

O'Flaherty may remain with Eskom

By [Nicky Smith](#) and [Carol Paton](#)

15 Apr 2013

Eskom is in talks with its financial director Paul O'Flaherty to consider extending his contract as the utility scrambles to bring its Medupi power station on line to help ease South Africa's looming power shortage.



O'Flaherty had been due to leave the utility in July but has become central to the completion of its Medupi coal-fired plant, which has been dogged by escalating costs, delays caused by strikes and poor workmanship.

He was recently dispatched to Medupi to play a hands-on role in guiding the project, after news of thousands of faulty boiler welds threatened yet another delay.

Eskom last week took a media contingent on a tour of Medupi, and Public Enterprises Minister Malusi Gigaba vowed that heads would roll unless the contracts were completed on time.

"I wish to make it unequivocally clear that I will not tolerate any delays to the delivery of this unit," Gigaba said.

"Necessary penalties will be at hand should any delays be experienced. Heads will roll," he warned.

Eskom chairman Zola Tsotsi confirmed last week that the utility was in talks with O'Flaherty.

"The matter has been discussed and remains under discussion," Tsotsi said. "O'Flaherty has indicated he is willing to consider continuing because of his commitment to Eskom and to the country. We must see what terms can be agreed," Tsotsi said.

The news that he may stay on will be a relief to Eskom, which has three major capital projects under way: Medupi, Kusile, Medupi's "twin" and the Ingula pumped storage project in KwaZulu-Natal.

Medupi well behind schedule

Medupi is already 18 months behind schedule and commissioning its unit six at the end of the year is crucial to Eskom's plans to keep the lights on.

In order to meet the December deadline, Gigaba said plans were in place to lift productivity by introducing a seven-day work week with double shifts.

A "one-stop shop" to deal with labour disputes had been set up at Medupi in order to resolve problems on site and to prevent them from escalating, Eskom's chief executive Brian Dames said. He had asked contractors Alstom and Hitachi to raise their capacity to manage labour relations on site.

Construction work ground to a halt at Kusile last week when workers embarked on an illegal strike. National Union of Metalworkers of South Africa energy sector convener Stephen Nhlapo said workers were unhappy over the accommodation and food, and the Project Labour Agreement, which regulates working conditions between contractors and their employees.

As a result of the seven-week strike at Medupi, which ended last month, the labour deal is being renegotiated. "Workers at Kusile are saying 'Don't leave us out of the process'," said Nhlapo.

Dames said it was "crucial" to engage with labour to address issues. He confirmed that construction at Kusile had been halted but added that workers were expected workers to return to work.

Unions had rejected the existing project labour agreement at Medupi, calling for an agreement that is respectful of workers' rights, such as the right to strike "or to express unhappiness", Dames said. Workers are demanding to be treated with greater "consistency".

Hitachi Power Africa chairman Colin Bailey said the company "had finalised a solution to the welding issues identified on its boiler contract" and work would be completed on time for Medupi's first unit to come on line in December.

Medupi programme project manager Roman Crookes said the priority was integrating work flow on the site. Unit six at Medupi was at least 85% complete, while work overall on the site was 62% complete, he said.

He said unit six "has been put into intensive care" and that work had begun with the arrival of 65 specialist welders from overseas to repair the welds which "have been quarantined, we know where they are".

Source: *Sapa* and *Business Day* via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>