



Erongo RED Flyer

NO 1 of March 2005

1. What is a Regional Electricity Distributor (RED)?

A RED is a legal entity which is tasked with the supply and distribution of electricity in a dedicated region, combining the electricity distribution departments of the Local Authorities, Regional Councils and NamPower.

2. Whose initiative is the REDs?

Within the context of Government's National Development Plan, the Ministry of Mines and Energy has formulated an Energy Policy White Paper which, amongst others, provides for the reorganization of the electricity distribution industry through the formation of REDs as a means of improving service delivery and efficiency in the electricity sector.

3. Why REDs?

Through the formation of REDs, the supply and distribution of electricity will be done in a more efficient manner which will ultimately benefit the end-users.

4. What is Erongo RED?

In line with the above-mentioned policy a company called the Erongo Regional Electricity Distributor Company (PTY) Ltd (Erongo RED) has been established to undertake the supply and distribution of electricity in the Erongo Region.

The following are shareholders in the Erongo RED:

- Municipality of Walvis Bay
- Swakopmund Municipality
- NamPower
- Arandis Municipality
- Usakos Municipality
- Omaruru Municipality
- Uis Village Council
- Erongo Regional Council
- Henties Bay Municipality
- Karibib Municipality

5. Who leads Erongo RED?

The Erongo RED is led by the Board of Directors and the Chief Executive Officer. The Chairperson of the Board is Mr. A. Katiti and the CEO is Mr. G. Coeln. The latter assumed duties on 1 March 2005.

6. Erongo RED formation Activities

The following are key requirements for the Erongo RED to become fully operational:

- The Memorandum and Articles of Association and Shareholders Agreement must be drafted and signed
- The staff migration to the new company must be finalized
- The existing supply and distribution business of the Shareholders must be ring-fenced
- The Local Authority Surcharges/levies must be determined and published in the Government Gazette
- The assets must be identified and valued
- Shared services must be identified and the continued delivery agreed upon

7. How are you affected?

- *As employee* - Employees currently employed by the above-mentioned institutions in the electricity supply and distribution departments who join the Erongo RED will continue to enjoy the same benefits within their new work environment.
- *As customer* - As a customer, you will in future deal with the Erongo RED instead of your current electricity supplier. It is the intention that service delivery and the price of electricity in future will reflect the efficiency of a company of note.

- *As shareholder* - As shareholder, you will be able to influence the operation of the Erongo RED and you will, subject to legislation, continue to receive a commensurate revenue from the sale of electricity in your municipal area.

8. When does Erongo RED become operational?

Subject to completion of all the key activities and all of the legislation being in place, it is aimed at 1 July 2005.

9. Who do we contact with questions?

Please submit any questions to:

- *As employee* - You can contact your head of department or contact the CEO of the Erongo RED at the address below.
- *As customer* - You can contact your existing electricity supplier/municipality or contact the CEO of the Erongo RED at the address below.
- *As shareholder* - You can contact your respective Director on the Board of Directors as well as the CEO of the Erongo RED at the address given below.

10. The address of the CEO of the Erongo RED is as follows:

The Chief Executive Officer
P O Box 2925
Walvis Bay
Namibia

Attention Mr. Gerhard Coeln
Telephone : ++264-64-217630
Facsimile : ++264-64-204574