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POLICY

RESIDENTIAL ELECTRICITY RETICULATION – (POLICY NUMBER 23531)

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DEFINITIONS

For the purposes of this policy, except where clearly indicated otherwise, the words and expressions set out below have the following meanings:

Backyard Dwelling means an informal dwelling erected in the backyard of a registered erf in a proclaimed township without approval in terms of the National Building Regulations.

Burnt Connections mean Reticulation serving dwellings in an Informal Settlement destroyed or damaged by fire.

Developer means a natural person or a juristic person, whether in the public sector or in the private sector, that carries out building and engineering operations primarily to establish residential accommodation on a not-for-profit basis and/or for commercial gain.

Electrical Installation has the same meaning as set out in the Electrical Installation Regulations.

Electrification means the provision of electricity services to unserved Informal Settlements and Subsidised Housing Developments.

Formal Housing Development means a township development in a proclaimed area subdivided into serviced erven, road reserves and spaces for communal use. Dwellings can be either formal or informal (the latter usually with a view to constructing a formal dwelling in due course). This includes Subsidised Housing Developments, Gap Housing and any other housing developments meeting these criteria, whether not-for-profit or for commercial gain.

Gap Housing means residential units to serve the gap in the housing market where people earn too little to enable them to participate in the private property market and too much to qualify for State assistance.

Infill means additional dwellings established in an Informal Settlement after a settlement has been electrified.

Informal Settlement means one shack or more constructed on land, with or without the consent of the owner of the land or the person in charge of the land, and may further be categorised as:

- i. **Category 1 settlements:** Settlements for which housing subsidies and infrastructure funding are already approved and which are already scheduled for full upgrading or relocation with a suitable destination already or imminently available.
- ii. **Category 2 settlements:** Settlements that do not warrant immediate relocation and for which there is not yet any approved or imminent funding for full scale upgrading or relocation. These settlements require some form of interim servicing or emergency relief. With these settlements, upgrading is possible in the medium to long term and often through a process of incremental upgrading. Alternatively, a settlement may be difficult or impossible to upgrade fully due to difficult topography or very high densities.

- iii. **Category 3 settlements:** Settlements where the residents are in immediate danger or at high risk (for example, subject to regular flooding or exposure to toxic waste) or where land is urgently required for other purposes. Urgent action needs to be taken in order to enable rapid relocation, such as identification, acquisition and planning of alternative land.

Internal Reticulation means Reticulation owned and operated by the Service Provider for the provision of electricity within the boundaries of a land area that is necessary for the utilisation and development of the land. Electrical Installations (the user's side of the Point of Control) are not included.

Point of Control means the point at which an electrical installation on or in any premises can be switched off by a user or lessor from the electricity supplied from the Point of Supply or the point at which a particular part of an electrical installation on or in any premises can be switched off where different users occupy different portions of such premises.

Point of Supply means the point on the boundary of the property at which electricity is supplied to the property.

Re-blocking means a community-led process of reconfiguring the current layout of an Informal Settlement, as defined in the Policy for Proactive Re-blocking of Informal Settlements (Policy number 13282).

Relocation of Service means the relocation of the Service Connection and the meter from an initial structure to another structure on the same property or from the initial structure to the same structure repositioned on the same property.

Relocation of Household means temporary or permanent relocation of electrified households to another geographic location as part of or to facilitate a housing development or for other reasons.

Reticulation means the medium voltage and the low voltage infrastructure, which together form the distribution system required to deliver electricity to the Points of Supply to users, and includes Service Connections.

Service Authority means the City of Cape Town (the City).

Service Connection means the portion of the Reticulation that forms the dedicated electricity connection from the shared portion of the distribution system to the Point of Supply and includes metering. In the case of Informal Settlements the service connection is deemed also to include the section of the electricity connection to the Point of Control.

Service Provider means a licensed electricity distributor. (Currently, there are two licensed electricity distributors serving the metropolitan area: Eskom and the Electricity Services Department of the City of Cape Town.)

Subsidised Connection means a Service Connection provided to a beneficiary in a Subsidised Housing Development, in an Informal Settlement, in a Backyard Dwelling, or listed in the Indigent Register where the beneficiary is required to pay the minimum connection fee in accordance with national guidelines and the Tariff Policy such that the beneficiary is wholly or partly exempted from paying the capital cost of the Service Connection.

Subsidised Housing Development means a housing development, whether public sector or private sector, where the beneficiaries qualify for a national housing subsidy.

1 PROBLEM STATEMENT

1.1 In terms of the Constitution, the City as Service Authority has an obligation to provide electricity to all residents. This obligation is met through the agency of Service Providers. In the implementation of the reticulation networks to meet this obligation, there are various situations that need to be considered.

2 DESIRED OUTCOMES

2.1 The objective of this document is to set out the criteria, responsibilities, and design and construction standards to be applied for the reticulation of residential areas within the City of Cape Town.

3 POLICY PARAMETERS

3.1 This policy applies to the reticulation of all residential areas throughout the metropolitan area of Cape Town and supersedes all previous policies and standards in this regard. Reticulation of both Formal Housing Developments and Informal Settlements is included.

3.2 Until such time that Council adopts a by-law allowing electrification on private property, electrification of Informal Settlements will be limited to Informal Settlements on City land and State-owned land (where permission has been granted in writing).

3.3 Backyard dwellings are dealt with under Electricity Services Department policy CTEP 013: Electrification of Backyard Dwellings.

4 STRATEGIC INTENT

4.1 This policy supports the key pillars of *the opportunity city* and *the caring city* by setting the minimum technical standards for electricity reticulation across the city and by addressing the basis on which the provision of electricity services to Formal Housing Developments and Informal Settlements will be implemented.

4.2 This policy provides the foundation for the following City Strategies:

- City Development Strategy
- Economic Growth Strategy
- Social Development Strategy
- Integrated Development Plan
- Built Environment Performance Plan
- 5-year Strategic Integrated Human Settlements Plan

4.3 This policy is based on recognised best practice and is intended to ensure equity, affordability and sustainability.

5 ROLE PLAYERS AND STAKEHOLDERS

5.1 The following role players are identified for the purposes of implementing the provisions of this policy: the Service Authority, Service Providers, Developers, the Electricity Services Department, the Human Settlements Directorate, and Subcouncils.

5.2 The type of housing solution dictates the role that different role players take on. These are amplified within the Policy Directive Details.

6 REGULATORY CONTEXT

Legislation and Codes: Department of Energy: Suite of Supply Policy Guidelines for the Integrated National Electrification Programme (INEP) 2012/13 (Revision 08)

Department of Energy: Policy Guidelines for the Electrification of Unproclaimed Areas (Revision 0006)

Municipal Finance Management Act, Act No. 56 of 2003 and related regulations

Electrical Installation Regulations, 2009 as amended (Promulgated in terms of the Occupational Health and Safety Act, Act No. 85 of 1993, by GNR.242 of 6 March 2009)

City By-Laws: City of Cape Town Electricity Supply By-Law, 2010

City Policies: Policy No. 13282: Proactive Re-blocking of Informal Settlements

Departmental Policies: CTEP 013: Policy: Electrification of Backyard Dwellings

7 POLICY DIRECTIVE DETAILS

7.1 Provision of Reticulation Network

7.1.1 Private Housing Developments for Commercial Gain

- 7.1.1.1. This category includes Gap Housing.
- 7.1.1.2. Developers must provide, as part of the project cost, the Internal Reticulation and Service Connections serving the specific development to the Service Provider's approved standard.

7.1.2 Subsidised Housing Developments

- 7.1.2.1. Subsidised housing includes Social Housing, Breaking New Ground (BNG) housing, Reconstruction and Development Programme (RDP) housing, Hostels to Homes, People's Housing Process (PHP), Incremental Development Areas (IDA), Community Residential Units (CRU) and any other housing programme approved, sanctioned or implemented in terms of the City's 5-year Strategic Integrated Human Settlements Plan and includes Category 1 informal settlements identified for upgrading, redevelopment or relocation within eighteen months.
- 7.1.2.2. Developers must provide, as part of the project cost, the Internal Reticulation and Service Connections serving the specific development to the Service Provider's approved standard. In addition, where the Point of Control is not the Point of Supply, the Developer must provide the conductors on the property that connect the Electrical Installation to the Point of Supply.
- 7.1.2.3. The reticulation cost will be subsidised in proportion to the average percentage of the national housing subsidy for which the residents of the development qualify, taking account of the mix of housing types and other land uses. The policies applicable to the type of grant funding utilised will apply.

7.1.3 Relocation of Services

- 7.1.3.1. Where relocations of services are part of a Subsidised Housing Development, the Developer must fund and undertake the service relocation to the Service Provider's approved standard.
- 7.1.3.2. Where the owner of the dwelling requires the relocation of service, the actual cost of the relocation will be recovered from the owner. In the case of the relocation of a Subsidised

Connection, the cost may be recovered either as a once-off payment or by instalments via the prepayment system.

7.1.4 Relocation of Households

- 7.1.4.1. Where relocations from an area that has previously been electrified are part of a Subsidised Housing Development, the Developer must provide the Internal Reticulation, including Service Connections, serving the specific development to the Service Provider's approved standard. Where the Point of Control is not the Point of Supply, the Developer must provide the conductors on the property that connect the Electrical Installation to the Point of Supply.
- 7.1.4.2. Where relocations are as a result of an emergency and grant funding is not available, the Service Provider may fund or provide the Internal Reticulation, including Service Connections, serving the relocated households from insurance or other internal funding sources. The relocated households must comply with the criteria for the electrification of Informal Settlements.

7.1.5 Informal Settlements

- 7.1.5.1. It is recognised that informal settlements are an urban reality and, at least in the medium term, will be the only form of housing available to many residents. To improve the quality of life of the residents of these settlements, the settlements will be provided with interim electricity services, subject to the settlements meeting certain criteria.
- 7.1.5.2. The criteria that must be satisfied before a Category 1 or a Category 2 informal settlement will be considered for electrification are:
 - 7.1.5.2.1 The informal settlement is registered in the City's informal settlement database;
 - 7.1.5.2.2 The informal settlement is in close proximity to existing infrastructure and in a position where electrification is practicable;
 - 7.1.5.2.3 The informal settlement is not encumbered by any of the following elements:
 - a) High voltage power lines;
 - b) Servitudes;
 - c) Road or rail reserves/corridors;
 - d) Areas below the 1:50 year flood return period contour;

- e) Storm water retention or detention ponds as defined by the Roads and Stormwater Department;
- f) Unstable land;
- g) Any other health or safety hazard.

7.1.5.2.4 An informal settlement encumbered by a servitude (excluding high voltage power line servitudes) or a road or rail reserve/corridor may be considered for electrification if permission is granted in writing by the relevant line authority. An informal settlement within a high voltage power line servitude cannot be serviced, not even on a temporary basis;

7.1.5.2.5 The housing structures in the settlement have been surveyed and numbered, and a beneficiary list has been compiled by the Human Settlements Directorate;

7.1.5.2.6 The affected Subcouncils have been informed regarding the electrification of the settlement;

7.1.5.2.7 The layout of the informal settlement makes electrification possible in terms of access ways; and

7.1.5.2.8 The community supports the proposal and is willing to co-operate in opening up access ways, removing any illegal connections and re-blocking, as necessary.

7.1.5.3. The Service Provider will install the Reticulation, including Service Connections, for qualifying informal settlements.

7.1.6 Infills

7.1.6.1. Where Informal Settlements have already been electrified, infills must meet the criteria for the electrification of Informal Settlements and the construction standard must be similar to that in the surrounding settlement.

7.1.6.2. The Service Provider must endeavour to service all infills within 12 months and priority will be given to infills consisting of more than twenty households concentrated at one location.

7.1.7 Burnt Connections

- 7.1.7.1. The Service Provider must reinstate the network at its own cost.
- 7.1.7.2. Re-blocking may be implemented prior to reinstating the network provided that the number of households to be electrified remains the same as the number of burnt connections and additional households are treated as infills.

7.2 Funding

- 7.2.1 The Service Authority will assist the Developer/Service Provider in obtaining grant funding to install electricity infrastructure and service connections. Where limited grant funding is available, the developer must fund the difference.
- 7.2.2 The reticulation of residential developments for commercial gain must be funded by the Developer.
- 7.2.3 Should a Developer desire a more expensive method of construction than the minimum specified, any increase in cost over the minimum construction standard shall be borne by the Developer.
- 7.2.4 Customers qualifying for subsidised connections are required to pay the minimum connection fee according to national guidelines. This sum shall be included in the published schedule of tariffs, as amended from time to time, and payment may be made either as a once-off payment or by instalments via the prepayment vending system.

7.3 Design and Construction Standards

- 7.3.1 The Service Provider will set the minimum standards for the design and construction of the reticulation network and service connections.

8 IMPLEMENTATION PROGRAMME

- 8.1 The stipulations contained in this policy apply with immediate effect. Implementation of this policy in respect of electrification is determined jointly by the Service Provider and the Human Settlements Directorate taking into consideration the provision of funding to implement the programme realistically.

9 MONITORING, EVALUATION AND REVIEW

- 9.1 The implementation programme shall be reviewed on an annual basis as part of the normal budget process.
- 9.2 This policy will be reviewed every five (5) years.