

**THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, JOHANNESBURG**

(1) REPORTABLE: Yes ☐ / No ☒
(2) OF INTEREST TO OTHER JUDGES: Yes ☐ / No ☒
(3) REVISED: Yes ☒ / No ☐

Date: 27 March 2026

Case no 2026 - 052963

In the matter between:

SEDGEFIELD BODY CORPORATE

Applicant

And

**THE CITY OF JOHANNESBURG METROPOLITAN
MUNICIPALITY**

First Respondent

JOHANNESBURG WATER SOC LTD

Second Respondent

CITY POWER JOHANNESBURG SOC LTD

Third Respondent

FLOYD BRINK N.O.

Fourth Respondent

Summary: Municipal services – Body corporate – Long-running billing dispute – Estimated vs actual metered charges – Prior interdicts (Unterhalter J; Yacoob J) – Section 102(2) Municipal Systems Act – Pre-termination notice and Joseph – Unlawful disconnection – Vulnerable occupiers – Structural interdict – Reconnection – Statement and debatement – Ring-fenced historical debt – Ongoing payment obligations – Reciprocal duties of City and customer.

JUDGMENT

Introduction

- [1] This is an urgent application for the reconnection of electricity services to the applicant's property situated at 4[...] L[...] Street, J[...]t Park, Johannesburg ("the property"), which houses around 78 households. The application is brought as one of urgency, which the respondents did not actively oppose, and I am satisfied that urgency is made out for the reasons that will transpire below.
- [2] The dispute between the applicant and the first respondent dates to 2014, when the Sedgefield Body Corporate assumed responsibility for the municipal account (number 5[...]). From the outset, the first respondent billed the applicant only by way of estimated consumption charges because no functional water meter existed at the property. The applicant has consistently disputed the correctness and the liability of these estimated charges.
- [3] The applicant's position is supported by the obligations imposed on the municipality under section 95(d) and (e) of the Local Government: Municipal Systems Act (the Systems Act)¹ to measure actual consumption through accurate and verifiable metering and to provide regular, accurate accounts indicating the basis of calculation.
- [4] This dispute has been before this court on previous occasions. In March 2019, Unterhalter J confirmed the existence of a bona fide dispute and ordered a statement and debatement process. The respondents were

¹ 32 of 2000

95. Customer care and management

In relation to the levying of rates and other taxes by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity—

(d) where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual users of services is measured through accurate and verifiable metering systems;

(e) ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;

interdicted and restrained from disconnecting electricity pending the completion of that process, subject to the payment of R100 000.00 by the applicant (the Unterhalter Order). The electricity component of the dispute was partially addressed after that order, and a working electricity meter was installed. However, the statement and debatement was never completed, and the water dispute was not addressed.

[5] In July 2024, Yacoob J again confirmed the dispute was ongoing and found that no working water meter existed at the property. The order of Yacoob J (the Yacoob Order) required the respondents, by 19 July 2024, to install a working water meter, provide the applicant with the meter number and the starting value, and thereafter obtain actual monthly readings for billing, and the statement and debatement process.

[6] A comprehensive interdict was granted, interdicting the respondents from terminating any municipal services to the property pending the outcome of the application, subject to the applicant's obligation to pay R100 000.00 per month. The Yacoob Order further required the parties to agree on a date for a statement and debatement meeting within 14 days and to complete that meeting within three months. Either party retained the right to approach the court on the same papers, duly supplemented, if the dispute was not resolved.

[7] A statement and debatement meeting was held on 28 March 2025. That meeting did not resolve the dispute. The applicant submits that the dispute could not be resolved because the respondents had not installed a functioning water meter and had not commenced billing on actual readings. The continued use of estimates perpetuated the very condition that Yacoob J had sought to remedy.

[8] The respondents contend that a water meter (number 2[...]) was installed in accordance with the Yacoob Order. However, on the evidence before me, the installation cited by the respondents predates the Yacoob Order by approximately one week. The current accounts on the record continue to

reflect estimated charges. The most recent accounts showing estimates are difficult to reconcile with the respondents' assertion that there is a functioning meter that is being read monthly.

- [9] On 2 February 2026, the first and/or third respondent terminated the electricity supply to the property. The applicant received the tax invoice as the only termination notice. The applicant was not informed of the reasons for the disconnection at the time, and the reasons (arrears on the account) were confirmed only through subsequent correspondence.

Legal analysis

- [10] Section 102(2) of the Systems Act provides that section 102(1) (which empowers a municipality to implement debt collection and credit control measures, including termination of services) does not apply where there is a dispute between a municipality and a customer concerning any specific amount claimed by the municipality from that person. The applicant submits, correctly in my view, that while a municipality is empowered to use termination as a debt-collection tool, this power is suspended in the presence of a live, specific, court-recognised dispute on the account.

- [11] The question is therefore whether there was a live dispute at the time of the disconnection on 2 February 2026. On the evidence, the answer is plainly yes. The account has been in continuous dispute since 2014. Judges of this court have recognised that dispute on two prior occasions. The statement and debatement required by both the Unterhalter Order and the Yacoob Order have not been completed. The root cause of the dispute, namely the absence of actual water meter readings, had not been remedied, as is evidenced by the continued issuance of estimated accounts. In those circumstances, the respondents were not entitled to implement credit control measures, including termination.

- [12] Moreover, sections 13(1) and (2) of the City of Johannesburg's Credit Control and Debt Collection By-laws require a final demand notice

specifying the amount in arrears, the interest payable, and a statement that payment must be made within 14 days. Section 15(2)(a) empowers termination only after failure to pay the amounts stated in the final demand notice within that period.

[13] The Constitutional Court in *Joseph v City of Johannesburg*² confirmed that a pre-termination notice must contain all relevant information, including the date and time of the proposed disconnection, the reason for the proposed disconnection, and the place where affected parties can challenge the basis of the proposed disconnection. Importantly, the notice must afford sufficient time to challenge the proposed disconnection. The court in *Joseph* further held that the obligation to notify extends to occupiers who will be materially affected, not only to the account holder.

[14] The respondents rely on the tax invoices as their pre-termination notices. The tax invoice, however, does not comply with the standards set in *Joseph*. A pre-termination notice served only on the owner is insufficient where occupiers will be materially affected. No notice was served on the occupiers of the 78 households.

[15] The absence of a lawful pre-termination notice is a separate and independent ground for finding the disconnection unlawful.

[16] Even setting aside the statutory position, the respondents were prohibited by two outstanding orders of this court from disconnecting the services. The Unterhalter Order restrained the respondents from disconnecting electricity pending the outcome of the statement and debatement process. The Yacoob Order granted a broader interdict against the termination of any municipal services pending the completion of the structured process contemplated by that order.

² [2009] ZACC 30.

[17] The respondents' primary answer is that the Yacoob Order (paragraph 3) obliged the applicant to pay R100 000.00 per month and that the applicant's failure to comply with this obligation entitled the respondents to terminate services. The applicant's failure to pay R100 000.00 per month as ordered by Yacoob J is not a trivial matter. It is a court order, and non-compliance with it is a serious matter regardless of the reasons offered. The obligation was imposed precisely because services cannot be provided without some payment, even pending the resolution of a dispute. The applicant's characterisation of the R100 000.00 as a "good faith" gesture that is not entirely convincing: Yacoob J plainly intended it as a genuine, enforceable monthly payment obligation. The applicant has not consistently paid it. That failure contributed to disconnection; on the respondents' honest reading of the order, it may have given them reason to believe they were entitled to act.

[18] However, none of this cures the procedural defects arising from disconnection. A party that believes that a court order entitles it to act must still act lawfully. The respondents were not at liberty to bypass the pre-termination notice requirements, to serve no notice on occupiers, or to act unilaterally in apparent contempt of the interdict. Two wrongs do not produce a lawful disconnection.

[19] I find accordingly that the disconnection of 2 February 2026 was unlawful on three separate grounds: it was precluded by section 102(2) of the Systems Act; it was effected without a lawful pre-termination notice; and it was in contravention of the Unterhalter and Yacoob Orders, which remained in force.

Appropriate Relief

[20] The applicant has made out a clear right to reconnection. The balance of convenience overwhelmingly favours 78 households without electricity and water over any prejudice to the respondents from reconnection pending the structured dispute-resolution process contemplated below.

[21] However, this court must take a realistic view of where the dispute now stands. The parties have been in litigation for over a decade. Two court orders requiring the installation of a working water meter and the completion of a statement and debatement have not yielded a resolution. A further bare reconnection and interdict order, without structural supervision, risks producing the same outcome as all previous orders: temporary reconnection followed by renewed dispute, renewed non-payment, renewed disconnection, and renewed litigation.

[22] The respondents know that estimates do not discharge the respondents' obligation to charge accurately. This is because this court, per Fisher J, noted in *Body Corporate of Willow and Aloe Grove v City of Johannesburg*,³ that the municipality must engage efficiently and intelligently with the dispute, must provide a cogent written determination, and must comply with section 95 of the Systems Act by measuring actual consumption through accurate and verifiable metering. The court cannot do the accounting itself, but it can and must ensure that the machinery is used correctly and in good faith. Where there is a demonstrated history of non-compliance with court orders, a more structured supervisory remedy is appropriate.

[23] The approach of Wilson J in recent analogous litigation in this division⁴ confirms that this court has both the power and, in appropriate circumstances, the obligation to craft orders that create a structured compliance regime with reporting obligations.

[24] Equally, however, services cannot be provided for free. The applicant does not dispute that it consumes electricity and water. It concedes that it has been unable (not merely unwilling) to meet the R100 000.00 per month requirement in full. The applicant acknowledges this failure. The question

³ 2023 ZAGPJHC 1451 paras 81 – 83.

⁴ *Ordicode (Pty) Ltd v City of Johannesburg* [2025] ZAGPJHC 865.

of whether, and to what extent, the cumulative shortfall in payment under the Yacoob Order constitutes a separate enforceable debt is reserved for determination after the statement-and-debatement process has been completed and the affidavit required by the order has been filed.

[25] The evidence before me indicates that since the Yacoob Order, the applicant has paid approximately R608 099.75 towards a disputed account. The total account balance as reflected on the March 2026 tax invoice is R11 768 543.64, but an amount of R11 067 020.08 is disputed insofar as it derives from estimated charges on an account that the respondents were ordered to bill based on actual readings and have failed to do so.

[26] A fair and workable regime must therefore: restore services immediately; create firm obligations on the respondents to ensure that there is a functioning water meter and commence actual billing; require a genuine statement and debatement with deadlines and reporting; ring-fence the disputed historical balance pending the outcome of that process; and impose reciprocal payment obligations on the applicant for current and verifiable consumption going forward. I therefore make the order as set out below.

Conclusion

[27] This matter once again highlights the deep frustration that arises when a municipality is unable or unwilling to get its billing systems right. There were three such matters on my urgent list this week, and that is not unusual.

[28] This case is especially egregious. For over a *decade*, the first respondent has failed to fully comply *with its own statutory scheme* and court orders requiring the installation of a working water meter, the taking of accurate readings, and a clear determination of the applicant's account. This failure has repeatedly compelled the applicant to seek legal action

and has left the occupants of this building vulnerable to sudden disruptions of essential services.

[29] I note that the applicant, for its part, is not entirely blameless. It has failed to fully meet the payment requirements set out in previous court orders, and its increasing debt and irregular payments have unnecessarily worsened the already tense relationship between the parties.

[30] Yet, the constitutional scheme demands more from the City than it has demonstrated in this case. As an organ of state responsible for providing essential services, the City is obligated to manage its credit control and billing systems effectively. Similarly, customers who rely on the protections of that scheme must also fulfil their responsibilities in good faith. The structural relief granted in this judgment aims to ensure compliance by both parties.

Order

[31] The following order is made:

1. Any non-compliance with the rules regarding service and time frames permitted as set out in Rule 6(5) of the Uniform Rules of Court is hereby condoned;
2. The first, second, and third respondents are directed, jointly and severally, to reconnect the electricity supply to the applicant's property situated at 4[...] L[...] Street, J[...] Park, Johannesburg (the property), under account number 5[...], within 24 hours of service of this order upon the respondents' attorneys of record.
3. The first and second respondents are directed, jointly and severally, to ensure that there is a functional working water meter at the property within 20 days of the date of this order. Should the respondents not comply with this within 20 days, the applicant may approach the court on the same papers, duly supplemented, for further relief, including a finding of contempt and/or a structural compliance order.
4. Within 3 days of compliance with paragraph 3, the respondents must provide the applicant, in writing, with the meter number and the starting meter reading.

5. The respondents must record actual monthly meter readings and use those readings as the sole basis for billing the applicant for water charges. Estimated charges may not be levied on account number 5[...].
6. Within 10 days of compliance with paragraph 3, the parties' duly authorised representatives must agree in writing on a date, time, and venue for a statement and debatement meeting. The respondents must ensure that the meeting is attended by a functionary or functionaries with personal knowledge of the property, the metering history, and the status of account number 5[...]. The meeting must be held within 40 days of this agreement.
7. The scope of the statement and debatement must include, at a minimum:
 - 7.1. All charges levied on account number 5[...] from 2014 to the date of this order, which have been billed based on estimated readings;
 - 7.2. The correctness and basis of all adjustments, credits, and reversals to the account during that period;
 - 7.3. The identification of the amount (if any) that is undisputed to be due and payable ("the undisputed amount");
 - 7.4. The identification of the amount that remains genuinely in dispute following the meeting ("the disputed amount").
8. Within 20 days of the conclusion of the statement and debatement meeting, the respondents must file an affidavit before me (or, in my absence, before the Acting Deputy Judge President or a judge designated by the Acting Deputy Judge President) setting out:
 - 8.1. The date of compliance with paragraph 3 above, the meter number, and the opening reading;
 - 8.2. Confirmation that billing on actual readings has commenced, together with a copy of the first actual-reading tax invoice issued to the applicant;
 - 8.3. A full account of the outcome of the statement and debatement meeting, including:
 - 8.4. Any amounts agreed as due and payable;
 - 8.5. Any amounts agreed as owing to the applicant by way of credit or reversal;
 - 8.6. The nature and amount of any items remaining in dispute;
9. Where the dispute has been fully resolved by agreement: a draft agreed order to be made in this application, together with a supporting affidavit by the parties confirming such agreement;

10. Where the dispute has not been fully resolved, the respondents' written determination of each disputed item on the account, stating why each adjustment was effected and how the final determination of the amount owing has been reached.
11. If the respondents fail to file the affidavit required by paragraph 8 within the prescribed period, the applicant may approach the court on the same papers, duly supplemented, for further relief, including a finding of contempt and/or a structural compliance order.
12. The total balance of R11 067 020.08 under account number 5[...] is hereby ring-fenced. It remains a disputed amount for the purposes of section 102(2) of the Systems Act, pending the completion of the statement and debatement process and the further order of this court. The respondents may not implement any credit control or debt collection measures in respect of the ring-fenced amount pending further order.
13. Pending the finalisation of the dispute and further order of this court, the applicant is directed and ordered to make the following monthly payments into account number 5[...], commencing in the month following the date of this order:
 - 13.1. The full amount of the electricity charges levied in each monthly tax invoice as and when they fall due;
 - 13.2. The full amount of the sewerage charges levied in each monthly tax invoice as and when they fall due;
 - 13.3. The water demand levy as and when they fall due; and
 - 13.4. An additional amount of R15 000.00 per month to be applied towards the reduction of the non-disputed arrears, until such arrears have been discharged in full or the court orders otherwise.
14. Pending the finalisation of the dispute and the further order of this court, and provided that the applicant complies with the payment obligations in paragraph 13 above, the respondents are interdicted and restrained from terminating, restricting, or interfering with the supply of electricity, water, or any other municipal services to the property under account number 5[...].
15. If the applicant fails to comply with the payment obligations set out in paragraph 13 above, the respondents will be entitled to implement their credit control and debt collection policy in respect of any current arrears arising after the date of this order (as opposed to the ring-fenced historical balance), subject to compliance

with the pre-termination notice requirements of the by-laws and the principles in *Joseph v City of Johannesburg* [2009] ZACC 30.

16. The orders of Unterhalter J and Yacoob J in respect of this account and this property remain of force and effect, save to the extent that they are superseded by or inconsistent with this order.
17. The costs of this application are reserved.

WJ du Plessis

Judge of the High Court, Gauteng Division,
Johannesburg

Date of hearing:	25 March 2026
Date of judgment:	27 March 2026
For the applicant:	AR Whitaker instructed by Fluxmans
For the respondent:	EN Sithole instructed by Kunene Ramapala Inc