



JOINT MEDIA STATEMENT

Eskom and Merafong City Local Municipality sign Distribution Agency Agreement (DAA) to strengthen electricity provision, financial stability, and service delivery

Wednesday, 10 December 2025: On Monday, 8 December 2025, Eskom and Merafong City Local Municipality concluded the official signing of a Distribution Agency Agreement (DAA) at the Merafong Council Chambers, a historic milestone that signals a new era of cooperation, improved operational efficiency, and enhanced electricity service delivery for communities across Merafong.

The agreement forms a key part of Merafong City's broader turnaround strategy aimed at stabilising electricity infrastructure, improving financial management, rebuilding public trust, and supporting local economic development.

Merafong City becomes the third municipality in the country to sign a DAA with Eskom, following Maluti-a-Phofung in the Free State and Emfuleni in Gauteng. Merafong City entered into this agreement which represents a strategic and transitional intervention designed to stabilise electricity distribution, strengthen governance, and improve revenue collection while ensuring consistent and reliable power supply for residents and businesses.

The signing ceremony was attended by the Municipal Manager, Dumisani Mabuza, senior executives of Merafong City, and senior Eskom leadership led by the Gauteng Cluster General Manager, Bandile Jack. The partnership was welcomed as a decisive step toward building a sustainable, responsive electricity network that supports socio-economic development.

Addressing challenges of municipal financial distress, including the growing Merafong City Municipal debt owed to Eskom, which exceeded R1.6 billion as at September 2025, the DAA is part of Eskom's broader proactive approach to supporting municipalities experiencing operational inefficiencies, weakened revenue collection, and financial sustainability around electricity delivery.

Under the agreement:

- Electricity distribution and certain retail functions will be jointly managed in a structured framework.
- Billing and revenue collection will be ring-fenced and administered through Eskom systems.
- Merafong will remain the electricity licence holder, with Eskom providing technical expertise, operational support, and skills transfer.
- Free Basic Electricity will be disbursed directly by Eskom to qualifying indigent households.
- Long-term structural reforms will continue through National Treasury to support municipal fiscal sustainability.



Speaking at the ceremony, the Municipal Manager, Mr Mabuza, emphasised Merafong's commitment to stabilising infrastructure and restoring public confidence:

"Today represents more than the signing of a document. It represents a shared commitment to strengthening our electricity network, enhancing technical support, and ensuring that our residents receive the stable and reliable services they deserve. This agreement reinforces our vision of building a sustainable, responsive city centred on accountability and progress."

The DAA introduces key improvements to strengthen the resilience and accountability of Merafong's electricity distribution system:

- Strengthened operational coordination between Eskom and the Municipality.
- Improved maintenance processes and fault-response times.
- Enhanced infrastructure planning and investment readiness.
- Clearer responsibilities, reporting lines, and accountability mechanisms.
- Greater reliability and predictability of electricity supply.
- Protection of existing jobs and structured training for municipal employees.
- Capacity-building and skills transfer to support long-term municipal sustainability.

The Gauteng Cluster, General Manager Bandile Jack, thanked both Eskom and Merafong for their collaboration and emphasised that Eskom looks forward to the positive results this partnership will yield for both organisations and the communities they serve.

"The signing of this DAA with Merafong is a critical step towards it stabilising electricity distribution and improving revenue collection to enable the municipality to provide electricity for its citizens. This partnership demonstrates Eskom's commitment to work collaboratively and proactively with municipalities to restore operational efficiency and ensure sustainable service delivery for communities with the focus on capacitation and skills transfer," said Eskom acting Group Executive for Distribution, Agnes Mlambo.

Both Eskom and the Merafong City Local Municipality reaffirm their commitment to transparent communication, operational collaboration, and improved service delivery. The partners will work together to ensure a smooth implementation of the DAA and tangible improvements in electricity distribution.

The Municipality extends its appreciation to all stakeholders, officials, and community representatives for their contributions that made the signing ceremony a success.

Issued jointly by:

Eskom and Merafong City Local Municipality Media Enquiries:

Mr Thabo Moloja – MCLM

Email: tmoloja@merafong.gov.za

Cell: 081 842 8993

Ms Amanda Qithi – Gauteng Eskom

Email: QithiAm@eskom.co.za

Cell: 072 423 8509

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