

2448. Mr J F Smalle (DA) to ask the Minister of Energy:

Whether her department has appointed an administrator for the (a) disbandment and (b) legal matters resulting from the disbandment of Electricity Distribution Industry (EDI) Holdings, with regard to (i) labour, (ii) cancellation of contracts and (iii) debtors and creditors of EDI Holdings; if not, in each case, how was the process managed; if so, in each case, (aa) who was appointed, (bb) at what cost, (cc) what services were rendered and (dd) what was the duration of appointment? NW3048E

Reply

(a), (b), (i), (ii) and (iii) Yes, (aa) The law firm Mkhabela Huntley Adekeye Inc was appointed, (bb) the fees were R2 235 625 for labour (Inclusive of VAT), the legal fees were R613 000 (Inclusive of VAT), of which R60 000 was for counsel's fees, (cc) wind down the affairs of the company to a state of dormancy, and to have the company de-registered; these activities entails amongst others, assessing and settling all ring-fencing claims from municipalities; terminating all existing contracts; collecting debts due to EDIH; collecting all assets of EDIH; handling all pending litigation; co-ordinating all audit activities; settling outstanding liabilities; and distributing the assets of EDIH. On the labour side the administrator defended an unfair dismissal claim by 90 ex EDIH staff in the Commission for Conciliation, Mediation and Arbitration (CCMA), engaged in settlement discussions with the employees but there has been no agreement on the matter the case is currently in labour court, (dd) the appointment was from 1 April 2011 and is to endure until the affairs of EDIH are fully wound up and the company is de-registered