

Westinghouse case pulls in Eskom managers

The suspension of senior managers at Eskom's Koeberg nuclear power plant followed closely on the filing of court papers in the Constitutional Court in which Toshiba subsidiary Westinghouse said Eskom had made false claims in the two companies' court battle over a R5bn tender.



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In the battle between Eskom and winning bidder Areva, the French nuclear company on one side, and loser Westinghouse over the tender to replace six steam generators at Koeberg, one of the hotly disputed issues is whether a delay to their installation would pose a nuclear safety risk or would put the national grid at risk.

The Constitutional Court is the last stop in the battle over the Koeberg tender.

Koeberg, SA's only nuclear plant, is considered vital to SA's long-term energy plans.

On Friday, 5 August 2016, Westinghouse asked the Constitutional Court, which is yet to deliver judgment in the dispute, to admit into evidence a letter that was signed by the GM of Koeberg, Riedewaan Bakardien. If the letter is admitted, it could have a big effect on the outcome of the case and, ultimately, to which company the tender is awarded.

On Wednesday, 10 August, Eskom announced it had placed the Koeberg Power Station manager and the plant manager on "precautionary suspension" - because of the distribution of documentation that contained "unauthorised facts and assumptions" relating to "in particular, the steam generator replacement".

When the case was argued before the Constitutional Court, Eskom said the current steam generators were fast approaching the end of their lifespan and needed to be replaced in a production outage scheduled for 2018.

Eskom argued that even if the court were to find that the tender should have been awarded to Westinghouse (as had been decided by the Supreme Court of Appeal), it should leave in place the award to Areva - for the sake of safety and of the national grid.

Westinghouse disputed the safety claims as alarmist and argued that the generators were safe to replace in the 2021 scheduled outage.

Bakardien's letter, dated 21 July, deals with a revision to Koeberg's scheduled maintenance outages. It says that the steam generator replacement project had "not been assigned to any specific outage". Instead, it would be scheduled into the next available outage - once there was "clarity" on the steam generator replacement schedule. The 2018 scheduled outage was shortened from 130 days to 90 days and the 2019-20 outage was described as "a 'refuelling-only' outage". In an affidavit, Westinghouse MD Frederik Wolvaardt said that Bakardien's letter had showed that Eskom's allegations that the 2018 deadline was immutable had been "conclusively shown to be false".

The correspondence also made it clear the only outage that could accommodate the installation of the generators was the one planned for 2021 - the date that Westinghouse said it would be able to meet.

Eskom's attorney, Titus Mchunu, said Eskom would oppose the application to admit the letter. Eskom spokesman Khulu Phasiwe was not available for comment.

Source: *Business Day* via I-Net Bridge

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