key skills	<ul style="list-style-type: none"> <li>Process to identify training needs and focused process to address them are not in place</li> </ul>	<ul style="list-style-type: none"> <li>Low productivity</li> </ul>		<ul style="list-style-type: none"> <li>Focused and targeted skills development interventions. Increase the number of workplace coaches</li> </ul>	<ul style="list-style-type: none"> <li>Improve needs analysis process - use of Group Skills Plan, Workplace Skills Plan process to identify analysis gaps - need number / percentages to quantify the progress</li> <li>Develop and implement annual training calendar – enhance training calendar to accommodate both technical and non-technical training</li> <li>Implement controls and reporting measures - attendance register, course evaluation forms / ROI cost benefits – application of ROI</li> <li>Increase number of workplace coaches and mentors - service provider has been sourced through SCM to mentor and coach executive members and thereafter cascade to low level staff, identify mentors and coaches currently in terms of statistics and where they are positioned in the business</li> <li>Implement succession planning - succession planning framework was submitted to REMCO and Director HR, also speaks to Talent Management, HR Planning</li> </ul>

Table 39 City Power's top 13 strategic risks and their status

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### CONCLUSION

The year has been characterised by steady progress on the strategic priorities of City Power. The financial performance was mixed, partly as a result of the dichotomy of needing to reduce electricity consumption in the country, which has the effect of reducing revenue.

City Power has achieved and exceeded its goals in terms of the Growth and Development Strategy and Key Performance Areas as aligned to the goals of the City of Johannesburg. City Power forms part of the sustainable infrastructure cluster. The five-year plan for the infrastructure and services cluster is to achieve a city with a backbone of efficient and well-maintained service infrastructure, extended to all, so that all citizens and stakeholders can access an expanding package of innovative, safe, reliable and affordable services.

During the year under review, City Power reported a number of successes against target in the areas of basic services delivery, quality of services and reducing electricity losses. Although theft and vandalism are ongoing challenges, City Power continues to work towards mitigating the negative effects, whilst pursuing our strong commitment to environmental sustainability.

The Auditor General has issued a qualified audit opinion on the annual financial statements presented in this report and has detailed the areas which led to this qualification. The Audit Committee and the board of City Power have noted the findings. They acknowledge that the findings relate to historical billing challenges, but also raised concern over management's difficulty in stabilising the revenue control environment.

A number of controls and procedures have been implemented over the past 6 months. The organization is confident that the results of these initiatives will begin to reflect in the new financial year as we begin to register improvements on the material problems identified by the Auditor General.

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### ANNEXURES

- Annual financial statements
- Audit General's report on the annual financial statements