

To Whom It May Concern

Date:
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Enquiries:
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COST ESTIMATE LETTER FOR ESKOM GRID CONNECTIONS

Eskom has received numerous requests from Developers and Generators for grid connection cost quotations. These quotations were requested either to enable a REFIT bid or to connect to the grid for electricity wheeling or resale purposes.

To date Eskom has not provided grid connection cost quotations to Developers or Generators interested in participating in the REFIT Programme. It was envisaged that quotations would only be provided to pre-qualified Developers or Generators.

Interest shown in participating in the REFIT programme is such that there is a distinct possibility that Eskom will not be in a position to provide grid connection quotations in the required time frame due to resource constraints (limited man-hours).

We have therefore decided to provide indicative costs to connect to the Eskom grid in a 'Cost Estimate Letter', should you request it.

The process to request the Cost Estimate Letter is as follows:

1. Generators / Developers / Consultants requiring a Cost Estimate Letter must complete (only) PART 1 of the revised "Application for a connection of a generator to the Eskom Network" form for each connection required.
2. Cost Estimates Letters will NOT be provided on applications previously sent to Eskom.
3. The Application Form is attached and will also be available on Eskom's Website.
4. The completed Application Form must be sent to the Regional Key Customer Service Office as indicated on page 2 of the application form. (An Email will suffice).

The following pertains to the Cost Estimate Letter:

1. It will be provided free of charge.
2. Technical specifications will be included.
3. Costs will be included.
4. The estimates will be done without completing extensive design work.
5. The estimates will be non-binding on Eskom.
6. The letter will not place Eskom under any obligation to give a connection to the Grid.
7. The letter will only be provided for generators connecting to the Eskom Grid, i.e. where the generator is located in Eskom's licensed area of supply.
8. Costs will be on a common base.

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It is envisaged that the SBO (Single Buyer Office) will pre-qualify bids to go to the next stage. At this stage Eskom will provide a budget quotation, with an 85% confidence level.

The following pertains to the Budget Quotation:

1. The SBO has given approval to proceed.
2. Acceptance of all the conditions set out in the Cost Estimate Letter.
3. Payment of the quotation fee (value specified in the Cost Estimate Letter).
4. For generators that are not part of any Eskom purchase programme:
 - Proof of ownership of land or right to use land.
 - Proof of EIA submission.
 - A letter from NERSA regarding approval or licensing of the generator.

It is advisable to apply for a cost estimate even if costs are not required at this stage. Our preference is that all developers/generators have updated costs at a common base. It is also a condition that application for a budget quotation is preceded by acceptance of the conditions contained in the Cost Estimate Letter.

Please contact me should you require more information.

Regards



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Key Customer Service
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