

Gigaba asks Eskom to keep O'Flaherty

Public Enterprises Minister Malusi Gigaba says he wants the Eskom board to retain the power utility's finance director, Paul O'Flaherty, until at least one of the six units at the Medupi power plant has been commissioned.



Malusi Gigaba (Image: GCIS)

The minister also wants O'Flaherty to oversee the creation of a project management team at Eskom before he leaves.

O'Flaherty was planning to leave Eskom at the end of next month but Gigaba wants him to stay on to help resolve the huge delays that have plagued the critical Medupi power plant that is already more than 18 months behind schedule.

The Eskom board has spent the past few months trying to tie up a deal with O'Flaherty over the conditions of the extension of his employment contract.

In April, Eskom chairman Zola Tsotsi said it was important to keep O'Flaherty because of the central project management role he was playing in ensuring that Medupi was brought on line by December to avert power shortages.

O'Flaherty has been on site at Medupi to resolve issues involving multiple contractors who are trying to harmonise work streams for different parts of the power plant. The technical problems include welding problems on the boilers and the readiness of the control and instrumentation system's software.

Eskom spokesman Hilary Joffe said neither Eskom nor Tsotsi had "any further comment" on talks with O'Flaherty.

Vital tests being conducted

Gigaba said in a recent interview that welding problems were "in the process" of being resolved and the matter with the control and instrumentation software depended on the outcome of tests. "I hope that those tests pass - they are going to determine whether we are able to meet our deadline or not," he said.

"I have taken the view that the board must negotiate with Paul so that he doesn't leave until at least the first synchronisation of unit six," Gigaba added.

"The advantage at Transnet is that they have an entire unit, Transnet Capital Projects, which deals with the

build programme. At Eskom there is no similar structure. Medupi has been a two-man show. If Eskom's chief executive Brian Dames and Paul O'Flaherty are not there, nobody else knows what is happening and that is a problem," he said.

"Gigaba said he hoped Mr O'Flaherty agreed to the terms. "I think they (the board and O'Flaherty) have moved closer. I haven't been given a detailed briefing, but he won't stay on as (finance director).

"He will be director responsible for capital projects and there will be a new finance directorate. It would help so that the finance director focuses on the task of the financing.

"Eskom faces present and future financial challenges, with the completion of the current build programme the impact of the Nersa (National Energy Regulator of SA) tariff decisions, and what happens with the next generation capital build programme contained in the (integrated resource plan)."

Gigaba said the new finance director would have to deal with all those issues.

Source: Business Day via I-Net Bridge

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