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PUBLIC PARTICIPATION IN THE DECISION OF NATIONAL ENERGY REGULATOR OF SOUTH AFRICA ON ELECTRICITY TARIFFS

by

Mokiritle Billy Debeila

A research report submitted to the Faculty of Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management).

February 2011

ABSTRACT

The extent of public influence in the decisions that government and government agencies take is an issue of contentious discussion. There are varying views on the importance of public participation in decision-making in state institutions and public policy. There are those who support a soft approach to public participation while others believe that the public must be fully engaged and should contribute meaningfully to the decision-making process. It is not yet clear whether public participation processes in South Africa are influencing decision-making and policy direction. There appears to be more emphasis on conducting public participation with a purpose to comply to legislative requirements instead of the public participation enhancing the quality of the decisions that are taken by the public officials.

NERSA conducts public participation prior to taking decisions on the price of electricity. People participating in these public participations hold a view that NERSA does not consider their submissions when taking decisions on electricity tariffs. This view is created by the public's perception that NERSA seems to take decisions contrary to what the public has advised them on.

The main objective of this research was to determine whether public inputs have any influence in the decisions that NERSA takes regarding electricity tariff increases. The overall finding in the study showed that NERSA does handle all public comments and inputs fairly and with great thought. The process of gaining public input was found to be fair but not effective. It was discovered that the general public does not influence NERSA decisions to a great extent .It was also established that the government departments and other key industry stakeholders influenced NERSA but not as much as initially thought. NERSA employees were the main people who influence decisions that the Regulator takes.

DECLARATION

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

_____

Mokiritle Billy Debeila

February 2011

DEDICATION

To all ordinary members of the South African society.

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I am grateful to my supervisor, Professor Mike Muller for his support and guidance throughout the process of this research. In spite of his tight academic schedule, commitments at the Planning Commission and international projects, he found time for my research work and provided assistance in reshaping my research, ensuring that I keep focused on the issues that matter most. I would also like to extend my gratitude to NERSA for making the basic data available and allowing me to interview its staff. Without their assistance, this research would not have been possible.

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- And lastly and most importantly to my family, who stood by me through it all.

LIST OF ABBREVIATIONS

NERSA	National Energy Regulator of South Africa
NER	National Electricity Regulator
REFIT	Renewable Energy Fit In Tariffs
MYPD	Multi Year Price Determination
DSM	Demand Side Management
DoE	Department of Energy
IPP	Independent Power Producer
IRP	Integrated Resource Plan
IBT	Inclining Block Tariffs
RAB	Regulatory Asset Base
FSB	Financial Services Board
NCR	National Credit Regulator
ICASA	Information and Communications Authority of South Africa
AMUSA	Amalgamated Municipal Union of South Africa
SALGA	South African Local Government Association
COSATU	Confederation of South African Trade Unions

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CHAPTER ONE

ORIENTATION OF THE STUDY

1.1 INTRODUCTION

Historically, governments are known to have a strong culture of secrecy. This was due to the level of influence that the military had across the public service. The end of the Cold War, political accountability and litigation have, however, persuaded governments to seek public input. In the 1960s public participation gained prominence when public movements gained popularity. While public participation is not a new concept in most old democracies like England, Canada and the United States, it is in the case of South Africa. The political structure of the country pre-1994 did not allow most South Africans to have a voice in how the country and its institutions should be run. This has since changed. Today, there is increasing pressure for enhanced public participation in decision-making in the South African public sector. Some of the reasons that account for this pressure are the decline in public trust in decision-makers and the increasing democratic deficit (Petts and Leach, 2000).

While public officials are satisfied that enough public participations are conducted, citizens are generally not satisfied with the process. The public is concerned that these participations are currently limited to passive consultation activities meant only to fulfil legislative requirements. There is also a striking imbalance between the amount of time, money and energy that government departments and state agencies invest in engaging citizens in public decision-making and the amount of attention they pay to evaluating the effectiveness and impact of such efforts.

Barnes (1999) emphasizes the importance of citizens participating in decision-making by highlighting that participation is considered to be a necessary condition for a cohesive society and a route to reducing social exclusion. Other advantages of public participation include legitimation of decision-making, enhancement of democracy and enlargement of citizenship. On the other hand, public participation processes are often blamed for unnecessary delays and red tape. There is a concern that involving the public in technical issues like energy and defence might be a waste of time for all involved. Critics often highlight that in most cases, these public consultations reveal nothing new that the officials were not aware of.

Public participation in the energy sector is a relatively new phenomenon when compared to the environmental sector. While it is widely accepted that members of the public should be involved in energy sector decision-making in South Africa, there is no consensus on how best to involve the public. The nature, form and extent of such participation processes is a subject of discussion and contestation. At present, the Department of Energy (DoE) and National Energy Regulator of South Africa (NERSA), who are the main players in the energy and energy regulation industries, prefer the 'listening sessions' approach to public hearings. This is meant to avoid the confrontational atmosphere of public hearings and instead to "promote an unhurried, unpressured and unconfrontational atmosphere in which interests feel comfortable and secure in sharing their thoughts'' (Tuler and Webler, 1999). This approach has, however, resulted in the public feeling that after being 'listened to', decision-makers do not bother to remember what the public has advised them on when they take final decisions.

1.2 BACKGROUND

The National Energy Regulator of South Africa is a Regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act No. 40 of 2004. NERSA's mandate is to regulate the electricity, piped-gas and petroleum pipeline industries in terms of the Electricity Regulation Act No. 4 of 2006; the Gas Act No. 48 of 2001; and the Petroleum Pipelines Act No. 60 of 2003. NERSA was established on 1 October 2005. It started to regulate piped-gas and petroleum pipelines industries on 1 November 2005 and took over the regulation of the electricity industry from the National Electricity Regulator (NER) on 17 July 2006.

The function of regulating the electricity industry includes, among many other functions, issuing of licences to licensees such as Eskom, municipalities and other power producers. Other functions include settling customer complaints and disputes, monitoring compliance with licence conditions, setting of tariffs and providing information to the public on the energy industry.

Insofar as setting of tariffs is concerned, there is due process that the Regulator has to follow before determining the tariffs. The Regulator must publish the consultation paper based on the revenue application for tariff increases received. This consultation paper is mainly a list of questions or issues that the Regulator would like the public to answer or comment on regarding the application. By publishing this consultation paper (and sometimes together with the revenue application itself), the Regulator would be requesting the public to make submissions regarding the said application for tariff increase. Dates for public hearings are published and the public is invited to come and make presentations to the Regulator on their (the public's) view on the revenue application.

The Regulator is expected to fully consider the public submissions when deciding on the price of electricity. The following sections of the National Energy Regulator Act, 2004 are important for consideration by the Regulator in dealing with the public:

1. Section 9(f) states that members of the energy Regulator must act in the public interest.
2. Section 10(11) states that every decision of the Regulator must be in writing and be taken within a procedurally fair process in which affected persons have the opportunity to submit their views and present relevant facts and evidence to the energy Regulator.

As a result of these provisions for public participation in the Act, the Regulator is mandated to conduct public consultations before deciding on electricity tariffs. Organizations and individuals who have a vested interest or are affected by electricity revenue application would then decide to participate in these public participation processes with a reasonable belief that their submissions would influence the Regulator's decisions on tariff increases.

In the past few years, there has been an increased interest in NERSA public participation processes from the broader South African society. This was due to a number of factors including the sudden high electricity tariffs that NERSA was granting electricity utility Eskom and municipalities; electricity blackouts across the country; high levels of unemployment; and poor quality of electricity infrastructure maintenance across the country. This increased interest in the process leading to the determination of electricity tariffs has suddenly put NERSA in the public eye. In the past years, very few members of the public were aware of the Regulator's existence, let alone its functions.

This increased scrutiny also meant that the decisions of the Regulator would now be closely followed, scrutinized and criticized and could even be challenged in a court of law if the affected parties felt aggrieved by the decision. Because of these possible challenges to the decisions of the Regulator and to ensure its credibility, it then becomes important for NERSA to have a clear account of how it considers the submissions made by the public during their public participation process.

1.3 PROBLEM STATEMENT

People participating in NERSA public participations hold a view that NERSA does not consider their submissions when making a decision on electricity tariffs. This view is created by the public's perception that NERSA seems to take decisions contrary to what the public has advised on. According to the National Survey conducted by NERSA in 2010, 75,5per cent of the public had a view that NERSA does not consider their opinion in determining electricity tariffs. Members of the public are disillusioned by their relative lack of influence on NERSA decisions and believe that other players, and not them, are influencing NERSA decisions on electricity tariffs.

NERSA is required by the National Energy Regulation Act (2004) Section 10(1) to consult affected persons before taking decisions that affect them. To satisfy this condition, NERSA conducts public participation processes to give stakeholders a chance to express their views on the applications for tariff increases. This process is also meant to enable the Regulator to gauge public opinion and also the context of the stakeholders so as to ensure that the decision the Regulator would ultimately take would reflect these issues.

It is not clearly known whether the Regulator considers the public inputs made during its public participations. It is therefore important to establish if the Regulator uses the public inputs to influence its decisions on electricity tariffs. It is also equally important to determine the extent of such influence, if any. There is a knowledge gap on how public comments are handled and used.

Public participation is a relatively new topic in public management. Despite this, a lot has already been written on public participation, especially as a policy requirement. There is, however, a huge knowledge gap regarding studies evaluating whether public participations are having any significant influence in decision-making (Petts and Leach, 2000; and Tuler and Webler, 1999). There is a clear lack of the evaluative type of studies where questions are asked whether public inputs are considered and whether they influence the decision-making process.

1.4 PURPOSE STATEMENT

The purpose of this study is to explore whether NERSA's decisions on electricity tariffs are influenced by public participation inputs and if so, to what extent do these inputs influence decisions taken. This will be done by examining how the Regulator deals with the submissions that are made by the stakeholders and how these submissions influence the decisions that are ultimately taken. To achieve this end, this research study will focus on the following key broad issues:

a. How NERSA solicits public comments.
b. How NERSA handles public inputs after a public participation process has been completed.
c. Identification of key role-players who influence NERSA's decisions.
d. The extent to which NERSA communicates its decisions to the public.

The study will present findings of the research from the data obtained when the above issues were addressed. These findings will emanate from both interviews and document analysis. Interpretation and analysis of the collected data will also be made so as to locate the findings within the theoretical framework of public participation. Conclusions and recommendations will then be made as a way of improving the public participation processes in the organization.

1.5 RESEARCH QUESTIONS

The main research question for this research is: Does public participation influence the decisions that the Regulator makes in determining the electricity tariffs? In order to answer the above question, the following four sub questions were asked.

1.5.1 How effective is the NERSA public participation process?

This question is aimed to find out whether the public participation process and modes used enables the Regulator to solicit public comments. To answer this question, a description of the public participation process in the organization should be made and a judgment should be passed on its effectiveness.

1.5.2 How does NERSA handle public comments?

The purpose of this question was to establish how the Regulator manages the information it obtains from members of the public and how does it use it to inform its decisions. This question was important in order to establish the existence of systems used to handle the comments appropriately and analyse them.

1.5.3 Who influences NERSA decisions?

This question was asked in order to establish the relative weighting of the public participation process in influencing the decisions of the Regulator. This question was key in giving the holistic picture whether there is a trade-off between public influence and other actors.

1.5.4 How does NERSA communicate with its stakeholders?

One of the effective ways to determine whether a public participation process is genuine and in good faith, is finding out what happens with regard to informing the public after the decision has been taken. This question is intended to evaluate the communication systems at NERSA and check their appropriateness to communicate with stakeholders.

1.6 STRUCTURE OF THE REPORT

This research report consist of six chapters as summarized hereunder.

Chapter One: Introduction
This chapter provides a brief background and orientation of the study. It also consists of sections such as problem statement, purpose statement as well as the research questions for the study.

Chapter Two: Literature Review
This chapter presents a review of the current existing literature on public participation. It provides a brief explanation of concepts related to public participation. Literature review also positions and focuses this research project in the broader literature on the topic. Various authors and schools of thought on public participation are discussed.

Chapter Three: Methodology

This chapter presents the research methodology used in the study. The methodology used discusses in detail issues such as research sample; data collection methods; data analysis methods; validity and reliability; research limitations; and rationale for the research.

Chapter Four: Data Collection

In this chapter, the main research findings are presented. Data collected on the topic during the in-depth interviews and document analysis are presented. Data from various sources is compared and summarized.

Chapter Five: Data Analysis

This chapter presents an analysis and interpretation of the data collected during the previous chapter. Literature is used to give a meaning to the data collected. This chapter attaches meaning to research findings.

Chapter Six: Conclusion and Recommendations

In this chapter, concluding statements based on the research findings and analysis are made. Lessons learned from the research are discussed and some possible solutions that may be considered to bolster public influence in NERSA decisions are given.

1.7 CONCLUSION

The main objective of this chapter was to set the scene for the whole report. It started by giving background on the state of, and views on, public participation around the world, in South Africa and lastly at NERSA. The objective was to introduce the research. It introduced the problem statement which highlighted a need to conduct research on the subject. The purpose statement outlined what the research intends to do and the research questions which the study intends to answer were stated. Lastly, the structure of the research was presented.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter presents the theoretical framework on which this study is premised. It also presents an overview of the literature review on the concept of public participation. The chapter reviews broad concepts based on participatory democracy and public participation. It further explores some theories relating to public participation as presented by various authors and scholars. Literature is defined as theoretical or conceptual writing in an area and data-based research studies in which someone has gone out, collected and analyzed data (Merriam, 2002a: 49-50). This definition is based on the fact that in most research studies, the researcher's interest in a particular topic is influenced by what has already been written regarding the topic (Creswell, 2003: 27). A literature review therefore helps researchers to focus their research. It enables researchers to limit the scope of their investigation and convey the importance of studying a particular topic.

In this literature review, the focus will be on public participation both as a concept and process; its definition, strengths and weaknesses; contestations on how much the public should be involved; and its use in decision-making. This literature review will also focus on public policy issues that are related to public participation such as participatory democracy and public influence. Merriam (1998: 50) emphasizes the importance of literature review by stating that investigators who do not take the time to find out what has already been thought or researched may be missing an opportunity to make a significant contribution to the field.

2.2 PUBLIC PARTICIPATION

Various authors have developed different definitions for public participation. This difference in definitions means there is a risk of different interpretations and consequently different application of what public participation means. Most authors generally define public participation in two broad categories. The first category is mainly about enablement to participate (process) and the second one is about the influence of participants (power). These views are also called the weak and strong public participations by Mitchell and Parkins (2005). In practice they are often not mutually exclusive but are a continuation of each other. Mitchell and Parkins (2005) state that strong public spheres are characterized by public deliberation along with decision-making authority, such as legislative and parliamentary institutions , while weak public spheres are much more ubiquitous and also more amorphous networks and coalitions that form around issues of public concern, and are characterized by deliberation without decision-making authority.

Public participation is a principle that is accepted by all spheres of government, and assists in helping government to address the real needs of communities in the most appropriate way. Participation also helps to build an informed and responsible citizenry with a sense of ownership of Government development and projects.

Montgomery and Wang (2007) defines public participation as *the involvement of stakeholders* in administrative functions and decision-making, which is achieved through the availability of participation modes, participation in functions, and participation in the decision-making process. They further define participatory modes as those organizational establishments that enable or facilitate participation. Examples of these establishments include public hearings, citizen advisory boards, citizen focus groups, business community meetings, and chamber of commerce

meetings. This definition is shared by Smith (1994) who defines public participation as a group of methods and procedures designed to consult, involve, inform and empower the people and special interest groups to influence decisions on an issue at hand. According to Smith (1994, 66), effective public participation should be based on four fundamental requirements, namely: legal right and opportunity to participate, access to information, resource provision, and the representativeness of participants.

Public participation is also aimed at ensuring that citizens are able to influence policy direction. The fundamental ideology underpinning public participation is a belief that citizens influence the shape of their community (Bedford, Clark, and Harrison, 2002). One of the founding authors on the subject is Arnstein (1969) who explains citizen participation as a categorical term for citizen power. She further defines it as a redistribution of power that enables the underprivileged citizens, presently excluded from the political and economic processes, to be deliberately included in the future. According to Arnstein (1969), any public participation process that does not empower people and does not allow them to influence policy direction and allocation of resources,is as good as non-participation or is merely token participation.

Most scholars agree on the importance of public participation to avoid citizen discouragement and apathy regarding the administration. There is, however, no agreement whether, in its current form, public participation is used appropriately or is achieving what it is supposed to achieve. Parkins and Mitchell (2005) argue that “the appropriate role of the public in public administration has been an active and ongoing area of inquiry, experimentation, revolution and controversy ever since…”. The traditional institutional channels are often blamed for restraining genuine public participation because of their tendency to retain the status quo where the

weak, poor and uneducated are dominated by those having power (Arnstein, 1969; Webler, Tuler and Krueger, 2001).

There are those authors who question the effectiveness of public participation in influencing policy direction. There is a concern about the 'ritualisation' of public participation that it simply legitimizes decisions that are taken by public servants without meaningfully influencing the decision-making process. Abelson and Gawin (2006) question the over-utilization and over-emphasis of public participation in government by highlighting the fact that there does not seem to be any measurable proof that these public participations are yielding positive results as there is a scarcity of good quality research evidence about public participation and its effects.

Like all other initiatives and programmes in life, public participation has both strengths and weaknesses as well as opportunities and threats. For public participation to be successful, public officials who are engaging the public must be aware of these factors and find a way to deal with them in a constructive manner. More often, critics of public participation are quick to point out its weaknesses and threats rather than its strengths and opportunities. It is often in the hands of the inexperienced and less well-intentioned public officials where the process can become compromised.

Table 1. SWOT analysis of Public Participation.

Strengths	**Weaknesses**
Public participation can: Bring out technical knowledge from the public and others Use local knowledge not known to the authority Encourage diverse perspectives (and so identify issues not thought of) Allow the public to understand the system better Use the public's passion and enthusiasm Enable a better evaluation of the issues	Public participation can be weakened by: A lack of resources (time, money staff) An inadequate legal framework A lack of awareness/experience of participation Difficulties in gaining access to information A lack of technical support for the public Limited consideration of the results of participation Not enough public participation is a weakness
Opportunities	**Threats**
Public participation offers the opportunity to: Build trust and capacity Improve the environment, build a community and avoid wasting resources Empower people by starting a dialogue and improving openness Expand the limits of understanding (working together to solve problems) Prevent conflicts by early involvement of the public Save time in the overall decision process by reduction of opposition	Public participation processes can be threatened if: The public thinks that the process is a formality (that minds are already made up) A vocal minority dominate public meetings Not enough time is allowed to make a decision or discuss the proposals The long term implications are not understood (e.g. if 'planning gain' wins over the long-term interests) EIA submissions are not good quality and do not cover all the issues

(As adapted from Petts and Leach (2000; 17)

Scholars within different fields of study are also cautioning against the tendency to accept that public participations are naturally effective without any studies done (Delli Carpini, Cook and Jacobs, 2004; Mendelberg, 2002; Rowe and Frewer, 2004). These authors note that where a government or its institutions have conducted public participation processes this should not be an end it itself. They insist that there should be independent studies to check the effectiveness of these participations in influencing decision-making processes.

Public participation is a contradictory process. While the political system is designed to reflect and engender active citizenry, it is also designed to protect political and administrative processes from a too-active citizenry. This ambivalence need to be fully understood and managed, otherwise it has a potential to compromise the whole public participation process. While public participations might have good intentions in theory, in practice they often yield negative results than what they intended to. Innes and Booher (2004) highlight that efforts to ensure public participation seem not to be effective because of reasons ranging from poor planning to administrative systems that stifle participatory process:

> *"It is time to face facts we know, but prefer to ignore. Legally required methods of public participation in government decision making in the US, public hearings, reviews and comment procedures in particular, do not work. They do not achieve genuine participation in planning or other decisions; they do not satisfy members of the public that they are being heard; they seldom can be said to improve the decisions that agencies and public officials make; and they do not incorporate a broad spectrum of the public. Worse yet, these methods often antagonize the members of the public who do try to work with them."*

Innes and Booher (2004) then go on to suggest that it is time for the government agencies to review the strategies that they use to engage the public. This is necessitated by the fact that an "intelligent" individual is discouraged to participate in what is nothing but a ritual designed to satisfy legal requirements. Burton (2004) emphasizes this point by stating that generally public participations are half-hearted and tokenistic in nature, poorly resourced and badly planned. Other concerns regarding how public participations are conducted is that decision-makers are concerned that public involvement is a very costly exercise that often provides the 'usual suspects' with the opportunity to advance their views at the expense of the

genuine concerns of the ordinary members of the public who are unable to clearly express themselves. This concern highlights the need for public education on public participation, to clearly identify the people the public participation has targeted and how to reach them.

NERSA public hearings are held in places where ordinary members of the public, especially the poor, cannot reach. They are held only in metropolitan areas and as a result of this, these public participations are only accessible to the affluent members of the public, organized formations, and industry stakeholders. The representivity of various categories of stakeholders is important (Burton, 2004: 194). It is, however, arguable whether the people who are able to express their views are representative of those who are unable to attend these public hearings.

2.2.1 Modes of public participation

Literature on public participation is not conclusive in identifying the most effective mechanisms for engaging the public to make a meaningful contribution to the decision-making process. Most public participation processes prefer certain mechanisms for a variety of reasons ranging from convenience to cost effectiveness. Petts and Leach (2000) emphasize the need for any method that is used for public participation to fit the objective of that purpose. These authors highlight that some methods are aimed at eliciting views while others aim to empower the public. Some are traditional, others are innovative; some take long while others have strict time boundaries. Barnes *et al* (1997) has compiled a list of questions that need to be answered before selecting any method for public participation:

- Whose participation is being sought?
- What type of knowledge is being accessed?
- What is the source of action to secure participation?

- What is the purpose of participation?
- What degree of power-sharing is implied?
- At what level will views be expressed?
- At what level will change deriving from participation occur?

As stated earlier, no single method can be the most appropriate under all the circumstances. It is often when the methods are mixed that they are able to achieve the best possible results for all parties involved. Public hearings are one of the citizen participation modes often used by many organizations because of their convenience. The National Energy Regulator of South Africa also uses public hearings, mainly to gather inputs from the members of the public regarding various issues including electricity tariffs. These public hearings take the form of judicial process where only the Regulators can ask questions. Below is a table of some of the most formalized Public Participation methods.

Table 2: Different Public Participation Methods

Participation Method	Nature of Participation	Duration	Mechanism
Referenda	All members or national or local population or significant portion of these.	Vote cast at a single point in time.	Vote is usually a choice of one of two options. All participants have equal influence. Final outcome is binding.
Public hearings	Interested people, limited in a number by size of venue. True participants are experts and politicians making presentations.	May last many weeks/months or even years.	Presentations by agencies regarding plans in open forum. Public may voice opinion but have no direct impact on recommendation.
Public opinion surveys	Large sample, usually representative of the population segment of interest.	Single event, usually lasting no more than seven minutes.	Often enacted through written questionnaires or telephone inquiry. Used for information gathering.
Negotiated rule making	Small number of representatives of stakeholder groups (may include public representatives).	Uncertain: strict deadlines usually set; days/weeks.	Working committee of stakeholder representative and from sponsor. Consensus required on a specific question(usually a regulation)
Consensus	Generally, ten to sixteen members of	Preparatory demonstrations and	Lay panel with independent facilitator

	public with no knowledge on topic, chosen by steering committee as "representative of the people".	lecturers to inform panelist about topic, then three-day conference.	questions expert witnesses chosen by stakeholder panel.
The people's jury/panel	Generally, twelve to twenty members of public selected by stakeholders panel to be roughly representative of local population.	Not precise but generally involve meetings over a few days.	Lay panel with independent facilitator questions expert witnesses chosen by stakeholder panel. Meetings generally not open. Conclusions on key questions made via report or press conferences.
Public advisory committee	Small group selected by sponsor to represent views of various groups or communities	Takes place over an extended period.	Group convened by sponsor to examine some significant issue. Interaction with industry representatives.
Focus groups	Small groups of five to twelve selected to be representative of public; several groups may be used for one project.	Single meeting, usually up to two hours.	Free discussion on general topic with video/tape recording and little input from facilitator. Used to assess opninions and attitudes.

Source: Rowe and Frewer 2000

In the South African context, there are some other public participation mechanisms that are preferred due to their historic importance. Imbizos are one such popular mechanism.

2.2.2 Imbizo

Imbizo has gained prominence in the South African political system as one of the most preferred methods of public participation. *Imbizo* is a Zulu word for a traditional public meeting. *Imbizo* are mainly called by those in power to gather and hear about the issues of their people. According to the Presidency (2000),

"*imbizo gives ordinary people a platform to raise issues or problems with those in authority and also gives ordinary people a direct access to the Presidency so that they may voice their concerns and say what they feel about Government and service delivery".*

In South Africa *imbizo* is highly regarded because it is the time when leaders 'come down' to the people.

Imbizo is aimed to facilitate direct interaction between senior government officials, residents and stakeholders focused on a variety of service delivery issues such as economic growth, housing, health services and job creation. These *imbizos* can be regarded as the street parliament because it is the only time when ordinary people are afforded an opportunity to address the President and other key leaders such as Ministers, Deputy Ministers, Premiers, MECs, Mayors and Councillors.

There are, however, arguments as to whether *imbizos* are the best mode of public participation. There are views that *imbizos* are not different from other methods used to listen to members of the public without genuinely caring about their concerns. There is a strong feeling among people that the government would call *imbizos* in order to appear to be caring so as to secure the votes during upcoming elections. *Imbizos* are used as 'therapy' where the aggrieved electorate is listened to show that their leaders do care. The other criticism of the method is the fact that it is shallow and does not allow for in-depth engagement on a particular issue. Because of time and other constraints, the public is rushed through issues sometimes without fully expressing themselves. There is also a concern that, due to lack of proper monitoring mechanisms within the state, there is no evidence that some of the issues that are raised are even addressed by the government.

Notwithstanding its inherent weaknesses, *imbizos* provide a rare platform for ordinary members of the public to express their views on service delivery to their political and administrative heads.

2.3 INTERESTED AND AFFECTED PEOPLE

In defining public involvement it is important to first define the public. Despite considerable literature on 'stakeholders', a tangible definition of that term is virtually non-existent (Williams; Suen; Brown; Bruhn; Blaquire and Rzasa, 2001). The authors indicate lack of clarity and knowledge of who is the public and how to involve the public as the major challenges that makes the practice of public outreach difficult. They argue that in departments that require a deep technical knowledge like Defence and Energy, public involvement is likely to be low. In these cases, the experts and not the ordinary citizens are likely to be the main participants and it then raises the question of *who* the public are? This question is

increasingly becoming more important as more people and more organizations surface claiming to be the 'voice' of the people. Failure to define who the public is might result in under-representation of certain groups of people in the society due to their relative status and power (Williams *et al,* 2001; and Arnstein, 1969).

Different authors agree that involving the public in technical decision-making poses a huge challenge to governmental organizations. Many public hearings that are conducted by various government agencies in South Africa engage only a small, often easily accessible, section of the general public. Officials often wrongly equate activists with the public (Arnstein, 1969). In many instances, the agencies such as NERSA do not make the necessary efforts to identify and be accessible to the ordinary people at street level. The result of this is that many members of the public feel left out of the process (Williams *et al*, 2001).

There is also some debate as to whether the public should be defined as a collection of individuals or as a collection of groups (Montgomery and Wang, 2007). The diverse nature of individuals and groups' values, perceptions, expectations and experiences makes it even more difficult to treat the public as an entity or homogenous group. It is these individualistic and pluralistic characteristics of the public that make public participations difficult. It is not very clear when a citizen speaks, whether she or he is representing self-interest or collective interests. Failure to balance the needs of the individuals and the needs of the interest groups might compromise the credibility of the public participation process. Usually the powerful and the organized drown out other voices and succeed in putting their voices across (Innes and Booher, 2004; Arnstein, 1969).

It is important to know the characteristics of participants in order to engage them successfully. A detailed analysis of the kinds of stakeholders is important in order to have a clear understanding of their level of interest relative to their power to influence decisions. Policy makers must therefore be mindful of this. Parrot (1996) as quoted by Riege and Lindsay (2006) provides a mechanism on how governments can classify their stakeholders and develop communication strategies for different stakeholders.

Table 3. Stakeholder Influence Versus Stakeholder Interest.

Interest in issue	**High**	**Low**
Power to influence **Low**	Priority stakeholders Priority lobby	Latent Power Monitor and effective PR
High	Key stakeholders Defend	Low Priority Stakeholders Monitor

Source: Parrot (1996)

Determining the extent to which people may be interested in participating in a specific decision process requires an understanding of their perceptions and concerns (Petts, 1999). People might want to participate in public participations due to a variety of reasons and factors, ranging from proximity, economical impact, or threats to their economic status, culture and values. The most important aspect of participation in public hearings is representivity. Views that are gathered should be representative of the views of the majority who are not direct participants (Petts and Leach, 2000).

The motives of participants in NERSA public hearings are equally diverse. Members of the public participate in the process in order to shield themselves from what they perceive as undue price increases. On the other hand, industry stakeholders and Eskom in particular participate to further their own economic interests. This plurality and clash of interests of stakeholders can be fertile ground for conflict if the process is not well managed.

2.4 PUBLIC TRUST

Most institutions are mainly concerned about legitimizing their public participation processes rather than genuinely engaging the public and obtaining their views. This leaves most participants feeling used and cheated by these institutions. Miller (1973: 128) as stated in Petts and Leach (2000), observes that;

"Any government… operates on the trust which the governed credit it and its agencies. If citizens perceive of institutions, procedures, and ruling groups as legitimate, tensions and instability arising from the gap between officials and individual interpretations can be absorbed."

According to Petts and Leach (2000), trust and legitimacy are important for public decision-making. Public trust refers to the public's confidence in the integrity of public officials to be fair and to uphold the public interest, as well as confidence in the competence of government to carry out its assigned duties (Montgomery and Wang, 2007). The authors further argue that there is a strong relationship between public trust and public participation, illustrating this point by drawing the following simple mind map:

Public participation in government → Tends to lead to →

Public trust in government.

Montgomery and Wang (2007) argue that the conditions for the above statement to hold require two pre-conditions which are that public participation is done effectively and is also done in good faith. Frequently, public hearings are not done in good faith. At the policy level, a common occurrence is to invite public participation only after policy determination has really occurred, with the result that only superficial changes are made as a result of public input (Montgomery and Wang, 2007).

Renn and Levine (1991); Peters *et al*, (1997); Marris *et al*, (1998) as stated in Petts and Leach (2000), identify cognitive components of trust which are known to include characteristics relevant to both people and situations, relating to perceived

- Competence (degree of technical expertise; accuracy, level of resourcing);
- Objectivity (lack of bias in information; lack of vested interest);
- fairness or procedural equity (acknowledgement and adequate representation of all points of view);
- transparency (openness of information, access); and
- empathy (a perception of goodwill in composing information; caring, recognition of the validity and strength of other concerns).

These characteristics highlight the importance of perception. The public need to have confidence in both the ability of the state employees and their institutions to act in the best interests of the public. The South African public, especially the labour movement and civil society organizations, have a history of not trusting the government due to the history of apartheid in this country. Although the current government and

its agencies are operating under democracy, this element of mistrust has not completely vanished. When the public deal with state agencies, they are cautious and often hold a belief that the agency is not there to serve them but rather represents some ‘dark forces’. The state is generally unable and unwilling to establish authentic public involvement goals and as a result, there is widespread public distrust of government (Williams *et al*, 2001: 44).

People participating in NERSA public hearings also do so with a certain level of doubt and distrust. Although fearful that their input might be ignored, nevertheless they still participate. It is therefore important for the Regulator to ensure that they gain this public trust by proving to the public that they have considered their inputs in one way or the other.

2.5 TYPOLOGIES OF PUBLIC PARTICIPATION

Literature shows that public participation comes in different forms.There is no single correct way to involve members of public in decision-making. Public participation can range from voting in elections, participating in party politics, holding public demonstrations, petitioning local or national leaders, lobbying decision-makers, making written or verbal submissions to committees, and the use of ward committees (PSC, 2009). Public participation can also range from simply sharing information upon which decisions are based to offering the public full decision-making authority (Germain, Donald, Stephen and Stehman, 2001). Different situations require different types of public participation. The general rule on the issue is that the more likely the decision will affect the public, the more decision-making authority the public should be offered.

Arnstein (1969) proposed a ‘ladder of public participation’ with eight hierarchical rungs that signified specific participatory typology. Arnstein (1969) argues that the level at which the authority engages the citizens is relative to the level of power that the citizens have. Participation can range from manipulation; therapy; informing; consultation; placation; partnership; delegated power; and citizen control. Manipulation and therapy are regarded as non-participation methods because the public has no influence of any sort into the decision-making process. Informing; consultation and placation are regarded as a degree of tokenism because even though the public is given some power, these powers are still very limited and often of no significant effect on the decisions being taken. Delegated power and citizen control are regarded as real public participation as the public is fully given the power to take decisions that affect them.

Table 4: Eight Rungs on a Ladder of Citizen Participation

8	Citizen control	**Participation**
7	Delegated power	
6	Partnership	
5	Placation	**Tokenism**
4	Consultation	
3	Informing	
2	Therapy	**Non-participation**
1	Manipulation	

Adapted from Sherry R Arnstein (1969)

NERSA public participation processes can be mainly regarded as falling within tokenism on Arnstein's ladder of public participation. The process takes the form of consulting members of the public and soliciting their views about Eskom's revenue. Experts in the electricity sector and in economics are also consulted for their views on the choice of correct economic indicators. This does not, however, mean that both members of the public and industry stakeholders are genuinely holding any powers to influence the outcomes of the process directly. This is because NERSA does not treat them as partners as required by the *Ladder of Citizen Participation.*

2.6 CURRENT ELECTRICITY SCENARIO

The supply of electricity in South Africa is mainly sourced from Eskom. About 96 per cent of the current electricity in the country is supplied by the utility – one per cent of the generation is from municipalities and the remaining three per cent is from Independent Power Producers (IPPs). Currently, Eskom is the only licensed transmitter of electricity in South Africa. The responsibility for distribution is shared between Eskom, the municipalities, and other distributors licensed by NERSA. NERSA has licensed about 180 municipalities which distribute forty per cent of electricity sales to about sixty per cent of the customer base.

The Cabinet has moved to establish Regional Electricity Distributors (REDs) instead of individual municipalities distributing electricity. This was done in order to increase the efficiency of electricity distribution to electricity users. The process of establishment of REDs has, however, encountered a number of legal challenges. The Cabinet has rushed to adopt the establishment of REDs without proper consultation with municipalities and other stakeholders. Most municipalities were not willing to cede their constitutional rights of distributing electricity to their

customers to the REDs. Despite various attempts to change certain sections of the Constitution and the Municipal Systems Act No. 32 of 2000, the establishment of REDs never took off. This resulted in the Electricity Distribution Industry (EDI) being paralysed and the proposed establishment of REDs was officially abandoned in 2010.

According to the DoE (2008), the end-use of electricity in South Africa is currently divided between domestic (17.2 per cent), agriculture (2.6 per cent), mining (15 per cent), industrial (37.7 per cent), commercial (12.6 per cent), transport (2.6 per cent) and general (12.3 per cent). South Africa has an installed generation capacity of approximately 40 000 MW. Most of this capacity emanates from coal-fired power stations (88 per cent), with the remainder coming from nuclear, hydro and diesel. South Africa's capacity reserve margin has fallen sharply in recent years to around 8 per cent. The normal reserve margin is regarded to be around 15 per cent of the total generation capacity. This drop in reserve margin has placed considerable pressure on the electricity industry, resulting in constant power outages and blackouts in recent years across the whole country. This resulted in businesses such as mines and other intensive electricity users going for days without electricity.

In response to this new challenge of low reserve margins and rolling blackouts, the government adopted an aggressive stance towards development of new generation capacity. This was aimed to restore the reserve margin and meet new growth, and also to prepare for the replacement of older plant. The DoE together with NERSA has started to work towards developing new generation capacity. This required substantial funding of Eskom’s new generation capacity through their MYPD2 application. Two new power stations are currently under construction: Medupi power station is expected to start producing electricity at the end of 2012 and Kusile power station is expected to start

feeding to the grid only from 2014. There is currently a move towards establishment of solar parks in the Northern Cape which will produce about 5 000 MW of electrical power.

The DoE has also finalized the South African Electricity Plan, known as the Integrated Resource Plan number 2 of 2010. This plan is aimed at finding the most effective, feasible, environmentally sound and economically affordable energy mix for the South African electricity industry. It will establish how much electricity should be produced from various electricity sources such as coal, wind, solar, biomass, hydro and many other sources with the exception of nuclear. The South African government is planning to produce about 80 000 MW of electrical power by the year 2030, almost double the current production.

In order for the government to boost the current electricity generation plans, the DoE in December 2008 published a new electricity pricing policy. This policy was aimed at influencing the manner in which Eskom's application for electricity tariff increases in 2009 is handled by NERSA. The policy was very directive in stating that electricity prices should be substantially increased in order to fund the current new capacity generation plans. The policy indicated that the average selling price of electricity in South Africa is one of the lowest in the world and the situation is not viable for investment in this sector. According to DoE (2008), this is partially as a result of the use of low-grade coal and partially as a result of the present pricing policy and practices.

> *"South Africa needs to make substantial investments in the generation, transmission and distribution industries to meet the growing demand of an expanding economy. In addition it is recognised that certain infrastructure backlogs also need to be addressed to maintain and improve quality of supply and service*

delivery. Furthermore, it is anticipated that independent power producers and renewable energy projects will play a more prominent role in South Africa's future energy mix" (DoE, 2008).

One of the policy positions of the electricity pricing policy of 2008 was that:

"The revenue requirement for a regulated licensee must be set at a level which covers the full cost of production, including a reasonable risk adjusted margin or return on appropriate asset values. The Regulator, after consultation with stakeholders, must adopt an asset valuation methodology that accurately reflects the replacement value of those assets so as to allow the electricity utility to obtain reasonably priced funding for investment, in order to meet Government-defined economic growth" (DoE, 2008).

These envisaged increases in electricity prices were seen as a form of incentive to investors who have been reluctant to invest in the electricity sector due to very low margins of return. The new pricing policy wanted the industry to move towards tariff levels that will ensure sustainable and viable industry, attract investments and unlock efficiencies. The government has, however, maintained in the policy that they are still committed to provision of low-cost electricity and protection of poor people against high electricity prices.

2.7 CONCLUSION

There are differing views on how public participation should be conducted and how the public should participate in decision-making. Williams *et al* (2001) highlight that the last challenge is how the public should be involved. With regard to involving the public, there are hardliners who support more public involvement and those who support less public involvement but rather an "informing the populace about the policy decision" type of public participation. Public participation is often seen as complicating the already difficult process of reaching decisions about complex and disputed policy issues. Involving the public in decision-making can be expensive, time-consuming and frustrating because it may prevent planned change taking place (Marian, 1999).

Furthermore, the literature indicates that without appropriate plans in place, public participation process will most likely be compromised. A culture of commitment and the capacity to manage public participation is crucial in improving public trust to participate and make meaningful contribution to the organization's decision-making processes. The literature showed that no single public participation mode can be regarded as a panacea. The appropriateness of a method depends largely on the objective of the consultation process itself. The review of literature highlighted the challenges ordinary citizens' encounters in their quest to influence decisions. This was attributed to their relative lack of resources and expert knowledge of the industry.

Finally, the ability to gain the public's honest views depends on the public official's ability to use available tools appropriately and the official's interpretation of the role and the extent of influence of the public in the decision-making process.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter outlines the methodology that was used by the researcher to address the research question. It discusses the approach used as well as the methods that were employed during the research project. A detailed outline is made on how the study has handled issues such as research design; samples; data collection methods; data analysis methods; significance and the limitations of the study. This chapter is aimed to give a clear account of how the data was collected.

3.2 RESEARCH DESIGN

Emory and Cooper (1991: 138) defines research design as “the blueprint for the collection, measurement and analysis of data – a plan for selecting the sources and types of information relevant and the structure of investigation undertaken to obtain answers in the research”. On the other hand, Leedy and Ormond (2001: 2) define research design as a “systematic process of collecting data in order to increase understanding of the phenomenon about which we are interested or concerned”.

The researcher used NERSA as a case study. The study explores how NERSA conducts public participation and how the public inputs influence decision-making processes at the organization. Case study is usually recommended when a detailed understanding of a phenomenon is sought. According to Leedy and Ormrod (2001) case studies “are chosen to understand more about a little known or poorly understood topic”.

According to Yin (1994:4), case studies are usually used to “evaluate a phenomenon within a real life-context with the aim of reviewing key aspects of that phenomenon… events, process, programme, institution or social group…”. Some of the strengths of case study research are that a case study is not limited to only being exploratory, but can be both exploratory and descriptive. Another strength is that it allows for the retention of the holistic and meaningful characteristics of real-life events as it provides empirical evidence (Yin, 1994: 3).

The qualitative approach to the research was chosen because case studies fall within the qualitative approach more appropriately than anywhere else. According to Van Maanen and Faulkner (1992: 16), “the essence of qualitative research consists of two conditions: (a) the use of close-up, detailed observations of the natural world by the researcher, and (b) the attempt to avoid prior commitment to any theoretical model”. According to Leedy and Ormrod (2001: 94) qualitative method is generally used when answers are needed about complex nature of phenomenon with a need to understand things from the perspective of the participants. This approach was therefore relevant as the study wanted to understand the views of NERSA employees on the effectiveness of public participation in the organization and the influence the process has on decisions that are taken.

Therefore, a qualitative paradigm was chosen to help the researcher gather rich and in-depth information during the in-depth interviews. Further to this, Henning and Smith (2004: 3-4) state that the distinction between a qualitative paradigm and quantitative paradigm lies in the quest for understanding and for in-depth inquiry. In a qualitative study the “variables” are usually not controlled because it is exactly this freedom and natural development of action and representation that the researcher wishes to capture. The researcher wishes to understand, and also explain, by using evidence from the data and from the literature, how

public participation is conducted and how public inputs influence decision making process at NERSA.

3.3 DATA COLLECTION

3.3.1 Sampling

Sampling is defined by Merriam (1998: 60) as “the selection of a research site, time, people and events in field research”. According to Merriam (1998: 62) the number of participants in a sample depends on questions being asked, data being gathered, the analysis in progress, and the resources available to support the study. Mulder (1992) defines a research sample as a group which is selected from the population and is thus less than a population.

There are various types of sampling techniques notably random and non-random sampling techniques. For this study, a non-random sampling was used. This type of sampling is mainly used for qualitative research. The advantage of non-randomized or purposeful sampling as is commonly known was that it is less complicated and the sample was easily accessible. According to Babbie and Mouton (2001: 57), “Purposive samples are those that the researcher specifically chooses based on desired characteristics as well as their usefulness in relation to the study”. The researcher chose participants in the research based on the possible contribution they can make to the answering of the research questions. The researcher chose ten participants based on the extent of their involvement in public participation process at NERSA.

The following departments were identified as critical to public participation in the organisation and respondents were targeted from each of these departments:

- Communications and Stakeholder Management
- Legal Services
- Regulatory Support
- Electricity Pricing and Tariffs
- Electricity Infrastructure and Planning.

The majority of these interviews were conducted in the respondents' offices at NERSA in 562 Kulawula House, Vermeulen Street, Arcadia, Pretoria. Because the researcher is also an employee at NERSA, the majority of interviews took place early in the morning or after working hours.

The interviews took place during the dates and times as indicated in the table below:

Table 5: List of Interviews

Serial No.	Date of Interview	Position of the Respondents	Responsibility during Public Participation
01	07 October 2010	Financial analyst : Electricity Tariffs and Pricing(ETP)	Team leader for analysis of stakeholder comments on economic issues.
02	08 October 2010	Committee secretary: Electricity division	Recording of Regulator's decisions and other logistics
03	12 October 2010	Snr Customer Education Officer	Educate the public on public participation
04	05 January 2011	Financial Analyst: ETP	Team leader for analysis of public comments on financial matters
05	04 January 2011	HOD Communications and Stakeholder Management	Head communications and publicize NERSA decisions
06	05 January 2011	Market and Financial analyst: Electricity	Team member for Analysing of public comments regarding DSM

		Infrastructure and Planning (EIP) (Busi)	
07	06 January 2011	Engineer : EIP	Team leader for Analysis of public comments regarding DSM
08	10 January 2011	Engineer : Complains and Customer services	Analysed public comments regarding
09	11 January 2011	HOD :Legal services	Responsible for the overall legality of the process
10	11 January 2011	Legal advisor : Legal services	Team leader for analysis of public comments regarding legal issues.

3.3.2 Primary data

The primary data was collected through semi-structured in-depth interviews with the respondents as well as from observations and the analysis of documents. Primary data in the study was the first-hand account regarding public participation at NERSA derived from interviews with people responsible for public participation in the organization.

3.3.2.1 In-depth semi-structured interviews

Interviews were conducted with respondents on their views on public participation at NERSA and whether it influences decisions that are taken. The researcher recorded respondents' responses on a data collection notebook. Responses were written down and not recorded using tapes. The length of the interviews was between 45 and 60 minutes.

3.3.2.2 Document analysis

The researcher also collected more primary data through analysis of the following NERSA public participation documents;

- Sample of Written submissions by various stakeholders.
- NERSA reports on decisions regarding electricity tariffs.
- MYPD 2 Consultation Papers (MYPD2) means Multi Year Price Determination number two. This is a three year electricity tariffs application that covers the period 2009/2010 to 2011/12. MYPD1 started in 2007 and ended in 2009.

All these documents were freely available to me because NERSA documents on public participation are public documents. Even NERSA board meetings are open to members of the public except when an individual employee will be discussed. NERSA staff responsible for public participation process and analysis of stakeholders comments were helpful in securing most of these documents.

3.3.3 Secondary data

Secondary data was obtained through library, newspaper and Internet searches. Books and articles were used to generate secondary data, and reports on public participation from NERSA and DoE were also considered.

3.4 DATA ANALYSIS

According to Leedy and Ormond (2001) the main purpose of data analysis is to identify common themes in people's responses. The objective is to understand the phenomenon from the view point of the participant and report it in a manner that will retain the quality of the data. According to Strauss and Corbin (1990), analysis begins with identification of the

themes emerging from the raw data, a process sometimes referred to as “open coding”. During open coding, the researcher identifies and tentatively names conceptual categories into which the phenomena observed would be grouped. The goal is to create descriptive, multi-dimensional categories, which form a preliminary framework for analysis. De Vos (2002) states that data analysis is the “process of bringing order, structure and meaning to the mass of collected information”.

Data analysis was done in three phases namely, analysis of data obtained from interviews; analysis of stakeholders’ written submissions and analysis of other NERSA documents and the secondary data. For the interviews, data collected was coded and identified in to common themes like public views; stakeholder communication and public influence. These themes have emanated from literature review and others have been identified during the interviews in line with the principles of grounded theory.

The researcher used the sub-questions as themes and organized participants’ responses around these themes. The researcher strived to retain the quality and richness of the data by using thick descriptions where necessary.

Written submissions regarding MYPD2 which were submitted by the members of the public**,** interest groups and industry stakeholders were analyzed in order to get an understanding of the issues they were raising. A total of 24 submissions out of the submitted 405 were analyzed. The information from the analysis which was done by NERSA in the *Reasons for Decision* document was compared to the analysis which was done by the researcher as to establish the existence of the reliability and validity of NERSA’s analysis.

3.5 VALIDITY AND RELIABILITY

According to De Vos (2002), validity generally refers to the "degree to which an instrument is doing what it is intended to do". The use of an interviews guide was successful in ensuring that the information obtained is relevant in answering the research questions. The validity of the data obtained in the research was also improved by using multiple sources of evidence, notably observations, interviews and document analysis. Merriam (2002) emphasises the importance of using triangulation, member check and peer review so as to ensure that the information obtained is credible. All these methods were considered for this study.

Reliability is defined by De Vos (2002) as "the extent to which the independent administration of the same instrument consistently yields the same results under comparable conditions". Because the study was qualitative and the research interview schedule was semi-structured, this allowed for difference in the results obtained. The concern was not whether the same results would be obtained, but rather about the meaning that each respondent attached to the public participation processes at NERSA.

3.6 SIGNIFICANCE OF THE STUDY

The rationale of this study is to create a debate within the Agency on the significance of the public participation processes and rethinking of how these public participations can be used to increase the public's confidence in the agency. Currently the public mistrusts NERSA, based mainly on perceptions. This study will assist to give a logical documentation of what happens with public inputs and thereby shed some light on public participation influence on NERSA decisions, if any. The study is also significant as it will influence NERSA to pay greater attention to their public

participation processes, thereby making space for the broader public to participate in its decision-making processes. The study will also enhance the South African democracy by highlighting the importance of public participation in government decision-making processes.

3.7 LIMITATIONS OF THE STUDY

This research does not evaluate the entire range of public participation processes at NERSA, but only a single process that was undertaken during the 2009/2010 Eskom electricity revenue application. Although this process was the single biggest public participation process that NERSA has ever conducted, it mainly reflects public participation in the electricity division and not in the other two divisions, namely petroleum pipelines and piped gas.

This research used a small sample size due to the withdrawal of some key respondents during the research. Although efforts have been made to get all views regarding public participation in the organization, the absence of the views of the Regulator members and other executives might have a negative effect regarding some issues raised by low level respondents. This was because some of the people who had earlier indicated that they would avail themselves for interviews objected to being interviewed at a later stage. Some of them were afraid that due to their position in the organization, they could not express their views on the issue of public participation. These people had to be replaced, and their version would have enriched the quality of data obtained and maybe added a different perspective. Efforts were made to replace them with equally relevant informants.

The researcher is an employee of NERSA in Communications and Stakeholder Management. The researcher was a Customer Education Officer responsible for educating the licensees and the public on the mandate of the Regulator as well as on their roles and responsibilities. There might be bias on the part of the researcher as he was directly involved in making the public aware of their role in influencing NERSA decisions.

During data collection, it became apparent that some of the interviewees were not comfortable to share with the researcher their real feelings about particular issues. These respondents indicated that they have two versions but they will give the official version and not their true feelings because of fear of criticizing the organization. The fact that the researcher is their colleague and a subordinate to some of them added to the level of uneasiness among some of these respondents to tell what they called the true version on the record. They were, however, comfortable to share some of the information off the record. This two versions conundrum has affected how the research findings were presented.

3.8 CONCLUSION

The purpose of this chapter was to give a brief account of how the study was carried out. It discussed the research design as qualitative research using case study method. Sampling procedures were detailed and the rationale for such choices provided. Data was collected using interviews, observations and the analysis of documents. Analysis of data was done through coding of data obtained from the sources indicated above. Lastly, limitations of the research were highlighted in order to provide a clear context to interpret the results of the research.

CHAPTER FOUR

DATA PRESENTATION

4.1 INTRODUCTION.

The previous chapter focused on the methodology used to collect the data that would enable the project to answer if NERSA considers public inputs when taking decisions. This chapter will introduce all the data that was collected in order to answer the research question. The chapter starts by presenting the findings obtained from the research by setting out the results of the in-depth interviews with NERSA employees and the analysis of stakeholder submissions to NERSA. In some instances, the respondents provided solutions for the problems raised. Questions were open-ended and there were no right and wrong answers. The responses were mainly based on the respondents' views on the influence of public participation on NERSA decisions. Respondents expressed a variety of views on the issue. In some cases, there was general agreement on the issue while in other areas the views were very different. The findings from both interviews and document analysis formed the basis for the research findings analysis, recommendations and conclusions that will follow.

4.2 DESCRIPTION OF THE RESPONDENTS

Ten employees from NERSA were targeted for the purpose of this research. The ten employees represent about 7 per cent of the total employees at NERSA. These ten employees also represent about 40 per cent of the people directly responsible for public hearings in the organization. All these employees have been part of NERSA during the public hearings for MYPD 2 and they have contributed in one way or the other. The broad categories of the interviewees are economists, financial

analysts and engineers who were responsible for analyzing both Eskom applications and stakeholder comments, and the last category is the officials who are responsible for logistics for public hearings as well as communicating the decisions. All the respondents are professionally qualified and their ages range from 29 to 50 years. Both females and males were represented in the sample. All the interviews took place within the respondents' workplace either early in the morning or after work. The average length of each interview was between 45 minutes and an hour. The responses obtained from the interviewees during the interviews were summarized and classified according to each question.

4.3 PUBLIC CONSULTATION PROCESS.

NERSA uses public hearings as its main method of public participation. The process of public participation begins with the advertisement of the public hearing notice through at least three national newspapers. NERSA has an electronic notice board outside its buildings which it uses to publish all the main events like public hearings and public meetings. A notice for public hearings is published at least seven days before the event takes place. Within this period, members of the public who are interested in participating in the process must do the following:

- Submit in writing their intention to present their submissions during the public hearing.
- Confirm their intention to attend the public hearing as observers.
- Submit a copy of their presentation to NERSA in advance.

During the MYPD 2 application, the same procedures were generally followed. NERSA, at its meeting held on 14 October 2009, approved the approach and timelines for processing Eskom's MYPD for the period 01 April 2010 to 31 March 2013.

The table below outlines the approved timelines for processing the application.

Table 6: Timelines for Approval of Application

ACTIVITY/TASK	DATE
Receipt of Eskom's MYPD 2 revenue application	30 September 2009
Publication of the Eskom's MYPD 2 application on NERSA website	14 October 2009
Electricity Subcommittee to consider the Draft Issues Paper on Eskom's MYPD 2 application.	29 October 2009
Publication of Issues Paper on Eskom's MYPD 2 application (request for comments) on NERSA website.	30 October 2009
Closing date for comments on Eskom's MYPD 2 application and Issues Paper.	30 November 2009
Public Hearing on Eskom's MYPD 2 application (3 days)	20-22 January 2010
Electricity Subcommittee to consider the Draft Reasons for Decision on Eskom's MYPD 2 application.	17 February 2010
Energy Regulator's Decision on Eskom's MYPD 2 application.	24 February 2010

Members of the public were given thirty days to study the consultation paper and the revenue application by Eskom and then make comments on the issues raised. Initially three days were reserved for conducting public hearings. When asked about the friendliness of these timelines to the members of the public, respondents indicated that these timelines were in line with the Electricity Regulation Act (2006) and were thus legally prescribed. Some respondents felt that the timelines were too tight but they also highlighted that giving members of the public too much time has its associated risks like some of them ' forgetting' about the process and prioritizing other issues instead.

During public hearings, presenters are generally allocated forty minutes each (twenty minutes for presentation and twenty minutes for a question and answer session). The communication during public hearings is top down. Members of the public are not allowed to ask questions of the presenters or the Regulators during the public hearings. It is only the Regulators who have the right to ask questions of the presenters. Before doing their presentations, members of the public are required to identify themselves by their names, the company/organization they are representing and their designation in their company/organization. The chairperson of the public hearing, who is one of the board members, would then request the presenter to take an oath. The whole process is formatted after a formal judicial proceeding.

The majority of NERSA public hearings take place inside NERSA's buildings. NERSA has an auditorium with a capacity to carry a maximum of 110 people. There are ten front chairs for the Regulator members. The remaining 100 chairs are meant for the members of the public who come to participate in the process.

Figure1 : NERSA's auditorium



Figure2 : Front chairs reserved for Regulators during public hearings



The MYPD2 public hearings were held in much bigger venues compared to other previous public hearings. This was as a result of the public response that was higher than normal, especially in Gauteng Province.

The majority of respondents were of the opinion that the public consultation process is generally good and it meets all the main requirements of a good public participation process. Respondents indicated that the process was established in terms of the requirements of Public Administration Justice Act (2004) and the constitution of the country. Respondents, especially those from the legal department indicated that NERSA's public participation process satisfies all the legal requirements.

On the other hand, the respondents were of the opinion that the process is too formal and might be intimidating to some stakeholders, especially members of the public who are not used to court-like type of set up. They felt that members of the panel (Regulators) also contribute in instilling fear in the manner in which they sit and listen to members of the public. According to one respondent, "I think the whole set up is intimidating. People feel as if they are in a court of law… I think people don't feel like they are welcome to express their ideas."

A suggestion was made that NERSA should explore other ways of involving the public in a more relaxed and welcoming environment. NERSA responded that "we can go to their villages and meet them there with their kings around, or into their townships. But we will have a problem of capacity and resources also. It is a catch 22 situation".

Respondents also felt that the reason why some members of the public are intimidated is because they come to these public hearings

inadequately prepared. They indicated that some stakeholders do not even bother to read the consultation paper, the Eskom revenue application and other government policies on electricity. As a result, they are found wanting when asked questions about their presentations. When asked about the accessibility of these documents to members of the public, respondents indicated that these documents were available on the NERSA website. Respondents noted that to members of the public who do not have access to the internet, these documents would remain inaccessible and therefore negatively influence the quality of their inputs.

4.4 HANDLING OF PUBLIC COMMENTS

The researcher took time to consider how NERSA handled the public comments it has received. The respondents were asked on the process followed to receive, record and analyse stakeholder comments.

4.4.1 Process to analyse stakeholder comments

All respondents were confident that NERSA treats all comments fairly and the process used to analyse the comments is thorough. Interviews with respondents indicated that stakeholders submit their comments in various forms, including fax, e-mail and post. Comments received through fax and the post were scanned and stored as electronic copies. All the electronic copies were then e-mailed to the MYPD2 project leaders. The project leaders then e-mail these comments to their subordinates as they come. There were about 10 teams and team leaders. The teams mainly dealt with technical and economic issues and were led by experts in these fields. It was indicated that each team would look at issues that affect it from the stakeholder comments and then develop a summary of stakeholders' comments in that area. After a summary is done, an analysis of these comments is made after which they are tested before deciding whether to accept them or not.

Figure 3 : Process of handling comments



The summaries of all stakeholders are then consolidated into what was to become the main summary of stakeholders' comments for the whole MYPD2 application. This summary forms part of the Reasons for NERSA's decision.

The interviews with the project leaders revealed that there was no consistency in the manner in which they go about collecting and analyzing public opinion. It was not clear from the interview how they arrive at what can be regarded as an opinion that can be tested. When asked what criterion is used to determine whether a particular opinion can be considered or not, most of the team leaders interviewed indicated that they used their own professional judgment to determine the relevance and importance of a particular opinion. It was highlighted that team leaders and team members only confined themselves to those sections of the public comments which were addressing issues that were highlighted in the Eskom revenue application and the consultation papers. Respondents indicated that due to their technical training, they were mainly avoiding social and emotional issues but focusing on what they called "relevant facts with evidence".

Analysing the revenue application is a highly technical work. It is like you are investigating claims that both stakeholders and Eskom are making. The more they are factual and they substantiate their claims with strong evidence, the better the chances of their claim being considered.

It was then asked what type of information would be regarded as a fact and what would not qualify as such. This question was asked repeatedly in various ways in order to establish if there are any guidelines, either written or not, that are used to separate what is perceived as either 'useful' or 'useless' comments from the stakeholders. The majority of respondents insisted that comments that are rhetoric and baseless, without any supporting economic or technical data, can be classified as useless because NERSA cannot use it to challenge what Eskom has applied for. On the other hand, public comments that were logical and build their arguments based on available information in the industry were considered to be useful. Respondents indicated that much as they would have liked to entertain each and every view expressed, irrespective of whether it is relevant or not, there was insufficient time and resources to do so.

A question was asked about what system is used to ensure that team leaders have considered all stakeholder comments**.** The team leaders indicated that they would go through all the submitted comments, irrespective of whether they agree with what stakeholders say or not. They indicated that they used their professional judgment to consider whether a particular opinion is worth consideration or not. It was also indicated that all comments were considered as there would be regular meetings between various team leaders so as to compare their summaries and analysis. Respondents were firm in maintaining that it would not be possible to deliberately choose to ignore a particular comment without at least first reading it.

4.4.2 Stakeholder Comments

The researcher analysed 24 submissions from various stakeholders who made submissions to NERSA expressing their views on the Eskom application for electricity tariff increases of 35 per cent for a period of three years. The sample was randomly chosen. The submissions were initially stratified into three strata, namely individual public members, businesses and organized lobby groups/parties. Ten submissions were analysed from the individual public members, eight from business and six from the organized groupings. While there were cross-cutting issues, each of these groups had some specific concerns that were unique to their group. Below is a summary of data extracted from their submissions.

The analysis of stakeholders' comments conducted by the researcher indicated that the sampled stakeholders raised the following issues as the main issues that concerned them:

- They objected to the 35 per cent increase and they regarded it as irresponsible, out of touch and ill-informed. The majority of stakeholders instead advised for inflation-linked increases or increases that average 10-15 per cent.
- Stakeholders agreed that there is a need to secure electricity supply in South Africa through building of new capacity and through improved efficiencies. Stakeholders highlighted a need to address issues such as electricity theft and DSM .
- They advised that instead of raising money required to build new generation capacity through tariff increases, Eskom and its shareholders must raise the money in the market economy. Stakeholders were against the idea of current electricity customers subsidizing future customers.

- Some stakeholders who are experts in the field of energy economics pointed to inconsistencies and inflation of costs in Eskom's application.
- Most stakeholders were concerned about Eskom's perceived lack of proper financial management and wastage through bonuses and other wastage.
- Stakeholders were unanimous in stating that the poor should be subsidized, although they differed regarding the manner in which this subsidy should be implemented.
- Some stakeholders also emphasized the need to consider alternative methods of producing electricity and creating a competitive environment for Eskom's competitors to flourish.
- Concern of wastages at Eskom due to high salaries and other inefficiencies.

When respondents were asked which issues stakeholders raised as critical during the MYPD2 application, the following issues were identified by respondents:

- Stakeholders were generally against the 35 per cent increase.
- People favoured emphasis on DSM instead of developing new generation capacity.

Respondents indicated that the majority of recommendations that the public made were outside NERSA's mandate. In other words, NERSA could not do much about them even if it wished to. Respondents indicated that while NERSA regulates electricity, it does not necessarily control Eskom. Some of the public suggestions and recommendations are meant for other departments such as Department of Energy, Treasury, Department of Trade and Industry, Department of Public Enterprises, and Eskom itself .

Respondents were asked whether NERSA has taken time to highlight the issue of its mandate and jurisdiction versus those of other governmental departments to its stakeholders. The response was there were no practical steps taken in this regard:

> *We rely on the customer education unit to educate the public about NERSA's role and mandate. Otherwise the public will continue to confuse us with other departments.*

It was also discovered during document analysis that NERSA does not highlight the reason why it does not address some of the advice the public has put forward in its *Reasons for Decision* document. The respondents indicated that NERSA seems afraid to state categorically the public recommendations that it has considered and those it has not, and provide reasons for such. They agreed, however,that such a move would increase transparency on NERSA decisions and make it easy for members of the public to know which of their recommendations were considered.

4.4.3 Training of staff on public participation processes

It was established that the majority of people who analyse public comments have not undergone any form of training on public participation. Some respondents indicated that they have undergone "briefing sessions" regarding what they should look out for when they analyse stakeholders' comments. Interviews indicated that officials dealing with public participation were trained in diverse professional fields, but mainly in Economics, Law and Engineering. Some officials who are part of the executive management indicated that they have attended some courses and trainings that equipped them for the public participation process. The majority of respondents were of the opinion that their lack of training on public participation process did not have any major effect on their

competency to analyse stakeholders' comments. They indicated that the fact that they were focusing on the issues that they are conversant with made it unnecessary for them to have experience in public participation processes. Some respondents also indicated that due to their experience in working with public comments over the years, they were able to use that experience even in this regard. Some respondents who were part of the public participation process and the MYPD2 revenue application for the first time indicated that they have learned a lot through this process and they would now know how to deal with certain issues better in future MYPD applications.

4.5 INFLUENCE ON DECISIONS

Respondents had different views on whether NERSA considers the views of the public when taking decisions on electricity tariffs. Officials at the management level were of the opinion that NERSA takes public views seriously and those at the operational level were of the opinion that NERSA does not fully consider public opinion.

The officials at the management level also indicated that to prove that NERSA take these public participations seriously, NERSA employed a variety of systems to ensure that the process is credible and of high quality. Those systems include the following:

- Use of audio-visuals that are later translated.
- Manual recording by designated officials.
- Registering all correspondence received.
- Analysis of the comments received.

Those holding a view that NERSA does not value stakeholder inputs highlighted that the process is mainly a formality meant to conform to the legislative requirements. Respondents indicated that they feel that NERSA

conducts public participation in order “to be seen” consulting the public. It was maintained throughout the interviews that the influence of these public participations is minimal and to a greater extent, even negligible. This was partly blamed on the tendency of members of the public to be emotional instead of being factual when presenting their views. It was also indicated that certain views were more populist than being informed. Respondents indicated that it was impossible for NERSA to satisfy every view expressed by members of the public: “Look, some of members of the public are not giving NERSA anything that is worth to be discussed. They just repeat same issues over and over again”.

Respondents were asked whether they obtained any important information during the public hearings. They answered that industry stakeholders are contributing meaningfully during the process and some of their views are important in assisting NERSA to take the best possible decisions. It was emphasized that NERSA’s purpose during the public hearings is to test the claims that stakeholders make and if stakeholders “give NERSA nothing to analyse, then NERSA would have nothing to analyse.” Some respondents were speaking with great reverence to some industry stakeholders who made public inputs during the public hearings. They indicated that although NERSA could not agree with them on other issues, they were nevertheless convincing and their arguments were well thought of and provoking.

Respondents were asked whether the socio-economic conditions of the industry stakeholders did not in any way advantage them during the public hearings: “The issue of being poor or rich is not a factor here. A fact will remain a fact irrespective of whether it is written on a PowerPoint presentation or on a scrambled paper with a pen. And a rubbish will also remain in the same way.”

Respondents however acknowledged that the industry stakeholders have an advantage in terms of resources in as far as knowledge and expertise are concerned. It was indicated that industry stakeholders are able to

influence NERSA because they are able to afford the best available experts in the energy industry and even lawyers to present their views.

When asked who then influences NERSA decisions, it was indicated that it was a few key stakeholders who are often consulted informally and their opinion is solicited. Participants indicated that NERSA's Regulators and executive managers might have been involved in consensus building processes with some key stakeholders prior to decisions being taken. It was indicated that various meetings with departments like Statistics South Africa, Reserve Bank, Treasury, Department of Public Enterprise, Department of Energy and other key stakeholders were held to establish their view. Some of the participants were of the opinion that inter-ministerial meetings were probably held to establish some consensus on the issue of electricity tariffs long before public participation process could start. Participants also indicated that other industry stakeholders' views were solicited and highly considered even if some of these views were not shared by NERSA: "We were aware that organizations such as Cosatu, AMUSA, Chamber of Mines and SALGA are critical in the whole process. Their views were more important than that of an ordinary stakeholder because they have constituencies and a much greater influence."

It was highlighted that NERSA employed the services of consultants to do studies regarding Eskom's application: "I know that the African Institute for Economic Modelling at the University of Pretoria was asked to conduct a study on Electricity Tariff Economic Impact. These are some of the guys who have influence on the decision of the board far more than other stakeholders".

It was also indicated during the interviews that although NERSA has consulted other organs of state thoroughly, it was solely responsible for the decision that it took. It was established through the interviews with

some respondents that the Regulator member primarily responsible for electricity was regarded as the main person who is able to influence the final decision on electricity tariffs. Some respondents regarded DoE as the main decision-maker and they indicated that NERSA only endorsed the decisions that are taken by the DoE. These views were not, however, shared by all respondents, as others maintained that NERSA is the overall decision-maker on determining the electricity tariffs.

4.6 COMMUNICATION WITH STAKEHOLDERS

Interviews with respondents highlighted that NERSA uses its website to communicate important information to its stakeholders. It was indicated that all NERSA decisions, public hearings and other documents that stakeholders might find important are accessible through the NERSA website. It was revealed that NERSA uses national newspapers to advertise any upcoming public hearings. The use of an electronic notice board outside the NERSA building was highlighted as another mechanism that the Regulator is using to communicate with members of the public, and that NERSA has recently established a quarterly NERSA news magazine, which aims to share information about the activities and decisions of the Regulator with the general public. Press conferences are also usually held whenever a major decision is to be announced.

When asked to comment on the effectiveness of the current communication channels to ensure that stakeholders are aware of NERSA decisions, respondents felt that NERSA's current communication methods are effective. The majority of respondents indicated that NERSA has an unofficial policy of being invisible to the members of the public as much as it can. Employees working in the communications department indicated that they have communicated the decisions of the Regulator satisfactorily. They further mentioned that NERSA is currently developing a new

communication strategy which will assist in further eradicating some of the current communication challenges that might exist .

However, the majority of respondents expressed their dissatisfaction with the current communication means. They indicated that NERSA was not going far enough to ensure that it keeps in touch with its stakeholders, especially those not within the industry. The issue of lack of funding was mentioned as a possible cause of NERSA's lack of visibility in the media. Respondents highlighted that unlike its counterparts like the National Credit Regulator (NCR), the Financial Services Board (FSB), the Independent Communication Authority of South Africa (ICASA) and other Regulators, NERSA does not buy television and radio slots to publicise itself and its programmes. According to the respondents, NERSA has not been successful in making its decisions known to people who are not directly involved in the industry. One employee said that:

> *"Look NERSA is a media shy organization. Very media shy in fact! Once they make one announcement on the national television about the decision they have taken regarding the tariffs, it is done. You will never hear from them again! It is no wonder some stakeholders might be in the dark regarding what NERSA has decided on."*

When asked whether all stakeholders are equally in the dark regarding NERSA decisions, respondents anonymously agreed that it is the uneducated, rural, poor and black South Africans who are mainly not aware of the role and decisions of NERSA. Industry stakeholders were mentioned as the group of society that is mainly easy to communicate with as they are accessible and are interested in the activities of the Regulator on a more intimate level than ordinary citizens would be.

Employees suggested that NERSA must use a variety of communication channels to reach out to all its stakeholders: “We must come out of the cocoon. We must make our decisions known to the stakeholders, whether those decisions are popular or not.” This view was emphasized by Pitjadi (2009) who stated that one of the more effective ways to determine whether a public participation process is genuine and in good faith, is finding out what happens in informing the public after the decision has been taken.

4.6.1 Consultation papers

Respondents raised a concern that most stakeholders do not even attempt to answer most of the questions raised in the consultation paper. This was attributed to the lack of understanding of issues that NERSA want stakeholders to engage with. It was indicated that in its consultation paper, NERSA requested stakeholders to make comments on 56 questions that it had posed . It has been noted during the analysis of stakeholders comments that very few stakeholders have taken it upon themselves to respond to each and every question that NERSA asked. This was only done by very few business sector stakeholders. The majority of other stakeholders ignored the consultation paper and chose to answer as they see fit or their levels of knowledge of the industry allow them to.

Some respondents felt that the consultation paper was readable and user-friendly. They highlighted that there was a deliberate attempt during the writing of the document to avoid most of the legal and economic jargon that is usually used. Respondents have, however, also mentioned that despite these efforts, it was still not possible to write it to the level of the majority of stakeholders. “You must understand that to some members of the public, the problem is just the use of English and nothing else. It does

not matter how you simplify it, they would probably still not clearly understand what you are trying to say".

Respondents were asked whether NERSA should consider using other languages for developing the consultation paper. Most of the respondents felt that while the idea was in principle acceptable and noble, it was not practical due to constraints such as resources and time. Respondents highlighted that NERSA had already done its best by making arrangements that the public be allowed to present in the language of their choice during its MYPD2 application public hearings: "In fact very few people presented in their mother tongue. They preferred English even though they were struggling in it. You must remember our recent history of thinking everything English is good…. I am not sure if your Sepedi consultation paper will have any people reading it at all, let alone the difficulty to develop it to the expected technical and legal standards."

While the majority of respondents were confident that the quality of the consultation paper was good, they also indicated that they could not include some "economically sensitive" information about Eskom in the consultation paper. It was highlighted that this information which was omitted could be used by Eskom's competitors to advantage themselves in one way or the other. A follow-up question was then asked as to the extent which this missing information had on the ability of the members of the public to comment on Eskom's application from an informed position. Respondents acknowledged that this missing information might have had a negative impact on the quality of public comments although they argued that such impact would have been minimal. It was emphasised that for a member of the public who has a good knowledge of the energy industry and energy economics, this missing information would not be material: "… generally, people who lament that information on Eskom was withheld are

those people who would not have used it anyway. *Ke bo makhalanjalo*!" She meant that these stakeholders are 'lifetime whiners'.

4.6.2 Report on Reasons for Decision

NERSA's reasons for the decision are structured in such a way that there is no consistency in the report. The report indicates that it is based on three things:

1. Available Information
2. Public comments
3. Analysis of Eskom's Revenue Application.

It was established that the decision has been mainly based on items one and three, which are the available Information and analysis of Eskom's Revenue Application. NERSA summarized stakeholders comments and stated stakeholders' concerns as well as the public's preferences. NERSA did not express its views regarding the public recommendations and preferences. It treats them as if they are not there. The Analysis of the *Reasons for the Decision* document clearly indicates that NERSA was more concerned with providing evidence and reasons why it can/cannot agree with Eskom on its application. NERSA was trying to match every claim that Eskom made regarding its expenditure, and revenues, by either confirming or declining Eskom's claims. In the entire 46-page document of *Reasons for the Decision*, public comments analysis amount to three pages, analysis of Eskom's application amount to 31 pages and the remaining pages are dedicated to issues such as background and the decision that was taken. The Eskom analysis is more than ten times the stakeholder comments analysis.

CHAPTER FIVE

ANALYSIS OF RESEARCH FINDINGS

5.1 INTRODUCTION

This chapter will give an interpretation of the data that was collected in the previous chapter. Most of the data is from the interviews and document analysis. The analysis will be based on the literature review that was done in chapter 2 of this research report. The purpose of the literature review in the analysis and interpretation of research findings is to provide a theoretical framework of the issues the study is dealing with. The main findings are cross-examined, looking at how various respondents felt about public participation at NERSA. The analysis of the findings in the study is done with the purpose of understanding the underlying meanings of the data presented in the previous chapter. The other purpose of this section is to verify whether the data that was collected has been successful in answering the research question. It is also aimed at checking whether the search has achieved its primary purpose.

5.2 PUBLIC CONSULTATION PROCESS

5.2.1 Consultation papers

The consultation papers which NERSA issued and requested stakeholder comments on were very thorough and comprehensive. The papers were aimed at assisting the Energy Regulator to put in place parameters to be used to manage risk in the electricity supply industry. The consultation papers requested a total of 56 comments from the stakeholders on the parameters. Besides the papers being long, they were also highly technical. A member of the public who does not have specialized

knowledge in the field of Economics and Energy Economics in particular would find it difficult to make a significant contribution to the consultation process. Most respondents felt that the documents have been simplified and are of acceptable standard. This is mainly influenced by the respondents' own level of training in these fields. Pitts and Leach (2000) warn against the 'expert' approach when communicating with ordinary members of the public. The authors advise that when dealing with ordinary members of the public, the method that is used to communicate is more important than the information these methods present. The consultation paper was mainly concerned with whether the information it presents is technically and legally correct than whether it will be understood by members of the public.

Besides the technicality of the language used in the consultation papers, the papers also requested members of public to comment on many issues. While this process was important in enabling the Energy Regulator to obtain consensus on what stakeholders regard as an appropriate set of parameters to be used, it was long and tedious. From the analysis of stakeholder comments, it was discovered that very few of the stakeholders managed to comment on each and every question that the Energy Regulator asked.

The consultation papers were also a mirror of the DoE 's electricity pricing policy. Stakeholders who were not conversant with this policy would not have a context for the NERSA consultation paper and were most likely to give comments that the Regulator is likely to regard as irrelevant or not in line with its mandate from the electricity pricing policy. It was therefore important for stakeholders to read NERSA's consultation papers together with the DoE's electricity pricing policy in order to get a sense of the mandate given by the DoE to NERSA. Unfortunately NERSA did not see it as necessary to caution stakeholders about this point. According to Smith (1994: 66), effective public participation should be based on four

fundamental requirements, namely: legal right and opportunity to participate, access to information, resource provision, and the representativeness of participants. NERSA's stakeholders, especially ordinary members of the public, did not have access to information and also lacked provisioning of resources to enable them to participate meaningfully in the process.

5.2.2. Public hearings

The use of public hearings as the main method for consultative process has its own weaknesses. It was clear that although public hearings are convenient and easily fulfil the administrative requirements, they are not always effective especially in a country like South Africa where there is a wide gap in educational levels among members of the public (Letsiri, 2007). Public participation literature highlights the need for a certain level of knowledge and expertise in the field for public hearing participants to make any meaningful contribution. Generally, the true participants in public hearings are experts and politicians. This is due to their knowledge and power advantages over other participants. This difference in knowledge and power levels between stakeholders makes it easy for inexperienced officials to lean towards those who are able to express themselves more fluently and express their views in a coherent manner.

5.2.3 Consultation period

Although the thirty days notice for public comments is the minimum time allowed by the Electricity Regulation Act, that does not make it appropriate under all circumstances. During analysis of stakeholders comments, most of the stakeholders highlighted that the 30 days timeline is too short for them to make proper comments on such a technical subject. They requested NERSA to increase the time allowed in future applications. In

practice, it is hard for members of the public to make substantive comments on the consultation paper within 30 days. Doelle and Sinclair (2006) argue that it is impractical to make substantive submissions about complex technical and scientific issues within 30 days, especially considering that many members of the public will have to hire experts if they are to make any convincing argument. Sometimes what is stated in the policy and is regarded as legal, is not always practical.

Renn and Levine (1991), Peters *et al* (1997), and Marris *et al* (1998) as stated in Petts and Leach (2000) identify cognitive components of trust which are known to include characteristics relevant to both people and situations, relating to perceptions. One of those components was procedural fairness. The number of days initially reserved for public hearings were few. The venues at which these public hearings were going to take place were also exclusive of the majority of citizens. Initially, NERSA planned for and conducted only two public hearings in Gauteng province for a period of three days (20-22 November 2009). It was, however, evident from the public response that the public was highly interested in participating in the process. The majority of people were excluded from the process and this caused an outcry from different sections of the society. All provinces were then visited as a result of the high level of public response. This turn of events influenced the timelines for the finalization of the Eskom application.

NERSA's failure to anticipate the level of public interest the application would evoke among its stakeholders is a concern. It is an indication that the Regulator lacked knowledge of their stakeholders and their expectations. Petts (1999) argue that determining the extent to which people may be interested in participating in specific decision processes requires an understanding of their perceptions and concerns. Holding the hearings in small venues in Gauteng and the initial allocation of only three days for a process of this magnitude was a miscalculation on the part of the Regulator. According to Young (2000) this could be interpreted as a

form of “external exclusion” that is meant to keep some individuals or groups out of the debates or processes of decision-making. Most officials responsible for public participation are misinformed and nervous about the participation of members of the public. Doelle and Sinclair (2006) highlight this nervousness of officials by indicating that generally, members of the public are not encouraged to participate and if they do participate, are often regarded as a problem that needs to be managed rather than a valuable resource and an interest to be incorporated in the decision-making process.

5.3 HANDLING OF PUBLIC COMMENTS

Although NERSA’s process of handling and analysing public comments was not documented, it was nevertheless found to be thorough. All public comments were given serious attention and attended to in one way or the other. Besides the fact that most staff members were not trained on public participation, they were to a large extent able to manage and deal with public comments fairly. Team leaders and team members were also given discretion to determine what is considered to be relevant and factual and what is not. From the interviews conducted, there was no abuse of this trust. People analyzing the stakeholders’ comments did so with due diligence and a high level of professionalism. The majority of these people needed little supervision to complete their tasks. The analysis of stakeholders’ comments as done by NERSA staff and the analysis done by the researcher were to a large extent consistent. This further serves as evidence that NERSA has analysed all stakeholders’ comments as thoroughly as possible. The establishment of expert teams to analyse those sections of public comments which are specific to particular issues raised in the application was efficient. Teams dedicated some considerable time to researching some of the claims that stakeholders made.

One aspect that is lacking in the NERSA analysis of comments, and reveals lack of training on the part of the staff, is ignoring the 'emotions' of stakeholders. Most of the NERSA staff responsible for analysis indicated they were of the opinion that listening to emotions was not part of their duty. There was a failure among public participation officials to appreciate the power deficit among stakeholders due to their level of knowledge, language barriers and expertise. According to Arnstein (1969), unless power is equally distributed among all participants, either through education or expert support, there is a risk that some stakeholders will continue to be labelled 'emotional' and thereby be excluded even though they are participating in the process.

While the strong focus on the technical information provided by the citizens during public hearings is important, listening to words that they are unable to express due to their barriers is just as important. The stringent focus on technical issues and on "facts with evidence" as the respondents put it, robbed the analysis of stakeholders comments of the richness and the quality it deserved. Due to lack of training on public participation, officials were impatient of stakeholders who were not commenting in accordance with the expectations of the officials. Although officials insisted that lack of training did not affect their performance, this is not entirely the case. There were instances where proper training would have enhanced officials' ability to deal with the public participation process and stakeholders' comments more effectively. The PSC (2009) highlights that it is important for staff working with public participation to be capacitated with necessary skills and they should have an understanding of the ever-changing circumstances of the societies. According to Renn and Levine (1991), Peters *et al* (1997), Marris *et al* (1998) as stated in Petts and Leach (2000), the competence or the degree of technical expertise, accuracy and the level of resourcing of officials is key to boosting public confidence in the ability of the organization to conduct credible processes.

5.4 INFLUENCE ON DECISIONS

Respondents held a view that NERSA is not entirely independent and most of its decisions are influenced by government and other key industry stakeholders. Responses from respondents indicated that government through its organs and departments, used its leverage to influence NERSA's decision. While some respondents attributed this high level of influence to the kind of technical knowledge these consultants, departments and organs of state have, other respondents attributed it to NERSA's lack of independence.

According to the elite model, only the elite group is solely responsible for policy decision-making and policymaking. The model moves from a premise that policy is initiated by interest groups. The group exerts pressure and interacts with policy makers so as to influence the policy position. The model emphasises that those who have power influence policy. The elites, although they are few, influence the masses (Cloete and Wissink, 2000).

Barnes (1999) warns that researchers have to recognize the political nature of the participative process. There is a confusion on where consultation of key industrial stakeholders like political parties, government and big business ends and interference and undue influence begins. While in principle there is nothing wrong when the Regulator consulting and communicating with key stakeholders, either individually or in a group, the problem lies in the perception that such consultations create among other stakeholders, especially members of the public who are not party to such processes. The independence of the Regulator is thus perceived to be compromised.

Usually the powerful and the organized drown out other voices and succeed in putting their voices across (Innes and Booher, 2004; Arnstein, 1969). Smith (1993) also highlights the influence of resources on policy direction, arguing that mobilization of resources by lobby groups is a predictor of the group's policy influence and success. People who possess resources and have skills and acumen are better positioned to lobby and consequently influence decision-making. Conversely, people who do not possess enough resources and are not organized find it difficult to influence decision-making.

The respondents had a perception that the members of the public have been listened to, but their views make no difference because the authority has already 'committed' to the solution. While these 'allegations' can be easily ridiculed and regarded as unfounded, they tend to influence how people perceive the process and whether they decide to participate in future processes. One of the threats to future public participation is when the public starts to think that the process is a formality and that minds have already been made up regarding the decisions. Petts and Leach (2000) also highlight the other threat as being when the minority dominate the decision-making process. The public will not maintain an active interest without having a hope of influencing decisions or changing a situation. Public participation is about acting on the belief that as a member of the public one can influence the decision. Bedford *et al* (2002) argue that this is the fundamental ideology underpinning the participation of members of the public in public participation processes.

There was a concern expressed that the public hearings were a mere public relations exercise that was meant to control public anger. Abelson and Gawin (2006) indicate that there is a concern on the 'ritualisation' of public participation to the extent that all it achieves is to legitimize

decisions that are taken by public servants without meaningfully influencing decision-making process.

It was evident during the research that the public has to some extent influenced NERSA decisions. This influence was very minimal when compared to that of consultants and other stakeholders. The analysis of public comments and NERSA decisions indicated a degree of relationship between public wishes and NERSA decisions. Whether this was as a result of coincidence or proof that NERSA has taken into account public comments, is not clear. The extent to which the public has influenced the outcomes of the MYPD2 application has, however, been under-reported by the Regulator. This was due to the manner in which NERSA presents its *Reasons for Decision Document.* The document is very summative and does not attempt to express NERSA's view regarding these public wishes. It is merely a list that summarises stakeholders comments. It becomes difficult for members of the public to know whether NERSA agrees or disagrees with those comments and subsequently which of those were considered for decision-making and which were not.

Below is an analysis of views expressed by various stakeholders.

Table 7: Analysis of stakeholder comments

View No.	Public View	Agree	Disagree	No View Expressed
01	I/we object the 35 per cent electricity increases	19	1	4
02	There is a need to build new power stations and secure supply	11	1	12
03	Shareholders, not customers, must fund the new projects	12	1	11
04	Eskom is wasting money through bonuses and other inefficiencies	11	0	13
05	The poor should be subsidized	6	5	15
06	Alternative methods and producers of energy should be considered.	14	0	10
07	Electricity theft and DSM must be addressed to save wastages	9	0	15
08	Increases will negatively affect job creation and investment	6	0	18

Among the eight main views that stakeholders have expressed above, analysis of NERSA 's decision reveals that NERSA sided either partially or fully with the view expressed by the public on views number 02, 05, 06 and 07. NERSA took views either fully or partially opposite to the public wishes on decisions number 01, 03 and 08. Finally, NERSA did not express any opinion on public view number 04.

Given that even stakeholders themselves were not anonymous on certain views, it can be deduced that NERSA has considered positively at least more than half of the issues stakeholders have raised. However, because of the weight of the public view number 01 which has mainly gone against the public, members of the public are as a result feeling as though all other decisions have gone against them.

Respondents agreed that for an organization or individual to influence decisions, they needed to have expertise in the subject. This led to them believing that the Regulator member responsible for electricity was the main person who influenced NERSA's final decision rather than all other role-players. While most respondents were of the opinion that they themselves hold no power to influence NERSA decisions, it became clear that their expertise and the manner in which they analysed Eskom's application also influenced the decision of the Regulator. The internal expertise that NERSA has in terms of its staff was found to be the other influencing factor on the decisions of the Regulator. Burkardt, Lamb and Taylor (1997) agree with this by stating that when the stakeholders have little or no expertise in the policy area, it becomes difficult to argue against the agency's proposal. Because of the danger of relying on lobby groups and Eskom for expertise, NERSA developed internal capacity to minimize the reliance of the agency on these groups for advice.

5.5 COMMUNICATION WITH STAKEHOLDERS

The purpose of communication is to share information in order to enable people to take decisions that are better informed. There is evidence that while NERSA communicates with all its stakeholders, it does not do so consistently and equally. The type of medium used to communicate with stakeholders, such as the internet and newspapers, is discriminatory in nature as it better serves one section of NERSA stakeholders than others. Stakeholders who tend to have a better access to information about the activities of the Regulator are those who have resources and are better organized. This points to the inefficiencies in the current communication strategy that NERSA has adopted.

The use of internet and national newspapers to notify the public about public hearings and other participatory processes, while it is effective, only

reaches elite stakeholders. The majority of South Africans who are electricity users rely mainly on local and regional radio stations for information of this nature. It has, however, become clear that NERSA does not regularly use broadcasting media as a way of communicating with members of the public. The fact that the Regulator does not have a budget for this further strengthens the theory that is held by NERSA staff that the organization is not willing to be visible to the members of the public.

During public hearings for MYPD2, NERSA afforded members of the public an opportunity to express themselves in their vernacular if they wished to do so. Services of interpreters in various South African languages were secured. Although the quality of interpretation was sub-standard in some cases, respondents indicated that this created a feeling among members of the public that NERSA does care about their language preference and it is willing to listen to them.

NERSA's customer education programme is also not doing enough to reach out to the members of the public and inform them of the role and responsibilities of the Regulator. The unit has only two officials and it is poorly resourced. Members of the public who rely on NERSA for information in the industry are therefore disadvantaged. This type of disengagement with the public is caused by NERSA's belief that its licensees are the ones primarily responsible for educating their customers, and not the Regulator. While such a position is what is stipulated in the Electricity Regulation Act (2004), NERSA has not enforced that clause and as a result, licensees never fully took on the responsibility of educating members of the public on electricity issues. This then creates a paralysis where neither NERSA nor the licensees are fully educating the public regarding electricity issues.

5.6 CONCLUSION

The analysis of research findings has highlighted gaps in the manner in which public participation is conducted. Inefficiencies due to the use of a single mode of public participation and strict adherence to timelines were found to be problematic. It also revealed a need for training of staff on public participation. The analysis also highlighted the effect of resources and expert knowledge in particular on the stakeholders' ability to influence decision-making processes. Lack of proper communication between the Regulator and its stakeholders was also highlighted by the data analysis.

The analysis has, however, also revealed some positive issues regarding public participation at NERSA. It was clear that NERSA staff responsible for analysis of stakeholder comments do their duties thoroughly and with due diligence despise their lack of training in other areas. Their level of technical expertise enables them to deal with the revenue application effectively. All these issues will inform the conclusions and recommendations that will be made in the following chapter.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter gives a brief summary of the main issues that have emanated from the analysis of the data. It also looks at the conclusions drawn from the study. This research was aimed at establishing whether public participation processes at NERSA influence decisions that are taken. The study evaluated public participation processes at NERSA, established how NERSA handles public comments; determined who influences NERSA decisions, and lastly considered how NERSA communicates with its stakeholders. The study particularly wanted to understand how NERSA handles public comments that are submitted to it and how it goes about addressing issues raised by the public. This chapter will also make recommendations based on the lessons that could be learned from the study. These recommendations will be aimed at closing the gaps that have been identified during this study regarding public participation and handling of stakeholders' inputs in the organization.

6.2 PUBLIC PARTICIPATION PROCESS

NERSA's public participation process subscribes to all legislative requirements as stated in the Electricity Regulation Act (2004) and other pieces of legislation that require public participation in decisions that affect the public. The process is, however, not effectively soliciting public inputs as it is limited by the continuous reliance on a single mode of participation. The Regulator seems to be more concerned with the legality and legitimization of the public participation process than with its ability to effectively solicit public inputs. There is an incorrect assumption that if the

process is put in place, it will be properly facilitated, and the public will participate actively, resulting in better decisions.

There is therefore a need for early and ongoing participation of the citizens. While public participation is only legally required well into the planning and sometimes implementation stages, it is important to be open and involve the public as early as possible. The 30 days notice for soliciting of public comments on issues, although legal, is not sufficient and practical. Given the complex nature of issues that members of the public need to comment on, and their relative lack of knowledge on these issues, more time is needed for them to consult and get expert advice. NERSA must therefore consider the extension of the 30 days notice for soliciting of public comments.

NERSA's consultation paper is technically of a very good standard. It provided enough information to stakeholders to make an informed decision on the application. There is, however, a need to find a balance between the preservation of the quality of the information contained therein and the need to present the paper in a manner that the majority of stakeholders can understand. The majority of stakeholders who participated in the MYPD2 public participation process did not submit their comments in a manner prescribed by the consultation paper, amongst other factors, due to their lack of understanding of issues raised therein.

There is a need for NERSA to simplify its consultation paper as the majority of stakeholders could not comprehend the language used and then respond appropriately. An exaggerated use of technical words, the length of the consultation document itself, and the use of double-barrel questions makes it difficult for stakeholders to engage with the consultation document effectively. This results in stakeholders making up their own questions and commenting in a manner they regard as easier for

them. NERSA must also consider having two versions of consultation papers, one being detailed and technical and the other which will mainly suit the ordinary members of the public should be brief and non-technical. This will enable all stakeholders to express their views more effectively and at the appropriate level of their comprehension and expertise on the subject.

6.3 HANDLING OF PUBLIC COMMENTS

The system that NERSA has put in place to handle public comments is generally effective as all comments are recorded, analyzed and safely stored. The use of expert teams to search for specific advice in each submission is also technically sound and efficient. It is, however, clear that most of the comments which do not directly address the issues as raised in the consultation papers were not given the proper consideration that they deserved. This discrimination of public comments according to their usefulness, while justifiable to some extent, creates an impression that NERSA can also choose to ignore some of the comments it does not like.

Training for NERSA staff members who are dealing with public participation processes is therefore necessary. This training should not be limited to the staff in the Regulatory Analysis and Research unit and in the Regulator Support Unit only, but to other units such as Electricity Pricing and Tariffs, Electricity Licensing and Compliance, and Electricity Infrastructure and Planning. It has emerged during this study that most of these and other units were involved in the analysis of public comments during the MYPD2 application without undergoing any form of training on the process.

6.4 INFLUENCE

The decisions that NERSA took during the determination of the electricity tariffs in 2009/2010 were mainly influenced by the research done by NERSA's MYPD2 project teams. The Regulator member responsible for electricity was also found to be the most influential person on the final decisions that were taken. Industry stakeholders and government departments played a significant role in providing advice and other technical information that assisted NERSA in analysis of the application. There is, however, a possibility that their influence might be extending far more than the study initially assumed. The study has established that there is no clear distinction between the end of consultation of key stakeholders and the beginning of them interfering with the decisions of the Regulator.

The study has established that ordinary members of the public had the least influence on the outcomes of the process. This was influenced by their lack of resources such as expertise and knowledge of the industry. Despite this lack of influence of members of the public on NERSA decisions, most of the decisions that were ultimately taken were found to be fairly in line with what the public has wished for.

NERSA must aggressively market itself among the ordinary people. It must also strengthen its customer education programme insofar as educating the public on public participation processes is concerned. The nature of recommendations and suggestions that most members of the public and some businesses made to NERSA indicated that they could not clearly differentiate between NERSA's mandate and that of other government departments like Treasury, Trade and Industry, Department of Energy, and Department of Public Enterprise. As a result, some of the recommendations that stakeholders made were considered irrelevant and

were not taken into account because they were misplaced. This in turn creates a perception among members of the public that the Regulator does not consider their advice.

Although NERSA board meetings are legally open to the members of the public, NERSA must take initiatives to proactively invite stakeholders to these meetings in order for these people to observe decision-making processes in the organization. This will help in alleviating some of the fears that members of the public and NERSA staff have that some decisions are taken elsewhere in government corridors and not at NERSA.

6.5 COMMUNICATION

There is no effective communication between NERSA and its stakeholders. There is a failure from the Regulator to relay important information to its stakeholders in time and in a manner that will enable stakeholders to participate meaningfully in its activities. The NERSA website is not regularly updated and it does not offer all the information that stakeholders might need to make substantial contribution during the public hearings. The failure of the Regulator to present *Reasons for Decision* document to the stakeholders in time after public participation process has been conducted is negatively impacting on the image of the Regulator and its credibility.

NERSA appears to be reluctant to engage with members of the public directly, either through advertising or public education. NERSA is not known among members of the public and in turn this makes it difficult for the public to be aware of its public participation processes. There is some level of confusion in NERSA as to whether NERSA should communicate directly with the members of the public or whether this should be left to the municipalities and Eskom who are NERSA licence holders and therefore

have responsibility to inform their customers as per the Electricity Regulation Act (2004). This confusion results in NERSA not committing itself fully to issues such as public education and communication of certain decisions to the general public. NERSA must decide whether it deals directly with the members of the public when it comes to public education and communication of key information or whether it leaves that responsibility to its licensees and only plays a monitoring role as the Act dictates. Such a decision would go a long way in clearing up the uncertainty that surrounds communication with stakeholders in the organization.

The manner in which NERSA presents its reasons for their decisions is not boosting confidence that they have thoroughly analysed the public comments they receive. The document for *Reasons for Decision* fails to highlight how the stakeholder comments influence decisions that have been taken. NERSA must highlight those public recommendations it has considered and those it has not. Clear reasons must be provided for in both these cases, especially in cases where the recommendations have not been taken. This will ensure that stakeholders are aware of the reasons for NERSA not implementing their views and it will give them the confidence that at least their recommendations were given due attention even if they were not favoured. This will increase the public's trust in the agency and its public participation processes.

6.6 FURTHER TOPICS FOR RESEARCH

In the light of some of the findings of this research, a study on the extend and meaning of independence of regulatory bodies in South Africa is necessary. This is necessitated by the fact that most citizens strongly feel that there is lack of independence in these institutions which are supposed to be independent.

It is also important to investigate in detail those public participation modes which might be suitable for the South African context. This is in the light of the findings that, although public hearings are most popular, they are perhaps not as effective in soliciting public comments as initially thought. This is more relevant in the energy and environmental sectors where highly technical issues are discussed.

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ANNEXURES

Annexure A: Interview Schedule

Influence of public input in NERSA decisions.

1. PROCESS

Can you describe NERSA public participation process?

_____
_____
_____
_____

Does NERSA gain any useful information from this process?

_____
_____
_____
_____

Is the current public participation model effective?

_____
_____
_____

_____HANDLING OF COMMENTS

Who analyses public comments?

_____
_____
_____
_____

What system is used to ensure that all stakeholders comments have been thoroughly and fairly analysed?

_____
_____

_____
_____

To what extend are people who are analyzing these comments been trained in public participation processes?

_____
_____
_____
_____

In your opinion, what were the major issues that the public has raised regarding the MYPD2 application?

_____
_____
_____
_____

INFLUENCE

Who, in your opinion, had the most influence on NERSA decision on electricity pricing ?

_____
_____
_____
_____

To what extent were the issues raised by stakeholders a factor into the final decision on tariffs ?

_____
_____
_____
_____
_____

2.4 Does resources enhance stakeholders' chances of influencing NERSA decisions?

_____
_____
_____
_____
_____

2.5 Why do you think these people/groups had the most influence?

_____
_____
_____
_____

COMMUNICATION

How helpful is the consultation paper to stakeholders (do they use it and is it easy for them to use?)

_____
_____
_____
_____

What systems does NERSA use to communicate with its stakeholders ?

_____
_____
_____
_____

How does NERSA ensure that reasons for its decisions are known to the public participation stakeholders?

_____
_____
_____
_____
_____

How would you rate NERSA's level of visibility among the public ?

_____
_____
_____
_____

Follow up questions

_____
_____
_____
_____