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COMBINED CHAMBERS OF LYDENBURG, SABIE AND GRASKOP BULLETIN FROM THE COMBINED CHAMBERS – ESKOM APPEAL RESISTANCE

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Further to various advices that have preceded this, the following is an update on the status of this matter.

From the outset, it is critical for all citizens within the Thaba Chweu area to understand that although there appears to be an agreement between Eskom and TCLM not to cut electric power to the municipality, this has only been formally confirmed by Eskom in such a manner that from month to month, Eskom reserves the right to cut power in the event of TCLM failing to honour the agreement (TCLM has reneged on every agreement so far). Accordingly, the status quo is that ***the appeal in the Bloemfontein Supreme Court of Appeal still stands.***

About two weeks ago, the combined Chambers of Lydenburg, Sabie and Graskop met to discuss how best to tackle this matter. This was instigated by the Attorneys of Record who confirmed that York Timbers was not in a position to fund the appeal and advising us that we would have to explore alternative methods of funding the resistance to the appeal. Before we look at those, let us briefly look at some of the very dire consequences on *not* resisting the appeal:

1. Sabie and Graskop, as tourism towns, will die very quickly because tourists will not visit towns that have no services.
2. Large scale business closures will occur with widespread deprivation, loss of jobs and severe hardship.
3. Crime will escalate due to poverty and the opportunities to conduct crime under cover of darkness.
4. Social services (schools, clinics and hospitals) will not be able to function properly.
5. Severe hardship will be suffered by the children, the elderly, frail and ill.
6. The water supply will be severely affected, leading to extended periods with no water.
7. Sanitation will be severely affected due to lack of power at the treatment plants and lack of water to carry the sewerage.
8. Widespread protests and civil unrest will be inevitable.

In the light of the above, the combined Chambers decided that for the sake of the entire Thaba Chweu community, it is critical that *as a community*, we resist Eskom's appeal.

To that end, we have to raise funds to cover those costs – estimated to be in the region of one million Rand. We have therefore started a fund-raising campaign as per our posters that

have been distributed and e-mail appeals that have been sent out to individuals and businesses in Lydenburg, Sabie and Graskop. From 22nd January to date, we have received a total of R 48 150,00 – far short (by R 951 850,00) of what is needed. We have communicated to the Attorneys that we will do everything within our power as a community, to raise the necessary funds and that's where you come in. *Any contribution, no matter how great or small, will help !*

What alternatives are there ?

1. Eskom could sue TCLM directly in Court and not punish those who have already paid for the electricity that they have received.
 - a. To date, Eskom has not selected this option; instead, opting for the draconian measure of disconnecting power to those who have paid for a service. This will be argued during the appeal.
 - b. There is no doubt whatsoever that TCLM has been singularly inept in their management of this crisis and Eskom has the right of recourse on that.
 - c. If Eskom takes TCLM to Court, they could (subject to Law) attach TCLM assets and dispose of them. Eskom does not appear to have explored this option.
 - d. There is nothing that we know of that should stop Eskom from applying for TCLM to be placed under immediate Administration and then to deal with the Administrators regarding a way forward.
2. Consumers pay Eskom directly.
 - a. This cannot be done overnight. The simple fact of the matter is that Nersa has granted a distribution licence to TCLM and until they revoke that, we will not be allowed to pay Eskom directly.
3. Bring in a company such as Rural to take over the management of the electricity distribution from TCLM, pay the debt to Eskom over a number of years, re-vamp ailing and aged infrastructure and get the electricity supply and distribution back on track.
 - a. As logical as this alternative sounds; TCLM has so far rejected this option out of hand.
4. Class action suit against TCLM (and individuals within it).
 - a. The Sabie Ratepayers Association (SRA) is currently exploring this option not only regarding Eskom but regarding the entire matter of service delivery. This will be time consuming, costly and is not a “quick fix”.
5. If anyone can come up with a viable and immediate alternative, please let us know.

The above alternatives are just not viable right now.

Fellow citizens of Thaba Chweu, please understand that our municipality has failed us and continues to do so. Therefore, the future is in our hands alone. Time is of the essence because the court date will soon be set. The Attorneys of Record have already started compiling the Heads of Argument, in the faith that we will raise the funds necessary to fight this matter.

It is to be hoped that Eskom may see sense and drop the appeal (on humanitarian grounds) but there is no indication of this at the moment. There is no argument that Eskom are due the money for “goods supplied”. The argument is rather the manner in which they are trying to get the money back.

We have to stand together as a community to fight this travesty, not only for our sakes, but so that we can create a precedent whereby every other town in SA with a dysfunctional municipality can use our example.

LET'S STAND TOGETHER !

Signed by: E van der Merwe (Chairperson of LMBC)
R Culwick (Chairperson of SCCT)
D van Niekerk (Chairperson, GCBT)