



Case Study Ekurhuleni



Client Background

Ekurhuleni Metropolitan Municipality's (EMM's) Electricity and Energy Department is part of the EMM which is one of three Metros in Gauteng and one of six countrywide. It was established in 2000.

EMM DATA:

Municipal Area:	1 900 Km square
Population:	2 500 000
Number of Households:	744 936
Informal Settlements:	112
Lakes, dams, pans:	300
Electrical Demand:	2500MW (Mega Watt)

Nine municipalities combined – Benoni, Boksburg, Brakpan, Germiston, Edenvale, Alberton, Tembisa, Springs, Kempton Park.

Ranks as the 34th largest company by revenue in SA and one of the top 50 companies by number of employees.

Electricity and Energy Department Credentials

- Approximate loading of 2500MW.
- More than 20 000 km of cable.
- Staff of 1300.
- Nine Customer Care Centres.
- HV and MV Asset Value of R24 Billion.
- 70 000 Msi's on On Key Database.
- Monthly Tactical Maintenance Work Order Count +/- 11 000.

“ Since Pragma established the solid basis of maintenance, planning and asset care via On Key and a dedicated Asset Care Centre, it insured best practice and standardisation thereof in our organisation.”

Hannes Roos – Director: Operations and Maintenance, Electricity Division.

Pragma Intervention

In June 2007 Pragma Africa was contracted to establish an Asset Care Centre (ACC).

- ESS resources were redeployed from internal work to contract management/supervision.

Key Challenges

- With the amalgamation of the nine previous municipalities into Ekurhuleni, each having an own identity, historic culture and manner of working, standardisation and common practices were called for.
- It was evident that an acceptable level of service would not be possible in the future if the level of maintenance and refurbishment was not improved and personnel skills levels were not enhanced.
- The technical asset management and operation were considered to be lagging similar to other metropolitan licensees.
- Investment in the maintenance and refurbishment of the networks needs to be enhanced. This is particularly evident in some of the older sections of the medium -and low-voltage networks.
- Within the areas we visited, there was an absence of technical support systems and a lack of common operational and maintenance procedures.
- Modern methods of network asset control and maintenance management were lacking.
- Skills shortages were repeatedly described as exacerbated by unrealistic HR policies.
- Network control systems are fragmented and the intention of integrating the systems at the Eskom Simmerpan Control Centre is now on hold until the RED is established.



Performance Improvement

- Accurate asset data.
- Standardised work planning & control procedures.
- Easier decision making based on accurate data.
- More than R600 000 000 spent on refurbishment of networks over the last 3 years.
- Preventative maintenance is being performed to an approved plan.
- Problems areas are identified and refurbishment performed.
- Distribution licence, NERSA and NRS requirements are adhered to.

Tools and Technology

- Asset identification, verification and reporting were brought in line with financial reporting standards (GRAP 17 compliant).
- On Key (EAM) was implemented for work management.
- A standardised asset refurbishment solution was implemented.
- A centralised ACC was established.
- General Instructions, Operational Procedures and Policies Document were re-affirmed.
- The organisational structure was revised.
- On Key – Pragma's enterprise asset management system
- AMIP – Pragma's Asset Management Improvement Plan (used as framework).