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Eskom Power-Failure Risk Heightens on Increased Maintenance (1)
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(Updates with rain forecast in seventh paragraph.)

By Carli Lourens

Jan. 9 (Bloomberg) -- Eskom Holdings SOC Ltd., the utility that supplies about 95 percent of South Africa's power, said the risk of a repeat of 2008 power outages increased as it took down more generating plants for overdue maintenance.

"The current week is particularly challenging and we are concerned about meeting demand for electricity," the state-owned company said in an e-mailed statement today.

About 13 percent of its 41,000 megawatts of generating capacity is down for planned maintenance, Hilary Joffe, a spokeswoman for Johannesburg-based Eskom, said by phone from the city today. She couldn't immediately say how much capacity is out because of unplanned maintenance.

"We have made maintenance a priority, because we've said we need to catch up on the backlog," Joffe said, adding more work is being done now than last January. Other smaller "issues" also heightened the risk, she said, adding coal stockpiles are at about 42 days and Eskom is "keeping an eye on it" as more rain is forecast.

Eskom is building new coal-fired power plants and restarted inactive ones to avoid a repeat of the January 2008 blackouts that temporarily shut mines and halted work in factories in Africa's largest economy. BHP Billiton Ltd., Xstrata Plc and Anglo American Plc's aluminum, ferrochrome and platinum smelters are among the largest electricity users.

While Eskom isn't planning a repeat of 2008 forced rolling power cuts now, it's asking large customers to voluntarily reduce usage, as it has done at times over the past year, Joffe said. Eskom is also using its more expensive gas-fired plants now to generate electricity, she said.

A shortage of coal, the fuel used to fire most of Eskom's power plants, contributed to the 2008 blackouts. The South African Weather Service forecasts an at least 30 percent chance of rain for Witbank, the heart of South Africa's main coal-production region, for each of the six days from today, it said on its website.

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