

**CITY OF TSHWANE**  
"we are the same"

## Legal Services

227 Andries Street  
Pretoria  
0002

P O Box 440  
Pretoria  
0001

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### MANAGER: PROPERTY SERVICES

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Your ref:

E-mail GertM1@tshwane.gov.za

Our ref: K/13/2ROSSLYN X 27,28,30,33&34

☎ 358 7402

Enquiries GERT MULLER/ ALEX DE BEER

☎ 358- 7399

Sir/Madam

*15 November 2007.*

#### **PROPOSED TOWNSHIP: ROSSLYN EXTENSION 27,28,30,33 & 34 SERVICE AGREEMENT FOR ELECTRICITY SUPPLY**

Find attached two copies of a service agreement dated 23 AUGUST 2007 drawn up by the City of Tshwane Metropolitan Municipality regarding the ELECTRICITY SUPPLY of the proposed townships

Kindly provide me with the written acceptance of the service agreement by the township owner (or his authorised agent) for which purpose a draft acceptance letter is attached.

You are further requested to see to it that each page of the service agreement is initialled by the township owner (or his authorised agent).

In the case of a legal person other than a natural person, or if the documents are not signed by the township owner himself, you are to provide me with the necessary resolution or Power of Attorney.

Yours faithfully

  
f MANAGER: PROPERETY SERVICES



Manager: Property Services  
City of Tshwane Metropolitan Municipality  
P.O. Box 440  
PRETORIA  
0001

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Sir

I, the undersigned

B. FALKSON .  
.....

acting on behalf of the company

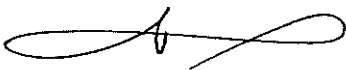
BIG CEDAR 22 (PTY) LTD .  
.....

as the registered owner of the land on which the proposed township ROSSLYN EXTENSION 27,28,30,33 and 34 is to be established, hereby accept the service agreement regarding the ELECTRICITY SUPPLY OF THE TOWNSHIP drawn up by the City of Tshwane Metropolitan Municipality dated 23 AUGUST 2007 and undertake to meet the conditions strictly.

Furthermore I declare that I have authority to bind the said company as per the attached resolution or Power of Attorney.

Attached hereto find two copies of the service agreement, each page has been initialled by me.

Signed at PRETORIA on this 29 day of NOVEMBER 2007

  
.....  
DIRECTOR  
CAPACITY



**GENERAL TERMS AND CONDITIONS UNDER WHICH ELECTRICITY IS TO BE SUPPLIED TO THE PROPOSED TOWNSHIP (ROSSLYN EXTENSION 27,28,30,33 & 34)**

The attached agreement on the provision of services for a new township is submitted to you for consideration and signature.

TOWNSHIP AREA : ROSSLYN X 27, 28, 30, 33, & 34

SUBJECT : TSHWANE ENERGY & ELECTRICITY


REFERENCE : E10/1/1/1/ROSSLYN X 27, 28, 30, 33, & 34

COMPILER : N. MITHOO ..... DATE: 30/07/07

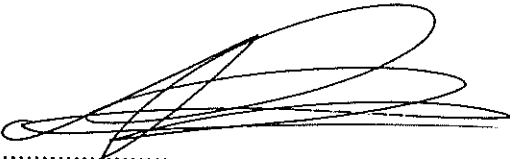
HEAD OF SECTION: F. GIBBON ..... DATE: 22/08/2007

I, the undersigned Petrus Johannes Botha in my capacity as Managing Engineer : Service Connections hereby confirms that the attached document is to the best of my knowledge technically correct and in order.

Signed and dated at PRETORIA on the 24<sup>th</sup> day of August 2007.

  
MANAGING ENGINEER: SERVICE CONNECTIONS

The attached agreement has been checked by the General Manager: Legal Services and is legally correct.

  
.....

**B. MAHLANGU**  
**ACTING DIVISIONAL HEAD: ENERGY & ELECTRICITY**

22/08/2007  
DATE



Ordinance 15 of 1986  
(Venter policy)

## CITY OF TSHWANE METROPOLITAN MUNICIPALITY

### TSHWANE ENERGY & ELECTRICITY

GENERAL TERMS AND CONDITIONS UNDER WHICH ELECTRICITY IS TO BE  
SUPPLIED TO A PROPOSED TOWNSHIP WITHIN THE ELECTRICITY SUPPLY AREA  
OF THE CITY OF TSHWANE METROPOLITAN MUNICIPALITY

#### 1. PARTIES AND SUBJECT

1.1 CITY OF TSHWANE METROPOLITAN MUNICIPALITY  
("The Municipality")

1.2 THE APPLICANT  
BIG CIGAR TRADING 22 (PTY) LTD  
("the township owner")


**Postal address:** P.O BOX 245  
ROOIHUISKRAAL  
0154

**Physical address:** 27 PARK AVENUE  
HIGHWAY BUSINESS PARK  
OLD JOHANNESBURG ROAD  
CENTURION  
0157  
(the *domicillium citandi et executandi*, ie the physical address at  
which legal process will be served)

#### 1.3 FIRM OF CONSULTING ENGINEERS

GAUCON ELECTRICAL CONSULTING ENGINEERS  
("the consulting electrical engineer")

Postal/...



**Postal address:** P.O. BOX 2920  
HONEYDEW  
2040

**Telephone:** (011) 792-6424

**Fax:** (011) 792-0696

- 1.4 ROSSLYN X 27, 28, 30, 33, & 34  
("the township")

## 2. POLICY

The agreement for supplying and installing electricity for the proposed township is in accordance with the Town-planning and Townships Ordinance, 1986 (Ordinance 15 of 1986). This Ordinance provides that, among other things, the developer is responsible in terms of section 118(1)(a) for installing and providing the internal electrical engineering service ("the internal service") and the Municipality is responsible in terms of section 118(1)(b) for providing and installing the external electrical engineering service ("the external service").

## 3. OBLIGATIONS OF THE TOWNSHIP OWNER

### 3.1 *Providing and installing the internal service*

- 3.1.1 **The township owner must install the internal service for the township at his or her own expense by a competent electrical contractor under the supervision of a professional electrical engineer strictly in accordance with a design approved by the SEO Tshwane Energy & Electricity and in accordance with the Municipality's requirements and specifications. Once completed, the township's internal service or a portion of it is taken over by the Municipality for commissioning provided - :**

3.1.1.1 the township owner has met **all obligations** (financial and otherwise);

3.1.1.2 all **pre-commissioning tests and inspections** of the internal service have been completed successfully; and

3.1.1.3 an approved "**as built**" plan has been submitted to the SEO Tshwane Energy & Electricity.

3.1.2 The information on the obligations, tests and inspections, and "as built" plan referred to in 3.1.1.1 to 3.1.1.3 must be certified in writing **when the network is taken over** and must be submitted to the SEO Tshwane Energy & Electricity by the Township Owner and his or her consulting electrical engineer.

3.2 *Maintenance/...*

### 3.2 *Maintenance period*

A maintenance period of twelve months starts on the date on which the internal service is taken over, **provided that the Municipality has already taken over all the other engineering services**. If this is not the case, the maintenance period will start on the date on which all the other services are also taken over by the Municipality. During the maintenance period, the township owner is liable for any costs that the Municipality has to incur to repair and/or maintain the internal service if there are faults or interruptions owing to poor workmanship or materials or if the township owner has failed to maintain the internal service as required by the specifications. **After expiry** of the maintenance period and after all amounts owing during the maintenance period have been settled, the **Municipality takes over the internal service permanently**.

### 3.3 *Compensating the Municipality*

3.3.1 **The township owner must, where applicable, compensate the Municipality for the following:**

3.3.1.1 **Boundary services** (that part or the pro rata portion of the township's internal service that the township owner has not installed, but that the township will utilize fully or in part). Compensation for boundary services is based solely on **materials and equipment** used. Before the township can be declared an approved township, this amount must be paid by the township owner and is calculated according to Municipality tariffs as at the date of payment.

3.3.1.2 The costs that the Municipality must incur to **connect** the township's network to the Municipalities **existing network**. This amount must be paid before the work is done and the network is energized.

3.3.1.3 The cost of **moving, changing, removing** and/or **replacing** the existing electrical services that serve other consumers, which became necessary due to the establishment of this township.

3.3.1.4 The costs involved in registering a **servitude**.

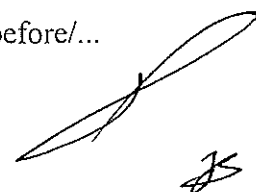
3.3.1.5 See the Annexure for estimated values of the above.

3.3.2 The amounts in 3.3.1 are estimated amounts based on current costs and rates and are **subject to revision** at the time when the work is carried out. The township owner must make **arrangements in writing and in good time** with the Tshwane Energy & Electricity for the work that must be done by the Municipality. Tshwane Energy & Electricity will, at the stage when the work is to be executed, calculate the actual amount required. Before work can start, this amount must be paid. Once it is paid, the guarantee amount can be adjusted accordingly.

### 3.4 *Contribution towards the costs of external services*

3.4.1 The contribution by the owner towards the costs of external services for the township is based on an estimated total load for the township.

before/...



**Before the proposed township can be declared an approved township, this contribution must be paid.** This amount is subject to revision if not paid before 30 June 2007. Should Council however adjust the general tariffs on which the contribution is based before 30 June 2007 the new amount will be payable. The township owner will be furnished with the recalculated amount at his or her **written request**.

- 3.4.2 If the township qualifies for the **rebate** on the above contribution as per Municipality Resolution dated 31 May 1995, no amount will be payable in respect hereof.

#### 4. THE MUNICIPALITY'S OBLIGATIONS

- 4.1 The Municipality will, where applicable, compensate the township owner for **boundary services**, i.e. for that part or the pro rata portion of the township's internal service that the township owner installs and that will be utilized fully or in part by adjacent townships. Compensation for boundary services is based **solely and exclusively on materials and equipment** used. However, the township owner bears the full costs for any 70mm<sup>2</sup>, 11kV ring feeder cable running through his or her township (for that portion within the Township) and is intended for utilization by this township. Such amounts owed to the township owner will be reimbursed to him or her during the **budget year following the year** in which the reticulation of the township is completed, provided that the township is declared an approved township. Reimbursement is based on actual prices and Municipality tariffs as at the date of payment.

- 4.2 If the proposed township is not situated within the Municipality's priority area for providing external engineering services, the township owner may, after reaching an agreement with the Municipality, **install** the required **supply cables at his or her own expense** to ensure a supply to the proposed township at the required point in time.

#### 5. PROVISION OF GUARANTEE

- 5.1 As security that the township owner will meet his or her obligations in 3.1 to 3.4 (where applicable), the township owner must provide the Municipality with a guarantee to the satisfaction of the General Manager: Legal Services and the Finance Department **before the township is declared an approved township**.
- 5.2 The **guarantee amount must increase by 20% a year**, compounded monthly from 8 August 2007 to the date of payment, both dates inclusive, in order to make provision for cost increases and/or a decrease in money value. The guarantee amount is reduced at the discretion of the Municipality according to the township owner's fulfilment of his or her obligations and is cancelled as soon as all obligations of the township owner are finally fulfilled.

6. GENERAL/...



AS

## 6. GENERAL CONDITIONS

- 6.1 The township owner undertakes to appoint a **professional electrical engineer** who must ensure that the internal service is **installed strictly in accordance with the design** (approved by the SEO Tshwane Energy & Electricity) and **the Municipality's specifications, requirements and conditions** and that all safety and other requirements in terms of the Occupational Health and Safety Act, 1993 (Act 85 of 1993), have been complied with.
- 6.2 The township owner undertakes to appoint a **competent electrical contractor** at his or her own expense, to reticulate the township in accordance with the design approved by the SEO Tshwane Energy & Electricity and the Municipality's specifications, requirements and conditions.
- 6.3 The township owner undertakes to make the necessary arrangements in good time in order to register the required **servitudes** for services over private property at his or her own expense before the township can be released for construction work.
- 6.4 The township owner undertakes **to appoint a competent person to supervise the work on a full time basis** if, during the installation of the township's internal service, work has to be carried out in the vicinity of **existing live electrical services** and if the SEO Tshwane Energy & Electricity requires this. This provision is required in terms of Regulation 2 of the General Machinery Regulations made under the Occupational Health and Safety Act, 1993. A copy of the competent person's letter of appointment must be handed to the SEO Tshwane Energy & Electricity before work may start.
- 6.5 The township owner undertakes to take out a **public liability policy** at his or her own expense and to the satisfaction of the Municipality's Treasury Division before any work start and to submit the policy to the Municipality's Treasury Division. The policy must indemnify the Municipality and the township owner against any event that may arise from damage or loss sustained or suffered as a result of the work carried out. The policy must also provide for risk cover to a maximum of **R2 500 000, 00** per event, with an unlimited number of events. The township owner must maintain the policy at his or her own expense until all obligations relating to the work have been met to the satisfaction of the Municipality. The township owner must provide satisfactory proof of the existence of the policy before any work can begin.
- 6.6 The township owner undertakes to **transfer ownership of the internal service** of the township **free of charge to the Municipality** for its commissioning and operation once the service is completed to the satisfaction of the SEO Tshwane Energy & Electricity. This takeover will occur only once the township has been declared an approved township.
- 6.7 The township owner undertakes to **guarantee and maintain the internal service** in accordance with the provisions of the specifications and this agreement.

6.8 The/...



- 6.8 The township owner undertakes to **compensate the Municipality for any damage** caused to the installed internal service during the installation of any other service, including road construction and stormwater schemes, as well as for all costs involved in any adjustments to the electrical equipment above or below ground level necessitated by disruption to the original ground level within the street reserves.
- 6.9 The township owner undertakes to **develop all roads adjacent** to the Township for the proper installation of electrical services. The kerbstones must be completely installed and the side walks must be on their final level before the installation of electrical services can begin.
- 6.10 *The township owner undertakes to ensure that the installation of the internal service will not commence until -*
- 6.10.1 the **general plan** of the proposed township has been approved and the **survey pegs** have been placed in the right position and this has been certified by the land-surveyor;
- 6.10.2 **all sewerage, water and stormwater pipes have been installed, the kerbs have been completed and the pavements have been finished** of to the final level;
- 6.10.3 the approved **FB plan (design of the internal service)** is available; and
- 6.10.4.1 the township owner has accepted in writing the conditions contained in this document (**No inspections** will be conducted until the township owner has accepted these **conditions in writing.**).
- 6.11 The CTMM reserves the right to alter it's specification for material and the installation of the material at any stage during the development and the cost for such changes to the specification will be for the developer's account. These changes can be effected any time up to and including the proposed day of takeover.
- 6.12 All township extensions mentioned in this agreement must be notarially tied. CTMM will supply a single bulk supply for the notarially tied extensions.

## 7. **CONFIRMATION THAT INFORMATION HAS BEEN RECEIVED**

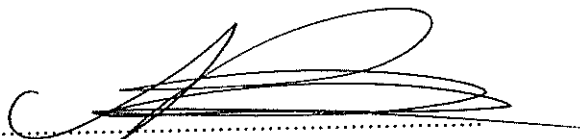
The township owner acknowledges that he or she and/or his or her consulting electrical engineer is in possession of the Municipality's specifications, requirements and conditions referred to in 6.1 above.

## 8. **ANNEXURE**

1. Estimated total load for the Township.
2. Net contribution towards the cost of external Electrical Services for the Township.
3. Obligations of the Township owner.

4. Obligations ..

4. Obligations of the Municipality
5. Net calculation.
6. Estimated cost of the Township's internal electricity network.
7. Guarantees required.
8. Approved in terms of the powers delegated to me on 1 November 2004.



**B. MAHLANGU**  
**ACTING DIVISIONAL HEAD: TSHWANE ENERGY & ELECTRICITY**

22/08/2007

**DATE**



# CITY OF TSHWANE METROPOLITAN MUNICIPALITY

## TSHWANE ENERGY & ELECTRICITY

**PROPOSED TOWNSHIP: ROSSLYN EXTENSION 27, 28, 30, 33, & 34**

**1. ESTIMATED TOTAL LOAD FOR THE TOWNSHIP:**

The total load for the township, on which the various contributions are based, was calculated as follows:

**Class factor**

..... x ..... Residential units at 13.8kVA/unit : 0.00 kVA

**FSR**

0.5 x 439 444 Industrial at 2.5kVA per 100 m<sup>2</sup> of allowable building floor surface : 5 493.10 kVA

Other special uses: 4 X Access controls : 20.00 kVA

1 X 3Phase 60A Connection for Erf 8 Extension 27 : 41.60 kVA

**TOTAL ESTIMATED LOAD FOR THE TOWNSHIP : 5 554.70 kVA**

**MINUS: Credit for existing supply to the township : 0.00 kVA**

**NETT TOTAL LOAD FOR THE TOWNSHIP : 5 554.70 kVA**

**2. FINAL QUOTA CHARGE FOR THE TOWNSHIP.**

Township owner's final quota charge for the proposed township:

Refund Factor (RM) = (4000 - M)/4000

RM = (4000 - 0m) / 4000 = 1

M= Length of 11kV cable installed by developer

C1= Cost at connection point on network

C2= Cost at one point back on network

Net total load [RM (C1 - C2) + C2] (class factor)

5554.70kVA [1(R 675.44- R 359.65) +R 359.65] : R 3 751 866.57



Plus: VAT (14%) ..... : R 525 261.32

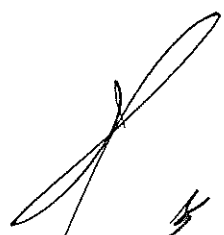
**Total amount owing by Township Owner** : R 4 277 127.89

Should the township qualifies for rebate on the above contribution as per Municipality Resolution dated 31 May 1995, no amount will be payable in respect hereof.

### 3. OBLIGATIONS OF THE TOWNSHIP OWNER.

The township owner must, where applicable, compensate the Municipality for:

3.1	The estimated value of the Municipality's <b>existing electricity network</b> which is to be utilized by the proposed township (labour excluded) (see paragraph 3.3 of the terms and conditions for township establishment) .....	R	0.00
3.2	The estimated costs that the Municipality has to incur to have the township <b>connected</b> to the existing network (this amount must be paid before the network is energised) .....	R	260.00
3.3	The estimated cost involved in <b>moving, removing, changing, and/or replacing</b> existing electrical services necessitated this by township development .....	R	0.00
3.4	The estimated cost involved in registering <b>servitudes</b> .....	R	0.00
3.5	The estimated cost for the <b>high-voltage connection</b> on Erf .....	R	0.00
3.6	<b>SUBTOTAL</b> .....	R	<b>260.00</b>
	<b>Plus:</b> VAT (14%).....(+)	R	<u>36.40</u>
3.7	<b>TOTAL</b> .....	R	<u><u>296.40</u></u>



4. OBLIGATIONS OF THE MUNICIPALITY:

The Municipality will, where applicable, compensate the township owner for boundary services, i.e. for that part or the pro rata portion of the township's internal service that the township owner installs and that will be utilized fully or in part for adjacent townships (see paragraph 4 of the terms and conditions for township establishment) ..... R 0.00

Plus:  
VAT (14%)..... R 0.00

4.1 TOTAL ..... R 0.00

5. NET CALCULATION:

As soon as the network is completed and the **actual costs** are available, the final calculations can be made, after which it will be determined which party will be credited

5.1 Township Owner's obligations (Owing to the Municipality)(3.7) R 296.40

5.2 Municipality's obligations (Owing to the township owner)(4.1) R 0.00

5.3 **Difference (VAT including) owed by Township Owner to Tshwane Energy & Electricity.** R 296.40

6. INTERNAL NETWORK:

6.1 Estimated cost of the township's internal electricity network (Reticulation cost guarantee) ..... R 2 227 080.00

Plus:

Professional fee ..... R 278 385.00

6.2 **SUBTOTAL** ..... R 2 505 465.00

Plus:

VAT (14%) on internal electricity network (Professional fee included), i.e. 14% of the subtotal above ..... R 350 765.10

6.3 **Total cost of internal electricity network** R 2 856 230.10

7. **GUARANTEES REQUIRED:**

7.1 **INITIAL GUARANTEE :**

Township's owner's obligations towards the Municipality:(3.7)	R	296 40
Estimated cost of the township's internal electricity network(6.3)	R	2 856 230.10
<b>Total value of Initial Guarantee</b>	R	<b><u>2 856 526.50</u></b>

7.2 **MAINTENANCE GUARANTEE:**

Cost of supply cables installed by the Township owner	R	0.00
Estimated cost of the township's internal electricity network (Professional fee excluded)	R	<u>2 227 080.00</u>
<b>SUBTOTAL .....</b>	R	<b>2 227 080.00</b>
VAT (14%) on Subtotal	R	<u>311 791.20</u>
<b>TOTAL .....</b>	R	<b><u>2 538 871.20</u></b>

**MAINTENANCE GUARANTEE**

(10% of the total above or R10 000 which ever is the largest) R 253 887.12

Handwritten signature and initials in the bottom right corner of the page.