

# Ben Ngubane takes the state capture hot seat in Eskom inquiry

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Former Eskom chairman Ben Ngubane appeared before the parliamentary inquiry into state capture of Eskom on Wednesday to answer questions, ranging from the employment contract of former CEO Brian Molefe to the prepayment made to Gupta-owned Tegeta Exploration and Resources for coal supplies.



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Ngubane read a lengthy submission into the record, defending contentious issues as being above board and in accordance with the rules and procedures of the utility.

Ngubane emphasised before the public enterprises committee, which is conducting the inquiry, that decisions were not made by him personally but by the board and its subcommittees. Ngubane served as acting board chairman from 15 March 2015 until end-September being appointed as chairman from October 2015 until June 2017.

It was during his tenure as chairman that Eskom decided to extend a R1.6bn guarantee to Tegeta and made a prepayment of R659m for coal supplies to the company that allowed it to buy Optimum Coal Mine from Glencore.

Among the issues Ngubane addressed were the aborted bid to cancel the IT contract with T-Systems; the procurement process for the refurbishment of the Duvha boiler, which resulted in Dongfang winning the tender, an award which is now being contested in court; the employment of Molefe and the confusion over the terms of his contract; Molefe's claim for a pension award of R30m; the employment of former chief financial officer Anoj Singh on a permanent basis in October 2015; Eskom's response to the State of Capture report of former public protector Thuli Madonsela; the purchase of Optimum Coal by Tegeta; and the prepayments made for the coal from Optimum.

On the prepayment to Tegeta, Ngubane said that his understanding was that "in the Eskom environment prepayment of this nature is not necessarily unique and has been done in the past. It forms part of the procurement mandate approved by the board tender committee in 2008. It is used in large projects, coal mining contracts and emergency supply contracts."

However, Exxaro CEO Mxolisi Mgojo has previously told the committee that in his experience such prepayments were unheard of.

On the public protector's report, which made wide-ranging allegations of corruption at Eskom involving Molefe and the Gupta-owned companies, Ngubane said the Eskom board decided not to do anything. This was on the basis of advice from senior counsel that the report did not contain any findings but only raised potential violations of the law and recommended that a commission of inquiry be established to probe them.

*Source: BDpro*

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