IN THE HIGH COURT OF SOUTH AFRICA
FREE STATE DIVISION, BLOEMFONTEIN

Not reportable
Case no: 2025-187233

In the matter between:

SENWES LIMITED
(REG NO: 1997/005336/06) **APPLICANT**

and

MASILONYANA LOCAL MUNICIPALITY **FIRST RESPONDENT**

MUNICIPAL MANAGER:
MASILONYANA LOCAL MUNICIPALITY **SECOND RESPONDENT**

Neutral citation: *Senwes Ltd v Masilonyana Local Municipality and Another* (2025-187233) [2026] ZAFSHC 293.

Coram: PARKS AJ

Heard: 12 February 2026

Delivered: This judgment was handed down electronically by circulation to the parties' representatives by email and released to SAFLII. The date and time for the hand-down is deemed to be 10h00 on 15 May 2026.

Summary: Local Government: Municipal Systems Act 32 of 2000 – disconnection of electricity supply – municipality relying on invoices issued by third-party service provider after earlier appointment had been set aside and despite undertaking to bill directly – whether municipality entitled to implement credit-control measures pending dispute.

ORDER

1 The rule *nisi* granted on 13 October 2025 is confirmed.

2 The respondents are ordered jointly and severally to pay the costs of this application on Scale C, the one paying the other to be absolved.

JUDGMENT

Parks AJ

[1] On 13 October 2025, a rule *nisi* was granted on an urgent basis directing the respondents to restore the electricity supply to Erf 779, also known as the Grain Silo, Theunissen, and Erf 872, also known as the Grain Silo, Brandfort. The return date of the rule *nisi* was initially set for 27 November 2025 and was subsequently extended to 12 February 2026.

[2] The applicant averred in the founding affidavit that there has been a longstanding dispute between the parties concerning the amounts claimed by the respondent for the alleged consumption of municipal services in respect of the Theunissen property. As a result, a formal dispute was lodged with the first respondent on 15 June 2022 regarding the disputed charges, which remains unresolved.

[3] The dispute lodged pertains to two municipal accounts, namely account numbers 080779007 and 080692007. In respect of account 080779007, the statement reflects an amount of R720 257.88 allegedly due for electricity, despite the statement itself recording zero electricity consumption. Account 080692007 reflects an amount of R222 371.23 for electricity, water, rates, taxes, and various levies, yet it relates to a property that no longer exists.

[4] The applicant further avers that, in terms of s 95 of the Local Government: Municipal Systems Act 32 of 2000 (Systems Act), the respondent must provide accurate and

comprehensible municipal accounts and accessible mechanisms to resolve billing queries. The applicant contends that the accounts rendered are inaccurate because they show no electricity consumption despite allegations of arrears. It is further submitted that the respondent relies on statements from a third party, Ideal Metering Services, notwithstanding a written undertaking by the respondent dated 24 October 2023 to assume responsibility for billing from that date.

[5] On 8 October 2025, while none of the disputes had been resolved, the respondent proceeded to disconnect the water and electricity supplies to the properties, notwithstanding that the applicant had made payment on 25 September 2025. The applicant contends that, in terms of s 102(2) of the Systems Act, the respondent is precluded from implementing debt-collection measures in circumstances where a dispute has been formally lodged in respect of the specific amounts claimed. In addition, the applicant avers that the disconnection in respect of the Brandfort property was effected without reasonable prior written notice and was therefore unlawful. Although a short notice was received regarding the disconnection at the Theunissen property, the applicant maintains that such notice was inadequate in the circumstances and the disconnection, therefore, also unlawful.

[6] The applicant further avers that the properties are used to operate grain storage silos in which grain delivered by, and/or owned by, various farmers, grain traders, millers, the applicant itself, and other agricultural entities is stored for later use, particularly for food production. The silos require an uninterrupted electricity supply to operate the extraction fans that aerate the stored grain. This process is essential for removing excess moisture and regulating the grain's temperature. In the absence of such aeration, the grain would deteriorate to such an extent that it would no longer be suitable for either human or animal consumption. Substantial amounts of electricity are required to perform these functions effectively.

[7] The disconnection of the electricity supply, whether effected on very short notice or without any prior notice at all, would result in the applicant suffering losses amounting to millions of rands. In the absence of an uninterrupted electricity supply, the grain stored in the silos cannot be properly aerated, leading to deterioration and rendering it unsuitable for use. The resultant financial prejudice would be substantial and irreparable to the applicant.

[8] In its answering affidavit, the respondent avers that the dispute lodged in June 2022 pertained to the Theunissen property and an invoice issued in August 2021, in terms of which the applicant was charged an amount of R720 257.86 for electricity consumption, together with an additional charge of R92 710.88. The respondent acknowledges that the electricity consumption was incorrectly billed and concedes that the correct charge ought to have reflected an average monthly amount of R145 737.41. Consequently, the incorrect charges were reversed, and the applicant's account was duly credited. The respondent accordingly contends that the termination of the electricity supply was not effected on the basis of the disputed amounts, as the dispute had already been resolved.

[9] The respondent further asserts that the real dispute does not concern the quantum of the outstanding amounts per *se*, but rather the applicant's refusal to make payment in respect of invoices issued by Ideal Metering Services. In this regard, the respondent states that it outsourced certain debt-collection functions in September 2021 to Mafumu Consulting, which subsequently entered into an agreement with Ideal Metering Services to undertake the billing of electricity consumption on the respondent's behalf. The respondent maintains that Ideal Metering Services has rendered accurate and regular invoices and statements to the applicant, which the applicant is contractually and legally obligated to pay.

[10] The respondent further avers that, as of October 2025, the applicant remained indebted in respect of both properties, which indebtedness resulted in the termination of the electricity supply to the Theunissen and Brandfort properties. The respondent emphasizes that the outstanding amounts do not relate to rates and taxes, but solely to electricity consumption. It is contended that the only electricity-related amount reflected on the municipal account pertains to infrastructure or the basic business charge applicable to all businesses, and not to consumption. The respondent avers that there is no outstanding or unresolved dispute pertaining to the relevant electricity invoices or charges associated with the disconnection.

[11] The respondent further avers that the municipality is currently experiencing severe financial distress and that, notwithstanding this precarious position, the applicant effectively expects the municipality to subsidize its business operations by providing electricity without compensation. The respondent contends that such a situation is

untenable and unsustainable, and that the granting of the relief sought would cause severe prejudice to the respondent.

[12] In conclusion, the respondent avers that the applicant complains of the prejudice it would allegedly suffer, whereas in fact, the applicant has occasioned the respondent substantial financial loss by failing to settle its own accounts. The respondent contends that the applicant has an adequate alternative remedy available to it, namely, to pay the outstanding electricity charges to resolve the matter. Alternatively, the applicant may lodge a formal dispute and, pending its adjudication, make payment of an average monthly amount in accordance with the applicable credit control policy.

[13] The applicant, in its replying affidavit, stated that the respondent failed to disclose to the Court that the appointment of Mafumu Consulting was reviewed, declared unlawful, and set aside by a court order in March 2023. The applicant contends that, as a consequence, Mafumu Consulting could not have validly concluded an agreement with Ideal Metering Services, nor could Ideal Metering Services have been lawfully appointed to render the relevant billing services. On this basis, the applicant challenges the lawfulness of the invoices issued by Ideal Metering Services, contending that it cannot be compelled to make payment for invoices that are invalid.

[14] It was further submitted that the respondent seeks to compel payment for electricity consumption without having issued proper invoices. Although the respondent contends that the dispute was resolved after notifying the applicant in October 2025 of a calculation error, the applicant maintains that the dispute remains unresolved, particularly given the inconsistencies in the amounts reflected in the respondent's correspondence, which was issued only after the rule *nisi* had been granted.

[15] In closing, the applicant's counsel argued that the applicant denies being indebted to the respondent and maintains that the termination of its electricity supply was unlawful. Reliance was placed on *Ditsobotla Local Municipality v IGA Dada Properties*,[1] with further reference to *Rademan v Moqhaka Local Municipality and Others*,[2] in support of the proposition that a municipality's obligation to collect monies due is subject to the provisions

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[1] *Ditsobotla Local Municipality v IGA Dada Properties* [2018] ZANWHC 15 (7 June 2018).
[2] *Rademan V Moqhaka Local Municipality and Others* [2013] ZACC 11; 2013 (4) SA 225 CC.

of the Systems Act and 'any other applicable legislation'.

[16] Counsel for the respondent submitted that the applicant is substantially indebted in respect of electricity charges. It was argued that the respondent acted lawfully and within its statutory powers in terminating the electricity supply, and that the applicant failed to meet the requirements for a final interdict. In support of the alleged indebtedness, reference was made to outstanding amounts exceeding R3 million in respect of the Theunissen property and over R900 000 in respect of the Brandfort property, as at October 2025, based on invoices issued by Ideal Metering Solutions. It was further contended that the applicant did not meaningfully dispute these amounts in its replying affidavit, and that no genuine dispute exists to preclude the implementation of credit-control measures.

[17] Counsel for the respondent relied on the Municipality's *Credit Control and Debt Collection Policy*, submitting that the lodging of an inquiry or dispute does not suspend a consumer's obligation to make payment. At the very least, an interim payment calculated on an average basis is required pending the resolution of any dispute. It was argued that the applicant failed to make any such payment or to take proactive steps to resolve the alleged billing issues. Counsel further submitted that even the non-receipt of an invoice does not absolve a consumer from its obligation to pay for services rendered. In terms of s 19 of the *Credit Control and Debt Collection Policy*, it was contended that the respondent was accordingly entitled to terminate the supply of electricity.

[18] It was further submitted on behalf of the respondent that the appointment of third-party service providers does not render the invoices issued unlawful. The services were rendered on behalf of the respondent, and that payment is therefore due for such services. The lawfulness of the underlying service contracts, it was contended, constitutes a separate issue that is not relevant to the determination of the present application.

[19] The respondent placed considerable reliance on authorities such as *Rademan v Moqhaka Local Municipality and Others*,[3] in which the obligation of consumers to pay for municipal services was emphasized. This principle was subsequently confirmed by the Constitutional Court, which reiterated a municipality's entitlement to terminate services in cases of non-payment. The respondent further relied on this authority to highlight its compromised financial position, contending that it continues to render services despite

[3] *Rademan v Moqhaka Local Municipality and Others* [2011] ZASCA 244; 2012 (2) SA 387 (SCA).

being owed substantial amounts, amounting to millions of rands.

[20] It is common cause that the applicant lodged a complaint in respect of the accounts relating to the Theunissen property. The parties, however, are in dispute as to whether that complaint has been resolved. The respondent avers in its answering affidavit that, as at October 2025, the dispute was resolved following the identification of incorrect calculations. The applicant does not accept this contention, maintaining that the respondent has referred to differing amounts and that the alleged resolution pertains to an account that no longer exists.

[21] It is common cause that the respondent disconnected the electricity supply to the applicant's properties, which resulted in the applicant successfully approaching the Court on an urgent basis for the restoration of the electricity supply. It is further not disputed that the respondent failed to provide the applicant with any notice prior to the disconnection of electricity to the Brandfort property. In respect of the Theunissen property, the applicant avers that it received only very short notice, whereas the respondent maintains that reasonable notice was given. Notwithstanding these contentions, neither counsel was able to provide the court with clarity as to the precise period of notice that was afforded.

[22] It is common cause that the appointment of the third-party service provider was reviewed and set aside in March 2023. Thereafter, in October 2023, the respondent issued correspondence indicating that the applicant's account would henceforth be billed and administered directly by the respondent, and that all payments were to be made to the respondent. Notwithstanding this directive, the respondent now seeks to rely on statements issued by a third-party service provider to substantiate its allegation of indebtedness. These statements, comprising some 240 pages up to and including September 2025 and containing the banking details of the third party, were attached to the answering affidavit. This gives rise to concern both as to the respondent's own directive regarding the issuing of invoices and the destination of payments, and as to whether reliance can lawfully be placed on third-party invoices issued contrary to that directive. The issuing of invoices inconsistent with an express directive is, at the very least, liable to cause confusion.

[23] Section 102 of the Systems Act empowers a municipality to implement debt-collection

and credit-control measures in respect of amounts due. However, subsection (2) expressly provides that such measures may not be implemented where there is a dispute between the municipality and a person concerning a specific amount claimed. I am accordingly persuaded that, by virtue of s 102(2) of the Systems Act, the respondent was precluded from implementing debt-collection or credit-control measures while a dispute existed between the parties concerning the amounts claimed.

[24] I am unable to agree with the respondent's assertion that they acted lawfully in terminating the electricity services to the applicant, or that they were entitled to do so in terms of s 19(3) of the *Credit Control and Debt Collection Policy*. It appears that the respondent has overlooked s 19(2) of the same policy, which expressly permits the termination of electricity and water services only upon the provision of a minimum of 14 calendar days' written notice to the consumer. This requirement was not complied with in respect of either the Brandfort property or the Theunissen property, as a shorter notice period was given.

[25] Accordingly, I find that, even in terms of the respondent's own policy, the disconnection of the electricity supply to both properties was unlawful. The requirement to give adequate notice to affected parties was reaffirmed in *Joseph and Others v City of Johannesburg and Others*,[4] where a 14-day pre-termination notice was also emphasized.

[26] If the respondent's counsel maintains that the steps taken were justified in light of the respondent's financial constraints, I find it difficult to understand why it took more than three years to address the applicant's dispute. It is further concerning that the matter was only attended to after the urgent application had been instituted and an interim order granted, despite the applicant's contention that the dispute had, in any event, not been resolved. If the respondent is indeed experiencing financial difficulty, it is perplexing why no earlier effort was made to recover a debt now exceeding R3.5 million.

[27] The applicant has, from the outset, disputed the respondent's allegation of indebtedness and has asserted that the interruption of the electricity supply constituted an unlawful infringement of its right to continued access to electricity services, particularly in circumstances where payment for such services had been made, as evidenced by the attached statements. Furthermore, the applicant contends that no adequate alternative

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[4] *Joseph and Others v City of Johannesburg and Others* [2009] ZACC 30; 2010 (3) BCLR 212 (CC).

remedy is available, given that the respondent is the sole supplier of electricity within the relevant municipal area. It is also submitted that alternative power generation would be insufficient to meet the full operational requirements of the silos without a municipal electricity supply.

[28] I am, therefore, of the view that it was never the applicant's contention that the relief sought was in the nature of a final interdict, but rather that it should operate on an interim basis pending the final determination of the application. Counsel for the respondent, however, advanced a different argument, submitting that the relief sought is, in effect, a final interdict and that if granted, it would unduly constrain the respondent in its ability to recover the substantial debt allegedly owed. It was further contended that it would be improper for this Court to grant such relief in the circumstances. I am unable to agree with the submission. The applicant initially approached this Court on an urgent basis seeking the reconnection of the electricity supply, and the confirmation of the rule *nisi* does not preclude the respondent from pursuing appropriate avenues to recover any amounts lawfully owing to it. The interim relief sought does not extinguish or finally determine the respondents' rights, but merely preserves the status quo pending the final resolution of the dispute between the parties.

Order

[29] I accordingly make the following order:

1 The rule *nisi* granted on 13 October 2025 is confirmed.

2 The respondents are ordered jointly and severally to pay the costs of this application on Scale C, the one paying the other to be absolved.

[redacted]

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C PARKS

ACTING JUDGE OF THE HIGH COURT

Appearances

For the applicants:	MC Louw
Instructed by:	Meyer Van Sittert and Kropman Attorneys, Klerksdorp c/o Symington De Kok Bloemfontein
For the first to second respondents:	N Deeplal
Instructed by:	De Swardt Myambo Hlahla Attorneys, Pretoria c/o Webbers Attorneys, Bloemfontein.