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Eskom

Mr Theo Van Vuuren
Municipality Manager
Emalahleni Local Municipality
P O Box 3
WITBANK
1035

Date:
22 June 2017

Enquiries:
Chris Lekhuleni
Tel +27 13 755 9200

Dear Mr Van Vuuren

NOTICE TO REMEDY BREACH

1. We refer to the Acknowledgement of Debt and Repayment Plan Agreement ('the Agreement') entered into by Eskom and Emalahleni Local Municipality ('the Municipality') on 09 May 2016 in terms of which the Municipality acknowledged its indebtedness to Eskom and undertook to pay the debt as set out in the attached Agreement.

2. In accordance with the Agreement, the Municipality failed to pay Eskom all the current accounts timeously and as and when they become due.

3. The Municipality's action is therefore in breach of the Agreement. Refer to clause 6.1 and 6.2 as mentioned below:

   6.1 Should the Municipality default in the payment of any one of the instalments mentioned above, is placed under judicial management or administration, or it enters into a compromise with creditors, the full balance owing on the debt at the relevant time shall become due and payable and

   6.2 Eskom may with due regard to all the relevant legislations and the provisions of the ESA take whatever legal remedies available to it including disconnection of supply of electricity to the Municipality.

4. The total amount arrear amount R1 082 336 410 is now due for immediate payment.

5. Consequently the Municipality is advised to take all necessary precautions to ensure the safety of the public and to minimize the impact to its customers.

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Key Accounts Management – Mpumalanga Operating Unit
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Eskom Holdings SOC Limited Reg No 2002/015527/30

Emalahleni Local Municipality is hereby given 14 days grace period to correct the breach and failure to correct will result in Eskom initiating the PAJA process without any further notice.

All of Eskom's rights are reserved.

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Yours sincerely

Musa Mabila
SENIOR MANAGER:
MAINTENANCE & OPERATIONS
CUSTOMER SERVICE OPERATIONS (ACTING)
DISTRIBUTION- MPUMALANGA OPERATING UNIT