

CITY POWER JOHANNESBURG

SOC PROPRIETARY LIMITED

FINAL

BUSINESS AND INVESTMENT PLAN

FY2026/27

1 July 2026 – 30 June 2027

MFMA Section 87
Municipal Finance Management
Act

MSA Section 24
Municipal Systems Act

NT Trading Reforms
TAS24 & TSR Aligned

AGSA Audit Ready
FY2026/27

14
Chapters
Comprehensive planning
framework

R2.354
Capital Budget
Infrastructure investment
FY2026/27

R29.8bn
Revenue Target
Financial sustainability
programme

~399,812+
Customers Served
Johannesburg Metropolitan
Municipality

*In terms of Section 87 of the Municipal Finance Management Act, 2003
and Section 24 of the Municipal Systems Act, 2000*

COMPANY INFORMATION

Company Information	
Registration number	2000/030051/30
Registered address	40 Heronmere Road, Reuven, Booysens, Johannesburg
Postal address	PO Box 38766, Booysens, 2016
Telephone number	(011) 490-7000
Fax number	(011) 490-7377
Website	www.citypower.co.za
Bankers	Standard Bank of SA Limited / ABSA
Auditors	Auditor-General of South Africa (AGSA)

OFFICIAL SIGN-OFF

OFFICIAL SIGN-OFF

It is hereby certified that this Business and Investment Plan FY2026/27:

- Was developed by the management of City Power SOC Ltd, under the guidance of the Chief Executive Officer (CEO)
- Considers all the relevant policies, legislation and other mandates for which City Power SOC Ltd is responsible
- Accurately reflects the Performance that City Power SOC Ltd will endeavour to achieve in the 2026/2027 Financial Year

Rendani Sadiki

Chief Financial Officer

Signature:

Date of approval:

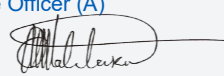

30/04/2026

Charles Tlouane

Chief Executive Officer (A)

Signature:

Date of approval:



30 April 2026

Makhosini Kharodi

Chairperson of the Board

Signature:

Date of approval: 30 April 2026



Dr Tebogo Modiba

Executive Director, Environment & Infrastructure Services Department

Signature:

Date of approval:



21 /05 / 2026

Cllr Jack Sekwaila

MMC Environment & Infrastructure Services Department

Signature:

Date of approval: 21 /05 / 2026



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ABOUT THIS REPORT

Statutory Reporting Requirements

In terms of Section 87 of the MFMA, City Power as a municipal entity of the CoJ is required to prepare a Budget and Business Plan for each financial year. City Power's Business and Investment Plan FY2026/27 for the period 1 July 2026 to 30 June 2027 is a complete reporting version as required by the MFMA, National Treasury Guidelines, City of Johannesburg internal guidelines, and integrated reporting best practice.

STATUTORY BASIS FOR THIS REPORT

- Section 87 of the Municipal Finance Management Act (MFMA), 2003 — Annual business plan requirement
- Section 24 of the Municipal Systems Act (MSA), 2000 — Service delivery planning obligations
- National Treasury Guidelines — Performance reporting and financial management standards
- City of Johannesburg Corporate Governance Framework — Shareholder oversight and accountability
- King IV Code of Governance — Integrated reporting and ethical leadership principles
- National Treasury Trading Services Reform (TSR) — Metropolitan Institutional Roadmap obligations

Referencing Content Online

The final business plan will be available on the City Power website as a downloadable document at www.citypower.co.za and on the parent Municipality site at www.joburg.org.za after approval by the Board and Mayoral Council.

Scope and Boundary of the Business Plan FY2026/27

This business plan provides the strategic, financial, social, environmental, and governance plan of City Power and aims to provide a clear view of how City Power's strategy, governance, performance and prospects — in the context of its external environment — lead to the creation of value over the short, medium, and long term.

The boundary of this report is limited to the financial and non-financial plan as it relates to City Power for the FY2026/27 financial year. The integrity of this business plan was overseen by the Board of Directors in conjunction with its committees. The final business plan is approved by the Board of Directors and Municipal Council in line with legislation.

Aligning with Leading Practice Frameworks

City Power compiled this business plan using stakeholder feedback, input of reporting professionals, and its own internal planning process. The reporting structure allows the Company to meet the requirements of the MFMA, National Treasury, and CoJ Guidelines and, as far as possible, the guidelines provided by the International Integrated Reporting Council and the reporting priorities outlined in the King Code of Governance for South Africa.

TABLE OF ACRONYMS AND ABBREVIATIONS

Acronym / Abbreviation	Full Description
ADMS	Advanced Distribution Management System
AMR	Automated Meter Reading
ASIDI	System Average Interruption Duration Index
ASIFI	System Average Interruption Frequency Index
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BESS	Battery Energy Storage System
BSC	Bid Specification Committee
BCP	Business Continuity Plan
BECCS	Bio-Energy Carbon Capture and Storage
Capex	Capital Expenditure
CBP	Community-Based Planning
CoJ	City of Johannesburg
CPI	Consumer Price Index
DERMS	Distributed Energy Resource Management System
DR Site	Disaster Recovery Site
EISD	Environment and Infrastructure Services Department
ESM	Enterprise Service Management
FY	Financial Year
GWh	Gigawatt Hour
ICT	Information and Communication Technology
IED	Intelligent Electronic Device
IPPs	Independent Power Producers
ISS	Integrated Security System
ITAM	IT Asset Management
ITSM	IT Service Management
JMPD	Johannesburg Metropolitan Police Department
KPI	Key Performance Indicator
LAN	Local Area Network
LPU	Large Power Users
LMS	Library Management System
LV	Low Voltage
MDM	Meter Data Management
ME	Municipal Entity
MFMA	Municipal Finance Management Act
MIPPP	Municipal Independent Power Producer Programme
MPLS	Multi-Protocol Label Switching
MSA	Municipal Systems Act
MTEF	Medium-Term Expenditure Framework
MV	Medium Voltage
MYPD	Multi-Year Price Determination
NAV	Net Asset Value

Acronym / Abbreviation	Full Description
NDR	Network Detection and Response
NED	Non-Executive Director
NERSA	National Energy Regulator of South Africa
NKP	National Key Point
NMD	Notified Maximum Demand
NRS	National Rationalized Standards
NT	National Treasury
OMS	Outage Management System
OT	Operational Technology
PAM	Privileged Access Management
PIAP	Performance Improvement Action Plan
PJWG	Presidential Johannesburg Working Group
PLC	Programmable Logic Controller
PPA	Power Purchase Agreement
PVC	Photovoltaic Cell
RF	Ring Fenced
ROI	Return on Investment
RSSC	Revenue Shared Services Centre
RTU	Remote Terminal Unit
SABS	South African Bureau of Standards
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SAP	Systems, Applications, and Products (ERP system)
SAPS	South African Police Services
SCADA	Supervisory Control and Data Acquisition
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDC	Service Delivery Centre
SDG	Sustainable Development Goals
SHERQ	Safety Health Environment Risk Quality
SHW	Solar Hot Water
SITS	Strategy, Innovation and Technology Services
SLA	Service Level Agreement
SLS	Service Level Standards
SMS	Short Message Service
SOC	State-Owned Company
SPoMA	Single Point of Management Accountability
STPPP	Short Term Power Purchase Programme
TAS24	Turnaround Strategy 2024
TETRA	Terrestrial Trunked Radio
TSR	Trading Service Reform
UIFWE	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
UPS	Uninterruptible Power Supply
VAT	Value Added Tax

Acronym / Abbreviation	Full Description
WCC	Work Completion Certificate

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 1

EXECUTIVE SUMMARY

Business & Investment Plan | FY2026/27

MFMA Compliant
Municipal Finance Mgmt Act

NT Trading Reforms
TAS24 & TSR Aligned

GDS 2040
City of Johannesburg

AGSA Audit Ready
Performance KPIs Verified

This chapter focuses on the following key areas

- 1.1 Introduction
- 1.2 Purpose of the Business Plan
- 1.3 Strategic Context
- 1.4 Strategic Response Framework
- 1.5 Strategic Objectives
- 1.6 Operational Environment
- 1.7 Energy Sector Transformation
- 1.8 Infrastructure Investment Priorities
- 1.9 Governance and Accountability
- 1.10 National Treasury Trading Reforms Compliance
- 1.11 Conclusion

CHAPTER 1 — EXECUTIVE SUMMARY

City Power Johannesburg SOC Ltd is the municipal electricity distribution utility responsible for the purchase, distribution, and sale of electricity within the City of Johannesburg Metropolitan Municipality — one of Africa's largest cities and economic powerhouses.

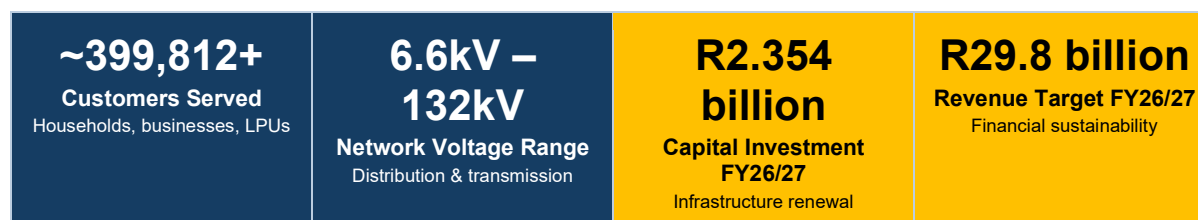


Figure 1.0 — City Power Key Indicators FY2026/27

NATIONAL TREASURY TRADING REFORMS & MFMA ALIGNMENT

This Business & Investment Plan is prepared in accordance with:

- Municipal Finance Management Act (MFMA) — Sections 87, 95 and 121
- Municipal Systems Act — Service delivery planning requirements
- National Treasury Trading Services Reform (TSR) — Metropolitan Institutional Roadmap
- National Treasury Turnaround Strategy TAS24 (approved CoJ Mayoral Council 31 July 2024)
- NT Circular 88 & 93 — Performance benchmarking and reporting standards
- GDS 2040 — City of Johannesburg Growth and Development Strategy

1.1 Introduction

City Power Johannesburg SOC Ltd ("City Power") is the municipal electricity distribution utility responsible for the purchase, distribution, and sale of electricity within the City of Johannesburg Metropolitan Municipality. As a wholly owned municipal entity, City Power plays a central role in supporting the economic development, social wellbeing, and infrastructure stability of Johannesburg.

Reliable electricity distribution is fundamental to the functioning of modern cities, enabling residential life, industrial productivity, commercial activity, and the operation of essential public services. The organisation manages a complex electricity distribution network consisting of substations, transformers, distribution lines, underground cables, switching infrastructure, and public lighting systems. Through this infrastructure, City Power delivers electricity services to a diverse customer base that includes households, businesses, industries, government institutions, and public facilities.

The electricity distribution system is therefore one of the most critical components of the City's infrastructure network, directly influencing economic competitiveness, public safety, and quality of life.

CITY POWER — MANDATE AND ROLE

Legal Status:	Municipal Entity (SOC) wholly owned by the City of Johannesburg
Mandate:	Purchase, distribution and sale of electricity — City of Johannesburg
Licensed by:	National Energy Regulator of South Africa (NERSA)
Governed by:	Board of Directors, accountable to the Shareholder (CoJ)
Reporting:	MFMA Section 71 monthly; Section 121 annual report to Council
Reform alignment:	National Treasury Trading Services Reform (TSR) Institutional Roadmap

1.2 Purpose of the Business Plan

The purpose of this Business Plan is to provide a comprehensive framework guiding City Power's operations, infrastructure investment, and service delivery priorities. It is prepared in accordance with the requirements of the Municipal Finance Management Act (MFMA), the Municipal Systems Act (MSA), the Companies Act, and National Treasury governance and reporting guidelines.

The Business Plan provides:

- An overview of the organisation's strategic objectives
- An assessment of the operating environment
- Infrastructure investment priorities
- Financial sustainability strategies
- Governance and performance management frameworks

The document also provides stakeholders with insight into the organisation's strategic direction and operational priorities. It serves as the primary accountability document through which City Power's performance can be monitored, measured, and assessed by the Board of Directors, the City of Johannesburg Shareholder, the Audit and Risk Committee, National Treasury, and the Auditor-General of South Africa.

1.3 Strategic Context

City Power operates within a rapidly evolving electricity sector environment influenced by technological innovation, regulatory reforms, and increasing infrastructure challenges. Several structural trends are shaping the organisation's operating environment.

Figure 1.3.1 — Key Strategic Challenges Facing City Power

Aging Infrastructure	Revenue Pressures	Eskom Dependency	Energy Transition
R44bn investment backlog End-of-life assets	~30% electricity losses R4.9bn annual leakage	Rising bulk costs Supply instability	SSEG proliferation Distributed generation

1.3.1 Aging Electricity Infrastructure

Large portions of the electricity distribution infrastructure in Johannesburg were constructed several decades ago and are approaching the end of their operational lifespan. An estimated R44 billion investment backlog exists across the network. Addressing this infrastructure backlog requires significant and sustained investment in refurbishment and network upgrades. Without intervention, infrastructure failures will increase in frequency, directly impacting service reliability and revenue generation.

1.3.2 Rising Electricity Procurement Costs

Municipal electricity distributors rely heavily on Eskom for bulk electricity supply. Rising electricity procurement costs — driven by NERSA-approved tariff escalations under the MYPD 6 pricing path — have placed increasing pressure on municipal utilities. Bulk purchases represent approximately 71% of City Power's total operating expenditure. Diversification of energy supply through IPPs, BESS, and renewable energy integration is therefore a strategic imperative.

1.3.3 Electricity Theft and Revenue Losses

Illegal electricity connections and meter tampering continue to contribute to significant non-technical losses within the electricity distribution network. Current total system losses stand at approximately 29.87%, representing an estimated annual revenue leakage of R4.9 billion. Reducing these losses remains a major operational priority and is central to the Revenue Improvement Plan embedded in this Business Plan.

1.3.4 Energy Transition

Advances in renewable energy technologies are transforming electricity markets globally. Distributed generation technologies such as rooftop solar systems and battery storage are increasingly being adopted by electricity consumers. Unregistered Small-Scale Embedded Generation (SSEG) installations pose grid stability risks and revenue recovery challenges. City Power must adapt its business model to accommodate these changes while maintaining financial sustainability, and is actively pursuing Municipal IPP procurement, SSEG registration frameworks, and renewable energy integration.

1.4 Strategic Response Framework

In response to these challenges, City Power has developed a strategic response framework built around several key priorities. These priorities guide the organisation's infrastructure investments, operational improvements, and governance reforms, and are aligned to National Treasury's A3 Performance Improvement Action Plans (PIAPs) and the Turnaround Strategy TAS24.

Table 1.4.1 — Strategic Response Framework

Strategic Priority	Description	Expected Outcome
Infrastructure renewal	Upgrade aging electricity infrastructure	Improved network reliability
Financial sustainability	Improve revenue management and cost control	Financial stability
Energy diversification	Integrate renewable energy sources	Reduced reliance on single energy supplier
Digital transformation	Implement smart grid technologies	Improved operational efficiency
Governance strengthening	Improve risk management and compliance	Improved audit outcomes

1.5 Strategic Objectives

City Power's strategic objectives are designed to support reliable electricity distribution, strengthen financial sustainability, and improve organisational governance. These are aligned with the broader development priorities of the City of Johannesburg and national infrastructure development frameworks.

City Power's strategic priorities include:

- Improving electricity service reliability — reducing outage frequency and duration (ASIDI/ASIFI targets)
- Strengthening financial sustainability — revenue enhancement, loss reduction, debt management
- Modernising electricity infrastructure — capital investment programme of R2.162 billion FY2026/27
- Enhancing customer service delivery — 95% query resolution within 22 working days
- Strengthening governance and compliance — clean audit target; NT reform obligations

1.6 Operational Environment

City Power operates within a complex operational environment that requires the coordination of technical infrastructure, financial management systems, and customer service operations. The organisation must manage several operational challenges, including infrastructure maintenance backlogs, increasing electricity demand, financial pressures within the municipal sector, and evolving regulatory requirements. Addressing these challenges requires a coordinated approach that integrates infrastructure investment, operational improvements, and strategic planning.

1.7 Energy Sector Transformation

The global energy sector is undergoing significant transformation driven by technological innovation, environmental sustainability concerns, and policy reforms. Electricity utilities are increasingly adopting renewable energy technologies, digital grid management systems, and advanced monitoring technologies. City Power is positioning itself to support this transition by investing in modern electricity infrastructure and exploring opportunities for renewable energy integration.

Figure 1.7.1 — Energy Sector Transformation Model: City Power's Journey

Traditional Grid (Legacy Model)	Transition Phase (Current State)	Future Grid (Target State)
Centralised generation One-way power flow Manual monitoring Eskom dependency	Smart metering rollout SSEG integration Network automation IPP procurement	Distributed generation Two-way power flow Real-time analytics Energy diversification

The transformation journey moves from a traditional centralised generation model dependent on Eskom, through a transition phase of smart metering, SSEG integration, and network automation, toward a future grid characterised by distributed generation, two-way power flows, and real-time analytics. This progression is directly supported by City Power's capital investment programme and the National Treasury Trading Services Reform framework.

1.8 Infrastructure Investment Priorities

Ensuring the reliability of the electricity distribution network requires sustained infrastructure investment. City Power has identified several key infrastructure priorities that will receive focused investment during the FY2026/27 to FY2028/29 MTEF period. The total capital budget for FY2026/27 is R2.162 billion, structured across multiple investment programmes.

Table 1.8.1 — Infrastructure Investment Priorities

Infrastructure Programme	Description	Strategic Benefit
Substation upgrades	Refurbishment of aging substations	Improved system reliability
Transformer replacement	Replacement of obsolete transformers	Reduced equipment failures
Network reinforcement	Expansion of distribution capacity	Support future demand growth

FY2026/27 CAPITAL INVESTMENT SUMMARY		
Public Lighting	R108 million	New public lighting and group luminaire replacement programme
Bulk Infrastructure (Primary Distribution):	R765 million	Transformer replacements, network strengthening
Network Upgrades:	R373 million	Cable replacement, mini-sub upgrades
Secondary Plant & Automation:	R414 million	Substation automation, SCADA, IEDs
Metering Programme:	R271 million	Smart meter rollout, revenue protection
Service Connections:	R32 million	New household and business connections
Operating Capital	R58 million	Office equipment, operational infrastructure and substation buildings
ICT / Digital Transformation:	R54 million	Smart grid, digital energy mix
Renewable Energy	R85 million	Energy efficiency initiatives including solar and streetlighting
Total Capital Programme FY2026/27:	R2.162 billion	

1.9 Governance and Accountability

City Power maintains a structured governance framework designed to ensure accountability and transparency in the management of public resources. The governance framework is aligned to King IV, the MFMA, the Companies Act, and National Treasury's requirements for municipal trading entities.

Figure 1.9.1 — City Power Governance Structure

Board of Directors	Executive Management	Internal Controls
Strategic oversight Risk governance Performance accountability	Operational leadership financial management Strategic execution	Internal audit Risk management Compliance monitoring

Governance oversight is exercised through:

- The Board of Directors — strategic oversight, risk governance, and performance accountability
- Specialised Board committees — Audit and Risk Committee (ARC), Social and Ethics Committee
- Internal audit and risk management functions — independent assurance and control effectiveness

These governance mechanisms ensure that the organisation operates in accordance with legislative requirements and maintains strong financial management practices. The Chief Audit Executive reports functionally to the ARC and administratively to the CEO, ensuring independence. The Chief Risk Officer provides independent enterprise risk oversight with a direct reporting line to the CEO.

1.10 National Treasury Trading Reforms Compliance

This Business & Investment Plan has been prepared in full compliance with National Treasury's requirements for municipal trading entities undergoing institutional reform. City Power is committed to implementing the Metropolitan Trading Services Reform (TSR) framework and the Turnaround Strategy TAS24, approved by the City of Johannesburg Mayoral Council on 31 July 2024.

Table 1.10.1 — National Treasury Trading Reforms Compliance Matrix

Legislative / Reform Instrument	Requirement	City Power Compliance Response
MFMA (Act 56 of 2003)	Municipal Finance Management Act — financial governance framework	Sections 87, 95, 121 compliances
Municipal Systems Act	Service delivery planning and performance management	SDBIP and IDP alignment

Legislative / Reform Instrument	Requirement	City Power Compliance Response
Companies Act	Corporate governance obligations	Board accountability
NT Trading Reforms (TSR)	Metropolitan Trading Services Reform framework	Institutional roadmap alignment
NT Circular 88 & 93	Performance benchmarking and reporting standards	Energy Security Dashboard KPIs
NT A3 PIAPs	Performance Improvement Action Plans	Long-term KPI targets FY2030/31

1.11 Conclusion

City Power plays a critical role in supporting the economic and social development of Johannesburg by ensuring the reliable delivery of electricity services to approximately 399 812 customers across the City of Johannesburg Metropolitan Municipality. The organisation faces significant challenges including aging infrastructure with an estimated R44 billion investment backlog, rising electricity procurement costs, system losses of approximately 30%, and the broader energy sector transformation driven by distributed generation and renewable energy.

Through strategic infrastructure investment of R2.354 billion in FY2026/27, improved operational management, strengthened revenue protection, and a comprehensive governance reform programme aligned to National Treasury's Trading Services Reform framework, City Power aims to ensure that Johannesburg's electricity distribution system remains resilient, reliable, and capable of supporting future development.

This Business & Investment Plan provides the strategic, operational, financial, and governance framework through which City Power will deliver on its mandate, meet its performance commitments, and progressively restore financial sustainability — in line with TAS24, the NT TSR Institutional Roadmap, and the City of Johannesburg's Growth and Development Strategy 2040.

BY CHIEF EXECUTIVE OFFICER

Mr. Charles Tlouane

Chief Executive Officer (A)

City Power Johannesburg SOC (RF) Proprietary Limited

Business & Investment Plan | FY2026/27

END OF CHAPTER 1 — EXECUTIVE SUMMARY

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 2

STRATEGIC OVERVIEW

Business & Investment Plan | FY2026/27

MFMA Compliant Municipal Finance Management Act	NT Trading Reforms TAS24 & TSR Aligned	GDS 2040 Aligned City of Johannesburg	AGSA Audit Ready Performance KPIs Verified
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CITY POWER — STRATEGIC MISSION

"To be a sustainable energy services provider."

City Power is dedicated to keep the LIGHTS ON and enable progress for society. Serving ~398,861 residential, commercial, government and industrial customers across the City of Johannesburg.

This chapter focuses on the following key areas:

- 2.1 Introduction and Historical Context
- 2.2 Vision
- 2.3 Mission
- 2.4 Values
- 2.5 Institutional Role within the City of Johannesburg
- 2.6 Strategic Alignment with National and Municipal Frameworks
- 2.7 Operating Environment
- 2.8 Strategic Direction
- 2.9 Transformation of the Electricity Sector

CHAPTER 2 — STRATEGIC OVERVIEW

This chapter provides a comprehensive strategic overview of City Power Johannesburg SOC Ltd — its institutional history, vision, mission, values, and the strategic frameworks guiding its operations and transformation. This chapter forms the strategic foundation for all operational, financial, and governance commitments set out in the remainder of the Business & Investment Plan.

Figure 2.0 — City Power Strategic Snapshot FY2026/27



NATIONAL TREASURY TRADING REFORMS & MFMA ALIGNMENT

This chapter is prepared in accordance with National Treasury Municipal Trading Entity reform requirements.

City Power's strategic framework is aligned to:

- NT Trading Services Reform (TSR) — Metropolitan Institutional Roadmap
- TAS24 — Turnaround Strategy approved by CoJ Mayoral Council on 31 July 2024
- NT Circular 88 & 93 — Performance benchmarking and reporting standards
- GDS 2040 — City of Johannesburg Growth and Development Strategy 2040

2.1 Introduction

City Power Johannesburg SOC Ltd ("City Power") is the municipal electricity distribution utility responsible for ensuring the reliable delivery of electricity services to the residents and businesses of the City of Johannesburg Metropolitan Municipality. Electricity distribution forms one of the most critical infrastructure services supporting economic development, urban functionality, and social wellbeing within modern metropolitan cities.

Reliable electricity infrastructure enables commercial activity, industrial productivity, public safety, and the functioning of essential services such as healthcare facilities, educational institutions, and public transport systems. As Johannesburg is the economic hub of South Africa and one of the most significant metropolitan economies on the African continent, the reliability and sustainability of the electricity distribution network are fundamental to maintaining economic competitiveness and attracting investment.

This chapter provides an overview of the strategic context within which City Power operates. It outlines the organisation's institutional history, strategic direction, alignment with national and municipal development frameworks, and its evolving role within the electricity sector.

Historical Context

The establishment of City Power must be understood within the broader context of municipal governance reform in the City of Johannesburg. In the late 1990s and early 2000s, the City of Johannesburg implemented the iGoli 2002 Transformation Strategy, which sought to restructure municipal service delivery systems to improve efficiency, financial sustainability, and governance accountability.

Prior to this reform programme, electricity distribution services within Johannesburg were managed through fragmented municipal departments with limited financial and operational autonomy. As part of the transformation process, the City established several corporatised municipal entities responsible for delivering key infrastructure services. These entities were designed to operate with greater operational efficiency while remaining accountable to the City as the shareholder.

Figure 2.1.1 — City Power Institutional Timeline

Late 1990s	Nov 2000	Dec 2001	2000s–2010s	2020s	FY2026/27
iGoli 2002 Reform City restructuring begins	City Power established as SOC	NERSA licence granted for distribution	Network expansion Customer base grows	TAS24 approved NT Trading Reforms	B&I Plan period R2.162 bn investment

City Power Johannesburg SOC Ltd was established in November 2000 as a municipal entity responsible for electricity distribution within the City. In December 2001, the organisation received a licence from the National Energy Regulator of South Africa (NERSA) authorising it to distribute electricity within its designated area of supply. Since its establishment, City Power has grown into one of the largest municipal electricity distribution utilities in South Africa, serving hundreds of thousands of residential, commercial, and industrial customers.

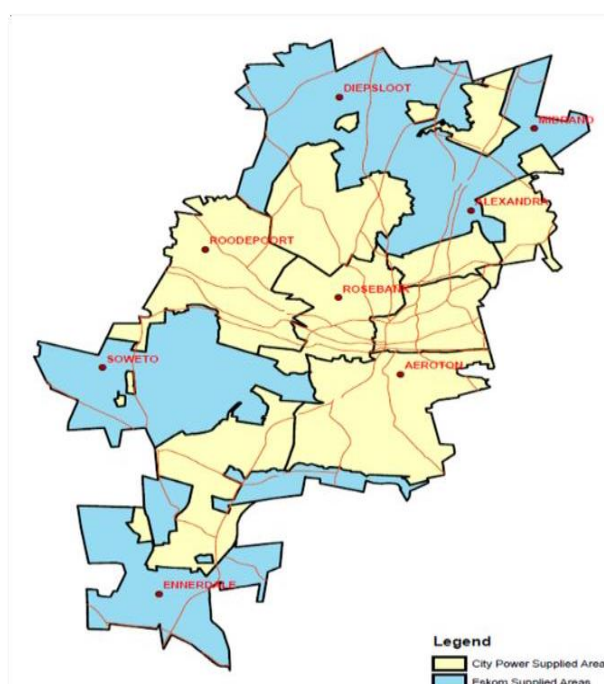
Through this operating model, City Power plays a critical role in enabling economic activity, supporting social infrastructure, and ensuring public safety through reliable electricity supply and public lighting services across the City of Johannesburg.

CITY POWER SUPPLY AREAS

Joburg has 7 Regions: A - G



City Power Area of Supply



CITY POWER SUPPLY AREAS — NOTE

The City of Johannesburg comprises seven (7) administrative regions. City Power is the licensed distributor for the majority of the CoJ metropolitan area. Eskom currently serves certain areas including parts of Soweto and Sandton. The incorporation of Soweto and Sandton areas into City Power is addressed in Section 9.2 of this Plan. City Power serves approximately 398,861 residential prepaid and post-paid customers, commercial, government and industrial power users across its licensed supply area.

2.2 Vision

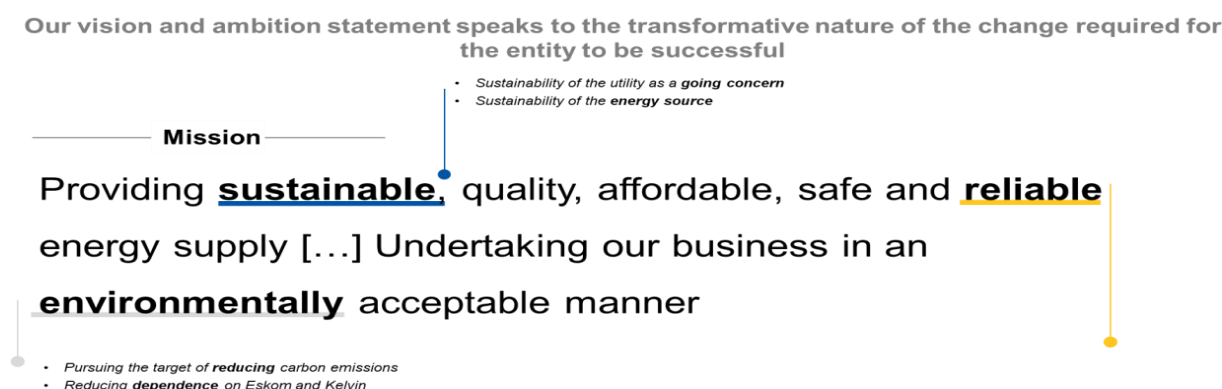
The vision of City Power is:

"To be a sustainable energy services provider."

2.3 Mission

City Power's mission is to deliver a sustainable, affordable, safe, and reliable energy supply that meets the needs of all residents and businesses in Johannesburg. In doing so, the utility is committed to conducting its operations in a manner that is environmentally responsible and socially conscious.

This includes pursuing the reduction of carbon emissions, decreasing dependence on Eskom and Kelvin, and ensuring long-term operational sustainability, both as a utility and in terms of energy sourcing. City Power seeks to offer customers peace of mind by enhancing the security, stability, and availability of electricity, reinforcing its role as a trusted enabler of economic growth and quality of life across the city.



2.4 Values

The aspired values of City Power are:

Resourceful Finding innovative solutions to challenges with available means and capabilities	Resilient Adapting to disruption and recovering quickly to maintain service continuity	Reliable Delivering consistent and dependable electricity services to all customers	Respectful Treating all stakeholders, customers, and colleagues with dignity and fairness	Integrity Always acting with honesty, transparency, and ethical conduct
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Figure 2.4.1 — City Power Organisational Values (The 5Rs + Integrity)

2.5 Institutional Role within the City of Johannesburg

City Power operates as a municipal entity wholly owned by the City of Johannesburg Metropolitan Municipality. Within the municipal governance framework, the City of Johannesburg acts as the Service Authority, while City Power functions as the Service Provider responsible for electricity distribution. The relationship between the City and City Power is governed by a Service Delivery Agreement (SDA) in accordance with the Municipal Systems Act.

SERVICE DELIVERY AGREEMENT — KEY ELEMENTS

The Service Delivery Agreement (SDA) between the City of Johannesburg (Service Authority) and City Power (Service Provider) outlines the following:

- Service delivery obligations — standards for electricity supply and public lighting
- Performance standards — measurable KPIs aligned to the SDBIP
- Reporting requirements — MFMA Section 71 monthly and annual reporting
- Governance accountability mechanisms — Board oversight and Shareholder oversight

Through this arrangement, City Power provides electricity distribution services on behalf of the City while maintaining operational autonomy to manage infrastructure and service delivery operations.

2.6 Strategic Alignment with National and Municipal Frameworks

City Power's strategic direction aligns with several key national and municipal policy frameworks that guide infrastructure development, economic growth, and environmental sustainability. These frameworks collectively emphasise the importance of reliable infrastructure, sustainable energy systems, and efficient municipal service delivery. City Power contributes to these objectives by ensuring that electricity infrastructure supports economic activity, urban development, and environmental sustainability.

Alignment Frameworks:

- National Development Plan (NDP) 2030
- Gauteng Provincial Growth and Development Strategy
- City of Johannesburg Growth and Development Strategy (GDS2040)
- National Treasury Trading Services Reform Programme
- City of Johannesburg Climate Action Plan

Table 2.6.1 — Strategic Alignment Framework

Policy Framework	Strategic Objective	City Power Contribution
National Development Plan	Infrastructure development	Reliable electricity distribution
Gauteng Growth Strategy	Economic growth	Electricity infrastructure for industry
GDS2040	Sustainable urban development	Infrastructure investment
Climate Action Plan	Environmental sustainability	Renewable energy integration

NT TRADING SERVICES REFORM — STRATEGIC ALIGNMENT

City Power is implementing the National Treasury Metropolitan Trading Services Reform (TSR) framework,

NT TRADING SERVICES REFORM — STRATEGIC ALIGNMENT

which requires municipal trading entities to align their institutional structures, governance, and performance frameworks with the following reform pillars:

- Finance Turnaround — debt restructuring, revenue assurance, financial sustainability
- Infrastructure Recovery — R44bn backlog, asset management, capital investment programme
- Service Delivery — ASIDI/ASIFI improvement targets, customer experience
- Capacity Management — human capital, skills development, workforce planning
- City Support Programme — presidential-level coordination through PJWG Workstream 3

2.7 Operating Environment

City Power operates within a rapidly evolving electricity sector characterised by technological innovation, policy reform, and increasing infrastructure challenges. Several key trends are shaping the organisation's operating environment.

Figure 2.7.1 — City Power Operating Environment: Key Trends

Increasing Electricity Demand Population growth Economic expansion Pressure on infrastructure	Aging Infrastructure End-of-life assets R44bn investment backlog	Rising Bulk Electricity Costs Eskom tariff escalation MYPD 6 pricing path	Electricity Theft & SSEG Illegal connections Revenue losses Grid instability
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2.7.1 Increasing Electricity Demand

Johannesburg continues to experience population growth and economic expansion. This growth increases electricity demand and places pressure on existing infrastructure. Demand management, network reinforcement, and new generation capacity are required to maintain service reliability and meet future load requirements.

2.7.2 Aging Infrastructure

Large portions of the electricity distribution network are approaching the end of their operational lifespan. An estimated R44 billion investment backlog exists across the network. Addressing infrastructure backlogs requires significant and sustained capital investment through the MTEF capital programme.

2.7.3 Rising Bulk Electricity Costs

Municipal electricity distributors rely heavily on Eskom for electricity procurement. Escalating bulk electricity tariffs — driven by NERSA's MYPD 6 pricing path — have placed increasing pressure on municipal finances and City Power's financial sustainability. Bulk purchases represent approximately 71% of total operating expenditure.

2.7.4 Electricity Theft

Illegal electricity connections and infrastructure vandalism continue to pose operational and financial challenges. Non-technical losses currently stand at approximately 29.87% of system input, representing an estimated annual revenue leakage of R4.9 billion. Addressing this challenge is a core priority of the Revenue Improvement Plan.

2.7.5 Growth of Renewable Energy

The increasing adoption of rooftop solar and distributed generation technologies is transforming the electricity market. Unregistered Small-Scale Embedded Generation (SSEG) installations pose grid stability risks and revenue challenges. City Power must adapt to these new energy market dynamics through SSEG registration frameworks, demand-side management, and diversified energy procurement.

2.8 Strategic Direction

In response to these developments, City Power has adopted a strategic framework built around four core pillars. These pillars provide the organising framework for all strategic investments, operational programmes, and governance reforms contained in this Business & Investment Plan.

Figure 2.8.1 — City Power Strategic Pillars



2.8.1 Energy Equality

Ensuring that all communities within Johannesburg have equitable access to electricity services. This pillar drives City Power's electrification programmes, indigent support mechanisms, and free basic electricity (FBE) provisioning. It aligns directly with the Constitution's right of access to basic services and the City's GDS2040 inclusivity objectives.

2.8.2 Energy Independence

Diversifying electricity supply sources through renewable energy integration and alternative procurement mechanisms. This includes Municipal Independent Power Producer Procurement (MIPPP), wheeling arrangements, BESS deployment, and embedded generation integration. The strategic target is to reduce Eskom dependency and lower bulk purchase costs over time.

2.8.3 Energy Security

Strengthening the resilience of electricity infrastructure through maintenance and infrastructure upgrades. The R2.162 billion capital programme for FY2026/27 is anchored on this pillar. Key investments include substation refurbishment, transformer replacement, network automation, and SCADA expansion.

2.8.4 Energy Supply Stability

Ensuring that electricity distribution capacity can meet growing demand across the City. This pillar drives network expansion, NMD improvement, and grid modernisation initiatives. Reducing system losses from 29.85% toward the target of 16% by FY2030/31 is a central objective under this pillar.

Table 2.8.1 — Strategic Pillars Summary

Strategic Pillar	Strategic Focus	Expected Outcome
Energy Equality	Electrification programmes	Improved access
Energy Independence	Renewable energy integration	Diversified energy supply
Energy Security	Infrastructure renewal	Reliable electricity network
Energy Stability	Network expansion	Future demand support

2.9 Transformation of the Electricity Sector

The electricity sector globally is undergoing a transformation driven by technological innovation and environmental sustainability priorities. Municipal utilities such as City Power must evolve from traditional electricity distributors into modern energy service providers capable of integrating renewable energy technologies and managing distributed generation systems.

City Power's long-term strategy therefore includes investments in smart grid technologies, digital network monitoring systems, renewable energy integration, and battery energy storage solutions. These initiatives will enable the organisation to modernise the electricity distribution network and improve operational efficiency.

Figure 2.9.1 — City Power Digital Transformation Initiatives

Smart Grid Technologies Advanced network monitoring, automation, and digital control systems	Digital Network Monitoring Real-time visibility, SCADA expansion, predictive maintenance	Renewable Energy Integration Municipal IPP procurement, SSEG frameworks, solar PV	Battery Energy Storage (BESS) Grid stabilisation, peak demand management, load shifting	Customer Digitalisation Smart metering, digital billing, self-service platforms
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TRANSFORMATION ALIGNMENT — NT A3 PIAPs & TSR

City Power's transformation programme is directly aligned to the National Treasury A3 Performance Improvement Action Plans (PIAPs) and the Metropolitan Trading Services Reform (TSR) framework:

- Smart Metering (A1): AMI rollout — target 98% smart meter coverage by FY2030/31
- Loss Reduction (A2): Total losses from 29.85% to 16% by FY2030/31
- Revenue Assurance (A3): Customer completeness from 70% to 100% of serviceable properties
- Grid Modernisation (A4): SCADA, substation automation, digital energy mix programme
- Alternative Energy (A5): MIPPP, SSEG frameworks, BESS deployment

END OF CHAPTER 2 — STRATEGIC OVERVIEW

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 3

CORE MANDATE

Business & Investment Plan | FY2026/27

MFMA Compliant Municipal Finance Management Act	NT Trading Reforms TAS24 & TSR Aligned	Constitution — S152 Municipal Basic Services	NERSA Licensed Electricity Distribution
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CITY POWER — CORE PURPOSE

City Power's purpose: To provide reliable, sustainable, and affordable electricity services that support the social and economic development of the City of Johannesburg.

Core Mandate: Purchase, distribution and sale of electricity within the City of Johannesburg under a NERSA distribution licence and Service Delivery Agreement with the City of Johannesburg.

This chapter focuses on the following key areas

- 3.1 Introduction
- 3.2 Legislative Mandate
- 3.3 Core Strategic Mandate
- 3.4 Strategic Objectives
- 3.5 City Power Purpose
- 3.6 Value Proposition
- 3.7 Institutional Role within the Energy Sector

CHAPTER 3 — CORE MANDATE

The chapter sets out City Power's core mandate, legislative authority, strategic objectives, and institutional value proposition. It provides the governance and accountability foundation for all operational and financial commitments described in the Business & Investment Plan.

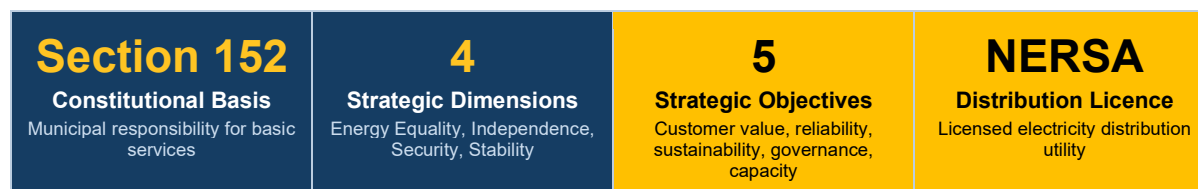


Figure 3.0 — Chapter 3 Key Mandate Indicators

NATIONAL TREASURY TRADING REFORMS — MANDATE ALIGNMENT
This chapter aligns City Power's core mandate with National Treasury requirements for municipal trading entities: • NT Trading Services Reform (TSR) — Metropolitan Institutional Roadmap • TAS24 — Turnaround Strategy (approved CoJ Mayoral Council 31 July 2024) • NT Circular 88 — Performance benchmarking and reporting • MFMA Section 87 — Municipal entity accountability and reporting obligations • Constitution Section 152 — Municipal basic services delivery obligations

3.1 Introduction

City Power Johannesburg SOC Ltd ("City Power") is the municipal electricity distribution utility responsible for purchasing, distributing, and selling electricity within the jurisdiction of the City of Johannesburg Metropolitan Municipality. As a wholly owned municipal entity, City Power operates on behalf of the City of Johannesburg to ensure that electricity services are delivered reliably, safely, and efficiently to residents, businesses, industries, and public institutions across the metropolitan area.

Electricity distribution is a critical municipal service that underpins the functioning of modern urban environments. Reliable electricity supply supports economic activity, facilitates industrial development, enhances public safety through street lighting infrastructure, and improves the overall quality of life for communities.

The core mandate of City Power extends beyond traditional electricity distribution to include infrastructure planning, network management, renewable energy integration, and support for the City's long-term economic development objectives. This chapter outlines the organisation's core mandate, strategic objectives, institutional purpose, and value proposition within the broader municipal governance framework.

3.2 Legislative Mandate

City Power's mandate is derived from the constitutional and legislative responsibilities assigned to municipalities in relation to electricity distribution and public service delivery. The Constitution of the Republic of South Africa assigns municipalities the responsibility for providing basic services to communities in a sustainable and equitable manner. Electricity distribution forms one of the core municipal services necessary for achieving this objective.

City Power fulfils this responsibility on behalf of the City of Johannesburg by operating and maintaining the electricity distribution network that supplies electricity to customers within its licensed area of supply. The organisation operates under a distribution licence issued by the National Energy Regulator of South Africa (NERSA), which authorises it to distribute electricity within its service area.

The organisation's mandate is also governed by a Service Delivery Agreement (SDA) with the City of Johannesburg, which outlines the roles, responsibilities, service standards, and reporting obligations applicable to City Power.

Figure 3.2.1 — City Power Legislative Framework

Constitution Section 152 Municipal responsibility for basic services	Municipal Systems Act Service Delivery Agreement framework	Municipal Finance Management Act Financial governance and reporting	NERSA Distribution Licence Licensed electricity distribution authority
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LEGISLATIVE MANDATE — KEY INSTRUMENTS
• Constitution of South Africa — Section 152: Objects of local government and basic service delivery • Municipal Systems Act (MSA), 2000 — Service Delivery Agreement framework between CoJ and City Power • Municipal Finance Management Act (MFMA), 2003 — Financial governance, reporting, and accountability • NERSA Distribution Licence (December 2001) — Licensed authority to distribute electricity in the CoJ supply area • Companies Act, 2008 — Corporate governance obligations as a SOC • NT Trading Services Reform (TSR) — Metropolitan reform obligations and institutional roadmap requirements

3.3 Core Strategic Mandate

City Power's mandate can be summarised through four strategic dimensions that guide the organisation's operational and strategic priorities. These four dimensions — Energy Equality, Energy Independence, Energy Security, and Energy Supply Stability — form the strategic pillars of the Business & Investment Plan and are embedded in all performance targets, capital investment decisions, and governance frameworks.

Figure 3.3.1 — City Power Core Strategic Mandate Framework

Energy Equality Equitable access Electrification Indigent support	Energy Independence IPP procurement SSEG frameworks BESS deployment	Energy Security Infrastructure renewal Network resilience Smart grid	Energy Stability Network expansion Demand management Loss reduction
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3.3.1 Energy Equality

Energy equality refers to the organisation's commitment to ensuring equitable access to electricity services for all communities within the City of Johannesburg. Access to reliable electricity is essential for improving living conditions, supporting economic participation, and enabling social development. City Power therefore prioritises electrification programmes and infrastructure expansion initiatives aimed at improving electricity access in underserved communities and informal settlements.

ENERGY EQUALITY — KEY INTERVENTIONS

- Electrification of informal settlements — alignment with CoJ Housing and EISD programmes
- Free Basic Electricity (FBE) provisioning — indigent household support
- R733 million Equitable Share transfers from CoJ to subsidise basic electricity services
- 134 ward-level community engagement forums on service delivery
- Section 197 employee integration for expanded service delivery

3.3.2 Energy Independence

Energy independence refers to the strategic objective of diversifying electricity supply sources to reduce reliance on a single electricity provider. Historically, municipal electricity distributors have relied heavily on Eskom for bulk electricity supply. However, electricity sector reforms and the growth of renewable energy technologies have created opportunities for municipalities to diversify their energy supply portfolios.

City Power is exploring alternative electricity procurement mechanisms including:

- Independent Power Producer (IPP) procurement
- Embedded generation programmes
- Rooftop solar photovoltaic integration
- Battery energy storage systems (BESS)

These initiatives support the development of a more resilient and diversified energy supply system, aligned to the National Treasury Trading Services Reform requirements and the City of Johannesburg's Just Energy Transition commitments.

3.3.3 Energy Security

Energy security focuses on ensuring that the electricity distribution network remains resilient and capable of meeting the current and future energy needs of Johannesburg. City Power manages a complex electricity distribution system that includes substations, transformers, cables, and switching infrastructure. Maintaining the reliability of this network requires continuous infrastructure maintenance and strategic investment in network upgrades.

City Power's energy security initiatives include:

- Infrastructure renewal programmes
- Substation upgrades
- Predictive maintenance systems
- Smart grid technologies

3.3.4 Energy Supply Stability

Energy supply stability refers to the organisation's responsibility to ensure that sufficient electricity distribution capacity exists to meet growing electricity demand across the City. Johannesburg continues to experience population growth, urban expansion, and increasing economic activity. These trends place additional pressure on electricity infrastructure and require proactive infrastructure planning. City Power must therefore invest in network expansion and infrastructure modernisation to support future electricity demand, with a target to reduce system losses from 29.87% to 16% by FY2030/31.

3.4 Strategic Objectives

City Power has identified several strategic objectives that guide its operational and strategic priorities. These objectives ensure that the organisation's activities remain aligned with its core mandate and support the long-term development goals of the City of Johannesburg. They are embedded in the SDBIP, reported quarterly to the Board and Council, and measured against the NT A3 Performance Improvement Action Plans.

Table 3.4.1 — City Power Strategic Objectives

Strategic Objective	Description	Expected Outcome
Creating value for customers	Deliver reliable electricity services	Improved customer satisfaction
Ensuring uninterrupted electricity supply	Strengthen network reliability	Reduced service interruptions
Strengthening financial sustainability	Improve revenue collection and cost management	Financial stability
Improving governance and compliance	Strengthen governance frameworks	Improved audit outcomes
Developing organisational capacity	Invest in skills development	Improved operational capability

STRATEGIC OBJECTIVES — NT A3 PIAP ALIGNMENT

Each strategic objective is directly linked to National Treasury's A3 Performance Improvement Action Plans:

- Creating value for customers → Customer completeness programme; CS-01 to CS-04 KPIs
- Uninterrupted electricity supply → ASIDI target 5,000 min; ASIFI target 6 incidents (FY2030/31)
- Financial sustainability → Revenue R29.8bn; Loss reduction from 29.85% to 16%; debt restructuring
- Governance & compliance → Clean audit target; AGSA findings resolution rate 155% (FY2024/25)
- Organisational capacity → NT engineer targets; promotability programmes; 5C people strategy

3.5 City Power Purpose

The purpose of City Power is to provide reliable, sustainable, and affordable electricity services that support the social and economic development of the City of Johannesburg. The organisation fulfils this purpose through the operation and maintenance of electricity infrastructure that powers homes, businesses, public facilities, and essential services across the metropolitan area.

City Power serves a diverse customer base that includes residential households, commercial enterprises, industrial operations, and public institutions. In addition to providing electricity services, the organisation also supports public lighting infrastructure and other municipal services that contribute to improved public safety and urban development.

CITY POWER PURPOSE — CUSTOMER SEGMENTS

Residential Prepaid Customers:	~297,352	— 74.4% of customer base
Domestic Credit Customers:	~88,976	— 22.3% of customer base
Business Customers:	~9,891	— 2.5% of customer base
Large Power Users (LPU):	~3,593	— 0.9% of customer base 54% of revenue

City Power also maintains public lighting infrastructure across all 7 CoJ administrative regions,

CITY POWER PURPOSE — CUSTOMER SEGMENTS

directly contributing to public safety, urban development, and quality of life.

3.6 Value Proposition

City Power's value proposition is centred on delivering reliable electricity infrastructure and supporting Johannesburg's economic and social development. The organisation's value proposition can be understood through four key dimensions, each directly aligned to a strategic mandate pillar and embedded in the performance management framework of this Business & Investment Plan.

Figure 3.6.1 — City Power Mandate and Value Proposition Framework (Figure 3)

Reliable Electricity Infrastructure Operates and maintains the distribution network powering Johannesburg's residential, commercial and industrial sectors	Supporting Economic Development Enables business operations, industrial development, and job creation through consistent electricity supply	Enabling the Energy Transition Supports renewable energy integration, IPP procurement, and infrastructure modernisation for a sustainable future	Strengthening Urban Resilience Reliable electricity infrastructure contributes to urban systems resilience and supports the City's long-term growth
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3.6.1 Reliable Electricity Infrastructure

City Power operates and maintains the electricity distribution network that powers Johannesburg's residential, commercial, and industrial sectors. Ensuring infrastructure reliability is central to the organisation's mandate. The FY2026/27 capital investment programme of R2.162 billion is directed primarily at restoring and strengthening the reliability of this critical infrastructure.

3.6.2 Supporting Economic Development

Electricity infrastructure is essential for enabling economic activity. By ensuring reliable electricity supply, City Power supports business operations, industrial development, and job creation across the City of Johannesburg. Large Power Users — contributing 54% of City Power's revenue — are a key focus for account management, billing accuracy, and service reliability.

3.6.3 Enabling the Energy Transition

City Power is positioning itself to support the transition towards a more sustainable energy system through renewable energy integration and infrastructure modernisation. This includes Municipal IPP procurement, BESS deployment, SSEG registration frameworks, and investments in smart grid technologies aligned to the City's Climate Action Plan and the Just Energy Transition agenda.

3.6.4 Strengthening Urban Resilience

Reliable electricity infrastructure contributes to the resilience of urban systems and supports the City's long-term development objectives. City Power's infrastructure maintenance programmes, emergency response capabilities, and business continuity frameworks directly strengthen the resilience of Johannesburg as an economic and social hub.

3.7 Institutional Role within the Energy Sector

City Power occupies a strategic position within the South African electricity sector as one of the largest municipal electricity distributors. The organisation plays a key role in supporting electricity sector reforms aimed at improving energy security and enabling greater participation by independent power producers.

City Power's infrastructure forms a critical component of the national electricity distribution network, and its operational performance has significant implications for the economic stability of the City of Johannesburg. As a participant in the Presidential Johannesburg Working Group (PJWG) Workstream 3: Electricity and Energy, City Power's reform agenda is directly aligned with national-level policy priorities for the metropolitan electricity sector.

CITY POWER — INSTITUTIONAL POSITIONING

- One of the largest municipal electricity distribution utilities in South Africa
- Licensed under NERSA to distribute electricity in the City of Johannesburg supply area
- Participant in PJWG Workstream 3 — Electricity and Energy (Presidential level)
- Implementing Metropolitan Trading Services Reform (TSR) — NT Institutional Roadmap
- Signatory to the City of Johannesburg Turnaround Strategy TAS24 (July 2024)
- Key enabler of CoJ GDS 2040 infrastructure and economic development objectives

END OF CHAPTER 3 — CORE MANDATE

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 4

LEGISLATION AND POLICY ENVIRONMENT

Business & Investment Plan | FY2026/27

MFMA Compliant
Act 56 of 2003

NERSA Licensed
Electricity Regulation Act

King IV Aligned
Corporate Governance

POPIA Compliant
Data Protection

CHAPTER 4 — PURPOSE

This chapter outlines the legislative and policy frameworks that govern City Power's operations, explains how the organisation ensures compliance with these requirements, and demonstrates alignment with National Treasury's Municipal Trading Entity reform obligations.

City Power's compliance framework is aligned to: MFMA | MSA | Companies Act | King IV | Electricity Regulation Act | NERSA Licence | NEMA | POPIA | NT Trading Services Reform (TSR)

This chapter focuses on the following key areas:

- 4.1 Introduction
- 4.2 Constitutional Framework
- 4.3 Legislative Environment
- 4.4 Electricity Sector Legislation
- 4.5 Municipal Governance Legislation
- 4.6 Municipal Finance Management Act
- 4.7 Municipal Systems Act
- 4.8 Corporate Governance Legislation
- 4.9 Environmental and Safety Legislation
- 4.10 Labour and Employment Legislation
- 4.11 Data Protection and Information Governance
- 4.12 Compliance Management Framework
- 4.13 Conclusion

CHAPTER 4 — LEGISLATION AND POLICY ENVIRONMENT

The chapter provides a comprehensive overview of the legislative, regulatory, and policy environment within which City Power operates. Compliance with these frameworks is essential to maintaining operational legitimacy, protecting public resources, and ensuring sustainable electricity service delivery.

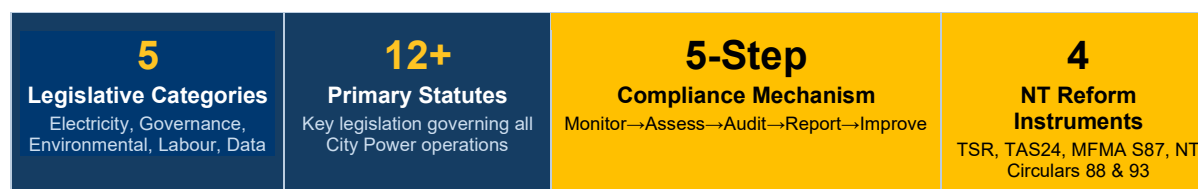


Figure 4.0 — Chapter 4 Legislative Compliance Snapshot

NATIONAL TREASURY TRADING REFORMS — LEGISLATIVE ALIGNMENT
City Power's compliance framework supports NT Trading Services Reform (TSR) requirements: • MFMA Section 87 — Annual business plan preparation obligation for municipal entities • NT Circular 88 & 93 — Performance benchmarking and transparent reporting • TAS24 — Turnaround Strategy institutional reform programme (CoJ Mayoral Council, July 2024) • PFMA-equivalent obligations — Adequate internal controls and risk management systems • Companies Act SOC provisions — Board fiduciary duties and governance accountability

4.1 Introduction

City Power Johannesburg SOC Ltd operates within a comprehensive legislative, regulatory, and policy framework that governs municipal service delivery, electricity distribution, financial management, environmental compliance, and corporate governance. As a municipal entity wholly owned by the City of Johannesburg Metropolitan Municipality, City Power is required to ensure that its operations comply with national legislation, municipal governance frameworks, and regulatory requirements governing the electricity sector.

Compliance with these legislative frameworks is essential to maintaining operational legitimacy, protecting public resources, and ensuring that electricity services are delivered in a safe, reliable, and financially sustainable manner. City Power's legislative and policy environment is shaped by several key frameworks:

- The Constitution of the Republic of South Africa
- The Municipal Finance Management Act (MFMA)
- The Municipal Systems Act (MSA)
- The Electricity Regulation Act
- The National Energy Act
- The Companies Act
- The King IV Code of Corporate Governance
- The National Environmental Management Act 107 of 1998

In addition to these statutes, the organisation must also comply with various regulations, municipal policies, and regulatory directives issued by national and provincial authorities. This chapter outlines the legislative and policy frameworks that govern City Power's operations and explains how the organisation ensures compliance with these requirements.

Figure 4.1.1 — City Power Legislative Environment: Key Categories

Electricity Sector ERA, National Energy Act, NERSA Licence	Municipal Governance MFMA, MSA, SDA	Corporate Governance Companies Act, King IV	Environmental & Safety NEMA, OHS Act	Labour & Employment LRA, BCEA, EEA	Data Protection POPIA
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4.2 Constitutional Framework

The constitutional foundation for electricity distribution services originates from the Constitution of the Republic of South Africa, 1996, which establishes the three spheres of government: national, provincial, and local government. Municipalities are responsible for providing essential services to communities in a sustainable and equitable manner.

Section 152 of the Constitution outlines the objectives of local government, which include ensuring the provision of services to communities in a sustainable manner, promoting social and economic development, promoting a safe and healthy environment, and encouraging community participation in local government matters. Electricity distribution forms one of the key municipal services that contribute to achieving these constitutional objectives.

Within the City of Johannesburg, this responsibility is implemented through the establishment of City Power as the municipal entity responsible for electricity distribution.

Figure 4.2.1 — Constitutional Mandate of City Power (Figure 4)

Constitutional Provisions • Section 152 — Objects of local government • Section 153 — Developmental duties of municipalities • Section 155 — Establishment and status of municipalities • Schedule 4B — Electricity reticulation as local government function	Municipal Objectives • Provision of services to communities in a sustainable manner • Promoting social and economic development • Promoting a safe and healthy environment • Encouraging community participation in local government
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4.3 Legislative Environment

City Power operates within a complex legislative environment that regulates municipal governance, financial management, electricity distribution, environmental protection, and labour practices. The organisation must ensure that all operational activities, financial management processes, and governance systems comply with these legislative requirements.

The legislative environment affecting City Power can be categorised into several key areas:

- Electricity sector regulation
- Municipal governance and financial management
- Environmental and safety regulation
- Labour and employment legislation
- Corporate governance and data protection

Ensuring compliance with these legal frameworks forms an integral part of the organisation's governance and risk management systems.

4.4 Electricity Sector Legislation

Electricity distribution within South Africa is governed by a number of sector-specific statutes that regulate the generation, transmission, and distribution of electricity. These statutes establish the regulatory framework within which electricity utilities must operate.

4.4.1 Electricity Regulation Act (Act 4 of 2006)

The Electricity Regulation Act provides the primary regulatory framework governing the electricity sector in South Africa. The Act establishes the National Energy Regulator of South Africa (NERSA) and regulates electricity licensing, tariff approvals, and service quality standards. City Power operates under a distribution licence issued by NERSA. Compliance with the licence conditions is essential to maintaining the organisation's authority to distribute electricity within its designated service area.

The Act regulates several aspects of electricity distribution including:

- Electricity tariffs
- Service delivery standards
- Electricity trading arrangements
- Consumer protection measures

Failure to comply with licence conditions may result in regulatory penalties or licence suspension.

4.4.2 National Energy Act (Act 34 of 2008)

The National Energy Act provides the overarching framework for energy policy in South Africa. The Act promotes the development of a sustainable energy sector that supports economic growth while ensuring environmental protection and energy security. City Power's activities must align with national energy policy objectives including improving energy efficiency, promoting renewable energy integration, and ensuring energy security.

4.5 Municipal Governance Legislation

City Power operates as a municipal entity and must therefore comply with legislation governing municipal governance and financial management. The two primary statutes in this category are the Municipal Finance Management Act and the Municipal Systems Act.

4.6 Municipal Finance Management Act (MFMA) (Act 56 Of 2003)

The MFMA establishes the framework for financial management within municipalities and municipal entities. The Act promotes sound financial management practices and ensures that public resources are managed responsibly.

Key MFMA requirements affecting City Power include:

- Preparation of annual business plans
- Financial reporting and transparency
- Asset management and financial controls
- Risk management and internal audit functions

Section 87 of the MFMA specifically requires municipal entities to prepare annual business plans outlining their strategic and financial plans. This Business & Investment Plan fulfils that requirement. The MFMA also governs

monthly reporting obligations under Section 71 and annual reporting under Section 121, both of which are embedded in City Power's performance management and governance frameworks.

MFMA KEY SECTIONS — CITY POWER OBLIGATIONS

- Section 87: Annual Business Plan requirement for municipal entities
 - Section 71: Monthly financial and performance reporting to Council
 - Section 121: Annual Report and performance assessment
 - Section 62: Sound and sustainable financial management obligations
 - Section 95(d): Revenue management and customer care obligations
 - Section 165: Internal Audit Unit requirements
- All MFMA reporting obligations are embedded in City Power's governance and SDBIP frameworks.

4.7 Municipal Systems Act (Act 32 Of 2000)

The Municipal Systems Act regulates the organisational and service delivery arrangements of municipalities. The Act provides the legal framework for establishing municipal entities and governing the relationship between municipalities and service providers.

City Power operates under a Service Delivery Agreement (SDA) with the City of Johannesburg, which outlines:

- Service delivery obligations
- Performance targets
- Accountability mechanisms
- Reporting requirements

The SDA establishes the performance standards and governance accountability mechanisms that govern the City of Johannesburg's (Service Authority) relationship with City Power (Service Provider). The SDA is reviewed periodically to ensure alignment with evolving service delivery requirements and regulatory obligations.

4.8 Corporate Governance Legislation

City Power is incorporated under the Companies Act (Act 71 of 2008) and must therefore comply with corporate governance requirements applicable to state-owned companies. The Companies Act regulates matters such as fiduciary responsibilities of directors, financial reporting obligations, and shareholder rights and governance processes.

The Board of Directors is responsible for ensuring that the organisation complies with these corporate governance requirements. City Power also aligns its governance practices with the King IV Code of Corporate Governance, which promotes ethical leadership, transparency, and accountability. King IV Principle 11 specifically governs the Board's responsibility for risk governance, which is embedded in City Power's Enterprise Risk Management framework.

4.9 Environmental and Safety Legislation

Electricity distribution infrastructure must comply with environmental and safety regulations to ensure that infrastructure development and operational activities do not harm the environment or endanger public safety.

Key legislation includes:

- National Environmental Management Act (NEMA)
- Occupational Health and Safety Act (OHS Act)

The Occupational Health and Safety Act requires employers to ensure safe working environments for employees and contractors. City Power implements safety management systems and operational procedures designed to protect employees and the public from electrical hazards. Environmental Impact Assessments (EIAs) are conducted for all major infrastructure projects in compliance with NEMA requirements and in coordination with the Gauteng Department of Agriculture, Conservation and Environment (GDACE).

4.10 Labour and Employment Legislation

City Power operates within the broader labour regulatory framework governing employment conditions in South Africa. Key legislation includes:

- Labour Relations Act
- Basic Conditions of Employment Act
- Employment Equity Act

These statutes regulate employment conditions, workplace equity, and labour relations within the organisation. City Power ensures compliance with these legislative requirements through structured human resource policies and labour management practices. The Employment Equity Act obligations are reported annually to the Department of Employment and Labour, and progress against Employment Equity targets is monitored by the Board-level Employment Equity and Skills Development Committee.

4.11 Data Protection and Information Governance

The Protection of Personal Information Act (POPIA) (Act 4 of 2013) regulates the collection, storage, and processing of personal information. City Power processes significant volumes of customer data through billing systems, customer management platforms, and operational systems.

Compliance with POPIA requires the organisation to implement robust data protection measures to safeguard customer information and ensure responsible data management practices. City Power has appointed an Information Officer as required by POPIA and has implemented data governance frameworks across all key systems. Compliance with POPIA is reported to the Board and is integrated into the ICT governance and cybersecurity frameworks of the organisation.

4.12 Compliance Management Framework

City Power maintains a structured compliance management framework designed to ensure that the organisation adheres to all legislative and regulatory requirements. The framework integrates compliance monitoring with the organisation's broader Enterprise Risk Management system and provides governance structures with assurance on the organisation's compliance posture.

The compliance management framework includes:

- Legislative monitoring systems
- Compliance risk assessments
- Internal compliance audits
- Compliance reporting to governance structures

Figure 4.12.1 — Compliance Management Process (Figure: Compliance Management Process)

01 Monitor Legislative monitoring systems — tracking new laws, amendments, regulatory directives	02 Assess Compliance risk assessments — identifying gaps, obligations, and exposure	03 Audit Internal compliance audits — testing adherence to legislative requirements	04 Report Compliance reporting — EXCO, Board, ARC, and external stakeholders	05 Improve Continuous improvement — corrective action, policy updates, staff training
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Table 4.12.1 — Legislative Compliance Framework

Legislative Area	Key Legislation	Compliance Mechanism
Electricity regulation	Electricity Regulation Act	NERSA licence compliance
Municipal governance	MFMA and MSA	Financial reporting and service agreements
Corporate governance	Companies Act and King IV	Board oversight
Environmental compliance	NEMA	Environmental management processes

COMPLIANCE FRAMEWORK — NT TRADING REFORMS ALIGNMENT

City Power's compliance management framework directly supports NT Trading Entity reform requirements:

- Internal Audit (MFMA S165) — quarterly compliance testing and reporting to Audit & Risk Committee
- Risk Register (ISO 31000:2018) — regulatory compliance risks tracked in Top 10 Strategic Risk Register
- NERSA Licence Conditions — tracked monthly; reported to EXCO and the Board
- ERM Integration — compliance monitoring embedded in Enterprise Risk Management framework
- King IV Principle 13 — combined assurance model: Internal Audit, Compliance, and ERM

4.13 Conclusion

City Power operates within a complex legislative and policy environment that establishes the legal framework for electricity distribution, municipal governance, financial management, and regulatory compliance. Ensuring compliance with these legislative requirements is essential to maintaining operational legitimacy and safeguarding public resources.

Through structured compliance management systems, governance oversight, and regulatory monitoring, City Power seeks to ensure that its operations remain aligned with national legislation and municipal governance requirements. The compliance framework is continuously reviewed and strengthened to address emerging regulatory obligations and align with National Treasury's requirements for a reformed and accountable municipal trading entity.

END OF CHAPTER 4 — LEGISLATION AND POLICY ENVIRONMENT

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 5

STRATEGIC OBJECTIVE ALIGNMENT

Business & Investment Plan | FY2026/27

NDP 2030 Aligned
National Development Plan

GDS 2040 Aligned
City of Johannesburg

NT Trading Reforms
TAS24 & TSR Framework

PJWG Workstream 3
Energy and Electricity

CHAPTER 5 — PURPOSE

This chapter aligns City Power's strategic objectives with national, provincial, and municipal development frameworks.

It demonstrates how City Power's Business & Investment Plan supports the NDP 2030, GDS2040, NT Trading

Services Reform (TSR), Performance Improvement Action Plan (PIAP), and the PJWG 555 Framework.

All strategic programmes are aligned to TAS24 (Turnaround Strategy, approved CoJ Mayoral Council July 2024).

This chapter focuses on the following key areas

- 5.1 Introduction
- 5.2 City of Johannesburg Strategy Alignment
- 5.3 Shareholder Alignment of City Power Strategic Objectives
- 5.4 Alignment to Performance Improvement Action Plan (PIAP)
- 5.5 City Power's Alignment to the Presidential Johannesburg Working Group (PJWG)
- 5.6 Short-, Medium- and Long-Term Strategy
- 5.7 Climate Action Plan Alignment
- 5.8 Climate Performance Monitoring
- 5.9 Conclusion

CHAPTER 5 — STRATEGIC OBJECTIVE ALIGNMENT

Chapter 5 presents City Power's strategic objective alignment across national, provincial, municipal, and reform frameworks. It demonstrates how all City Power objectives are traceable to development priorities, reform mandates, and long-term performance targets.

Figure 5.0 — Chapter 5 Strategic Alignment Snapshot

6 Alignment Frameworks NDP, GDS2040, NT TSR, PIAP, PJWG, CAP	4 PIAP Performance Areas Accountability, Financial, Operational, Min Commitments	5 PJWG Quick Win Projects 3 completed, 1 escalated, 1 in progress	3 Strategy Horizons Short (1–3yr), Medium (3–7yr), Long (7–15yr)
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NATIONAL TREASURY TRADING REFORMS — STRATEGIC ALIGNMENT
City Power's strategic objectives are aligned to NT Trading Services Reform (TSR) requirements: • PIAP (A3) — 4 performance areas: Accountability, Financial, Operational, Minimum Commitments • TAS24 — 7 utility performance dimensions: Asset Creation, Maintenance, Finance, Governance, Customer Trust, Capable People, and Leadership • PJWG Workstream 3 (WS3) — 5 sub-workstreams: CSP, Financial Turnaround, Infrastructure Recovery, Service Delivery, and Capacity Management • NT Circular 88 & 93 — Performance benchmarking and transparent reporting

5.1 Introduction

City Power's strategic objectives are anchored in a transformative vision of becoming a resilient, financially sustainable, and technologically advanced electricity distribution utility for the City of Johannesburg. The organisation's strategic direction is shaped by multiple national, provincial, and municipal policy frameworks that guide infrastructure development, economic growth, climate transition, and public service delivery.

City Power's Business Plan aligns with the following policy and governance frameworks:

- National Development Plan (NDP 2030)
- Gauteng Provincial Growth and Development Strategy
- City of Johannesburg Growth and Development Strategy (GDS2040)
- National Treasury Trading Services Reform Programme
- Presidential Johannesburg Working Group (PJWG)
- City of Johannesburg Climate Action Plan (CAP)

Through this alignment, City Power contributes directly to the City's vision of becoming a world-class African city with reliable infrastructure, inclusive economic growth, and sustainable energy systems. The strategic objectives outlined in this chapter provide the framework for translating national and municipal development priorities into operational programmes and performance targets.

5.2 City of Johannesburg Strategy Alignment

City Power plays a critical role in supporting the implementation of the City of Johannesburg's long-term development agenda as articulated in the Growth and Development Strategy 2040 (GDS2040). The GDS2040 outlines the City's vision of creating a metropolitan economy that is resilient, inclusive, environmentally sustainable, and globally competitive. Reliable electricity infrastructure is fundamental to achieving this vision.

City Power therefore acts as a strategic infrastructure enabler within the City's development framework. The organisation's strategic priorities contribute to several key GDS2040 outcomes, including economic growth and job creation, improved service delivery and infrastructure reliability, sustainable environmental management, inclusive urban development, and improved municipal governance. City Power's strategy also supports Smart City initiatives, Climate Action programmes, urban infrastructure renewal programmes, and economic revitalisation initiatives.

5.3 City Power Strategic Objectives Alignment to Shareholder Priorities

City Power's strategic objectives are aligned with the priorities of its shareholder, the City of Johannesburg. The organisation's strategic planning framework ensures that City Power's operational programmes contribute directly to the City's development objectives while addressing the structural challenges affecting electricity distribution. The alignment framework links national development goals, provincial priorities, municipal strategies, and City Power's internal objectives.

Table 5.3.1 —City Power Strategic Objectives Alignment to Shareholder Priorities (Summary)

National Development Plan Outcomes	Gauteng Growth Priorities	GDS2040 Outcomes	Shareholder Priorities	City Power Strategic Objectives	Strategic Risk	Strategic Response
Improved quality of life	Economic growth and infrastructure	Sustainable urban development	(Active citizen engagement) Safer City, Job opportunities & creation, Active and engaged citizenry	Creating value for customers	Public dissatisfaction with electricity services	Improve customer engagement platforms, strengthen communication, improve service reliability
Safe and resilient communities	Infrastructure expansion	Safer city	(Infrastructure reliability) Infrastructure Development and Refurbishment	Uninterrupted electricity supply	Infrastructure failures	Infrastructure renewal programme, predictive maintenance
Economic growth and job creation	Industrial development	Competitive metropolitan economy	(Economic revitalisation) Financial sustainability, Sustained Economic Growth, Green Economy	Financial sustainability	Rising electricity procurement costs	Revenue recovery programme, tariff reforms
Environmental sustainability	Green economy	Climate resilient city	(Climate transition) Smart City, Energy Mix, Sustainable Service Delivery	Energy diversification	Overreliance on Eskom supply	Renewable energy integration, IPP procurement
Capable state institutions	Governance reform	Effective local government	Good governance	Governance and compliance	Weak internal controls	Strengthen risk management and compliance frameworks

Table 5.3.2 — Shareholder Alignment of City Power Strategic Objectives (Detailed)

National Development Plan (NDP) 2030 Outcomes	Growing Gauteng Together 2030 Priorities	GDS 2040 Outcomes	Shareholder Priorities	City Power Strategic Objectives	City Power Strategic Risk	City Power Strategic Responses and Focus (FY2026/27)
Improve quality of basic education A long and healthy life for all South Africans All people in South Africa are and feel safe Decent employment through inclusive economic growth A skilled and capable workforce An efficient, competitive and responsive economic infrastructure network Vibrant, equitable and sustainable rural communities	Economics, Jobs and Infrastructure Education, Skills Revolution and Health Integrated Human Settlements, Basic Services and Land Release Safety, Social Cohesion and Food Security Building a Capable, Ethical and Developmental State A Better Africa and a Better World Sustainable Development for Future Generations	Improved quality of life and development-driven resilience for all Safer City	Active and engaged citizenry, Sustainable Service Delivery Smart City Safer City Energy Mix Green economy	Committed to creating value for our customers Aspiring for uninterrupted service	Environmental and Sustainability Infrastructure, Technology, Cybersecurity and Data	- Enhance citizen trust and engagement through digital platforms, CBP-aligned investment planning, and improved customer service interfaces (Mobi App, WhatsApp SDC alerts). - Programmes focus on: meter visibility, app-based engagement, data analytics, and digitised customer channels. - Strengthen community engagement programmes through socio-economic risk mapping and collaboration with law enforcement and community stakeholders to address electricity theft and infrastructure vandalism. - Ensure uninterrupted electricity access through targeted investments in public lighting, electrification of informal settlements, and protection of critical infrastructure. - Advance the Just Energy Transition through rooftop solar PV deployment, BESS, and enabling IPPs and wheeling arrangements. - Implement the City Power Turnaround Strategy 2024 and Trading Services Reform (TSR) Agenda across seven utility performance dimensions.
An efficient, effective and development-oriented public service Create a better South Africa and contribute to a better and safer Africa and the world	A high-performing metropolitan government An inclusive, job-intensive, resilient, competitive and smart economy Environmental assets and natural resources that are well protected	An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens Provide a resilient, liveable and sustainable urban environment underpinned by smart infrastructure	Job Opportunities & creation Sustained Economic Growth, Good Governance,	Winning Through Our People Being a governance and risk-conscious organisation Creating shareholder value through improved	Workforce Capability Regulatory and Policy Funding and Liquidity	- Embed digital innovation, sustainability and modern energy technologies within the organisation while developing a new generation of skilled professionals capable of managing advanced energy systems and customer-centric services. - Institutionalise good governance through strengthened audit resolution processes, risk management systems, and compliance with key legislative frameworks (Top 10 Laws Toolkit).

National Development Plan (NDP) 2030 Outcomes	Growing Gauteng Together 2030 Priorities	GDS 2040 Outcomes	Shareholder Priorities	City Power Strategic Objectives	City Power Strategic Risk	City Power Strategic Responses and Focus (FY2026/27)
		supporting a low-carbon economy A high-performing metropolitan government	Financial Sustainability, Infrastructure Development and Refurbishment	profitability and cash flow		• Promote financial sustainability through prepaid metering expansion, electricity loss reduction, and tariff reform. • Programmes focus on: revenue recovery initiatives, cost-reflective tariffs, prepaid meter expansion, and improved collection efficiency.

5.4 Alignment to Performance Improvement Action Plan (PIAP)

City Power's strategic objectives also align with the Performance Improvement Action Plan (PIAP) developed as part of the National Treasury Trading Services Reform Programme. The Trading Services Reform Programme seeks to strengthen the financial sustainability and operational efficiency of municipal utilities by introducing improved governance structures, enhanced financial management practices, and clearer accountability mechanisms. The reform programme emphasises the principle of Single Point of Management Accountability (SPoMA) within municipal utilities.

The PIAP framework identifies several key areas of reform that City Power must address: Financial sustainability, Governance reform, Operational efficiency, and Organisational change management. City Power has developed a range of initiatives to support the implementation of these reforms.

Table 5.4.1 — Reform Strategic Objectives (Table 3)

Reform Dimension	Strategic Focus	Implementation Programme
Financial Sustainability	Strengthen revenue performance	Improve billing accuracy, expand prepaid metering
Governance Reform	Strengthen governance structures	Improve board oversight and internal controls
Operational Efficiency	Improve service delivery	Infrastructure renewal, network automation
Change Management	Strengthen institutional capacity	Skills development programmes

Performance Improvement Action Plan (PIAP – A3)

The PIAP (A3) is structured into four key performance areas in line with National Treasury Guidance Note 4. Although National Treasury will not monitor the Performance Indicators, Financial Performance Indicators, and Operational Performance Indicators during FY2025/26, City Power has incorporated these metrics into its internal scorecard to establish performance baselines and strengthen future monitoring and reporting.

Table 5.4.2 — PIAP Performance Areas (Table 4)

Performance Areas	ID	Minimum Commitments & Performance Indicators	YR-1	YR-2	YR-3–6	Weights
Accountability Performance – Minimum Commitments						
	M1	SPoMA Service Compact	Binary	Binary	Binary	
	M2	SPoMA Appointment	Binary	Binary	Binary	
	M3	SPoMA Organisational Structure	Binary	Binary	Binary	
	M4	SPoMA Delegations	Binary	Binary	Binary	
	M5	Financial Model and Business & Investment Plan	Binary	Binary	Binary	
	M6	Budget Support of Business & Investment Plan	Binary	Binary	Binary	
	M7	Financial Transparency – Separate AFS	Binary	Binary	Binary	
	M8	Support for Management of Organisational Change	Binary	Binary	Binary	
Accountability Performance – Performance Indicators						
	A1	Customer Surveys	n.a.	Binary	Scalable	2 (10%)
	A2	Financial Accounting – mSCOA Compliance	n.a.	Binary	Scalable	2
	A3	Public Procurement Transparency	n.a.	Binary	Scalable	2

Performance Areas	ID	Minimum Commitments & Performance Indicators	YR-1	YR-2	YR-3–6	Weights
	A4	Capital Budget Execution	n.a.	Binary	Scalable	2
	A5	Core Technical & Management Capacity	n.a.	Binary	Scalable	2
Financial Performance – Performance Indicators						
	F1	Financial Viability – OCCR	n.a.	Binary	Scalable	5 (30%)
	F2	Cash Collection Rate	n.a.	Binary	Scalable	5
	F3	Operational Cash Flow	n.a.	Binary	Scalable	5
	F4	Customer Debt Management – Debtors Days	n.a.	Binary	Scalable	5
	F5	Infrastructure CAPEX	n.a.	Binary	Scalable	5
	F6	Self-Financing Ratio	n.a.	Binary	Scalable	5
Operational Performance – Electricity & Energy						
	E1	Bulk Commercial Metering Performance	n.a.	Binary	Scalable	5 (60%)
	E2	Vending Efficiency – % of Metering Operational	n.a.	Binary	Scalable	5
	E3	Automated Meter Reading Coverage	n.a.	Binary	Scalable	5
	E4	Repairs Efficiency	n.a.	Binary	Scalable	5
	E5	Electricity Losses (% of Electricity Purchased)	n.a.	Binary	Scalable	30
	E6	Network Effectiveness – ASIFI	n.a.	Binary	Scalable	5
	E7	Network Effectiveness – ASIDI	n.a.	Binary	Scalable	5

5.5 City Power's Alignment to the Presidential Johannesburg Working Group (PJWG)

The Presidential Johannesburg Working Group (PJWG) was established to ensure that the City of Johannesburg accelerates service delivery improvements and implements structural reforms. On 7 March 2025, President Cyril Ramaphosa, together with members of the National Executive, officially launched the PJWG. The initiative is modelled on the successful eThekweni Presidential Working Group.

The PJWG focuses on four strategic priorities: (1) Strengthening Governance and Financial Sustainability, (2) Improving Service Delivery, (3) Driving Economic Development, and (4) Rejuvenation of Inner-City Economic Hubs and Township Economies. City Power participates in Workstream 3: Energy and Electricity, focused on improving electricity infrastructure reliability, strengthening financial sustainability, and supporting energy sector reform within the City of Johannesburg.

City Support Programme (WS3.1) Technical and advisory support to accelerate institutional and operational reforms	Financial Turnaround (WS3.2) Stabilising the utility's financial trajectory and reducing debt exposure	Infrastructure Recovery (WS3.3) Addressing deferred maintenance and the R44bn investment backlog	Service Delivery & Capacity (WS3.4–3.5) Improving electricity supply reliability and building institutional capability
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Figure 5.5.1 — PJWG Workstream 3 Sub-Workstreams

The 555 Framework: The PJWG implementation model is based on the 555 Framework comprising Five Immediate Priority Actions (Quick Wins), Five Medium-Term Interventions (12–18 months), and Five Long-Term Strategic

Programmes. Under the leadership of the City Power Executive Committee, Workstream 3 identified fifteen programmes and projects forming part of the 555 Framework implementation plan.

WORKSTREAM 3 QUICK WIN PROGRESS — AS AT 31 DECEMBER 2025

- 3 of 5 quick win projects successfully completed
- 1 project escalated to PJWG Committee for further coordination
- 1 project being finalised in collaboration with CoJ Social Development — completion 30 June 2026

Table 5.5.1 — Workstream 3 Quick Win Projects: Status as at 31 December 2025

Project Name	Expected Outcome	Impact Analysis	Project Status (31 Dec 2025)	Challenges & Risks
Sustainable Resolution of Eskom–City Power Dispute	Achieve a sustainable resolution to the ongoing dispute between City Power and Eskom relating to unpaid debt balances and alleged overbilling. The resolution will stabilise electricity supply to Johannesburg and reduce financial uncertainty affecting the City's electricity operations.	Operational Impact: • Improved intergovernmental relations between Eskom, City Power and the City of Johannesburg. • Accurate determination of electricity purchase costs. • Improved reconciliation of electricity units purchased from Eskom.	90% Complete	Finalisation of IGR Framework: City Power has developed a draft IGR Framework submitted to Eskom for review. Both teams have reached consensus on the need for an IGR collaboration framework incorporating formalisation of the Electricity Supply Agreement (ESA). Challenges: Awaiting Eskom management and legal approval. Escalation: Finalised IGR Framework escalated to PJWG Committee. Anticipated Finalisation: 31 March 2026.
Migration of the Full Revenue Management Value Chain (Phase 1: Billing)	Implement the City Power Section 197 Readiness Plan to transfer billing employees from the CoJ RSSC to City Power in accordance with the Labour Relations Act to improve billing accuracy, customer service and revenue assurance.	Operational Impact: • Meter reading performance improved from 70% to 76% in August. • Target FY2025/26: 95% meter reading coverage. • Revenue collection rate improved from 94% to 96% (target 95%). Social Impact: • Improved customer confidence and increased willingness to pay.	Phase 1 Completed	None identified at this stage.
Energy Affordability for Indigent Customers	Improve access to electricity for indigent households by expanding the Free Basic Electricity (FBE) Programme. Implementation phases: Phase 1: Registration; Phase 2: Tariff review; Phase 3: Private sector partnerships (microgrids and energy mix solutions).	Operational Impact: • Improved revenue collection through better customer registration. • Reduction in non-technical energy losses. • Improved accuracy of electricity procurement planning.	FBE Registration: 84,581 / 130,000 (65.06%)	FBE Vetting Delays: City Power and CoJ working collaboratively to accelerate vetting process. Foreign Nationals: Engagement with Dept of Home Affairs and ward councillors to verify qualifying households. Proof of Residence: Councillor confirmation letters and affidavits accepted as alternative verification. Anticipated Finalisation: 30 June 2026.

Project Name	Expected Outcome	Impact Analysis	Project Status (31 Dec 2025)	Challenges & Risks
		Social Impact: Reduced financial burden for indigent households.		
City Power Winter Preparedness Plan	Implement a comprehensive winter preparedness programme aimed at ensuring electricity supply reliability during winter months when demand increases significantly.	Operational Impact: • Achieved 21.54% reduction in equipment failures during winter operations. • Improved ASIFI performance, resulting in fewer customer interruptions.	Project Finalised	None identified.
Resetting the Social Compact with Customers – Communication and Advocacy Drive	Implement a customer engagement programme aimed at rebuilding trust between City Power and electricity consumers through transparent communication regarding maintenance schedules, infrastructure upgrades and service delivery improvements.	Operational Impact: • 100% execution of the Communication Campaign Plan. Social Impact: • Rebuilding trust between City Power and its customers. • Strengthening the social compact between the utility and communities.	In Progress	

5.6 Short-, Medium- And Long-Term Strategy

City Power's strategic planning framework includes short-, medium- and long-term priorities that ensure the organisation can address immediate operational challenges while preparing for long-term transformation within the electricity sector.

5.6.1 Short-Term Strategy (1–3 Years)

Short-term priorities focus on stabilising operations and addressing immediate service delivery challenges including addressing infrastructure

maintenance backlog, strengthening revenue collection systems, improving customer service delivery, and reducing electricity theft.

5.6.2 Medium-Term Projects (3–7 Years)

The medium-term projects remain on track and form part of City Power's infrastructure modernisation and financial sustainability programme. These initiatives aim to improve network reliability, strengthen financial performance, and support the energy transition agenda.

Table 5.6.1 — Medium-Term Projects (Table 7)

Project Name	Expected Outcome	Desired Impact	Linked Business KPIs	FY2026/27 Target	FY2027/28 Target	Status
Operational Security for Network Infrastructure Assets	Deployment of security technologies across 1,400 infrastructure locations to reduce cable theft and infrastructure vandalism.	• Reduced non-technical losses and improved infrastructure protection. • Improved loss ratio and strengthened public confidence in electricity infrastructure.	• Total Losses Efficiency • Cash Flow from Operations	• Losses: 25% • Net Surplus/Deficit Margin for Electricity	• Losses: 23% • Net Surplus/Deficit Margin for Electricity	On Track
Energy Loss Reduction to 16% (Phase 1 to 25%)	Implementation of energy audits, improved metering accuracy, deployment of handheld devices, and consolidated data analytics.	• Energy losses reduced to 25% by December 2026 (Phase 1) and 16% by 2030 (long-term goal). • Improved financial sustainability and operational cash flow.	• Total Losses Efficiency • OCCR • Self-Financing Ratio • Bulk Commercial Metering Performance	• Losses: 25% • OCCR: 1.13	• Losses: 23% • OCCR: 1.26	On Track
Feed-In Tariff Implementation	Approval and implementation of a feed-in tariff policy with increased rooftop solar registrations.	• Improved grid flexibility and renewable energy integration. • Reduction in load-shedding exposure and emissions. • Development of alternative electricity supply sources.	• Customer Satisfaction • Infrastructure Investment • System Reliability • Bulk Purchase Cost Reduction	Customer Satisfaction: 70%	Customer Satisfaction: 75%	On Track
Replacement and Upgrade of SCADA and OMS Systems	Implementation of modern SCADA and OMS platforms with full system integration and predictive maintenance capability.	• Improved outage response times and asset lifecycle management. • Better management of load-shedding corridors. • Enhanced Quality of Service (QoS).	• ASIDI • ASIFI • Repairs Efficiency • Smart Utility Performance	• ASIDI: 7,000 min • ASIFI: 10 • Repairs Efficiency: 8%	• ASIDI: 6,500 min • ASIFI: 9 • Repairs Efficiency: 8%	On Track
Battery Energy Storage Systems (BESS)	Installation of battery storage systems at priority substations and implementation of load-shifting strategies.	• Reduced peak electricity demand from Eskom. • Improved supply reliability and cost efficiency. • Strengthened energy security and stability.	• Cash Flow from Operations • OCCR • Infrastructure Investment	• Net Surplus/Deficit Margin • OCCR: 1.13	• Net Surplus/Deficit Margin • OCCR: 1.26	On Track

5.6.3 Long-Term Projects (7–15 Years)

The long-term projects support City Power's strategy to modernise the electricity distribution network, improve reliability, and build institutional capacity. These projects align with the organisation's long-term infrastructure development and operational sustainability objectives, including enabling distributed generation, implementing advanced grid technologies, and supporting the transition to a low-carbon energy system.

Table 5.6.2 — Long-Term Projects

Project Name	Expected Outcome	Desired Impact	Linked Business KPIs	FY2028 - 31 Target	Status
Public Lighting Programme	Implementation of short-, medium-, and long-term interventions to improve the reliability of public lighting infrastructure.	- Improved public safety. - Enhanced accessibility and mobility after dark. - Improved community wellbeing.	Average time to repair logged streetlight faults	2 days – Motorways 3 days – Secondary roads, main arterials and area lighting	On Track
High Voltage (HV) Cable Circuits Programme	Reinstatement, replacement, and upgrading of targeted HV cable circuits.	- Stabilised high-voltage network. - Reduced prolonged outages through N-1 network reinstatement. - Improved network reliability, stability, and service delivery. - Increased customer satisfaction and reduced environmental risks.	- ASIDI - ASIFI - Repairs Efficiency - Smart Utility Performance (Network Visibility)	- ASIDI: 6,500 min - ASIFI: 9 - Repairs Efficiency: 8%	On Track
Network Reconfiguration Programme	Reconfiguration of medium-voltage networks to optimise operations and enable load-shedding exemptions for key customers.	- Improved network performance and operational optimisation. - Improved revenue collection through protection of strategic customers. - Reduced unplanned outages caused by lost diversity and in-rush energy.	Network reliability indicators	Refer to Annexures A, B and C for plant reconfiguration plans supporting load-shedding exemptions.	On Track
Gross Margin Improvement Programme	Implementation of initiatives aimed at improving City Power's gross margin performance.	- Implementation of future gross margin models linked to tariff reforms. - Optimisation of bulk electricity supply points. - Improved energy loss reporting using meter data. - Improved reliability of meter data retrieval systems.	- Electricity Loss Ratio - Net Surplus/Deficit Margin for Electricity	- Losses: 20% - Net Surplus/Deficit Margin for Electricity	On Track
Workforce Plan	Strategic workforce planning to ensure the availability of the right skills, in the right roles, at the right time.	- A skilled, transformed, and future-ready workforce. - Strengthened service delivery continuity and regulatory compliance. - Sustainable pipeline of critical technical skills.	- Succession Management Policy Implementation - Skills Development Pipeline	- Approved and implemented Succession Management Policy by December 2026. - Sustainable skills pipeline established by December 2030.	On Track

5.6.4 Implementation and Governance

City Power will continue implementing the Presidential Johannesburg Working Group (PJWG) Workstream 3 initiatives. The monitoring and review of PJWG initiatives will follow the Business Planning Guidelines and reporting processes prescribed by the Municipal Finance Management Act (MFMA) and the City of Johannesburg governance framework.

Table 5.6.3 — City Power Short-, Medium- and Long-Term Strategy (TAS24/TSR-Aligned) (Table 9)

Category	Shareholder Priorities	City Power Objective	FY2025/26	Short Term (FY2026–2028)	Medium Term (FY2030 / 5 Years)	Long Term (FY2035 / 10 Years)	TAS24 / TSR Alignment
Leadership & Corporate Profile	Job Opportunity & Job Creation	Winning Through Our People	Development and approval of a comprehensive Succession Plan. Streamline workforce deployment and optimise organisational structure.	Implementation of the approved Succession Plan and continued optimisation of workforce deployment.	Monitor and strengthen implementation of the Succession Plan while enhancing leadership pipeline and organisational capabilities.	Sustain succession planning practices and maintain an agile workforce structure that supports long-term organisational sustainability.	Aligns with Trading Reform Goal 5 – Build a motivated workforce, strengthen leadership pipelines, and institutionalise succession planning to ensure utility continuity and transformation.
Governance	Good Governance	Being a Governance and Risk Conscious Organisation	Continuous implementation of the UIFWE Reduction Strategy. Review and monitor compliance with legislation.	Continue implementing the UIFWE Reduction Strategy and strengthen compliance monitoring across all departments.	Institutionalise zero tolerance for corruption and achieve 0% UIFWE while maintaining legislative compliance.	Sustain zero tolerance governance culture and maintain 100% legislative compliance.	Aligns with Trading Reform Goal 6 – Improve compliance management, eliminate UIFWE risks, and institutionalise policy and governance reviews.
Service Delivery	Safer City	Aspiring for Uninterrupted Service	Achieve planned versus unplanned maintenance ratio of 40:60. Implement smart metering and advanced monitoring technologies. Intensify enforcement against electricity theft and non-payment.	Improve maintenance ratio to 50:50 and expand deployment of smart grid technologies and theft enforcement systems.	Improve maintenance ratio to 70:30, strengthening preventive maintenance programmes.	Achieve 80:20 maintenance ratio, ensuring infrastructure reliability and uninterrupted electricity supply.	Aligns with Trading Reform Goals 1 & 2 – Accelerate asset creation, infrastructure maintenance, energy mix deployment, and improve customer-centric reliability.
Sustainable Service Delivery	Sustainable Service Delivery	Creating Value for Customers	Achieve 85% Service Level Standard (SLS) performance. Begin renewable energy integration programmes.	Maintain 85% SLS performance and continue renewable energy integration initiatives.	Maintain 85% SLS performance with expanded renewable energy integration across the network.	Sustain 85% SLS performance and achieve a diversified	Aligns with Trading Reform Goals 1 & 2 – Infrastructure resilience and energy transition.

Category	Shareholder Priorities	City Power Objective	FY2025/26	Short Term (FY2026–2028)	Medium Term (FY2030 / 5 Years)	Long Term (FY2035 / 10 Years)	TAS24 / TSR Alignment
	Active and engaged citizenry					energy supply mix.	
Energy Mix	Green Economy	Energy Transition	Improve energy efficiency and implement energy mix projects (100% monitoring). Achieve 45,000 tons carbon emission reduction.	Continue implementation and monitoring of energy mix projects. Achieve 50,000 tons carbon emission reduction.	Strengthen energy efficiency programmes and achieve 55,000 tons carbon emission reduction.	Achieve 60,000 tons carbon emission reduction through renewable energy and energy efficiency programmes.	Aligns with National Energy Transition and Climate Action objectives.
Smart Utility	Smart City	Digitalised Grid Operations	Implement digital grid technologies including SCADA and predictive analytics with 37% visibility of network, meters and workforce operations.	Expand digital grid visibility to 50% of network, meters and workforce operations.	Increase digital visibility to 70% by 2030, enabling predictive asset management.	Achieve 100% network visibility enabling a fully digital smart utility.	Aligns with Trading Reform Goals 1 & 2 – Operational efficiency, improved reliability, and data-driven utility management.
Operational Efficiency	Infrastructure Development & Refurbishment	Infrastructure Modernisation	Implement data-driven planning and automated monitoring systems. Begin infrastructure upgrades and network reinforcement.	Continue infrastructure refurbishment and expand network capacity to support demand growth.	Maintain upgraded infrastructure and strengthen operational monitoring systems.	Sustain modernised infrastructure and ensure resilient electricity distribution network.	Supports asset lifecycle management and operational efficiency reforms.
Green Economy	Infrastructure Development & Refurbishment	Sustainable Infrastructure	Upgrade aging infrastructure and expand network capacity. Reduce outages by 25%.	Continue infrastructure upgrades and reduce outages by 30%.	Maintain infrastructure improvements and reduce outages by 35%.	Achieve 50% outage reduction through network resilience and smart grid deployment.	Supports climate-resilient infrastructure and sustainable urban development.

Category	Shareholder Priorities	City Power Objective	FY2025/26	Short Term (FY2026–2028)	Medium Term (FY2030 / 5 Years)	Long Term (FY2035 / 10 Years)	TAS24 / TSR Alignment
Citizen Engagement	Active & Engaged Citizenry	Customer Centricity	Enhance customer service platforms and achieve 70% Customer Satisfaction Index.	Maintain 70% Customer Satisfaction Index through improved customer engagement platforms.	Improve Customer Satisfaction Index to 75% through digital service channels.	Maintain 75% Customer Satisfaction Index and strengthen customer trust in service delivery.	Supports customer-centric service delivery and transparency.
Human Resources	Job Opportunity & Job Creation	Winning Through Our People	Achieve Employee Satisfaction Index and Leadership Effectiveness Index of 3. Achieve Employment Equity targets of 30% gender equity and 2% disability representation.	Improve Employee Satisfaction Index to 3.5 and achieve 40% gender equity. Increase procurement spend: 35% gender, 2% disability, 8% youth.	Achieve Employee Satisfaction Index of 4 and 50% gender equity with 3% disability representation.	Sustain workforce transformation targets and maintain inclusive employment practices.	Aligns with Trading Reform Goal 5 – Develop technical and leadership capabilities aligned with the 70:20:10 learning model.
Finance	Financial Sustainability & Economic Growth	Making Every Rand Count	Improve net profit margin to 0% break-even. Reduce energy losses to 25%. Achieve 100% billing accuracy and strengthen collection systems to 96%.	Improve net profit margin to 3% and reduce energy losses to 23%. Improve collection systems to 98%.	Improve net profit margin to 5.5% and reduce energy losses to 20%. Maintain billing accuracy at 100%.	Achieve 10% net profit margin, maintain energy losses at 17%, and sustain revenue collection efficiency.	Aligns with Trading Reform Goal 3 – Improve revenue integrity, tariff reform, balance sheet restructuring, and diversify revenue streams.
Internal & External Audit	Good Governance	Governance and Risk Conscious Organisation	Achieve 100% resolution of Internal Audit findings and External Audit findings. Achieve Unqualified Audit Outcome.	Maintain 100% resolution of audit findings and strengthen internal control systems. Achieve Unqualified Audit without material findings.	Sustain audit resolution performance and institutionalise governance improvement frameworks.	Achieve and maintain Clean Audit Outcome.	Aligns with Trading Reform Goal 6 – Strengthen governance, improve audit outcomes, and institutionalise internal controls.

5.7 Climate Action Plan Alignment

City Power plays a critical role in supporting the City of Johannesburg's Climate Action Plan. Electricity generation and distribution are significant contributors to greenhouse gas emissions. Transitioning to cleaner energy sources is therefore essential to reducing the City's environmental footprint. City Power supports the Climate Action Plan through renewable energy integration, rooftop solar programmes, energy efficiency initiatives, and battery energy storage systems.

Table 5.7.1 — Climate Strategy Alignment

COJ Climate Action Plan (CAP) Theme	COJ CAP Measures / Interventions	City Power Strategic Objectives	City Power Programme / Projects
Affordable Clean Energy	- Promote embedded and distributed generation (e.g. rooftop PV) - Increase share of renewable energy in the grid - Eradicate energy poverty - Improve energy efficiency and reduce share of fossil fuel use in industrial sector	Committed to creating value for our customers	Virtual PV Power Station: Installation and commissioning of rooftop solar on City Power and CoJ facilities. Plans to exploit the city's roof space skyline to install and interconnect PV systems into a Virtual Power Station. A CoJ-driven feasibility study on 20 CoJ buildings is currently underway (R3m budget for 26/27). Battery Energy Storage System (BESS) STPPP: Storage of energy (charge through arbitrage) and discharged during load shedding or peak demand periods. Suitable for substations, Key & Large Customers. Small Scale Embedded Generators (SSEGs): 1,119 customer installations commissioned with total capacity of 150 MW. Dependency on Feed-In-Tariff (FIT) and trading system deployment. Gas to Power STPPP: Refurbishment of Open Cycle Gas Turbines at John Ware and Durban Street.
Optimized Energy Efficiency in Buildings	- Achieve net zero carbon through efficiency and renewable in all new public and private buildings built from 2030 - Achieve net zero carbon in all existing buildings by 2050 - Ensure that all municipal operations and buildings are net zero carbon by 2030	Aspiring for Uninterrupted service	Retrofitting commercial, residential, and communal buildings with energy efficient smart technologies (legal requirement for energy performance for Government buildings $\geq 1000 \text{ m}^2$). Residential water heating Programme for peak shaving and demand charges reduction. 10,100 SWH installed at low-cost housing settlements sourced from the DMRE programme. Geyser load contributed about 30% of average residential household consumption. Compliance with EPC (National Energy Act, Act 34 of 2008) for Government facilities of 1000m² and above. Due date 07 December 2025. Non-compliance: R5m fine or 5-year jail term. Current budget: R1.8m for 28 buildings.
Green Transport	- Enable mode shift towards public transport - Promote non-motorised transport - Enable fuel switching to cleaner fuels and electric vehicles - Improve vehicle fuel efficiency	Committed to creating value for our customers	City of Johannesburg is a member of C40 cities. Three EVs have been purchased, with a 10-year plan of replacing 680 vehicles with EVs. City Power will be launching the Electric Vehicle Charging Stations on 26 November 2025.

COJ Climate Action Plan (CAP) Theme	COJ CAP Measures / Interventions	City Power Strategic Objectives	City Power Programme / Projects
	• Ensure transit orientated development		
Resilient Human Settlement	• Enhance community resilience through sustainable livelihoods Programmes • Develop safer settlements for vulnerable communities • Manage urban growth to decrease risk • Promote sustainable, efficient land use	Committed to creating value for our customers	Sustainable Service Delivery utilising alternative energies (e.g. Photo Voltaic and gas).
Resilient Infrastructure	• Protect municipal infrastructure from climate hazards • Expand and rehabilitate green spaces	Aspiring for Uninterrupted service	Power Transformer Capital Programme (Green Technologies and smaller footprint). Replacement and upgrade of critical assets (Green Technologies and smaller footprint).

CLIMATE STRATEGY — TAS24 ALIGNMENT

City Power's Climate Action Plan is further supported by the implementation of key TAS24-aligned infrastructure programmes:

- **Virtual PV Power Plant** — rooftop solar scaling across CoJ facilities
- **SSEG grid integration** — 1,119 installations, 150 MW capacity, FIT dependency
- **Battery storage investments** — BESS deployment at priority substations

These are outlined in the Trading Reforms Roadmap (FY2024/25 – FY2030).

5.8 Climate Performance Monitoring

The following indicators are monitored as part of City Power's compliance with the CAP and Trading Services Reform (TSR) Institutional Roadmap:

- % Capital Budget Spent on Energy Mix Projects
- % Rooftop PV Installed (MW)
- % SSEG Net Billing
- Tons of CO₂ Offset Annually
- % of Informal Households Electrified

City Power's strategic objectives are no longer defined solely by traditional utility metrics but by a bold and necessary transformation aligned with national imperatives, shareholder priorities, and municipal realities. Through the integration of the Trading Services Reform (TSR) Roadmap, Turnaround Strategy 2024 (TAS24), and alignment with the Climate Action Plan and GDS2040 outcomes, City Power is repositioning itself as a future-ready, service-oriented, and financially sustainable energy provider. These objectives will be implemented through phased, measurable programmes across all operational pillars — supported by active reform monitoring and quarterly reporting to the Shareholder and National Treasury.

5.9 Conclusion

City Power's strategic objectives are aligned with national development priorities, provincial economic strategies, and the City of Johannesburg's long-term development vision. Through its infrastructure investment programmes, governance reforms, and energy transition initiatives, City Power contributes to building a resilient and sustainable urban energy system. The alignment framework outlined in this chapter ensures that the organisation's operational activities support broader economic development objectives while addressing the structural challenges affecting the electricity distribution sector. As the utility evolves from a distributor into an energy services platform, this chapter marks a shift from intention to institutional execution anchored in resilience, accountability, and inclusive progress.

END OF CHAPTER 5 — STRATEGIC OBJECTIVE ALIGNMENT

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 6

CITY POWER RESPONSE TO STAKEHOLDERS

Business & Investment Plan | FY2026/27

MFMA Compliant Municipal Finance Management Act	IDP Aligned Integrated Development Plan	DDM Aligned District Development Model	CBP Framework Community-Based Planning
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CHAPTER 6 — PURPOSE

This chapter highlights how City Power understands and addresses the diverse needs of communities and customers across six engagement frameworks:

- Section 1: Community-Based Planning Outcomes
- Section 2: Integrated Development Planning Outreach Outcomes
- Section 3: Quality of Life Surveys
- Section 4: Customer Satisfaction Survey
- Section 5: Intergovernmental Relations (IGR)
- Section 6: District Development Model (DDM)

This chapter focuses on the following key areas:

- 6.1 Introduction
- 6.2 Community-Based Planning (CBP) Outcomes
- 6.3 Integrated Development Plan (IDP)
- 6.4 Quality of Life Surveys
- 6.5 FY 2026/27 Customer Satisfaction Survey Plan
- 6.6 Perception Management
- 6.7 Inter-Governmental Relations (IGR)
- 6.8 District Development Model (DDM)

CHAPTER 6 — CITY POWER'S RESPONSE TO STAKEHOLDERS

The chapter outlines City Power's stakeholder engagement framework and community responsiveness mechanisms. As a municipal entity, City Power is accountable to the residents of Johannesburg and participates actively in community planning, IDP processes, and customer engagement platforms.

6 Engagement Sections CBP, IDP, QoL, Customer, IGR, DDM	R664 million CBP Budget (Capital) FY2026/27 CBP-aligned investment	R362 million CBP Subsidies CoJ subsidies for CBP priorities	4 Strategic Pillars Access, Safety, Sustainability, Engagement
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Figure 6.0 — Chapter 6 Stakeholder Engagement Snapshot

NATIONAL TREASURY TRADING REFORMS — STAKEHOLDER ENGAGEMENT ALIGNMENT
City Power's stakeholder engagement framework aligns with NT Trading Services Reform requirements: • NT Circular 88 — Public reporting and performance transparency • MFMA Section 71 — Monthly reporting including stakeholder performance indicators • PJWG WS3.4 — Service Delivery Improvement through community engagement • IDP/SDBIP alignment — All CBP priorities linked to measurable SDBIP KPIs • District Development Model (DDM) — Coordinated intergovernmental planning

6.1 Introduction

City Power Johannesburg SOC Ltd operates within a complex stakeholder environment that includes customers, communities, businesses, regulators, government institutions, and employees. The organisation's ability to deliver reliable electricity services depends not only on technical performance but also on effective stakeholder engagement and responsiveness to public concerns.

As a municipal entity, City Power is accountable to the residents of Johannesburg through the City of Johannesburg Metropolitan Municipality. The organisation therefore participates in the City's Integrated Development Planning (IDP) processes, public participation programmes, and customer engagement platforms to ensure that service delivery priorities reflect the needs and expectations of communities.

Stakeholder engagement plays a critical role in identifying service delivery challenges, improving operational planning, strengthening accountability, and building public trust in municipal institutions. This chapter outlines the mechanisms through which City Power engages with stakeholders and how the organisation incorporates stakeholder feedback into its strategic planning and operational programmes.

Figure 6.1.1 — Chapter 6 Engagement Framework: Six Sections

Section 1 & 2 Community & IDP Planning Community-Based Planning Outcomes Integrated Development Planning Outreach	Section 3 & 4 Quality & Customer Surveys Quality of Life Surveys Customer Satisfaction Survey	Section 5 & 6 Intergovernmental Relations Intergovernmental Relations (IGR) District Development Model (DDM)
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6.2 Community-Based Planning (CBP) Outcomes

This section consolidates insights obtained through the public consultation processes undertaken during the business planning cycle. The objective is to utilise this information to support region-based planning and improve service delivery outcomes across the City of Johannesburg.

City Power's commitment to Community-Based Planning (CBP) reflects its strategic vision of building a sustainable, inclusive, and resilient energy system. CBP ensures that communities are not merely passive recipients of services but active partners in shaping development priorities, protecting critical infrastructure, and contributing to long-term service delivery outcomes.

By integrating CBP into the Business Plan, City Power strengthens local ownership of projects, ensures that investments align with community priorities, and promotes greater transparency, accountability, and trust between residents and the utility.

FY2026/27 CBP BUDGET COMMITMENT

For the FY2026/27 financial year, City Power allocates approximately R664 million (capital), supplemented by R362 million in subsidies, towards initiatives aligned with CBP priorities. These investments support: new service connections, public lighting improvements, renewable energy initiatives, ICT innovation, infrastructure security, and community engagement programmes.

6.2.1 Strategic Pillars of Community-Based Planning

The CBP framework is built on four strategic pillars that collectively support equitable, sustainable, and community-centred service delivery:

Figure 6.2.1 — Four Strategic Pillars of Community-Based Planning

Access & Equity Expanding household electrification and equitable access including Free Basic Electricity for qualifying households	Safety & Infrastructure Investing in public lighting and community-based infrastructure protection to reduce vandalism and theft	Sustainability & Innovation Promoting renewable energy, smart grid technologies, and digital platforms for the energy transition	Engagement & Awareness Strengthening community engagement through public awareness campaigns and stakeholder forums
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6.2.2 Benefits of Community-Based Planning

Community-Based Planning provides several strategic benefits that contribute to improved service delivery outcomes:

Benefits of Community-Based Planning

- Enhanced local ownership — communities develop stronger ownership, reducing resistance
- Improved alignment with community needs — local priorities directly reflected in investments
- Greater accountability and transparency — strengthens trust between City Power and residents
- Long-term sustainability — community-driven initiatives benefit from local support
- Strengthened social cohesion — promotes cooperative governance

6.2.3 Challenges of Community-Based Planning

Despite its benefits, CBP presents several operational challenges. To address these, City Power will prioritise capacity-building initiatives, inclusive facilitation approaches, phased project implementation aligned with available resources, and strategic partnerships with community structures and law enforcement agencies to safeguard infrastructure.

Figure 6.2.2 — CBP Challenges Framework

⚠ Challenges of Community-Based Planning

- Resource constraints — meaningful participation requires financial resources
- Capacity gaps — some communities lack technical expertise for engagement
- Coordination complexity — aligning CBP with DDM, NDP, SDGs, Agenda 2063
- Risk of elite capture — local leaders may marginalise vulnerable groups

6.2.4 Budget Allocation for CBP Projects

Budget allocations supporting CBP initiatives encompass community engagement programmes, local infrastructure protection initiatives, capacity building initiatives, and social investment projects including electrification of schools, clinics, and community centres, aligned with priorities identified through CBP processes.

Figure 6.2.3 — FY2026/27 CBP Budget Allocation by Category

R included in R664m Community Engagement Workshops, public awareness campaigns, participatory forums	R included in R664m Infrastructure Protection Community patrol programmes, neighbourhood watch, monitoring	R included in R664m Capacity Building Energy literacy, safety awareness, reporting training	R included in R664m Social Investment Electrification of schools, clinics, community centres	R362 million Subsidies (FBE/CoJ) Free Basic Electricity and CoJ subsidies for indigent households
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6.2.5 Community Participation in Infrastructure Protection

Community participation is critical in safeguarding electricity infrastructure and ensuring the sustainability of investments. The following six initiatives will strengthen community involvement in infrastructure protection:

Figure 6.2.4 — Community Infrastructure Protection Initiatives

Community Watch Partnerships Formal agreements with local community groups to monitor substations, transformers, and street lighting	Public Awareness Campaigns Education programmes highlighting the impact of cable theft, vandalism, and illegal connections	Accessible Reporting Mechanisms Toll-free hotlines, WhatsApp platforms, and mobile applications for reporting suspicious activities
Incentive Programmes Recognition and reward programmes for communities demonstrating reduced infrastructure vandalism	Youth Engagement Initiatives Collaboration with schools and youth organisations to promote energy awareness	Collaborative Planning Platforms Integration of infrastructure protection priorities into ward-level development planning via CBP

6.2.6 CBP Benefits, Challenges and Mitigation Framework

The table below provides a financially grounded analysis of CBP benefits, challenges, and mitigation measures, linked directly to the budget allocations presented in Chapter 11 of the City Power Business Plan. This ensures that community engagement initiatives are aligned with strategic investment priorities and measurable service delivery outcomes.

Table 6.2.1 — CBP Benefits, Challenges and Mitigation Measures (Linked to Chapter 11 Budget)

CBP Benefit / Challenge	Description	Impact if Not Addressed	Mitigation Measures and Budget Alignment
Enhanced Local Ownership	Communities participate in planning, develop ownership, and reduce resistance to implementation.	Without CBP, community rejection may cause project delays or vandalism of newly installed infrastructure.	Structured ward-level workshops integrated into project planning. Alignment with IDP and SDBIP timelines. Budget: R664 million (capital) + R362 million (subsidies) for CBP-aligned projects.
Improved Alignment with Community Needs	Local priorities (electrification, safety, reliability) are directly reflected in investment decisions.	Investment misalignment results in projects that do not address critical community needs.	CBP inputs used to prioritise electrification, public lighting, and renewable energy in each ward. Refer to Chapter 11 for investment breakdown by programme.
Greater Accountability and Transparency	Structured engagement strengthens trust and improves transparency in decision-making.	Lack of transparency may erode public confidence and payment compliance.	Quarterly progress reporting to ward committees. Communication of CBP outcomes through community platforms and media.
Long-Term Sustainability	Community-driven initiatives benefit from local support and monitoring.	Projects without community ownership risk vandalism, neglect, and poor utilisation.	Capacity-building programmes improve energy literacy and infrastructure stewardship. Youth and school engagement initiatives promote long-term ownership.
Strengthened Social Cohesion	CBP promotes cooperation between residents, ward committees, and City Power.	Absence of engagement may deepen community-utility tensions and increase theft.	Establishment of Community Watch Partnerships and incentive programmes for communities demonstrating reduced infrastructure vandalism.
Resource Constraints (Challenge)	Meaningful participation requires funding for facilitation, workshops, and communication platforms.	Under-resourced CBP leads to low participation, poor outcomes, and missed priorities.	Dedicated CBP budget allocation aligned to community engagement programmes in Chapter 11.
Capacity Gaps (Challenge)	Some communities lack technical expertise for infrastructure planning discussions.	Inadequate participation leads to misaligned priorities and implementation gaps.	Capacity-building training on energy literacy, safety, and reporting mechanisms. Partnership with schools, youth organisations, and NGOs.
Coordination Complexity (Challenge)	Aligning CBP inputs with DDM, NDP, SDGs, and Agenda 2063 increases planning complexity.	Uncoordinated planning leads to duplication, delays, and resource inefficiency.	Integration of CBP into the District Development Model (DDM) and IDP planning frameworks. Phased implementation aligned with available resources.
Risk of Elite Capture (Challenge)	Local leaders may dominate consultation, marginalising vulnerable groups.	Marginalised communities remain underserved, eroding equity objectives.	Inclusive facilitation ensuring representation of women, youth, persons with disabilities, and informal settlement residents.
Implementation Delays (Challenge)	Extensive consultation processes or community unrest may delay project timelines.	Service delivery backlogs worsen and infrastructure investment is deferred.	Phased project implementation and interim service delivery measures. Escalation protocols for community unrest.

CBP — NT TRADING REFORMS AND MFMA ALIGNMENT

- City Power's Community-Based Planning framework aligns with the following reform obligations:
- **MFMA Section 95(d)** — Customer care and revenue management through community engagement
 - **NT Circular 88 / 93** — Transparent public reporting on service delivery outcomes
 - **PJWG WS3.5** — Capacity Management, including community capacity building
 - **IDP Chapter 4** — Public participation and community development priorities
 - **GDS2040** — Inclusive urban development and community resilience

6.3 Integrated Development Plan (IDP) and Infrastructure Reform (FY2026/27)

The 2026/27 Integrated Development Plan (IDP) Review represents a critical turning point for the City of Johannesburg, marking a deliberate shift from planning and diagnosis to accelerated implementation. Central to this transition is the recognition that reliable infrastructure and service delivery are fundamental to improving quality of life and supporting the City's economic and social development priorities.

The IDP foregrounds the City's commitment to strengthening Infrastructure Asset Management (IAM) governance, supported by improved systems, processes, data and institutional capacity. This reform agenda responds to longstanding challenges, including ageing infrastructure, fragmented planning, inadequate asset data and reactive maintenance practices.

City Power acknowledges the existence of a significant electricity infrastructure backlog and is committed to progressive infrastructure renewal and modernisation. Through alignment with the Infrastructure Asset Management Improvement Programme (IAM-IP) and the Joburg Infrastructure Plan, the entity is transitioning toward a proactive, lifecycle-based and evidence-driven approach to managing electricity distribution assets.

City Power Strategic Intent (2026/27 MTREF)

City Power's strategic intent for the 2026/27 MTREF is to restore financial sustainability, strengthen infrastructure resilience and transition into a modern, diversified energy utility. This aligns with the City's broader development agenda and key reforms including TAS24, National Treasury Trading Services Reform (TSR) and GDS 2040.

The entity will focus on:

- Financial recovery and revenue optimisation
- Infrastructure renewal and improved network reliability
- Enhanced service delivery and customer confidence
- Energy diversification through renewable integration
- Strengthened governance, compliance and risk management

This approach responds to key systemic challenges, including infrastructure backlogs, escalating costs and high system losses, while positioning City Power for long-term sustainability and energy transition.

Key MTREF Priorities

1. Financial Sustainability

- Revenue target of R29.8 billion (FY2026/27)
- Reduce system losses from ~29.87% to 16% by 2030/31
- Strengthen billing, revenue assurance and debt management
- Improve cash flow, cost containment and liquidity

2. Infrastructure Investment

- R2.162 billion capital programme for FY2026/27
- Focus on substations, transformers, network upgrades and automation
- Address long-term infrastructure backlog and improve asset performance

3. Service Delivery Excellence

- Improve network reliability and outage response (ASIDI/ASIFI targets)
- Achieve 95% customer query resolution within 22 days
- Expand electrification and public lighting programmes
- Enhance customer engagement through digital channels

4. Energy Transition and Digitalisation

- Accelerate renewable energy integration and embedded generation
- Roll out smart metering and smart grid technologies (target ~98% coverage)
- Implement battery energy storage systems (BESS) and IPP procurement

5. Governance and Institutional Strengthening

- Improve audit outcomes and compliance with MFMA and King IV
- Strengthen enterprise risk management and internal controls
- Implement National Treasury reforms (PIAP, TSR)

To drive this transition, the Entity is working with the City to ensure the progressive institutionalization of the IAM IP, to forge an integrated system that links:

- Strategic planning and infrastructure priorities
- Asset management and lifecycle requirements
- Capital and operational budgeting decisions
- Project preparation and delivery execution

Infrastructure Governance and Alignment

City Power will contribute to the institutionalisation of the IAM-IP by embedding an integrated infrastructure management framework that links:

- Strategic planning and infrastructure prioritisation
- Asset lifecycle management and condition-based planning
- Capital and operational budgeting decisions
- Project preparation, delivery and performance monitoring

As part of this effort, the entity will implement two key directives under the Joburg Infrastructure Plan:

- Directive 1: Adoption and progressive enhancement of Infrastructure Asset Management Plans (IAMPs), achieving Version 3.0 by FY2026/27
- Directive 2: Alignment to the Consolidated Group Infrastructure Asset Register (CGIAR) through the development and submission of standardised, reliable asset data

These directives will strengthen the alignment between strategic intent and operational execution, ensuring coordinated infrastructure planning and delivery across the value chain.

Strategic Infrastructure Planning Framework

The Joburg Infrastructure Plan establishes a unified framework for infrastructure governance across the City, underpinned by the following principles:

- Adoption of lifecycle-based asset management (CIDMS aligned)
- Continuous improvement of asset management systems and maturity
- Integration of planning, budgeting and asset management processes
- Strengthening of infrastructure data and centralised asset registers
- Prioritisation of renewal and upgrading of existing infrastructure over new assets

The associated Capital Expenditure Framework (CEF) introduces a long-term investment approach that prioritises:

- Renewal and refurbishment (target ratio 80:20 vs new infrastructure)
- Strategic spatial investment aligned to development priorities
- Improved maintenance funding to sustain asset performance
- Investment decisions based on lifecycle cost, asset condition and risk

The Integrated Development Plan (IDP) is the City of Johannesburg's key strategic planning tool, enabling communities, businesses, and civil society to influence development priorities. City Power participates in the IDP process to align its electricity infrastructure planning with the City's broader goals.

Community feedback on issues such as outages, street lighting, electrification, and network maintenance is analysed and incorporated into City Power's operational and capital plans. The entity also works closely with the City's Environment and Infrastructure Services Department to ensure electricity infrastructure supports wider municipal development initiatives.

Table 6.2.1 — Summary of IDP Outcomes

Region	Wards / Areas	Key Community Issues	City Power MTREF Response	CAPEX Link (FY2026/27)	Benefits if addressed	Risks if Not Addressed
Region A	Wards 74, 77, 80, 92, 96, 108 (Ivory Park, Kanana, Kaalfontein, Klipfontein, Riverside View)	- No electrification in Informal Settlements - Illegal connections - Streetlights not working - Installation of Public and Streetlights - Billing complaints - Logged calls closed without being attended to by contractors - Unaffordable cost of electricity	- Electrification - Smart metering - Public lighting - Network strengthening - Electrification of Informal Settlements is under Human Settlements. City Power provides support	- R32m Service connections - R271m Metering - R108m Lighting	- Improved safety and access - Reduced losses - Revenue growth	- Fires and electrocutions - Persistent system losses - Social unrest
Region B	Wards 69, 81, 82, 86, 87, 90, 99, 102, 117, 118 (Westbury, Greenside, Craighall Park, Parkhurst, Kensington)	- Faulty / non-functional streetlights - Aging infrastructure - Frequent outages - High tariffs and affordability concerns - Backlogs in repairs and maintenance	- Automation - Public lighting replacement - Maintenance programme - Network refurbishment - Tariff reform and revenue management	- R373m Network upgrades - R414m Automation - R108m Public lighting - Maintenance OPEX	- Improved reliability - Economic activity support - Improved visibility and safety - Reduced outages - Customer satisfaction	- Crime risk due to darkness - Infrastructure collapse - Non-payment due to affordability concerns
Region C	Wards 83–89 (Braam Fischer, Robertville, Florida Park, Davidsonville, Grobler Park, Discovery, Allen's Nek, Constantia Kloof, Roodepoort, Roodekrans Ext 2, Honey Park, Witpoortjie, Randpark ridge, Mathollesville, Roodepoort, Tshepisong West, Sundowner, North Riding AH)	- Frequent outages - Poor maintenance - Frequent Substation failures - Overloaded infrastructure - Aging transformers	- Substation refurbishment - Transformer replacement - Grid strengthening	- R765m Bulk infrastructure - R373m Network upgrades	- Increased reliability - Reduced outages - Business continuity	- Infrastructure failure - Persistent outages - Reputational damage - Economic losses

Region	Wards / Areas	Key Community Issues	City Power MTREF Response	CAPEX Link (FY2026/27)	Benefits if addressed	Risks if Not Addressed
RegionD	Wards 15, 16, 20, 21, 30, 31, 34, 36, 42, 47, 51, 135 (Soweto, Protea North, Pimville Senaoane Mapetla Naledi Tladi Camp Orlando Jabulani Zondi Meadowlands Dodsonville Zola Protea Glen)	- Poor street lighting - Safety concerns - Load reduction impacts - Infrastructure inequality	- Public lighting rollout - Maintenance - Electrification support - Loss reduction programme	- R108m Lighting - Revenue protection programme	- Reduced crime - Improved safety - Equitable service delivery	- High crime levels - Non-payment culture - Community dissatisfaction
Region E	Wards 32, 33, 66, 72, 73, 74, 81, 82, 91, 102, 105, 108, 115 (Kelvin Greenstone Hill Modderfontein Val Auckland Greenstone Hill Observatory Kensington, Sydenham Orange Grove Lower Houghton Houghton Estate Highlands North Kew Raedene North Rouxville Corlett Gardens Lyndhurst River Park Lombardy East Corlett Gardens Sandown Strathaven Bryanston Far east bank Ext 8 Alexandra Maroeladal / Jhb North Bloubastrand)	- Billing complaints (estimated readings) - High tariffs - Revenue losses	- Smart metering rollout - Billing reform - revenue assurance	R271m Metering and Revenue improvement programme	- Accurate billing - Improved revenue collection - Customer trust	- Revenue leakage - Customer disputes - Declining payment levels

Region	Wards / Areas	Key Community Issues	City Power MTREF Response	CAPEX Link (FY2026/27)	Benefits if addressed	Risks if Not Addressed
	Jukskei Park Rembrandt Park)					
Region F	Wards 5, 23, 25, 54, 57, 58, 60, 66, 118, 123, 125	- Infrastructure decay - Cable theft - Aging cables and infrastructure - Slow response times - Maintenance backlogs	- Security upgrades - Maintenance programme - Automation - Operational efficiency improvements	R414m Automation Maintenance Opex	- Improved efficiency - Reduced downtime - Faster response	- Increased breakdowns - System inefficiencies - Public dissatisfaction
Region G	Wards 5, 12, 16, 45, 89, 122, 130 (Poortjie Blue Oaks, Midrand Protea North ext1 Meredale Allen's nek Zakariya Park Gauteng Buccleuch)	- Electrification access gaps - Reliability issues - Limited infrastructure capacity	- Network expansion - Electrification - Infrastructure investment	Portion of R2.162bn capital programme	- Increased access - Improved reliability - Economic inclusion	- Persistent backlogs - Limited economic growth - Energy inequity
Business Community	All Regions	Concerns regarding electricity tariffs and rebate structures.	- City Power's approved tariff plan outlines electricity tariffs applicable to each customer segment and is aligned with the regulatory requirements approved by the National Energy Regulator of South Africa (NERSA). - City Power continues to implement proactive infrastructure maintenance programmes aimed at strengthening network reliability and reducing the risk of infrastructure failures.			Community dissatisfaction
People with Disabilities (PWD)	All Regions	- Concerns regarding electricity tariffs and rebates. - Requests for employment opportunities.	- City Power's tariff plan outlines the applicable tariffs for all customer segments. - City Power implements employment opportunities through the Expanded Public Works Programme (EPWP) in accordance with the City of Johannesburg's Extended Social Package policy.			Community dissatisfaction
Youth		Requests for employment opportunities and skills development programmes.	City Power provides employment opportunities through the Expanded Public Works Programme (EPWP) and skills development initiatives aligned with the City of Johannesburg policies.			Community dissatisfaction and increased youth unemployment

An analysis of IDP submissions across Regions A–G indicates that community priorities are strongly aligned to City Power's core MTREF programmes, particularly electrification, infrastructure renewal, public lighting, smart metering and network reliability improvements. The FY2026/27 capital programme responds to these priorities, ensuring alignment between community inputs, strategic objectives and budget allocations. This strengthens the line-of-sight between IDP planning, infrastructure investment and service delivery outcomes.

The City Power's FY2026/27 capital investment programme of R2.354 billion includes allocations toward public lighting (R44 million), network upgrades (R499 million), bulk infrastructure (R641million), and smart metering (R395 million).

Table 6.2.1 — CAPEX Programmes aligned to IDP Issues

IDP Issue	Programme (Business Plan)	CAPEX Allocation FY2026/27	City Power's Response
Street lighting failures	Public Lighting: Installation of new public lighting, and particularly luminaire replacements.	R44m	Addresses crime and visibility issues raised across Regions A to D
Substation failure	Primary Network (Bulk) Infrastructure: transformer replacement.	R641m	Addresses Allen's Nek, Roodepoort Panorama system failures
Network overload & outages	Secondary Network Upgrades: substation automation: fibre rollout, RTUs, IEDs, batteries, chargers, and security systems	R914m	Responds to outage complaints across all Regions
Billing & revenue issues	Metering: Bulk meter, smart meter deployment, revenue collection, prepaid non-vending normalization.	R395m	Addresses estimated billing complaints
Electrification backlog	Service Connections: Based on demand; electricity connections for households	R32m	Responds to informal settlement across all Regions
Infrastructure ageing	Operational Capital: Operational capital expenditure on special vehicles, equipment, and substation buildings.	R103m	Improves reliability and reduces outages
Digital/service gaps	Information and Communication Technology (ICT): Digital energy mix projects: BECCS, Hydro Fuel Cells Technology, energy trading, innovation hub, and community-based renewable energy projects.	R75m	Improves response times and communication
Energy transition	Renewable Energy: e.g. solar heaters for water, solar-powered streetlights and high-masts.	R150m	Supports affordability and sustainability
	Total CAPEX FY2026/27	R2 354m	

The 2026/27 Business Plan reflects a fundamental shift toward integrated, data-driven and sustainable infrastructure management. Through alignment with the IDP, IAM-IP and Joburg Infrastructure Plan, City Power is strengthening its ability to deliver reliable services, improve asset performance and support the long-term development and resilience of the City of Johannesburg.

6.4 Quality of Life Surveys

The City of Johannesburg's 2023/24 Quality of Life Survey highlights a steady decline in satisfaction with municipal electricity services, dropping to 61% and projected to fall further in 2024/25. Residents cite frequent outages, load shedding, and unreliable infrastructure as key concerns.

Affordability remains a major issue, with satisfaction on electricity costs falling from 44% in 2017/18 to just 22% in 2023/24. Billing processes also attract low confidence, while theft, vandalism, and illegal connections continue to undermine supply reliability.

Low-income households are increasingly turning to candles and paraffin lamps, and 38% of respondents are considering self-generation, reflecting declining trust in municipal supply. In response, City Power will conduct a dedicated electricity satisfaction survey to guide targeted service improvements.

Summary of Quality of Life (QoL) Survey Response

City Power will continue to utilise insights from the Quality of Life and Customer Satisfaction Surveys to inform infrastructure planning, customer engagement strategies, and operational improvements. These interventions form part of the organisation's broader strategy to improve electricity reliability, enhance customer satisfaction, and restore public confidence in municipal electricity services.

Table 6.4.1 — Quality of Life (QoL) Survey Response

Household Service Type / Priority Issues	Priority Wards	Customers' Reasons for Dissatisfaction	Action Taken by City Power
Electricity / Energy	6, 7, 8, 10, 32, 33, 37, 47, 61, 64, 110, 125	Power interruptions, outages, and failures due to unstable supply and load shedding.	• City Power has developed and is implementing a comprehensive infrastructure investment plan aimed at stabilising the electricity distribution network. • The plan focuses on improving network reliability, operational performance, reduction of technical losses, and infrastructure protection.
		High electricity tariffs and rising costs.	• Rising electricity prices, particularly during peak demand periods, affect both City Power and its customers. • Penalties associated with exceeding Notified Maximum Demand (NMD) and differential tariffs across voltage levels highlight the need for enhanced demand-side management and the deployment of Battery Energy Storage Systems (BESS) to optimise energy costs and supply stability.
		Frustration with illegal connections, vandalism, and cable theft.	• Implementation of performance and consequence management measures. • Development and implementation of an infrastructure security plan, including collaboration with communities and law enforcement to address theft and vandalism.
		38% of respondents considering self-generation due to electricity challenges.	• Implementation of the Small-Scale Embedded Generation (SSEG) Programme, enabling customers to integrate rooftop solar systems into the municipal grid. • Implementation of the Solar Microgrids Programme, targeting informal settlements to reduce illegal connections and strengthen network security. • Introduction of electricity wheeling arrangements, enabling the delivery of electricity from private generators to end-users via the City Power network.

Household Service Type / Priority Issues	Priority Wards	Customers' Reasons for Dissatisfaction	Action Taken by City Power
Streetlights	66, 92, 10, 75, 105, 129, 13	Frequent service failures and non-functional streetlights.	The following maintenance activities will be undertaken: • Installation of pole covers • Night spotting and repairs • Luminaire and lamp replacement • Conversion of ABC conductors to bare conductors in areas with high theft and vandalism • Removal of illegal connections • Repair and replacement of underground cables and control equipment
		Poor or slow repair and maintenance response times.	Improved maintenance scheduling and targeted infrastructure repairs.
		Insufficient streetlighting or inadequate lighting brightness.	Expansion of public lighting infrastructure in priority areas.
		Streetlights remaining operational during daytime.	Implementation of improved monitoring and maintenance of photocells and control systems.
Safety	134, 20, 112, 106, 36	Residents perceive certain areas, particularly the Inner City, as unsafe due to inadequate lighting and infrastructure vandalism.	• Installation of pole covers. • Night spotting and repair programmes. • Luminaire and lamp replacement. • Implementation of the City Power infrastructure security programme, including collaboration with community stakeholders.
Cost of Municipal Services	10, 18, 19, 28, 33, 39, 40, 45, 46, 48, 49, 50, 59, 66, 70, 71, 77, 79, 83, 88, 90, 93, 101, 106, 110, 121, 125, 132	Rising municipal service costs and electricity tariffs.	• Implementation of the Solar Water Heating (SWH) Programme to reduce electricity demand, particularly in low-income households. • Expansion of installations in areas with high electricity consumption. • Strengthened community awareness campaigns to promote energy efficiency and behavioural change.
		Declining reliability and stability of electricity supply.	Implementation of Battery Energy Storage Systems (BESS) to improve grid stability and reduce the impact of load shedding.
		Frequent supply interruptions and insufficient maintenance.	Strengthening preventative maintenance programmes and improving operational efficiency to ensure timely resolution of network faults.

6.5 FY2026/27 Customer Satisfaction Survey Plan

Introduction

As part of City Power's commitment to customer-centric service delivery and continuous performance improvement, a Customer Satisfaction Survey will be conducted during the FY2026/27 financial year.

In line with the City of Johannesburg (CoJ) directive, City Power has adopted a customer satisfaction target of 70% for FY2026/27. The survey will be the primary mechanism used to measure performance against this target.

To ensure continuous improvement, recommendations from the FY2025/26 survey will be implemented during the first half of the financial year, prior to conducting the new survey.

Purpose, Objectives and Performance Target

The Customer Satisfaction Survey will support the following objectives:

- Measure overall customer satisfaction against the 70% target for FY2026/27.
- Improve service delivery performance across all Service Delivery Centres (SDCs).
- Strengthen customer trust, confidence and engagement.
- Provide credible performance indicators to support monitoring and reporting.
- Inform targeted operational, communication, and service improvement initiatives.

Scope of the Survey

The survey will be conducted across all eight (8) Service Delivery Centres (SDCs) and will include the following customer segments:

- Large Power Users (LPUs)
- Key and strategic business customers
- Domestic postpaid customers
- Domestic prepaid customers

This approach ensures representation of high-revenue customers, key economic contributors, and residential consumers, enabling accurate measurement of customer satisfaction.

Implementation Approach

Survey Planning and Design

The survey design process will include:

- Review of FY2025/26 survey results and recommendations
- Identification of priority service dimensions affecting customer satisfaction, including:
 - Quality of supply
 - Billing accuracy
 - Query resolution turnaround times
 - Communication effectiveness
- Development of segment-specific survey instruments
- Definition of a standardised satisfaction scoring methodology
- Appointment of a qualified service provider through SCM processes, where applicable

Data Collection

The survey will utilise a multi-channel approach:

- Online surveys distributed via SMS and email
- Telephonic surveys targeting Large Power Users and strategic customers
- In-person surveys at selected Service Delivery Centres

A stratified sampling methodology will be applied to ensure balanced representation across regions and customer segments.

Data Analysis and Reporting

The analysis process will include:

- Validation and consolidation of survey responses
- Calculation of overall and segment-specific satisfaction scores
- Assessment of performance against the 70% satisfaction target
- Identification of service delivery gaps
- Development of targeted service improvement recommendations

Table 6.5.1 — Customer Satisfaction Survey Implementation Timeline

Period	Key Activities
Q1 – Q2 FY2026/27	Implementation of FY2025/26 survey recommendations and monitoring of corrective actions
Q3 FY2026/27	Survey design, questionnaire finalisation, service provider appointment and data collection
Q4 FY2026/27	Data analysis, performance assessment against the 70% satisfaction target and final reporting

The Final Customer Satisfaction Survey Report will be submitted by June 2027.

Key Deliverables

The survey will produce the following outputs:

- Approved survey implementation plan and instruments
- Completed customer satisfaction survey across all customer segments and SDCs
- Final Customer Satisfaction Survey Report, including:

Deliverable	Description
Overall Customer Satisfaction Score	Measurement of performance against the 70% CoJ target
Segment Analysis	Performance results by customer segment and Service Delivery Centre
Key Drivers of Satisfaction	Identification of service delivery strengths
Key Drivers of Dissatisfaction	Identification of service gaps affecting customer experience
Improvement Plan	Actionable recommendations for service delivery improvement

Estimated Budget for Customer Satisfaction Survey

Financial Year	Activity	Budget Allocation
FY2026/27	Customer Satisfaction Survey Implementation	R2,500,000

Conclusion

The FY2026/27 Customer Satisfaction Survey is a structured performance initiative embedded within City Power's Business Plan. It directly supports the City of Johannesburg's 70% customer satisfaction target, while providing measurable evidence of service performance.

The survey findings will guide targeted interventions to improve electricity service reliability, enhance customer engagement, and strengthen overall service delivery outcomes.

6.6 Perception Management

City Power is implementing an integrated customer communication ecosystem as a key strategic lever to enhance transparency, strengthen operational accountability, and improve service-delivery performance. This ecosystem is

designed to provide customers with reliable, accessible, and streamlined channels for reporting service issues, escalating outages, and receiving time-sensitive operational updates.

The deployment of digital engagement platforms—including WhatsApp, social media, and mobile applications—together with the optimisation of traditional call-centre operations, enables City Power to consolidate customer feedback into a unified data environment. This integrated approach supports more accurate issue tracking, strengthens demand-management insights, and informs operational planning and resource allocation across the business.

These initiatives directly advance City Power's strategic goals by:

- Improving customer experience through timely communication and more effective issue resolution.
- Enhancing organisational agility by enabling real-time operational visibility and faster response to emerging service-delivery risks.
- Strengthening decision-making using customer-generated data to drive planning, investment prioritisation, and continuous service-delivery improvement.
- Building public trust and credibility through transparent and proactive communication.

By embedding a modern, data-driven communication framework into its operating model, City Power positions itself to become a more responsive, customer-centric, and performance-driven utility—supporting long-term organisational sustainability and improved service reliability across the city.

6.7 Inter-Governmental Relations (IGR)

City Power Johannesburg SOC Ltd operates within a complex multi-sphere governance environment where cooperative governance is both a constitutional imperative and a practical necessity. Intergovernmental Relations (IGR) are therefore central to the entity's ability to deliver energy security, support the just energy transition, and align with the City of Johannesburg's Integrated Development Plan (IDP), Medium-Term Development Plan (MTDP), and the District Development Model (DDM).

Historically, City Power's engagement in intergovernmental structures has largely been driven by regulatory and compliance requirements, including NERSA licensing obligations, MFMA reporting, National Treasury reforms, and alignment with the Integrated Resource Plan (IRP). While these engagements remain essential, City Power is strengthening its institutional maturity by positioning IGR as a strategic governance instrument rather than solely a compliance function.

This approach enables the entity to strengthen collaboration across government spheres, coordinate infrastructure planning, and support broader energy sector reforms while improving service delivery outcomes for the residents of Johannesburg.

Alignment to Legislative and Policy Context

City Power demonstrates strong alignment with key constitutional and sector legislation governing electricity and municipal services, including:

- The Electricity Regulation Act
- The National Energy Act
- The Municipal Finance Management Act (MFMA)
- The Municipal Systems Act (MSA)

Cooperative governance is further recognised through active engagement with national, provincial, and local government structures. Going forward, City Power will explicitly frame its IGR activities within Section 41 of the Constitution and the Intergovernmental Relations Framework Act, ensuring that cooperative governance principles are formally embedded in planning, reporting, and operational decision-making.

Institutional IGR Framework

To strengthen coordination and institutional accountability, City Power will establish a dedicated IGR focal point within its governance structure.

This function will:

- Coordinate transversal alignment with the City-wide IGR Strategy led by the Group Strategy, Policy Coordination and Relations (GSPCR).
- Develop and maintain a consolidated IGR stakeholder and platform map for the energy sector.
- Formalise escalation pathways, reporting lines, and performance indicators for IGR-related activities.
- Ensure structured participation in City-wide IGR forums and district-based coordination platforms.

This institutional architecture will move IGR from a dispersed compliance activity to a consolidated governance function, strengthening strategic coordination across the organisation.

Stakeholder and Partner Ecosystem

City Power operates within a diverse stakeholder ecosystem that includes national, provincial, and municipal partners, as well as regulatory institutions, industry organisations, and community stakeholders.

Key partners include:

- NERSA
- Eskom
- National Treasury
- Department of Mineral Resources and Energy (DMRE)
- SANEDI
- SAPS and JMPD
- Provincial departments
- Municipal entities (JDA, JOSHCO, JPC, JCPZ, Joburg Water)
- Independent Power Producers (IPPs)
- Energy Service Companies (ESCOs)
- Industry standards bodies (NRS and SABS)
- South African Local Government Association (SALGA)

A consolidated stakeholder map has been developed to clarify roles, interdependencies, and governance intent, and will be updated annually to guide engagement strategies.

Collaboration and Engagement Mechanisms

City Power participates in several multi-sphere platforms supporting regulatory coordination, infrastructure development, and energy sector reforms.

To strengthen collaboration:

- A register of IGR platforms and forums will be maintained.
- Formal escalation mechanisms will be introduced to resolve intergovernmental coordination challenges.
- Joint planning instruments will be implemented to align Service Delivery Centres with district-based coordination structures under the DDM.

IGR Risks and Mitigation

IGR-related risks will be formally recognised within City Power's Enterprise Risk Management (ERM) framework.

Key risks include:	Mitigation measures include
• Dependency on Eskom for bulk electricity supply • Regulatory uncertainty linked to NERSA approvals • Policy shifts associated with the national energy transition • Multi-agency enforcement dependencies relating to infrastructure protection	• Diversification through Independent Power Producers and embedded generation • Strengthened regulatory compliance • Infrastructure modernisation • Improved stakeholder coordination and oversight

Budget and Resource Adequacy

Although existing budgets strongly support infrastructure development and regulatory compliance, City Power will now allocate dedicated resources to support IGR coordination and multi-sphere engagement activities.

This includes:

- Capacity for the IGR focal point
- Stakeholder engagement programmes
- DDM reporting mechanisms

This ensures that IGR functions are institutionally supported and integrated within the organisational budget cycle.

IGR Implementation Roadmap

City Power Johannesburg SOC Ltd is strengthening its IGR framework to move beyond compliance and embed cooperative governance as a strategic driver of energy transition and service delivery. The roadmap begins with establishing a dedicated IGR focal point responsible for coordinating transversal alignment, stakeholder engagement, and reporting across government spheres. A consolidated stakeholder and platform map will be developed to clarify roles, interdependencies, and governance intent among national, provincial, and local partners.

To strengthen integration with the District Development Model, City Power will embed 2nd and 3rd Generation DDM logic and One Plan principles into project planning and reporting. Service Delivery Centres will be mapped to district platforms, ensuring that catalytic programmes such as:

- Energy Efficiency Programme
- Solar Water Heater Programme
- Electric Vehicle Charging Infrastructure
- Inner City Renewal initiatives

Quarterly reporting will monitor project milestones, expenditure, and beneficiaries at district level. Collaboration will be strengthened through a register of IGR forums and platforms, supported by escalation mechanisms to resolve intergovernmental challenges. Finally, resources will be allocated to support IGR coordination and DDM reporting, embedding these functions into the organisational planning and budgeting framework.

COJ Intergovernmental Relations Strategic Objectives

As an entity of the City of Johannesburg, City Power aligns with the City's five strategic objectives for Intergovernmental Relations:

- Move the strategic focus of IGR toward collaborative, outcome-driven governance.
- Strengthen vertical and horizontal policy alignment across government spheres.

- Improve integrated planning and budgeting to enhance service delivery.
- Institutionalise IGR management across departments and entities.
- Work with SALGA and national/provincial departments on devolution and unfunded mandate issues.

Table 6.7.1 — City Power IGR

City Stakeholders & Partners	Power & Engagement Collaboration Mechanisms	Projects/Programmes	Project benefits	Priority FY26/27	Focus
AMEU	Exchange of Industry Knowledge, ideas and factors impacting electricity sector	Regulatory Regime, Revenue Protection, Tariff Structures, Industry Standards	Ensure City Power aligns with current industry standards and regulatory changes	Ensure membership, respond to changing energy landscape and IPP integration	
Auditor General	Audit quality of financial statements, performance reports and legislative compliance	Implementation and tracking of Audit Action Plans	Improve internal control environment and reduce reportable matters	Clean Audit	
COGTA	Implementing agent for Gauteng Energy Crisis Response Programmes	Off-grid Solar High Masts, Transformer Replacement, Inner City Lighting	Income generation and programme implementation experience	Identify areas to assist municipalities	
DBSA	Engagement to secure funding	Funding discussions ongoing	Access to funding for key energy projects	Secure funding and implement projects	
Eskom	Supplier of electricity	Transmission, distribution, tariff engagement	Affordable electricity supply	Revenue restructuring and supply realignment	
GDACE	Environmental compliance	Environmental Impact Assessments	Compliance with environmental legislation	Infrastructure project approvals	
National Treasury	Trade and Reforms Strategy implementation	Trade and Reforms Strategy	Financial sustainability of municipality	Implement TRS24	
National Treasury (UISP)	Grant funding	Electrification programmes	Improved service delivery	Electrification of informal settlements	
SALGA	Represent local government interests	Sector policy development	Strengthen municipal cooperation	Continued sector support	

Table 6.7.2 — City Power IGR Additional Intergovernmental Partnerships

City Stakeholders & Partners	Power & Engagement Collaboration Mechanisms	Projects/Programmes	Project benefits	Priority FY26/27	Focus
SAPS & NPA	Joint operations to reduce infrastructure theft	Network protection programmes	Increased convictions for infrastructure crimes	Investigation and prosecution	
World Bank	Engagement for project funding	Discussions ongoing	Potential project financing	Secure funding	
KfW	Development finance support	Energy infrastructure projects	Capital investment support	Implement funded projects	

City Stakeholders & Partners	Power & Engagement Collaboration Mechanisms	& Projects/Programmes	Project benefits	Priority Focus FY26/27
PJWG	Alignment with Presidential priorities	555 Framework projects	Improved service delivery	Implement identified projects

Table 6.7.3 — Alignment Between IGR Framework and Investment Plan

IGR Action	Investment Plan Feature	Alignment Notes
Establish IGR focal point	TAS24 governance structure	Centralised coordination
Stakeholder mapping	Eskom dependency mitigation	Clarifies roles
DDM integration	Catalytic projects	District alignment
ERM risk recognition	Investment risks	Shared mitigation
Budget allocation	Governance oversight	Institutional maturity

6.8 District Development Model (DDM)

City Power recognises the importance of aligning its strategic programmes with the District Development Model (DDM) to ensure integrated planning and service delivery.

The DDM promotes One District, One Plan, One Budget, enabling coordinated planning, infrastructure investment, and improved accountability across government spheres.

City Power has embedded DDM logic into its 2026/27 Business Plan, ensuring that energy investment programmes support district priorities and contribute to the broader developmental agenda.

Table 6.8.1 — Consolidated Stakeholder Map

Stakeholder / Partner	Role in DDM & Energy Transition	Engagement Mechanism
National Government	Policy, regulation, funding	DMRE, National Treasury, NERSA
Provincial Government	Oversight and coordination	Provincial infrastructure forums
City of Johannesburg	Strategic oversight	Mayoral Committee and shareholder structures
Eskom	Bulk supply	Bilateral coordination
SANEDI	Innovation support	Research partnerships
Municipal Entities	Infrastructure projects	Joint catalytic programmes
Communities	Beneficiaries	Community engagement forums
IPPs & ESCOs	Diversified supply	Procurement frameworks
Standards bodies	Technical compliance	Certification and regulation
Law enforcement	Infrastructure protection	Joint operations
Academia	Research and innovation	Institutional partnerships
Private sector	Financing	PPPs and investment

Table 6.8.2 DDM Catalytic Projects vs Investment Programmes

DDM Catalytic Projects	Investment Plan Programmes	Alignment Notes
Energy Efficiency Programme	Technical loss reduction	Supports energy transition
Solar Water Heaters	Solar High Mast and LED retrofits	Promotes renewable energy
EV Charging	ICT enablement and network upgrades	Supports smart grid infrastructure

Developmental Impact

Through strengthened DDM integration, City Power contributes to the following outcomes:

- Approximately 400,000 households benefiting from electricity services
- 5–6 million residents impacted by improved electricity infrastructure
- Approximately 800 temporary jobs created annually
- Increased participation of Women, Youth, and Persons with Disabilities

Through these initiatives, City Power positions itself not only as a service provider but as a strategic partner in cooperative governance, energy transition, and Johannesburg's developmental state-building agenda.

END OF CHAPTER 6 — STRATEGIC OBJECTIVE ALIGNMENT

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 7

STRATEGIC ANALYSIS

Business & Investment Plan | FY2026/27

Energy Trilemma

Security · Affordability · Sustainability

SWOT Analysis

Strengths · Weaknesses · Opportunities · Threats

PESTLE Analysis

6-Dimension Macro-Environment

TAS24 Aligned

Turnaround Strategy 2024

CHAPTER 7 — PURPOSE

This chapter provides a structured strategic analysis of City Power's operating environment.

The analysis is built on three frameworks:

- 7.1 Environmental Analysis — Energy Trilemma, Industry Evolution, Global Forces, Local Drivers
- 7.2 SWOT Analysis — Internal strengths/weaknesses and external opportunities/threats
- 7.3 PESTLE Analysis — Political, Economic, Social, Technological, Legal and Environmental factors

All strategic responses are aligned to TAS24, NT Trading Services Reform (TSR), and the PJWG framework.

This chapter focuses on the following key areas:

7.1 Environmental Analysis

7.2 SWOT Analysis

7.3 Political, Economic, Social, Technological, Legal and Environmental (PESTLE) Analysis

CHAPTER 7 — STRATEGIC ANALYSIS

Chapter 7 provides a comprehensive strategic analysis of the forces shaping City Power's operating environment. The analysis informs City Power's Turnaround Strategy (TAS24), Infrastructure Recovery Plan, and energy diversification initiatives.

Figure 7.0 — Chapter 7 Strategic Analysis Snapshot

3 Analysis Frameworks Environmental, SWOT, PESTLE	4 SWOT Dimensions 6 Strengths, 6 Weaknesses, 6 Opportunities, 6 Threats	6 PESTLE Dimensions P-E-S-T-L-E with CP strategic responses	4 Strategic Lenses Trilemma, Industry Evolution, Global Forces, Local Drivers
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NATIONAL TREASURY TRADING REFORMS — STRATEGIC ANALYSIS ALIGNMENT
This chapter's strategic analysis informs City Power's alignment with NT reform requirements: • TAS24 — Turnaround Strategy 2024 (approved CoJ Mayoral Council, July 2024) • NT A3 PIAPs — Performance Improvement Action Plans driving operational and financial reform • PJWG Workstream 3 — Energy and Electricity strategic priorities • NT Circular 88 & 93 — Performance benchmarking and reporting

7.1 Environmental Analysis

City Power Johannesburg SOC Ltd operates within a rapidly transforming global and national electricity sector. Utilities across the world are undergoing structural transformation driven by climate commitments, decentralised generation, digital technologies, and evolving consumer expectations. At the same time, municipal utilities in developing economies must address infrastructure backlogs, financial sustainability challenges, and socio-economic pressures.

For City Power, the operating environment is characterised by a convergence of global energy transition pressures and local service delivery realities. The entity must simultaneously ensure electricity security, improve operational efficiency, modernise ageing infrastructure, and support South Africa's transition toward a low-carbon, decentralised, and digitally enabled energy system.

The assessment is structured around four strategic lenses: The Energy Trilemma; Evolution of the Energy Industry; Global Structural Forces; and Local Systemic Drivers. These lenses provide the foundation for identifying risks, opportunities, and strategic reform priorities that inform City Power's Turnaround Strategy (TAS24), Infrastructure Recovery Plan, and energy diversification initiatives.

7.1.1 The Energy Trilemma

City Power's strategic positioning must be understood within the context of the Energy Trilemma, a framework developed by the World Energy Council to describe the three competing objectives facing modern energy systems: Energy Security, Energy Affordability, and Environmental Sustainability. Balancing these three dimensions is essential to achieving a resilient and inclusive electricity system.

Figure 7.1.1 — The Energy Trilemma: Three Competing Objectives

⚡ Energy Security Reliable electricity supply through grid modernisation, infrastructure refurbishment, distributed generation	💰 Energy Affordability Balancing cost-reflective tariffs with equitable access — especially for the	🌱 Environmental Sustainability
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integration, and energy storage technologies	~94.7% of JHB households relying on electricity for lighting	Supporting SA's net-zero 2050 commitment through renewable energy, energy efficiency, and demand-side management (83% of GHGs from energy)
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Energy Security: Ensuring reliable electricity supply remains one of City Power's most critical priorities. South Africa's ongoing electricity supply constraints, coupled with ageing distribution infrastructure and increasing demand, place significant pressure on municipal utilities. City Power must invest in grid modernisation, infrastructure refurbishment, distributed generation integration, and energy storage technologies.

Energy Affordability: Approximately 94.7% of Johannesburg households rely on electricity for lighting, making affordability a key concern. Electricity tariffs have increased at an average rate of approximately 15% annually since 2010, placing pressure on households and businesses while simultaneously affecting City Power's revenue sustainability.

Environmental Sustainability: Approximately 83% of global greenhouse gas emissions originate from energy production and consumption. South Africa has committed to achieving net-zero emissions by 2050, and City Power plays a key role in supporting this national commitment through renewable energy integration, energy efficiency programmes, and demand-side management initiatives.

7.1.2 Evolution of the Energy Industry

The global electricity industry is undergoing a profound transformation that is reshaping the traditional role of utilities. Historically, utilities operated under a centralised generation and distribution model. However, the emergence of renewable energy technologies, distributed generation, and digital infrastructure is transforming the sector into a decentralised, data-driven energy ecosystem.

Figure 7.1.2 — Key Drivers of Energy Industry Transformation

Climate Change Mitigation Driving decarbonisation and shift to low-carbon electricity systems	Technological Innovation Smart meters, automation, SCADA, AI, and digital grid platforms	Regulatory Reform Enabling IPPs, wheeling, and decentralised energy markets	Prosumer Rise Consumers generating own power via rooftop solar — redefining markets
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Electricity networks are evolving from one-directional systems into multi-directional energy ecosystems, where energy flows between utilities, independent power producers, and consumers. The rise of prosumers — customers who both consume and generate electricity — is redefining electricity markets and introducing new regulatory and operational challenges. Digital technologies such as smart meters, intelligent distribution systems, and advanced telecommunications infrastructure are enabling utilities to manage electricity networks more efficiently.

7.1.3 Global Structural Forces

City Power must align its long-term strategy with global megatrends shaping electricity systems worldwide. The International Energy Agency (IEA) projects that renewable energy could account for up to 80% of global electricity generation by 2050. Key global forces include smart grid investment by utilities globally in battery energy storage systems to manage renewable energy integration, electrification of transport and industrial processes increasing electricity demand, distributed energy resources decentralising electricity generation, and sustainability expectations from consumers and investors demanding cleaner energy portfolios.

7.1.4 Local Systemic Drivers

While global trends shape the broader energy transition, City Power must respond to several local structural challenges that are unique to the South African and Johannesburg context.

Figure 7.1.3 — Local Systemic Drivers Shaping City Power's Operating Environment

Electricity Supply Instability Eskom dependency, national generation constraints, and load shedding impact reliability and customer confidence	Urbanisation & Population Growth Metropolitan population may double by 2040, significantly increasing electricity demand	Tariff & Revenue Challenges Tariffs increased ~15% annually since 2010 — balancing affordability with financial sustainability
Climate Commitments JHB CAP targets require accelerated renewable energy and emissions reduction	IPP Opportunities Growing IPP market enables supply diversification and Eskom dependency reduction	Customer Expectations Customers demand digital services, transparent communication, and reliable supply

7.2 SWOT Analysis

The Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis provides a structured assessment of internal capabilities and external risks affecting City Power's strategic trajectory. The analysis highlights the importance of innovation, infrastructure investment, governance reforms, and business model transformation in ensuring long-term sustainability.

Figure 7.2.1 — SWOT Summary Quadrant

STRENGTHS (Internal — Positive) - Engineering & project delivery capability - Stable executive leadership - IPP management expertise - City-wide operational footprint - Business model transformation underway - Sole licensed distributor (statutory monopoly) across major CoJ area 399,812 customers anchored in SA's economic hub 8 Service Delivery Centres with ward-level presence - NT-supported reforms (TAS24, PIAP, PJWG WS3, SPoMA) - Strong anti-theft prosecution record (150.9 cumulative sentencing years) - Smart metering and IDS pilot momentum	WEAKNESSES (Internal — Negative) - Energy losses at 29.87% - R44bn infrastructure backlog - Overdraft >R15.9bn - Poor asset condition (tunnel network) - Inefficient HR model 30% total losses (R5.7bn leakage) - R44bn infrastructure backlog; low SCADA visibility (37%) - Critical skills shortages (only 1 Pr Eng) - High customer debt, low collection rates, billing inaccuracies - OCCR below 1.0x; historical deficits
OPPORTUNITIES (External — Positive) - NT Trading Services Reform (TSR) - PJWG high-level support - Energy diversification (IPP, BESS, SSEG) - Mandate expansion (Mol amendment) - Smart grid technology deployment - NT/DFI funding (UDFG, INEP, KfW) for reform CAPEX - Smart metering & IDS for major revenue recovery (R380–420m per 1% loss reduction) - MIPPP, BESS, wheeling, and SSEG frameworks - Customer completeness programme (572k serviceable properties vs 399k billed)	THREATS (External — Negative) - National energy crisis / Eskom dependency - Regulatory uncertainty - Rising bulk electricity costs - Socio-economic pressures / theft - Cybersecurity risks - Eskom tariff escalations and supply instability - Persistent theft/vandalism - Rapid DER/SSEG growth impacting revenue model - Regulatory and political risks

Table 7.2.1 — SWOT Analysis: Strengths and Weaknesses with City Power Strategic Responses

Strengths		Weaknesses	
Strength	City Power Strategic Response	Weakness	City Power Strategic Response
• Robust Engineering & Project Delivery: Proven in-house capability to deliver complex infrastructure projects within planned timelines and budgets.	• Leverage Internal Technical Capability: Utilise engineering excellence to accelerate infrastructure modernisation, renewable energy integration, and grid resilience initiatives.	• Escalating Energy Losses (29.87%): High technical losses due to ageing infrastructure and non-technical losses from theft and illegal connections place significant strain on financial sustainability.	• Loss Reduction Programme: Deploy smart grid technologies, advanced metering infrastructure, and targeted anti-theft initiatives to reduce technical and non-technical losses.
• Stabilised Executive Leadership: A fully constituted and stable Executive Committee providing consistent leadership and strategic direction.	• Drive Strategic Reform: Use leadership stability to accelerate organisational transformation, mandate expansion, and energy sector reforms.	• Critical Infrastructure Backlog (R44bn): Ageing distribution assets, outdated smart meters, and limited SCADA coverage contribute to frequent outages and system instability.	• Infrastructure Recovery Programme: Leverage Metropolitan Trading Services reforms and PJWG support to address the infrastructure backlog and modernise network assets.
• IPP Management Excellence: Successful management of Kelvin Power Station provides a strong foundation for expanded energy procurement partnerships.	• Energy Diversification: Expand procurement from Independent Power Producers and renewable sources to reduce reliance on Eskom.	• Deteriorating Financial Position: Escalating overdraft exposure (>R15.9bn) and high-cost City loans undermine financial sustainability.	• Financial Restructuring: Implement financial turnaround strategies, optimise cost structures, and strengthen revenue collection systems.
• Established Operational Footprint: Sole electricity distributor across Johannesburg with a well-established operational network and customer base.	• Scale Digital Infrastructure: Use the city-wide footprint to deploy smart grid technologies, automation systems, and advanced network monitoring.	• Poor Asset Condition: Deterioration of critical infrastructure, particularly the inner-city tunnel network, poses safety and operational risks.	• Asset Rehabilitation: Prioritise rehabilitation and replacement of critical infrastructure as part of the Infrastructure Recovery Plan.

Strengths		Weaknesses	
Strength	City Power Strategic Response	Weakness	City Power Strategic Response
• Strategic Business Model Shift: Transitioning toward a diversified energy utility incorporating energy trading, wheeling services, and energy solutions.	• Commercialise New Energy Markets: Monetise emerging business opportunities including energy trading, wheeling services, and distributed energy integration. • Leverage Energy Unit: Use the ring-fenced Energy Unit to engage PJWG, National Treasury reforms, and funding institutions. • Expand Revenue Streams: Utilise mandate expansion to build new revenue streams.	• Persistent Theft and Vandalism: Infrastructure damage disrupts electricity supply and diverts financial resources from critical investments.	• Infrastructure Protection Strategy: Strengthen partnerships with law enforcement and deploy technology-based monitoring systems to protect assets.
		• Inefficient HR Model: Suboptimal workforce deployment, shift patterns, and excessive overtime contribute to rising operational costs.	• Workforce Optimisation: Modernise the HR operating model through digitalisation, improved workforce planning, and skills development aligned with the energy transition.

Table 7.2.2 — SWOT Analysis: Opportunities and Threats with City Power Strategic Responses

Opportunities		Threats	
Opportunity	City Power Strategic Response	Threat	City Power Strategic Response
• Metropolitan Trading Services Reform: Alignment with NT's A3 PIAPs provides a structured framework for operational improvement, governance strengthening, and potential funding support.	• Leverage Reform Programmes: Address internal weaknesses and strengthen institutional capacity by aligning with Metropolitan Trading Services reforms and implementing PIAP priorities.	• National Energy Crisis: Continued reliance on Eskom and exposure to load shedding undermines supply reliability and customer confidence.	• Strengthen Grid Resilience: Utilise City Power's engineering capability and infrastructure investments to mitigate the operational impacts of load shedding and national supply constraints.
• Presidential Johannesburg Working Group (PJWG): High-level national platform providing coordinated support for financial recovery, infrastructure investment, and institutional reform.	• Infrastructure Renewal: Leverage PJWG support to accelerate rehabilitation of critical infrastructure and reduce operational risks arising from ageing assets.	• Regulatory Uncertainty: Rapid changes in the energy landscape are outpacing regulatory updates, creating uncertainty for new municipal energy business models.	• Strategic Policy Engagement: Use stable leadership and institutional capacity to engage regulators and shape emerging municipal energy policy frameworks.
• Energy Diversification: Growing customer demand for renewable energy creates opportunities for SSEG, Municipal IPP programmes, BESS deployment, wheeling, and energy trading.	• Manage Distributed Generation: Strengthen monitoring and regulatory compliance of SSEG installations to protect revenue and ensure grid stability.	• Rising Electricity Costs: Escalating bulk purchase costs and peak demand penalties place pressure on margins and encourage customers to move off grid.	• Diversify Energy Supply: Expand alternative energy procurement and commercial energy services to mitigate exposure to rising bulk electricity costs.
• Mandate Expansion: Amendment of the MoI will enable City Power to operate as a full-spectrum municipal energy utility.	• Infrastructure Protection: Implement targeted anti-theft and anti-vandalism programmes to reduce infrastructure losses.	• Socio-Economic Pressures: High unemployment and poverty contribute to electricity theft, illegal connections, and reduced payment compliance.	• Energy Diversification Strategy: Use IPP procurement and renewable energy partnerships to reduce reliance on Eskom and stabilise electricity supply costs.
• Technology Modernisation: Deployment of Smart Grid technologies including IDS, advanced metering infrastructure, and automation can significantly improve system efficiency and reliability.	• Financial Restructuring: Renegotiate high-cost City loans, optimise cost structures, and implement financial recovery initiatives to ensure sustainability amid rising bulk tariffs.	• Inadequate SSEG Monitoring: Unregistered solar PV systems create operational imbalances, safety risks, and revenue losses.	• Strengthen Grid Monitoring: Use operational knowledge and digital infrastructure to improve monitoring of embedded generation and protect network stability.

Opportunities		Threats	
Opportunity	City Power Strategic Response	Threat	City Power Strategic Response
• Ring-fenced Energy Unit: Establishment of a dedicated energy unit to drive new energy initiatives and support business model transformation.	• Digital Transformation: Modernise legacy operational systems and processes to improve efficiency and reduce cybersecurity vulnerabilities.	• Cybersecurity Risks: Increased digitisation of energy systems expands the vulnerability of critical infrastructure to cyberattacks.	• Cybersecurity Governance: Strengthen cybersecurity frameworks, risk monitoring systems, and organisational resilience to protect critical energy infrastructure.

7.3 Political, Economic, Social, Technological, Legal And Environmental (PESTLE) Analysis

City Power operates within a complex and evolving macro-environment shaped by a wide range of political, economic, social, technological, legal, and environmental forces. These factors influence not only the utility's operational performance but also its long-term sustainability, financial viability, and strategic transformation.

The PESTLE framework provides a structured approach to analysing these macro-environmental drivers and supports strategic decision-making by enabling City Power to identify key external drivers, evaluate evolving regulatory frameworks, anticipate emerging risks and opportunities, and formulate forward-looking strategies aligned with shareholder priorities, national energy reforms, and global energy transition trends.

By applying the PESTLE framework, City Power ensures that its strategy remains proactive rather than reactive, positioning the organisation to respond effectively to systemic risks while capitalising on emerging opportunities in decentralised electricity systems, renewable energy integration, digital utility transformation, customer-centric service delivery, and smart grid and energy storage deployment.

Figure 7.3.1 — PESTLE Analysis Summary

P Political NERSA, PJWG, A3 PIAPs, Mol Amendment	E Economic R44bn backlog, R15.9bn overdraft, Revenue pressure	S Social Prosumers, Theft, Customer Expectations	T Technological Smart meters, SCADA, BESS, Cybersecurity	L Legal ERA, MFMA, NEMA, OHS Act, Mol amendment	E Environmental CAP alignment, Tunnel remediation, Climate resilience
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Table 7.3.1 — PESTLE Analysis: Factors, Implications and City Power Strategic Responses

Dimension	Factors	Implications for City Power	City Power Strategic Response
Political	• Regulatory Environment: Oversight by NERSA and mandates from the Metropolitan Trading Services Reform Programme (A3 PIAPs). • Government Policies: Alignment with Presidential Energy Imperatives, the IRP, and high-level scrutiny via the PJWG. • Political Stability & Intergovernmental Relations: Dependence on political alignment for support and funding of large-scale turnaround projects.	• Compliance & Performance Pressure: Mandatory adherence to A3 PIAPs and NERSA regulations for financial recovery and operational legitimacy. • Strategic Mandate Shift: Policy-driven need to transition from a distributor to a diversified energy utility, requiring a Mol amendment. • Funding Access: Essential need for strong intergovernmental relations to unlock conditional funding for the R44bn infrastructure backlog.	• Active IGR Engagement: Intensify engagement with the PJWG, National Treasury, and CoJ for strategic alignment and financial support. • Mandate Formalisation: Expedite the amendment of the Memorandum of Incorporation (Mol). • Enhanced Governance & Transparency: Strengthen GRC frameworks to build trust and meet reform programme requirements.
Economic	• Economic Growth: Johannesburg's economic performance directly impacts electricity demand and revenue collection. • Investment Climate & Funding Crisis: Escalating overdraft (>R15.9bn) and costly CoJ loans undermine financial viability. • Cost of Energy & Infrastructure Backlog: Rising bulk purchase costs and a R44 billion infrastructure backlog create significant cost pressure.	• Revenue Pressure & Bad Debt: Economic strain leads to reduced electricity consumption, increased bad debt, and difficulty implementing cost-reflective tariffs. • Financial Unsustainability: The debt burden diverts funds from critical maintenance and capital investment. • Capital Constraints: The funding gap threatens the Infrastructure Recovery Plan and grid modernisation initiatives.	• Financial Turnaround Strategy: Work with CoJ and the PJWG to develop sustainable debt solutions and implement strict cost containment measures. • Diversify Revenue Streams: Accelerate development of the hybrid business model through energy trading, wheeling, and new energy services. • Efficient Resource Allocation: Prioritise capital expenditure on loss reduction, network rehabilitation, and critical infrastructure investment.
Social	• Demand for Reliable Electricity Supply: High customer expectations due to load shedding and localised outages.	• Erosion of Customer Trust: Frequent outages and rising electricity costs negatively affect customer satisfaction. • Operational and Revenue Challenges: Unregistered SSEG	• Infrastructure Reliability Programme: Execute targeted maintenance and refurbishment to reduce outages and improve ASIDI and ASIFI performance indicators.

Dimension	Factors	Implications for City Power	City Power Strategic Response
	• Energy Consciousness and Rise of Prosumers: Increased adoption of rooftop solar PV by customers. • Socio-Economic Inequality: High unemployment and poverty contribute to electricity theft, vandalism, and non-payment.	- installations create grid imbalances, safety risks, and revenue losses. • Escalating Non-Technical Losses: Electricity theft and vandalism remain major contributors to financial losses.	• Formalise the Energy Transition: Promote SSEG registration, develop prosumer tariffs, and implement awareness campaigns. • Community and Law Enforcement Collaboration: Strengthen partnerships with communities and law enforcement agencies to combat electricity theft.
Technological	• Digital Grid Modernisation: Need for advanced metering infrastructure, SCADA expansion, substation automation, and Intelligent Distribution Systems (IDS). • Energy Technology Disruption: Rapid advancements in renewable energy, battery storage, and microgrid systems. • Cybersecurity Imperative: Increasing digitalisation expands exposure to cyber risks.	• Legacy Infrastructure Risk: Outdated 2G-based smart meters and limited SCADA coverage hinder real-time network monitoring and revenue protection. • Strategic Investment Requirement: Significant investment is required to modernise the grid and avoid technological obsolescence. • Critical Infrastructure Vulnerability: Cyberattacks could disrupt electricity supply and compromise sensitive operational data.	• Accelerate Technology Deployment: Upgrade smart metering systems, expand SCADA coverage, and implement the Intelligent Distribution System (IDS). • Invest in Future Grid Technologies: Pilot and deploy BESS, expand the Municipal IPP Programme, and develop microgrid solutions. • Strengthen Cybersecurity Defences: Implement advanced cybersecurity frameworks across IT and operational technology systems.
Legal	• Compliance with Legislation: Operations governed by the Electricity Regulation Act, MFMA, OHS Act, and NEMA. • Expanding Operational Mandate: Current legal mandate restricts activities primarily to electricity distribution. • Enforcement Against Infrastructure Crimes: Need for stronger prosecution of cable theft, vandalism, and illegal electricity connections.	• Regulatory Risk: Non-compliance could result in financial penalties, adverse audit outcomes, and reputational damage. • Strategic Limitation: Existing legal framework limits implementation of new hybrid energy business models. • Operational and Financial Losses: Weak enforcement contributes to continued infrastructure theft and revenue losses.	• Proactive Compliance Management: Strengthen the Compliance Management Plan to ensure adherence to high-risk legislation. • Secure Expanded Licensing: Finalise the Mol amendment and engage NERSA to obtain licences for trading and generation activities. • Strengthen Legal Enforcement: Work with the NPA and law enforcement agencies to improve prosecution of infrastructure crimes.

Dimension	Factors	Implications for City Power	City Power Strategic Response
Environmental	• Climate Change Imperatives: Alignment with the CoJ Climate Action Plan (CAP) and national emissions reduction commitments. • Environmental Hazards from Infrastructure: The deteriorating inner-city tunnel network poses environmental contamination risks. • Extreme Weather Events: Increased storms and flooding threaten electricity infrastructure reliability.	• Strategic Repositioning: Increasing pressure to invest in renewable energy and reduce reliance on carbon-intensive electricity supply. • Asset Integrity Risks: Ageing infrastructure may cause environmental incidents and regulatory penalties. • Service Delivery Disruptions: Extreme weather events are becoming a major cause of electricity supply interruptions.	• Execute Climate Action Plan: Diversify the energy mix through the Municipal IPP Programme, promote SSEG, and implement energy efficiency programmes. • Prioritise Environmental Remediation: Incorporate tunnel network rehabilitation into the Infrastructure Recovery Plan. • Enhance Climate Resilience: Strengthen grid infrastructure and implement resilience measures to mitigate climate-related risks.

END OF CHAPTER 7 — STRATEGIC ANALYSIS

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

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CHAPTER 8

RISK MANAGEMENT

Business & Investment Plan | FY2026/27

This chapter is compiled in compliance with National Treasury Municipal Trading Entity reform requirements, ISO 31000:2018 (Risk Management), ISO 22301:2019 (Business Continuity), King V Principle 11, the Municipal Finance Management Act (MFMA), the Public Finance Management Act (PFMA), and the City of Johannesburg Enterprise Risk Management Policy Framework.

This chapter focuses on the following key areas:

- 8.1 Background and Legislative Framework
- 8.2 ERM Governance Structure
- 8.3 Top 10 Strategic Risk Register
- 8.4 Strategic Risk Heat Map
- 8.5 Risk Appetite Framework
- 8.6 Utility Risk Management Maturity Model
- 8.7 Energy Security Risk Dashboard
- 8.8 Strategic Focus, Alignment and Goals Integration
- 8.9 Business Continuity Management (BCM)
- 8.10 National Treasury Compliance Summary

CHAPTER 8 — RISK MANAGEMENT

8.1 ERM Background and Legislative Framework

This section provides insight on the background and legislative framework of Enterprise Risk Management, it consolidates insights obtained City Power Johannesburg SOC Ltd operates in a complex and dynamic environment characterised by evolving regulatory, financial, technological, and operational challenges. As a licensed electricity distributor and municipal trading entity, the organisation must navigate external pressures such as energy supply instability, cyber security threats, liquidity constraints, and infrastructure deterioration, while aligning its operations with the broader Energy Transition Agenda of the City of Johannesburg.

The Enterprise Risk Management (ERM) function provides a structured, systematic, and integrated approach to anticipating and managing uncertainties that could materially affect the achievement of corporate objectives. The ERM framework is aligned to ISO 31000:2018, King IV Principle 11, and applicable National Treasury reform requirements for municipal trading entities.

8.1.1 External Risk Environment

The table below provides a comprehensive analysis of the external risk factors that influence City Power's operating environment, their risk implications, and the strategic ERM responses adopted by the organisation.

Table 8.1.1 — External Risk Environment

No.	External Factor	Risk Implications	Strategic ERM Response
1	Macroeconomic Instability	Economic stagnation, inflation, and elevated interest rates increase operating costs and payment default risk.	Strengthen liquidity monitoring; enhance revenue protection and credit controls; diversify funding sources.
2	Regulatory & Policy Uncertainty	Frequent changes in energy policy, licensing, and tariff frameworks create planning uncertainty and compliance risk.	Continuous regulatory scanning; align internal policies with NERSA determinations and national energy policy.
3	Eskom Supply Dependency	Limited control over bulk electricity pricing and supply interruptions constrains service reliability and exposes the entity to cost volatility.	Advance municipal IPP procurement; accelerate renewable energy integration; deploy BESS.
4	Energy Transition & Decarbonisation	Global decarbonisation trends threaten traditional revenue models and legacy infrastructure investments.	Implement diversified business models; promote distributed generation; invest in smart grid technologies.
5	Technological Disruption	Rapid technology changes introduce integration, cybersecurity, and skills risks alongside efficiency opportunities.	Strengthen ICT resilience; invest in data-driven decision systems; implement structured technology adoption.
6	Socio-Political Instability	Community protests, theft, and vandalism disrupt operations, damage infrastructure, and	Enhance community engagement; implement socio-economic risk mapping;

		increase safety and reputational risks.	strengthen law enforcement partnerships.
7	Climate Change & Environmental Risks	Extreme weather events damage assets, disrupt supply, and increase maintenance and restoration costs.	Integrate climate resilience into infrastructure design; implement disaster risk management and asset hardening.
8	Stakeholder Confidence & Reputation	Load-shedding, outages, and service failures undermine public trust and stakeholder confidence.	Strengthen stakeholder communication; implement customer-centric performance management.
9	Global Supply Chain Disruptions	Shortages, price volatility, and delays in critical equipment impede project delivery and capital programme execution.	Diversify supplier base; establish long-term supply agreements; maintain strategic stock of critical spares.

Table 7.1: External Risk Factors and Strategic ERM Responses

These external dynamics demand adaptive and forward-looking risk management that integrates foresight, scenario planning, and agility in execution — consistent with National Treasury's expectations for a reformed municipal trading entity.

8.1.2 Internal Risk Drivers

The table below identifies key internal risk drivers that directly affect City Power's operational performance, financial sustainability, and strategic delivery, together with the ERM focus areas and management responses.

Table 8.1.1 — Internal Risk Environment

No.	Risk Driver	Description & Strategic Implications	ERM Focus Areas / Management Response
1	Energy Losses	High technical and non-technical losses undermine revenue sustainability, weaken cash flows, and compromise financial viability.	Implement IDS; strengthen loss recovery analytics; accelerate smart metering; enhance revenue protection.
2	Electricity Outages	Frequent outages from ageing infrastructure, vandalism, and network congestion negatively impact service reliability and customer satisfaction.	Prioritise asset renewal; expand SCADA coverage; implement predictive maintenance; strengthen rapid response.
3	Infrastructure Investment Backlog	An estimated R44 billion investment backlog constrains network reliability, increases failure rates, and elevates operational risk.	Secure sustainable funding; implement phased risk-based asset management; align capital investment to critical network risks.
4	Theft & Illegal Mining Activities	Cable theft, vandalism, and illegal mining cause major network disruptions, safety risks, and revenue losses.	Strengthen enforcement and surveillance; enhance law enforcement collaboration; integrate community-based interventions.

No.	Risk Driver	Description & Strategic Implications	ERM Focus Areas / Management Response
5	Unregistered Solar PV & SSEG	Unregulated SSEG installations pose grid stability risks including voltage fluctuations and reverse power flows.	Finalise SSEG registration frameworks; enhance monitoring through advanced metering, drones, and satellite technologies.
6	Rising Electricity Prices	Escalating tariffs create affordability pressures, increase non-payment risk, and expose the entity to reputational risk.	Optimise demand-side management; introduce BESS; engage proactively in tariff-setting and regulatory consultations.
7	High Debt Exposure	Overdraft facilities and legacy debt obligations threaten liquidity, increase financing costs, and constrain operational flexibility.	Implement debt restructuring; rationalise expenditure; strengthen financial risk monitoring.
8	Labour Inefficiencies	Inefficient shift structures, suboptimal workforce deployment, and limited productivity controls increase operating costs.	Automate workforce scheduling; optimise shift models; strengthen performance management and accountability.

Table 7.2: Internal Risk Drivers and ERM Management Responses

8.2 Enterprise Risk Management (ERM) Governance Structure

City Power's ERM governance structure ensures that risk management is embedded at all levels of the organisation, from strategic oversight at Board level to operational risk ownership at divisional and unit level.

Table 8.2.1 — ERM Governance

Governance Level	Governance Structure	ERM Responsibilities
Board of Directors	Risk Governance Committee / Board	Approve risk appetite; receive quarterly ERM reports; oversee strategic risk management.
Audit and Risk Committee (ARC)	Audit and Risk Committee	Review risk register; assess adequacy of ERM framework; monitor Top 10 risks.
Executive Management (EXCO)	Chief Executive Officer / EXCO	Champion risk culture; review operational risks; ensure risk treatment action plans.
ERM Function	Chief Risk Officer / ERM Department	Develop and maintain ERM framework; coordinate risk assessments; produce risk reports.
Business Units	All Divisional and Departmental Heads	Identify, assess, and treat risks within their areas of accountability.
Internal Audit	Head of Internal Audit	Provide independent assurance on ERM effectiveness and risk control adequacy.

Table 7.3: ERM Governance Structure – Three Lines of Assurance

8.3 Top 7 Strategic Risk Register

City Power has adopted an integrated and systematic Enterprise Risk Management (ERM) methodology to identify, assess, manage, monitor, and report risks that may impact the successful implementation of the Trading Reform Strategy (TRS) and the achievement of the organisation's strategic objectives.

Risk Management Methodology

In response, the ERM methodology was aligned to:

- MFMA
- ISO 31000:2018
- King V Principle 8
- CoJ Group Risk Management Policy and Framework
- IRMSA Public Sector Risk Management Guidelines; and
- City Power Governance Frameworks.

The methodology is designed to ensure that risk management is embedded within strategic planning, operational decision-making, programme implementation, and performance monitoring processes across the organisation.

The risk assessment process incorporated both internal and external environmental analyses to evaluate the organisation's current and emerging risk exposure. The assessment considered the impact of financial, operational, governance, regulatory, technological, environmental, and stakeholder-related risks on the sustainability and transformation objectives of the utility. The assessment methodology included:

- Strategic context analysis
- Review of financial and operational performance indicators
- Analysis of governance and audit findings
- Infrastructure and operational risk assessments
- Review of external environmental risks; and

Likelihood versus impact evaluation using the approved 5x5 risk rating matrix

Extreme (≥ 16)	High (9-15)	Moderate-High (6-8)	Likelihood Scale	Impact Scale	Rating = Likelihood x Impact
L x I ≥ 16	L x I 9-15	L x I 6-8	1=Rare. 2=Unlikely. 3=Possible. 4=Likely 5=Almost Certain	1=Low 2=Moderate. 3=Significant. 4=High 5=Critical	Approved by Board; monitored through the ERM framework quarterly.

Figure 7.1: Risk Rating Scale Legend

Preliminary Strategic Risk Register — ERM Function (SR1–SR7)

The seven preliminary strategic risks identified by the Enterprise Risk Management (ERM) function are aligned to the Trading Services Reform Programme (TRS V2), Integrated Development Plan (IDP), PIAP v2 commitments, and City Power's strategic objectives. The identified risks reflect the organisation's current operating environment, strategic reform priorities, and the broader financial, governance, operational, and technological challenges facing the utility.

Strategic Risks SR1: Financial Sustainability & Liquidity Failure and SR2: Governance & Control Environment Weakness are both rated Very High, the highest risk classification within the City Power Risk Management Framework. These ratings reflect the immediate financial sustainability pressures, governance vulnerabilities, regulatory exposure, and operational constraints that define City Power's FY2026/27 stabilisation mandate under Phase 1 ("Stabilise") of the nine-year Trading Services Reform (TRS) roadmap.

In line with ISO 31000:2018 principles, the strategic risks have been assessed on an inherent risk basis, taking into consideration the likelihood and potential impact of each risk on the achievement of organisational objectives prior to the full implementation of mitigation controls and interventions.

For FY2026/27, risk mitigation will be operationalized directly through the implementation of capital investment programmes, operational improvement initiatives, governance reforms, and strategic transformation projects scheduled for execution during the financial year. Accordingly, each reform project performs a dual function by:

(a) Delivering measurable reform outcomes against PIAP v2 performance commitments and National Treasury reform objectives; and (b) providing targeted mitigation responses to one or more identified strategic risks.

The strategic risk ratings further inform the prioritisation of management attention, oversight, and resource allocation. Accordingly, management will prioritise all risks rated **Very High and High** to ensure focused mitigation efforts, accelerated intervention programmes, enhanced governance oversight, and optimal allocation of financial and operational resources.

Table 8.3: Top 10 Strategic Risk Register – FY2026/27 (ISO 31000:2018 Aligned)

No.	IDP Priority	Strategic Objective	Risk Description	Strategic Risk	Risk Rating	Risk Owner	Mitigations as Per Trading Reforms Projects
1.	Reliable & Affordable Electricity Financial Sustainability of MEs	Strengthening financial sustainability	The risk that City Power may be unable to maintain adequate liquidity, financial sustainability, and cash flow management due to escalating Eskom bulk purchase costs, increasing debt obligations, declining collection rates, high debtor impairment, non-technical revenue losses, and unsustainable shareholder loan burden, resulting in financial distress and inability to fund operations and strategic capital programmes.	Financial Sustainability & Liquidity Failure	VERY HIGH	Chief Financial Officer	- Revenue Enhancement Strategy - Smart Metering Programme — 44,138 Units Deployed - Financing Strategy - IDS Rollout — Phase 1 (50 Priority MSS Nodes). - OPEX Rationalisation (R389m Reduction vs Prior Year). - LPU Account Retention & Debt Recovery Programme
2.	Good Governance & Accountability	Improving governance and compliance	The risk of ineffective governance oversight, regulatory non-compliance, weak internal controls, procurement irregularities, financial misstatements, inadequate consequence management, and governance limitations within the shareholder structure, resulting in audit findings and qualifications, litigation exposure, financial losses, reputational damage, and erosion of stakeholder confidence.	Governance and Control Environment Weaknesses	VERY HIGH	Chief Legal Officer	- Procurement Improvement Plan — Six Improvement Areas (Updated SCM policies; pre-award compliance checks; BAC/BEC/BSC training; consequence management) - SPoMA M1–M8 Institutional Framework - SAP S/4HANA Upgrade (R180m ICT CAPEX, FY2026/27–FY2027/28) - PMO Establishment — CAPEX Execution Programme - Combined Assurance
3.	Reliable & Affordable Electricity Infrastructure Investment	Ensuring uninterrupted electricity supply	The risk that ageing infrastructure, deferred maintenance, supplier dependency, emergency procurement practices, infrastructure theft and vandalism, energy transition pressures, and inadequate operational resilience may disrupt electricity supply and critical operations, resulting in service delivery failures,	Electricity Infrastructure Failures	HIGH	Chief Operations Officer	- Network Infrastructure Renewal Programme - SCADA Upgrade: 37% to 55% Visibility by Q4 FY2026/27 (R22.5m CAPEX) - Repairs Efficiency Programme — Asset Lifecycle Management - POS Reduction Programme (Target: Below 90 Assets City-Wide) - Infrastructure Security (R46.4m Security CAPEX)

No.	IDP Priority	Strategic Objective	Risk Description	Strategic Risk	Risk Rating	Risk Owner	Mitigations as Per Trading Reforms Projects
			infrastructure collapse, financial losses, and prolonged outages.		HIGH		
4.	Economic Growth & Investment	Creating value for customers	The risk that billing inaccuracies, customer debt impairment, electricity theft, customer affordability pressures, non-technical losses, and customer migration to alternative energy sources may reduce revenue generation and collection efficiency, threatening the long-term financial sustainability of the organisation.	Revenue Sustainability & Customer Risk		Chief Commercial Services	- Customer Improvement Strategy — Nine Strategic Programmes (CSIP): - Customer Profile - Customer Education & Outreach - Complaint Management Framework - Smart Metering Programme — AMI Communications Backbone (R320m) - Digital Channel Adoption — City Power App (iOS/Android Q2 FY2026/27) - LPU Bulk Commercial Metering Compliance Programme (E1) - FBE Full Registration Drive (45,419 Households)
5.	Energy Transition & Climate Response	Creating value for customers	The risk of cyberattacks, ransomware, SCADA and operational technology vulnerabilities, data breaches, unlicensed software, inadequate cybersecurity governance, and third-party technology exposure disrupting critical systems, compromising sensitive customer information, and affecting operational continuity and revenue management.	Cybersecurity & Technology Resilience Risk		Chief Technology Officer	- SCADA Upgrade with OT Network Segmentation (R22.5m CAPEX) - AMI Communications Backbone — Encrypted Protocol Architecture (R320m, FY2026/27–FY2028/29) - SAP S/4HANA Upgrade — Enterprise Cybersecurity Architecture (R180m ICT CAPEX) - Vending System NOC and 24/7 Platform Monitoring (E2) - MDMS Integration & Cyber-Physical Anomaly Detection

No.	IDP Priority	Strategic Objective	Risk Description	Strategic Risk	Risk Rating	Risk Owner	Mitigations as Per Trading Reforms Projects
6.	Good Governance & Accountability	Creating value for customers	The risk that audit findings, governance failures, procurement irregularities, litigation outcomes, service delivery disruptions, media scrutiny, and stakeholder dissatisfaction may negatively impact public trust, investor confidence, regulatory relationships, and the reputation of City Power.	Erosion of Stakeholder Confidence & Reputational Risk	HIGH	Chief Commercial Services	- City Power Social Compact & Customer Advisory Panel (16 Representatives) - Proactive Communication Programme (100% Planned Outage Notice, 7 Days Ahead) - FBE Full Registration Drive — 'Get Your Free Electricity' Campaign - PIAP v2 Quarterly Reporting to NT TSR Steering Committee - Complaint Management Framework — Tiered Escalation to Board ARC
7.	Social Development & Equity	Developing organisational capacity	The risk that inadequate critical skills, leadership instability, poor succession planning, labour disputes, weak change management, and limited organisational capability may undermine operational performance, governance effectiveness, strategy execution, and the successful implementation of transformation initiatives.	Human Capital & Capability Failure	MODERATE-HIGH	Chief Human Resources Officer	- M8 Organisational Change Management Plan (Board-Approved April 2026) - ECOSA Mentorship Programme & Professionalisation Pathway - PMO Establishment under COO with Dedicated Project Managers - SCM Capacity Building Programme - SAP S/4HANA Upgrade — Systems Resilience (R180m ICT CAPEX) - Productivity Management Framework development and implementation

Strategic Risk Interdependencies

The strategic risks are highly interconnected and may amplify one another if not effectively managed.

Key interdependencies include:

- Governance failures contributing to financial and reputational risks.
- Infrastructure failures driving customer dissatisfaction and revenue losses.
- Cybersecurity incidents affecting operational continuity and stakeholder confidence.
- Human capital constraints weakening governance and operational execution.

Management therefore adopts an integrated enterprise-wide risk management approach.

Resource Prioritisation Principle

The strategic risk ratings inform the prioritisation of management attention, funding allocation, mitigation implementation, and oversight focus.

Accordingly:

- Risks rated VERY HIGH and HIGH will receive immediate management prioritisation and enhanced monitoring
- Strategic mitigation projects linked to these risks will be prioritised within the capital and operational planning cycle; and
- Risk owners will be required to provide periodic implementation progress reports to EXCO, Board Committees, and the Board.

Governance and Accountability Framework

To ensure effective oversight and accountability, risk management responsibilities are embedded across all levels of the organisation. Strategic risks are monitored through executive management structures, governance committees, and the Board, while operational risks are managed within functional business units through defined control measures and mitigation plans. The Enterprise Risk Management function further provides continuous monitoring, reporting, and assurance on the effectiveness of risk mitigation initiatives and the evolving risk profile of the organisation.

Given the scale of the TRS and the complexity of the utility environment, the risk management methodology will remain dynamic and responsive to changing internal and external conditions, including energy market reforms, infrastructure risks, regulatory developments, cybersecurity threats, climate-related risks, and financial sustainability pressures.

The strategic risks presented in this document therefore represent the organisation's inherent and residual risk exposures at the commencement of the reform programme and will be continuously reviewed and updated throughout the implementation lifecycle of the TRS.

8.5 Risk Appetite Framework

A formal Risk Appetite Framework enables City Power to define the level of risk it is willing to accept in pursuit of its strategic objectives. The framework ensures that management decisions remain aligned with strategic objectives, financial sustainability, service reliability requirements, and regulatory compliance obligations.

The risk appetite is approved by the Board of Directors and monitored through the ERM framework on a quarterly basis. Any breach of risk appetite thresholds is escalated to the Audit and Risk Committee and the Board for remedial action.

Table 8.4 — Risk Appetite

Risk Category	Appetite Level	Governance Position	Key Controls
Financial Sustainability	Low	Very low tolerance for financial instability and liquidity risks.	Cashflow monitoring, debt restructuring, cost optimisation
Service Reliability	Very Low	Electricity supply interruptions must be minimised due to critical public service implications.	Infrastructure maintenance, asset renewal programmes
Regulatory Compliance	Very Low	Zero tolerance for regulatory non-compliance at any level.	Compliance monitoring, regulatory reporting, legislative tracking
Infrastructure Investment	Moderate	Moderate risk tolerance to enable infrastructure expansion and innovation.	Capital investment governance, project risk controls
Energy Transition & Innovation	Moderate-High	Higher risk accepted in adopting renewable energy and new technologies through structured governance.	Pilot programmes, innovation governance frameworks
Cybersecurity	Very Low	Critical infrastructure requires strict controls with minimal tolerance for compromise.	Cyber risk management, security monitoring, incident response
Stakeholder & Reputational Risk	Low	Reputational damage is treated as a high-priority governance risk.	Stakeholder communication and service performance management

Table 7.5: City Power Risk Appetite Framework – FY2026/27 (Board Approved)

8.6 Utility Risk Management Maturity Model

City Power continuously evaluates its risk management maturity to benchmark institutional capability against global best practice for electricity utilities. The maturity model assesses organisational capability across five progressive stages, from Initial (Level 1) through to Optimised (Level 5).

Level 1: Initial	Level 2: Developing	Level 3: Defined	Level 4: Integrated	Level 5: Optimised
Ad hoc, undocumented processes	Some processes defined; inconsistent application	Standardised processes; documented and followed	Risk management integrated into governance and strategy	Continuous improvement; leading-practice capability

Figure 7.3: Risk Management Maturity Scale (Levels 1–5)

Risk Capability Area	Current Level	Target FY2028	Strategic Improvement Actions
Risk Governance	3 – Defined	4 – Integrated	Strengthen Board and ARC oversight frameworks; formalise risk escalation protocols.
Risk Culture	2 – Developing	4 – Integrated	Embed risk awareness and accountability into performance management and onboarding.
Risk Integration with Strategy	3 – Defined	5 – Optimised	Integrate ERM into strategic planning, budgeting, and capital programme governance.
Risk Analytics & Monitoring	2 – Developing	4 – Integrated	Implement automated risk monitoring dashboards and real-time data analytics tools.
Project Risk Governance	2 – Developing	4 – Integrated	Introduce standardised project risk frameworks applicable to all capital projects.
Business Continuity & Resilience	2 – Developing	4 – Integrated	Expand BCM coverage, conduct simulation exercises, and integrate with ERM and disaster management.

Table 7.6: Utility Risk Management Maturity Assessment – Current vs Target (FY2028)

8.7 Energy Security Risk Dashboard

To strengthen oversight of energy security and system resilience, City Power has established a Strategic Energy Security Risk Dashboard. The dashboard consolidates key operational and financial indicators to support executive decision-making and oversight by the Board and Shareholder Representative. This monitoring system aligns with global utility governance practices and National Treasury trading entity reform reporting requirements.

Table 8.7 —Risk Security Dashboard

Indicator	Baseline	Target	Priority	Strategic Importance
System Energy Losses	29.87%	16%	Critical	Revenue and financial sustainability
Infrastructure Investment Backlog	R44 billion	Progressive reduction	Critical	Network reliability and capital planning
ASIDI – Outage Duration Index	7,317 minutes	5,000 minutes	High	Reliability of electricity supply
ASIFI – Outage Frequency Index	12.09 incidents	6 incidents	High	Grid stability and network performance
Smart Meter Coverage	76%	98%	High	Real-time monitoring and revenue protection
Prepaid Vending Efficiency	55%	>98%	High	Revenue collection reliability
Renewable Energy Integration	Emerging	Expanded IPP participation	Moderate	Energy diversification and resilience
Cybersecurity Readiness	Moderate	High	Critical	Protection of critical electricity infrastructure
Customer Satisfaction Score	~60-65%	>70%	High	Service quality and public trust
Financial Liquidity Ratio	Constrained	Improved cash coverage	Critical	Operational sustainability

Table 7.7: City Power Energy Security Risk Dashboard – Baseline and Targets (FY2026/27)

The Energy Security Dashboard is reviewed quarterly by EXCO and reported to the Audit and Risk Committee. Key indicators — particularly System Energy Losses, ASIDI, and Financial Liquidity Ratio — are reported to the City of Johannesburg Oversight Committee under MFMA Section 71 monthly reporting obligations.

The Energy Security Dashboard, together with the ERM governance frameworks above, collectively enables City Power to:

- Strengthen oversight of strategic and operational risks across all business units.
- Improve alignment between risk management and infrastructure investment decisions.
- Support energy security and electricity sector reform objectives.
- Enhance transparency and accountability to the Shareholder, the Board, and the public.

8.8 Strategic Focus, Alignment and Goals Integration

8.8.1 Short-Term ERM Priorities (FY2026/27)

During FY2026/27, the ERM function will focus on strengthening organisational resilience and embedding a risk-informed culture across City Power. These strategic focus areas are designed to enhance the integration of risk management into strategic planning, performance management, and operational decision-making, in line with ISO 31000:2018, King IV, and applicable public-sector governance requirements.

Table 8.8 — Short-term ERM Priorities

No.	Strategic Focus Area	Objective	Expected Outcome (FY2026/27)
1	Embedding Risk Culture & Awareness	Integrate risk management into daily operations and management accountability structures.	Enhanced risk ownership, improved awareness, and proactive risk identification across all business units.
2	Strengthening Integration with Corporate Performance & Planning	Align ERM with strategic objectives, SDBIP KPIs, and budget and planning cycles.	Improved linkage between strategic planning, performance reporting, and risk outcomes; effective oversight and corrective action.
3	Enhancing Project Risk Management	Develop and institutionalise a standardised Project Risk Management Guideline for capital and strategic projects.	Consistent risk governance across projects; reduced project overruns; improved delivery of capital programmes.
4	Improving Risk Monitoring, Analytics & Reporting	Enhance risk monitoring through automation, improved data quality, and integrated reporting tools.	Timely, accurate, and decision-useful risk reporting to EXCO, Audit and Risk Committee, and the Board.
5	Building Risk Management Capability & Maturity	Strengthen ERM capacity through targeted skills development, improved methodologies, and enhanced tools.	Improved organisational risk maturity; strengthened assurance outcomes; reduced risk-related audit findings.

Table 7.8: ERM Strategic Priorities and Expected Outcomes – FY2026/27

8.8.2 Medium-Term Goals – PJWG Workstream 3 (24 Months)

City Power's medium-term risk management priorities are shaped by its participation in the Presidential Johannesburg Working Group (PJWG), specifically Workstream 3: Electricity and Energy, which ensures coordinated metropolitan interventions aligned to city-wide reform objectives. Each PJWG sub-pillar is integrated with the ERM framework to ensure that medium-term interventions are risk-aware, measurable, and aligned with citywide priorities.

Table 8.1.1 — Medium-term Goals

PJWG Sub-Pillar	Description	ERM Integration
City Support Programme (CSP)	Technical and advisory support to accelerate institutional and operational reforms.	ERM identifies risks to reform delivery; risk owners assigned per sub-pillar.
Finance Turnaround	Stabilising the utility's financial trajectory and reducing debt exposure.	Financial liquidity and debt risks tracked in Top 10 register; monthly EXCO review.
Infrastructure Recovery Plan	Addressing deferred maintenance and the R44bn investment backlog.	Infrastructure backlog risk monitored via Energy Security Dashboard; phased mitigation plans.
Service Delivery	Improving electricity supply reliability and expanding coverage across all regions.	ASIDI / ASIFI targets embedded in risk KPIs; outage risk treatment plans activated.
Capacity Management	Building institutional capability for sustainable and resilient service delivery.	Labour efficiency and skills risks tracked; workforce development linked to ERM.

Table 7.9: PJWG Workstream 3 Sub-Pillars and ERM Integration

8.8.3 Long-Term Performance Targets (FY2030/31 – MTSR Programme)

Under the Metropolitan Trading Services Reform (MTSR) Programme, City Power aims to fundamentally strengthen accountability, financial sustainability, and operational efficiency in line with National Treasury's A3 Performance Improvement Action Plans (PIAPs) and the City of Johannesburg's long-term reform agenda.

The long-term goals focus on modernisation of metering infrastructure, enhancement of revenue assurance, reduction of system losses, and improvement of network reliability and maintenance efficiency. These outcomes are embedded in the strategic risk framework to ensure progress against operational KPIs, with risk treatment plans aligned to both asset reliability and financial sustainability objectives.

Table 8.1.1 — Long-term Goals

No.	KPI	Target FY2030/31	Baseline	Key Initiatives
1	Meter Coverage (Industrial/Commercial)	98% operational	88%	Replacement of LPU meters with 5G-enabled advanced metering for real-time data availability.
2	Vending Efficiency	>98%	55%	Outsourcing of prepaid vending services with system maintenance and revenue enhancement initiatives.
3	AMR / AMI Maturity	98%	76%	Accelerated smart meter rollout and systematic replacement of obsolete meters and communication modems.
4	Total Losses Efficiency	16%	29.87%	Comprehensive Total Losses Efficiency Programme: network upgrades, substation automation,

No.	KPI	Target FY2030/31	Baseline	Key Initiatives
				microgrid deployment, and enhanced loss monitoring.
5	Planned: Unplanned Maintenance Ratio	80:20	40:60	Condition-based maintenance practices, improved asset health monitoring, and targeted reduction of Plant Out of Service (POS).
6	ASIDI – Average System Interruption Duration	5,000 min	7,317 min	Targeted asset refurbishment, reinforcement of critical network components, and technical loss reduction.
7	ASIFI – Average System Interruption Frequency	6 incidents	12.09 incidents	Asset refurbishment, preventative maintenance, and network reconfiguration to reduce interruption frequency.

Table 7.10: Long-Term Performance Targets and Key Initiatives (FY2030/31 – NT A3 PIAP Aligned)

8.8.4 Integration with Assurance and Business Planning

ERM is integrated into strategy development, budgeting, and performance management processes to:

- Inform project prioritisation and resource allocation decisions.
- Align risk treatments with operational and capital programmes.
- Coordinate with Internal Audit, Compliance, and BCM for integrated three-lines-of-assurance.

This integration ensures that risk management enhances operational performance, governance quality, and stakeholder confidence — consistent with National Treasury expectations for a reformed and accountable municipal trading entity.

8.9 Business Continuity Management (BCM)

Business Continuity Management (BCM) provides the institutional framework through which City Power ensures the continuity of critical electricity services during disruptive events. The framework enables the organisation to anticipate potential disruptions, implement preventative measures, and activate structured response and recovery mechanisms when incidents occur.

For an electricity utility operating within a metropolitan environment, BCM is fundamental to safeguarding public safety, economic stability, municipal operations, and service delivery continuity. Electricity services underpin essential sectors including healthcare, water supply, public transport, telecommunications, and emergency services. Any prolonged disruption therefore has wide-ranging social and economic consequences.

City Power's BCM framework is implemented in alignment with the principles of ISO 22301:2019 Business Continuity Management Systems and is integrated with the organisation's ERM, disaster management, and crisis response frameworks.

8.9.1 Critical Services Continuity Framework

City Power has identified critical operational services whose disruption would have the most significant impact on public safety, service delivery, revenue stability, and stakeholder confidence. These services form the basis for continuity planning, response prioritisation, and recovery planning.

Table 8.9.1 — Critical Service Continuity Framework

Critical Service	Strategic Importance	Key Dependencies	Continuity Priority
Electricity Network Operations	Core distribution supporting households, businesses, and municipal infrastructure	Grid infrastructure, substations, SCADA, operational staff	Immediate – highest restoration priority
System Control Centre Operations	Monitoring and control of electricity network stability and dispatch	ICT platforms, SCADA, control room staff	Critical – zero tolerance for disruption
Emergency Response & Fault Repair	Restoration of outages and network failures across all regions	Field technicians, operational vehicles, equipment	High – rapid mobilisation required
Revenue Collection & Metering Systems	Revenue assurance and billing sustainability for financial viability	Metering infrastructure, vending systems, billing platforms	High – direct impact on cash flow
Customer Communication & Call Centre	Public communication during outages and service incidents	Telecommunications, call centre staff and systems	High – critical for public trust
Supply Chain & Procurement	Availability of equipment, transformers, and network components	Supplier networks, logistics and warehousing systems	Medium-High – enables restoration
ICT Systems & Digital Platforms	Operational technology, billing, and customer systems	Data centres, cybersecurity systems, IT staff	Critical – underpins all operations

Table 7.11: Critical Services Continuity Framework (ISO 22301:2019 Aligned)

8.9.2 BCM Maturity Assessment

City Power continuously evaluates the maturity of its BCM capability to benchmark progress against international best practice frameworks using the same five-level model applied to the ERM maturity assessment.

Table 8.9.2 — BCM Maturity Assessment

BCM Capability Area	Current Level	Target Level	Strategic Improvement Actions
BCM Governance	2 – Developing	4 – Integrated	Establish formal BCM governance committee and structured reporting frameworks.
Continuity Planning	2 – Developing	4 – Integrated	Expand continuity plans across all critical services identified in this chapter.

BCM Capability Area	Current Level	Target Level	Strategic Improvement Actions
Crisis Response Coordination	2 – Developing	4 – Integrated	Develop centralised incident command and response protocols.
Testing & Simulation	1 – Initial	4 – Integrated	Implement annual disruption simulation exercises and scenario-based drills.
Organisational Awareness	2 – Developing	4 – Integrated	BCM awareness training integrated across all operational units.
Integration with Risk Management	3 – Defined	5 – Optimised	Fully integrate BCM with ERM, disaster management, and crisis response planning.

Table 7.12: BCM Maturity Assessment – Current vs Target Level

The objective is to progressively strengthen City Power's BCM capability to achieve a fully integrated organisational resilience framework by FY2030/31, consistent with ISO 22301:2019 requirements.

8.9.3 Disruption Scenarios and Recovery Priorities

City Power faces a range of operational, environmental, technological, and socio-economic disruption risks that may affect electricity service delivery. The table below outlines key disruption scenarios and recovery priorities, aligned with public safety, system stability, and service restoration timelines.

Table 8.9.3 — Disruption Scenarios

Disruption Scenario	Risk Description	Potential Impact	Recovery Priority
Major Electricity Network Failure	Large-scale infrastructure failure affecting substations or transmission lines	Prolonged power outages affecting large customer areas	Immediate – activate emergency response
Cybersecurity Incident	Cyberattack targeting operational technology or control systems	Loss of grid visibility; potential service disruptions	Critical – rapid containment and isolation
Labour Disruptions	Industrial action or workforce shortages affecting operational response	Reduced ability to restore outages and respond to faults	High – activate contingency staffing protocols
Extreme Weather Events	Storms, floods, or heatwaves damaging electricity infrastructure	Widespread network outages and infrastructure damage	High – disaster management integration
Supply Chain Disruptions	Shortages or delays in critical components such as transformers	Delays in infrastructure repairs and restoration	Medium-High – activate strategic stock reserves
Community Unrest & Vandalism	Protests or illegal activities damaging network infrastructure	Service disruptions and asset damage	High – law enforcement coordination
ICT System Failure	Failure of billing, SCADA, or network management systems	Operational and customer service disruptions	Critical – rapid system recovery and failover

Table 7.13: Disruption Scenarios and Recovery Priorities

8.9.4 BCM Strategic Roadmap (FY2026/27 – FY2035/36)

City Power has developed a long-term BCM improvement roadmap to progressively strengthen organisational resilience and ensure alignment with ISO 22301:2019. The roadmap integrates BCM

capability development with broader organisational reforms including digital transformation, infrastructure modernisation, and energy system resilience.

Table 8.9.4 — BCM Roadmap

Phase	Timeline	Key Initiatives	Strategic Outcome
Phase 1: Foundation	FY2026/27 – FY2027/28	Establish BCM governance framework; identify all critical services; develop initial continuity plans; appoint BCM function owner.	Improved BCM governance; documented continuity plans; baseline capability established.
Phase 2: Integration	FY2028/29 – FY2030/31	Integrate BCM with ERM, crisis management, and disaster management frameworks; align with ISO 22301:2019 requirements.	Institutionalised organisational resilience; integrated assurance functions; measurable BCM KPIs.
Phase 3: Capability Expansion	FY2031/32 – FY2033/34	Conduct annual simulation exercises; implement technology-enabled incident management systems; strengthen crisis communication.	Improved operational preparedness; tested and validated continuity plans; enhanced response capability.
Phase 4: Optimisation	FY2034/35 – FY2035/36	Achieve full ISO 22301-aligned BCM capability with integrated resilience monitoring and continuous improvement processes.	Fully mature organisational resilience framework; world-class BCM capability for a metropolitan utility.

Table 7.14: BCM Strategic Roadmap – FY2026/27 to FY2035/36

8.9.5 BCM Governance and Accountability

City Power has adopted a governance framework that ensures BCM is embedded into day-to-day operations with effective oversight, decision-making, and accountability during disruptions. Key governance principles include:

- Executive sponsorship to drive organisational commitment to business continuity.
- A cross-functional Business Continuity Governance Committee to support decision-making and prioritisation.
- Defined roles and responsibilities for response, recovery, and communication during disruptions.
- Integration of BCM into existing risk, crisis management, and operational governance structures.
- Annual BCM policy review and Board approval of continuity plans for all critical services.

8.9.6 Disaster Management Integration

City Power operates within the City of Johannesburg and recognises that its services are critical to public safety, municipal operations, and essential service delivery. Disruptions to power supply can contribute to the declaration of a disaster, while city-wide disasters may also affect City Power's ability to maintain service continuity. Key principles of Disaster Management integration include:

- Alignment of City Power's BCM and incident response plans with the CoJ Disaster Management Centre protocols and municipal disaster frameworks.
- Identification of scenarios where City Power's disruption could trigger or exacerbate city-wide emergencies.
- Coordination and communication with municipal disaster response structures, emergency services, and other affected entities during disruptions.
- Integration of City Power's disaster risk into the CoJ Annual Disaster Management Plan submitted to the National Disaster Management Centre.

BCM plays a central role in enabling City Power to function as a resilient, modern, and responsive electricity utility capable of sustaining essential services under adverse conditions — a core requirement of National Treasury's trading entity reform framework.

8.10 National Treasury Compliance Summary

This section provides a consolidated compliance matrix demonstrating City Power's adherence to National Treasury municipal trading entity reform requirements, applicable governance frameworks, and international standards as they relate to risk management and business continuity management.

Table 8.10 — NT Compliance Summary

NT / Governance Requirement	Applicable Standard / Instrument	City Power Compliance Response
ISO 31000:2018	Risk identification, assessment, and treatment methodology	Top 10 Strategic Risk register reviewed quarterly by ARC and Board.
King IV Principle 11	Risk governance and oversight by governing body	Board-approved Risk Appetite Framework; quarterly ERM reporting to ARC.
MFMA §62(1)(c)	Sound and sustainable management of financial risk	Financial Sustainability risk appetite: Low; liquidity and debt restructuring plans.
NT A3 PIAPs	Performance improvement action plans for municipal trading entities	Long-term KPI targets (FY2030/31) aligned to NT A3 improvement areas.
NT Circular 88 & 93	Transparent performance benchmarking and reporting	Energy Security Dashboard with baseline and target KPIs for public reporting.
PFMA – Internal Controls	Adequate systems of internal control and risk management	ERM integrated with Internal Audit, Compliance, and BCM for three-lines-of-assurance.
ISO 22301:2019	Business continuity management systems standard	BCM roadmap to Phase 4 integration by FY2030/31; governance committee planned.
CoJ DDM One M&E	Performance monitoring aligned to district-level indicators	ERM KPIs embedded in SDBIP; quarterly reporting to CoJ oversight structures.

Table 7.15: National Treasury Reform and Governance Compliance Matrix – Chapter 7

City Power Johannesburg SOC Ltd confirms that all risk management activities, ERM governance structures, strategic risk registers, business continuity plans, and performance monitoring frameworks presented in this chapter have been developed in full compliance with applicable National Treasury reform circulars, ISO 31000:2018, ISO 22301:2019, King IV Principle 11, the MFMA, and the PFMA. All targets are embedded in the SDBIP and subject to quarterly reporting to the City of Johannesburg oversight structures and the Audit and Risk Committee.

END OF CHAPTER 8

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 9

SERVICE DELIVERY

Business & Investment Plan | FY2026/27

MFMA Compliant
Section 87 Obligations

NT Trading Reforms
TAS24 & TSR Aligned

PJWG WS3
Infrastructure Recovery

NERSA Licensed
Distribution Utility

CHAPTER 9 — SCOPE

Section 1: Service Delivery — SDCs, infrastructure landscape, customer profile, engagement
 Section 2: Service Delivery Challenges — Energy losses, outages, backlog, tunnels, theft, SSEG
 Section 3: Maintenance Programme — Philosophy, forecast, POS reduction, load centres
 Section 4: Infrastructure Development — Capital projects, grid reliability, energy programmes
 Section 5: Secondary Plant, Protection and Grid Automation — IEDs, SCADA, metering
 Section 6: Energy Loss Reduction Programme — Technical and non-technical losses, IDS
 Section 7: SITS Plan — ICT strategy, governance, roadmap, FY2026/27 programmes

This chapter focuses on the following key areas

- 9.1 Service Delivery
- 9.2 Service Delivery Challenges
- 9.3 Maintenance Programme
- 9.4 Infrastructure Development Programme
- 9.5 Secondary Plant, Protection Systems and Grid Automation
- 9.6 Energy Loss Reduction Programme
- 9.7 Energy Sustainability (Smart City Programmes)
- 9.8 Strategy, Innovation and Technology Services (SITS) Plan

CHAPTER 9 — SERVICE DELIVERY

Chapter 9 provides a comprehensive overview of City Power's service delivery operations, infrastructure challenges, maintenance programme, capital development projects, energy loss reduction initiatives, and SITS digital transformation plan for FY2026/27.

Figure 9.0 — Chapter 9 Service Delivery Snapshot

R2.354 billion Capital Budget FY2026/27 Infrastructure renewal and grid modernisation	29.85% Energy Losses Target: 16% by FY2030/31	8 SDCs Service Delivery Centres Covering all CoJ regions	R54 million SITS Budget FY2026/27 ICT and digital transformation
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NT TRADING REFORMS — SERVICE DELIVERY ALIGNMENT
• NT A3 PIAP E5: Electricity Losses (% purchased) — target trajectory from 29.85% to 16% by FY2030/31 • NT A3 PIAP E6/E7: Network Effectiveness (ASIFI target 6 / ASIDI target 5,000 min by FY2030/31) • NT A3 PIAP F5: Infrastructure CAPEX — R1.477bn FY2026/27 capital investment programme • PJWG WS3.3: Infrastructure Recovery Plan — addressing R44bn backlog • TAS24: Turnaround Strategy 2024 — 7 utility performance dimensions

9.1 Service Delivery

9.1.1 Service Delivery Landscape — Service Delivery Centres

City Power has eight Service Delivery Centres (SDCs) that are fully responsible for managing the end-to-end service delivery chain. Their primary objective is to operate and maintain the electricity network while ensuring that infrastructure is fit for purpose, accessible, and adequately configured to support efficient operations. Public lighting remains a highly visible component of service delivery and is critical to community safety across all regions of the City of Johannesburg.

The Technical and Non-Technical Infrastructure Support Division oversees facilities that house network infrastructure, operational equipment, and personnel. The mandate of the SDCs is to oversee and manage electricity distribution facilities for City Power customers, including customer queries and complaints, revenue management, customer feedback and engagement, maintenance planning, outage restoration forecasting, and public lighting services within City Power's licensed areas of supply.



COLOUR CODING	SDC	WARD
	Eskom North	
	Eskom South	
	Eskom Soweto	
	Alexandra	91B,103,106 & 115
	Hursthill	82,86,87,88,90,92,98,99,102,104 & 117
	Inner City	23, 54,55,56,57, 58,59,60,61,62,63,64,65,66,67,118,123,124 & 125
	Lenasia	8, 9, 10, 18, 17, 24, 119, 120 & 123
	Lenasia B	
	Midrand	80,92, 94,110,112
	Randburg	96, 98, 99, 100, 101, 102, 103, 104, 106, 115, 134
	Reuven	23,54,55,56,57,124,125, 199, NATURENA, NATURENA EXT 11, 15, 19
	Roodepoort	7, 83, 85, 89, 71, 84, 70, 127 & 128

9.1.2 Infrastructure Landscape

City Power manages an extensive electricity distribution network that supports reliable energy distribution across Johannesburg. The network comprises thousands of load centres, feeder boards, public lighting points, and a substantial mix of overhead and underground cabling. The utility also operates over 100 MW of generation capacity and continues to invest in modernising network assets. However, with SCADA visibility currently at only 37%, there is a critical need to enhance automation, system visibility, and real-time monitoring capability across the network.

Table 9.1.1 — Infrastructure Landscape

Infrastructure Component	Quantity / Coverage
SCADA Visibility Coverage	37%
Load Centres	23,200
Underground Cables	18,100 km
Feeder Boards	717
Generation Capacity	111.20 MW
Power Transformers	216
Public Lights	277,112
Overhead Lines	823 km

9.1.3 Customer Profile

Each Service Delivery Centre presents a distinct customer profile and energy demand pattern:

- Reuven: Predominantly industrial and Large Power User (LPU) customer base. High-return zone for smart metering and solar-BESS hybrid solutions.
- Roodepoort: Mixed residential and commercial demand profile. Emerging corridor for energy loss management initiatives.
- Alexandra: High-density prepaid and commercial customer mix. Strategic area for theft prevention and premium tariff management.
- Randburg: High prepaid penetration with strong potential for customer engagement and energy efficiency programmes.
- Midrand: High prepaid penetration with strong potential for customer engagement and energy efficiency programmes.

- Hursthill: High infrastructure risk profile, including illegal connections. Prioritised for network security upgrades.
- Inner City: High infrastructure risk profile, including illegal connections. Prioritised for security and refurbishment interventions.
- Lenasia and Soweto (transitioning areas): Areas still largely supplied by Eskom, with future integration forming part of post-restructure planning.

9.1.4 Customer Segmentation by Category and Volume per SDC

Table 9.1.2 — Customer Segmentation by SDC (FY2024/25 YTD)

City Power SDC	YTD Budget Revenue R'000	YTD Actual Revenue R'000	%	YTD Collection Budget R'000	YTD Actual Collection R'000	Customer Debt R'000	Vending Customer	Not Vending Customer	%
Siemert	R4 464 073	R4 389 295	21%	R3 998 242	R2 862 527	R2 835 976	15 427	3 734	81%
Reuven	R3 058 408	R4 121 445	19%	R3 754 255	R3 866 071	R2 391 769	28 356	3 741	88%
Randburg	R3 949 647	R3 104 539	15%	R2 827 949	R3 568 331	R704 622	16 146	912	95%
Hursthill	R3 426 062	R3 078 831	15%	R2 804 531	R2 326 559	R1 668 145	22 161	4 126	84%
Roodepoort	R3 294 058	R2 512 309	12%	R2 288 482	R2 267 410	R873 477	40 782	18 427	69%
Midrand	R2 037 555	R2 045 950	10%	R1 863 672	R1 342 151	R459 199	10 193	5 356	66%
Alexandra	R1 360 644	R1 130 148	5%	R1 029 460	R1 089 432	R496 416	13 428	36 774	27%
Lenasia	R1 110 547	R805 404	4%	R733 648	R846 016	R891 207	28 922	46 779	38%
TOTAL	R22 700 996	R21 187 924	100%	R19 300 242	R18 168 501	R10 320 814	175 415	119 849	

9.1.5 Customer Engagement and Education

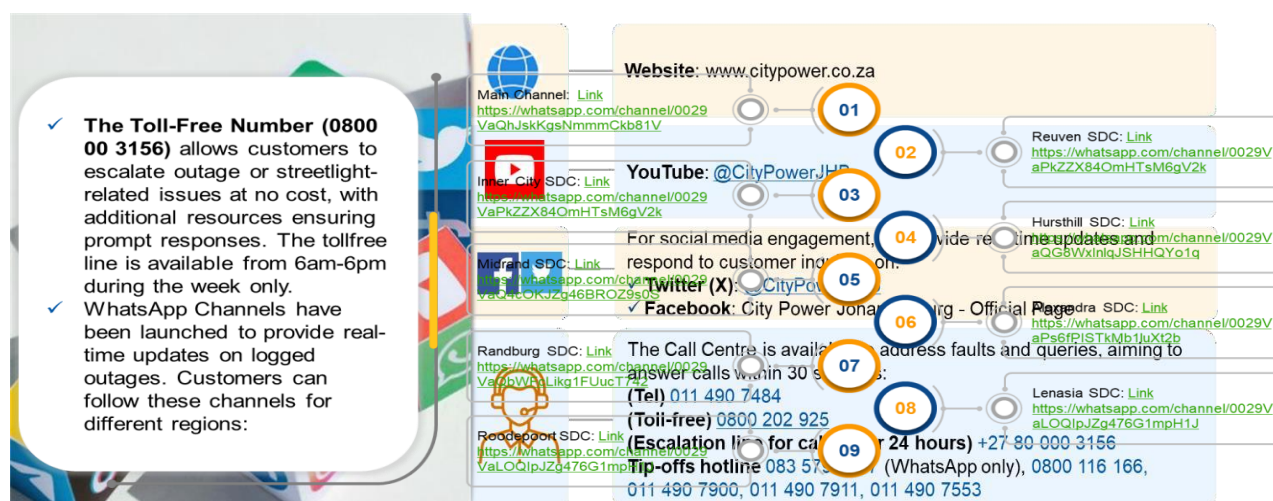
City Power has implemented a comprehensive and integrated customer engagement framework designed to enhance transparency, responsiveness, and service delivery performance. The framework combines digital and traditional communication channels, including WhatsApp platforms, social media channels, and call centre support, ensuring communication remains accessible to a wide range of customer groups.

To strengthen accountability and service responsiveness, City Power has introduced integrated feedback and case management systems that record, track, and monitor all customer interactions. These systems enable the utility to manage service requests more effectively, ensure adherence to defined service-level standards, and support data-driven improvements.

FY2026/27 CUSTOMER ENGAGEMENT KEY ACTIVITIES

- Customer Engagement Forums (4) — large consumers and strategic customers
 - Government Indaba — policy-aligned public sector coordination
 - Business Forums — commercial customer engagement and compliance
 - City Power Golf Day — institutional relationship building
 - Community Engagement Drives — electricity safety and reporting awareness
 - Regional Indabas — grassroots service delivery engagement
 - Expanded Social Package Awareness Campaigns — indigent household support
- Programme budget: R25 million per annum (operational expenditure)

Customer Engagement Channels



Channels of communication

9.2 Service Delivery Challenges

City Power currently faces a range of structural, operational, and financial challenges that materially affect its ability to deliver stable, affordable, and reliable electricity services across the City of Johannesburg. These challenges arise from a combination of ageing infrastructure, increasing demand pressures, financial constraints, and evolving energy market dynamics.

Energy Losses	Infrastructure Backlog	Tunnel Condition	Theft & Vandalism
29.85% total losses — technical + non-technical. Target: 16% by FY2030/31	R44 billion investment backlog across all major asset classes	11km inner-city tunnel network in critical condition — R1.78bn to remediate	Copper theft, substation break-ins, Zama Zama — millions in annual losses

Figure 9.2.1 — Key Service Delivery Challenges

9.2.1 Escalating Energy Losses

City Power continues to experience elevated electricity losses, currently estimated at 29.85% of total energy purchased, comprising both technical and non-technical losses. This level of losses represents a significant risk to the utility's financial sustainability, operational efficiency, and service reliability.

Figure 9.2.2 — Energy Loss Types: Technical vs Non-Technical

Technical Losses	Non-Technical Losses
- Congested feeders - Unbalanced load profiles - Transformer inefficiencies - Conductor resistive losses - Overloaded network components	- Electricity theft - Meter tampering - Illegal connections - Unmetered consumption - Administrative/billing inefficiencies

Figure 9.2.3 — Energy Loss Reduction Trajectory (FY2024/25 to FY2035/36)

29.85%	27.50%	25.00%	22.00%	16.00%	<16%
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FY2024/25 Current	FY2025/26 Phase 1	FY2026/27 Phase 2	FY2027/28 Phase 3	FY2030/31 Target	FY2035/36 Long-term
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LOSS REDUCTION STRATEGY — NT PIAP E5 ALIGNMENT

- Technical losses target: Reduce to 8% FY2028/29, then 7.5% by FY2030/31
- Non-technical losses: Addressed via IDS deployment, smart metering, enforcement
- Total loss target: 16% by FY2030/31 — aligned to NT A3 PIAP E5
- Interventions: Network protection, large-scale smart metering, revenue assurance, enforcement
- Community education and awareness campaigns across all 8 SDCs

9.2.2 Frequent Electricity Outages

Frequent electricity outages remain a major challenge. Approximately 60% of outages are caused by ageing and deteriorating infrastructure, with some network components nearing 100 years of operation. A further 20% result from theft and vandalism, 5% from network overloads in growing informal settlements, and 15% from Eskom-related faults and third-party damages.



Figure 9.2.4 — Types of Outages and Restoration Commitments

Planned Outages	Unplanned Outages	Emergency Outages
Scheduled maintenance — customers notified 7 working days in advance	Equipment faults — 100% restoration within 7 days (98% within 24hr)	Prevent larger failures — communicated via External Relations Management

Table 9.2.1 — Plant Performance Trends (FY2022/23 to FY2025/26)

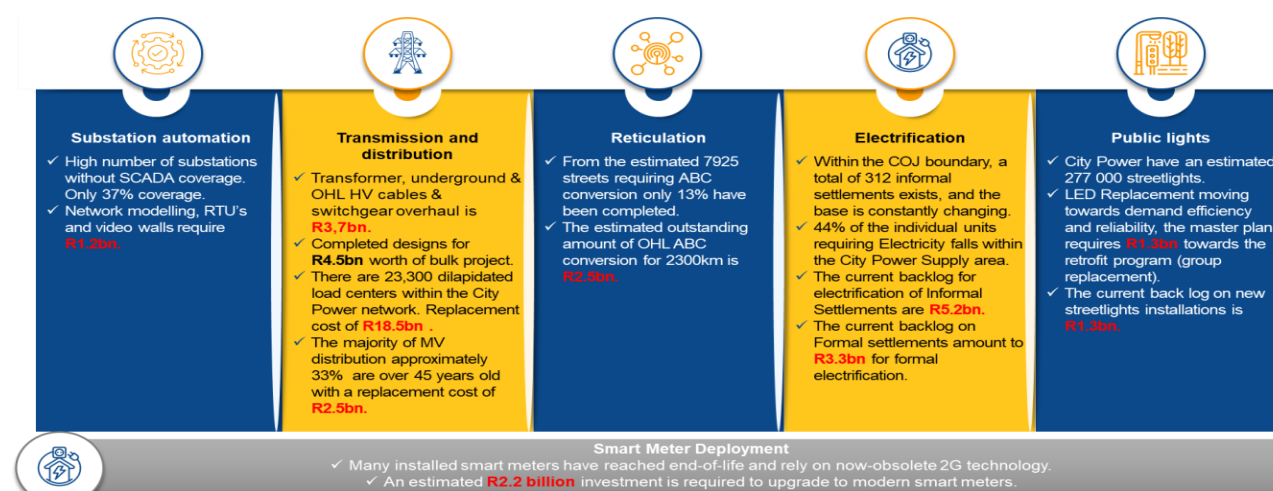
Financial Year	HV Outages	MV Outages	LV Outages	Total
FY 2022/23	285	4,550	176,362	181,197
FY 2023/24	239	4,584	153,835	158,658
FY 2024/25	243	4,805	126,876	131,924
FY 2025/26 (July – October)	60	1,426	34,613	36,099

OUTAGE RESTORATION PERFORMANCE TARGETS

- 100% of affected customers restored within 7 days (all outage types)
- 98% of customers restored within 24 hours
- ASIDI target FY2026/27: 7,000 minutes (path to 5,000 min by FY2030/31)
- ASIFI target FY2026/27: 10 (path to 6 by FY2030/31)
- Load shedding impact noted: disrupts planned maintenance, accelerates infrastructure deterioration

9.2.3 Infrastructure Investment Backlog

City Power conducted a comprehensive infrastructure audit covering key asset classes. The audit estimates that approximately R44 billion is required to rehabilitate, upgrade, and expand City Power's electricity infrastructure to meet acceptable standards of operational reliability, safety, and network resilience. Key findings include: a substantial number of transformers requiring replacement; limited automation within substations; ageing HV and MV circuits; outdated public lighting; and legacy smart metering infrastructure requiring an estimated R2.2 billion upgrade.



9.2.4 Transformer Asset Audit Outcome

The transformer asset audit revealed significant ageing and condition risks within City Power's transformer fleet. Transformers were classified into four categories: Category A (Unhealthy — Replace), Category B (Moderately Unhealthy — Refurbishment), Category C (Moderately Healthy — Maintain), and Category D (Healthy — Maintain).

Table 9.2.2a — Transformer Asset Audit Outcome: Existing Transformers

Cat	Condition	Action	Total	Budget (R')	Alexandra	Midrand	Inner-City	Randburg	Roodepoort	Hursthill	Reuven	Lenasia
A	Unhealthy	Replace	37	R1,041,427,828	3	2	19	2	3	2	6	0
B	Moderately Unhealthy	Refurbishment	29	R655,091,698	0	0	1	2	13	1	5	7
C	Moderately Healthy	Maintain	71	R24,300,000	3	0	19	2	9	16	12	10
D	Healthy	Maintain	79	R31,200,000	5	10	9	9	22	5	13	6
Total			216	R1,752,019,527	11	12	48	15	47	24	36	23

Table 9.2.2b — New Transformers Programme

No	Total	Alexandra	Midrand	Inner City	Randburg	Roodepoort	Hursthill	Reuven	Lenasia
31		1	12	4	3	3	1	2	5
Budget	R1,269,149,496	R38,500,000	R471,837,962	R214,108,150	R267,947,814	R58,391,669	R16,797,223	R117,580,561	R83,986,115

9.2.5 Switchgear, Public Lighting and HV Circuit Audits

Table 9.2.3 — Switchgear Audit Outcomes

Category	Action	No of feeder boards	Budget (R')
Critical	High Risk	181	R999,000,000

Table 9.2.4 — Public Lighting Audit Outcomes

Category	Action	No of feeder boards	Budget (R')
Critical	High Risk	111	R999,000,000

Table 9.2.5 — HV Circuit Audit Outcome

Category	Action	No of Circuits	Budget (R')	Alexandra	Midrand	Inner City	Randburg	Roodepoort	Reuven	Hursthill	Lenasia
Critical	High Risk	120	R1,099,130,505	5	19	12	12	46	8	9	9
Moderate	Medium Risk	74	R4,136,194	1	22	6	22	15	7	0	1
Low	Low Risk	19	R1,289,097	1	2	1	4	3	3	4	
Total		213	R1,104,555,796	7	43	19	35	65	18	12	14

9.2.6 Poor Condition of Tunnels

City Power's 11 km underground tunnel network in the inner city is in critical condition, posing significant operational and safety risks. Structural deterioration, water leaks, corrosion, sewage ingress, poor ventilation, and weak access control threaten the integrity of critical infrastructure such as power cables and feeder systems. The estimated cost of addressing these risks is R1.78 billion (excluding VAT), with the majority required for structural rehabilitation.

Tunnels Condition audit outcomes



Table 9.2.6 — Tunnel Risks and Estimated Mitigation Costs

Risk Description	Estimated Risk Mitigation Cost
HIGH RISKS	
Structural damages	R1 700 000 000
Comprehensive tests throughout tunnel network	R3 600 000
Early warning issued on disintegration/collapse of tunnel (S18) – temporary mitigation measures	R2 200 000
Poor ventilation	R7 500 000
Sewer leaks	R800 000
MEDIUM RISKS	
Compromised electrical earthing	R25 000 000
Unauthorized access through storm water pipes	R1 600 000
Unauthorized access through manholes	R1 750 000
Water leaks accelerating corrosion of cable supports	R22 500 000
Flooding of tunnels	R1 250 000
Inadequate tunnel lighting	R6 600 000
Unauthorized access through original air vents	R250 000
LOW RISKS	
Poor air quality causing health risks	R550 000
Fire risk (deliberate or cable fault related)	R2 950 000
Unauthorized access from substations	R750 000
Housekeeping improvements	R3 500 000
Total Estimated Cost (Excluding VAT)	R1 780 800 000

9.2.7 Theft, Vandalism and Zama Zama Activities

Copper cable theft remains one of the most frequent and damaging incidents affecting the network, often resulting in prolonged electricity outages, equipment failures, and costly emergency repairs. Substation break-ins lead to cascading network failures disrupting supply to multiple customers and critical public services. Illegal mining activities (Zama Zamas) destabilise underground structures and increase risk of land collapse around substations and powerlines.

City Power has strengthened collaboration with law enforcement, community policing forums, and private security, while investing in surveillance technologies, anti-theft cable systems, and enhanced substation security. A coordinated city-wide strategy is required incorporating stronger prosecution of criminal syndicates, improved community-based reporting, infrastructure hardening, and social development programmes.

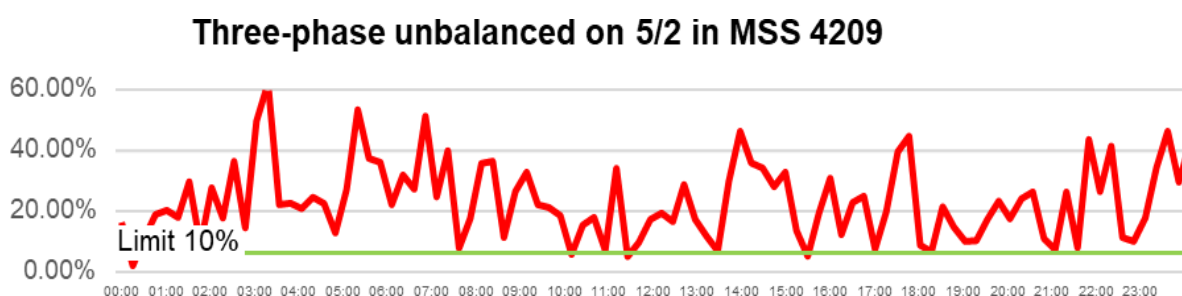
Table 9.2.7 — Convictions for Infrastructure-Related Offences

Month	No. of Suspects	Cumulative Sentence (Years)
Jul-24	1	10
Jul-24	1	8
Jul-24	1	0.8
Aug-24	3	21
Aug-24	1	6
Sep-24	1	12
Sep-24	4	40
Oct-24	1	30

Month	No. of Suspects	Cumulative Sentence (Years)
Oct-24	1	0.1
Nov-24	2	10
Jan-25	1	13
Total	17	150.9

9.2.8 Inadequate Monitoring of Solar PV Connections

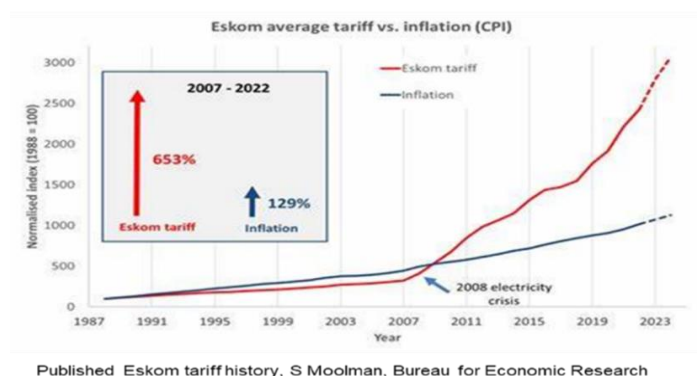
City Power is increasingly confronted with challenges in monitoring and regulating Small-Scale Embedded Generation (SSEG) systems, particularly rooftop solar PV installations. A significant number of PV systems are currently installed without formal registration, resulting in uncontrolled electricity injections into the distribution network. Evidence from MSS 4209 indicates substantial three-phase load imbalances, with deviations exceeding the acceptable 10% threshold and in some cases reaching over 60%.



To address this, City Power will implement mandatory SSEG registration, integration of PV systems into SCADA and IDS monitoring platforms, and stronger compliance enforcement to improve network visibility, protect grid stability, and support the transition toward a smart and decentralised electricity system.

9.2.9 Escalating Electricity Prices and Suboptimal Shift Model

Rising electricity prices — particularly during peak demand periods — increase costs for both City Power and its customers. Penalties related to Notified Maximum Demand (NMD) and tariff differences across voltage levels highlight the need for improved demand-side management and the integration of Battery Energy Storage Systems (BESS) to manage peak loads and reduce procurement costs.



- ✓ Between 1987 and 2023, Eskom tariff hikes have consistently surpassed South Africa's inflation rate, exacerbating the financial burden on residents and businesses by progressively inflating electricity costs beyond the general cost of living.
- ✓ The electricity crisis began in 2007; however, City Power did not feel the impact of the crisis and therefore did not respond to it because, at the time, it had sufficient funds and customers.
- ✓ City Power is particularly impacted as it purchases electricity in bulk from Eskom. These climbing tariffs increase procurement costs and cascade down to consumers through heightened electricity prices, potentially leading to a rise in payment defaults and placing additional strain on City Power's financial stability.
- ✓ Essentially, Eskom's escalating tariffs weave a complex narrative of economic and financial challenges, impacting numerous aspects of the South African economic scenario and necessitating strategic interventions to navigate and mitigate its widespread repercussions.

City Power's current workforce deployment model presents operational inefficiencies due to irregular shift structures and excessive reliance on overtime. Addressing this challenge requires reforming the shift system, improving

workforce planning, and strengthening performance monitoring mechanisms to reduce labour costs, optimise resource allocation, and improve operational efficiency.

9.3 Maintenance Programme

9.3.1 Maintenance Philosophy

City Power's maintenance strategy is designed to operate and maintain the network in a safe, reliable, and cost-effective manner, while maximising the continuity of electricity supply. The maintenance philosophy is built around three complementary approaches: Preventive Maintenance (time-based routine scheduling), Predictive Maintenance (condition-based inspection and monitoring by the PCM team), and Corrective Maintenance (run-to-failure for lower-risk assets). City Power aims to achieve a maintenance mix ratio of 70:20:10 by 2030.

Figure 9.3.1 — Maintenance Mix Target: 70:20:10 by 2030

70% Preventive Time-based routine maintenance to prevent failures (2030 target)	20% Predictive Condition-based maintenance using PCM and equipment monitoring	10% Corrective Run-to-failure approach for low-risk assets
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MAINTENANCE BENEFITS — KEY OUTCOMES
- Improved customer satisfaction levels - Reduction in network outages and equipment failures - Increased revenue collection through improved electricity availability - Prevention of premature equipment failures and improved plant health - Extension of asset lifespan and improved quality of electricity supply

9.3.2 Maintenance Programme Forecast

Table 9.3.1 — Maintenance Programme Forecast (FY2025/26 to FY2027/28)

Programmes	Baseline	Targets (FY2025/26)	Targets (FY2026/27)	Targets (FY2027/28)	Resource Requirements
Reduction of Plant Out of Service (Cable related)	496	<150	<90	<90	Budget materials; Human resources
Reduction of PM09's	1900	<500	<250	<200	Budget materials; Human resources
Execution of Planned Maintenance Mix	52%	55%	60%	70%	Budget materials; Human resources
Reduction of Outages	97%	97%	100%	100%	Budget materials; Human resources

Maintenance Initiatives

City Power's maintenance programme for FY2026/27 will focus on the following key initiatives:

Maintenance of Stations	Reduction of Plant Out of Service (POS)	Load Centre Maintenance	Public Lighting Network Maintenance	Infrastructure Technical Support Maintenance
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9.3.3 Plant Out of Service (POS)

Reducing Plant Out of Service (POS) levels is a critical component of City Power's reliability strategy. Restoring plant availability improves N-1 redundancy, ensuring that alternative supply routes are available when faults occur, thereby reducing restoration times. Ideally, POS levels should remain below 90 assets or circuits. Currently, cables account for 279 of the 466 total POS items — the largest single plant type out of service.

Table 9.3.2 — Plant Out of Service by SDC

SDC	Plant Out of Service	HV Outages	MV Outages	LV Outages
Alexandra	50	4	153	3253
Hursthill	40	4	165	6493
Inner City	79	13	205	5216
Lenasia	28	7	168	3274
Midrand	40	6	123	1785
Randburg	46	5	154	5108
Reuven	34	15	168	5087
Roodepoort	88	6	291	4421
Protection	1	-	-	-
Grid Reliability	56	-	-	-
Transmission	4	-	-	-
Grand Total	466	60	1427	34 636

Table 9.3.3 — Plant Out of Service Breakdown by Plant Type

Plant Type	Plant Out of Service
Auxiliary Transformer	1
Breaker	30
Cable	279
Cable Insulation	51
Cable Insulation (XLPE)	2
Cable Joint	21
Cable Termination	10
Conductor	5
CT	2
Distribution Transformer	9
Insulation	1
Isolator	4
Jumpers	1
Line	1
Line Link	1

Plant Type	Plant Out of Service
Local OCB	2
No Faulty Equipment	4
Power Transformer	27
Protection Relay	5
Ring Main Unit	7
Ripple Controller	2
Grand Total	466

Load Centre Maintenance

City Power operates more than 23,200 load centres, many of which have received limited maintenance due to the prioritisation of substation infrastructure. The estimated cost of a full load centre replacement programme is approximately R5 billion. In the interim, ongoing maintenance interventions are being implemented to extend the operational life of existing load centres.

Public Lighting Network Maintenance

Maintenance of the public lighting network includes:

- Installation of pole covers
- Night inspections and repairs
- Luminaire and lamp replacement
- Conversion of ABC conductors to bare conductors to reduce theft risks
- Removal of illegal electricity connections
- Repair and replacement of underground cables and conductors
- Replacement of control boxes and photocells
- Repair and replacement of GP wires, breakers, and fuses

These interventions aim to improve public safety, infrastructure reliability, and energy efficiency across the city.

Infrastructure Technical Support Maintenance

Infrastructure technical support activities focus on maintaining the supporting facilities and environments that house electricity infrastructure. These activities include:

- Vegetation management near overhead power lines
- Maintenance of substation yard vegetation
- Reconstruction of perimeter fencing around substations
- Repair of structural elements such as doors, windows, and electrical systems
- Protection and sealing of tunnel manholes
- Civil works including carpentry, painting, plumbing, and glazing
- Maintenance of roller shutter doors and steel structures
- Roof repairs and waterproofing

These activities ensure that infrastructure facilities remain secure, safe, and operationally functional.

9.4 Infrastructure Development Programme

9.4.1 Infrastructure Creation Plan (CIDMS Alignment)

City Power is aligning its infrastructure asset management framework with the Cities Infrastructure Delivery and Management System (CIDMS). This framework requires establishing an infrastructure asset management policy, improving knowledge of infrastructure asset conditions, defining service levels and performance standards, conducting demand forecasting, developing lifecycle asset management plans, undertaking lifecycle financial planning, strengthening portfolio and project management, enhancing infrastructure procurement, and improving contract administration and asset handover processes.

9.4.2 Infrastructure Capital Projects

The development, expansion, and refurbishment of electricity infrastructure are critical to achieving **universal access to electricity**, supporting economic growth, job creation, and addressing rapid urbanisation. As part of this strategy, City Power is also progressing toward the development of a **smart grid**, integrating diversified energy sources and modern technologies. City Power implements capital investment programmes aimed at:

- Improving network reliability and performance
- Reducing technical losses and strengthening financial sustainability
- Reducing infrastructure tampering and vandalism

Electrification

City Power receives annual grant funding from the **City of Johannesburg's Department of Human Settlements** under the **Upgrading of Informal Settlements Programme (UISP)** to support the electrification of informal settlements. The grants fund the installation of bulk infrastructure, network extensions, service connections, and customer metering.

Service Connections

Service connections form part of the capital budget allocated for new electricity connections, alterations to existing connections, and prepaid meter conversions.

Table 9.4.1 — Service Connections Budget FY2026/27

Service Connections	Amount	SDC
New Service Connections	R32,900,000	All

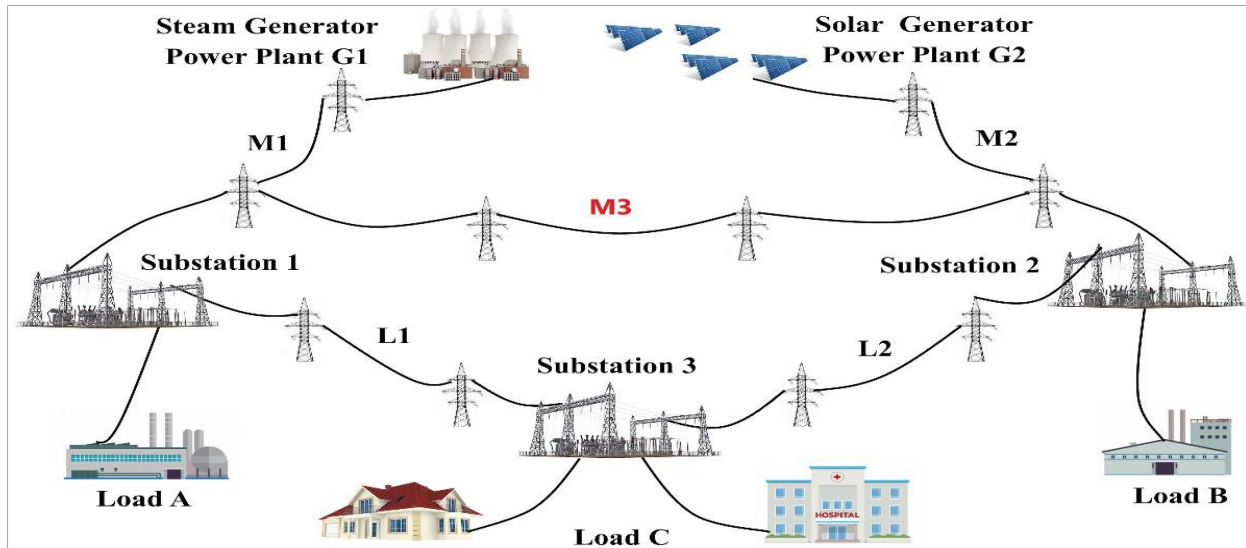
Grid Reliability and Expansion

Maintaining a reliable and resilient electricity grid is fundamental to City Power's mandate of providing uninterrupted electricity supply. Grid reliability requires sufficient generation and network capacity, combined with built-in redundancy mechanisms (N-1 contingency planning) to minimise the impact of equipment failures. City Power has strengthened its operational model by transforming depots into Service Delivery Centres (SDCs) responsible for managing the end-to-end electricity service delivery value chain. These centres, together with the Public Lighting and Technical Infrastructure divisions, ensure the electricity network remains:

- operationally accessible
- technically manageable
- capable of supporting growing electricity demand

Through strategic infrastructure expansion and modernisation programmes, City Power aims to improve grid stability, expand network capacity, and ensure reliable electricity supply across Johannesburg.

Typical Example of Reliable Grid



Grid Redundancy and Infrastructure Expansion

A reliable electricity network requires built-in redundancy across all levels of the power system to ensure continuity of supply and minimise the impact of equipment failures. Within City Power's network architecture, redundancy is structured across three key layers of the electricity value chain:

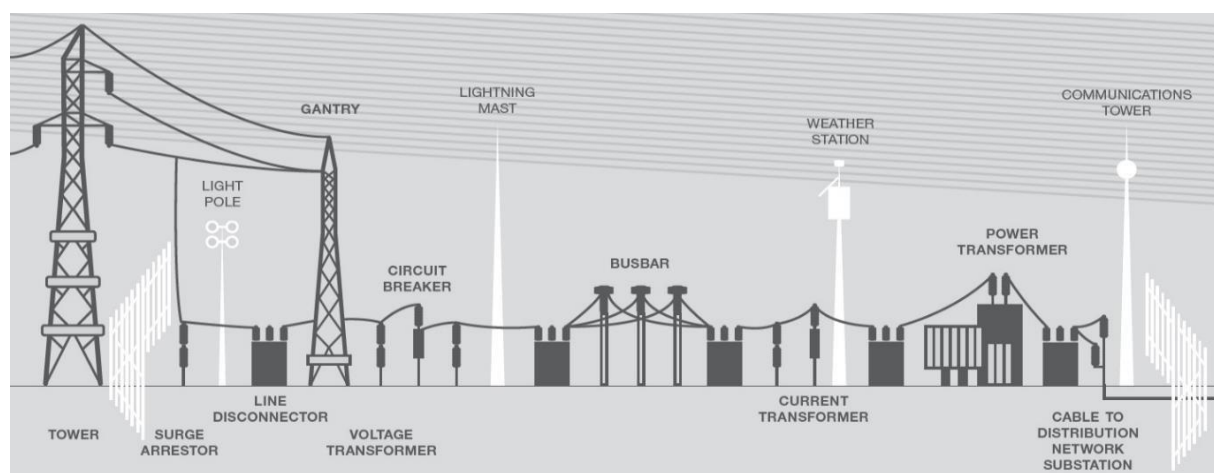
- **Generation Level:** Redundancy is provided through multiple generation sources, where G1 and G2 serve as alternative supply points to ensure continuity of power generation.
- **Transmission Level:** At the transmission stage, M3 provides redundancy to M1 and M2, enabling alternative transmission pathways should one line experience a failure.
- **Distribution Level:** At the distribution level, L1 and L2 provide redundancy, allowing electricity supply to be rerouted in the event of faults or equipment outages.

As the City of Johannesburg continues to grow and urbanise, electricity demand across residential, commercial, and industrial sectors increases, placing additional pressure on the existing electricity network. This requires ongoing grid expansion and infrastructure upgrades to maintain reliable electricity supply. To meet rising demand, City Power continues to invest in generation support infrastructure, transmission capacity, and distribution network upgrades, ensuring the network remains reliable and resilient.

The Strategic Infrastructure Development Department is responsible for planning and implementing cost-effective network expansion solutions, including the development of:

- Power sources and generation support infrastructure
- Transmission lines and underground cables
- Substations and switching stations
- Protection and control systems

Substations play a critical role in the network by providing voltage transformation, system protection, and electricity distribution, ensuring safe and reliable delivery of electricity to customers.



9.4.2 Primary Distribution Projects

Primary distribution projects focus on the construction and upgrading of substations and bulk electricity infrastructure to support urban growth and increasing electricity demand. The total primary distribution programme for FY2026/27 is R673.2 million, structured across 31 projects spanning all 8 SDCs.

The Network Asset Creation division oversees the operation of the network from Eskom intake points at voltage levels ranging from 275 kV to 6.6 kV, down to feeder boards at substations, ensuring reliable electricity supply across the City.

Substation Configuration

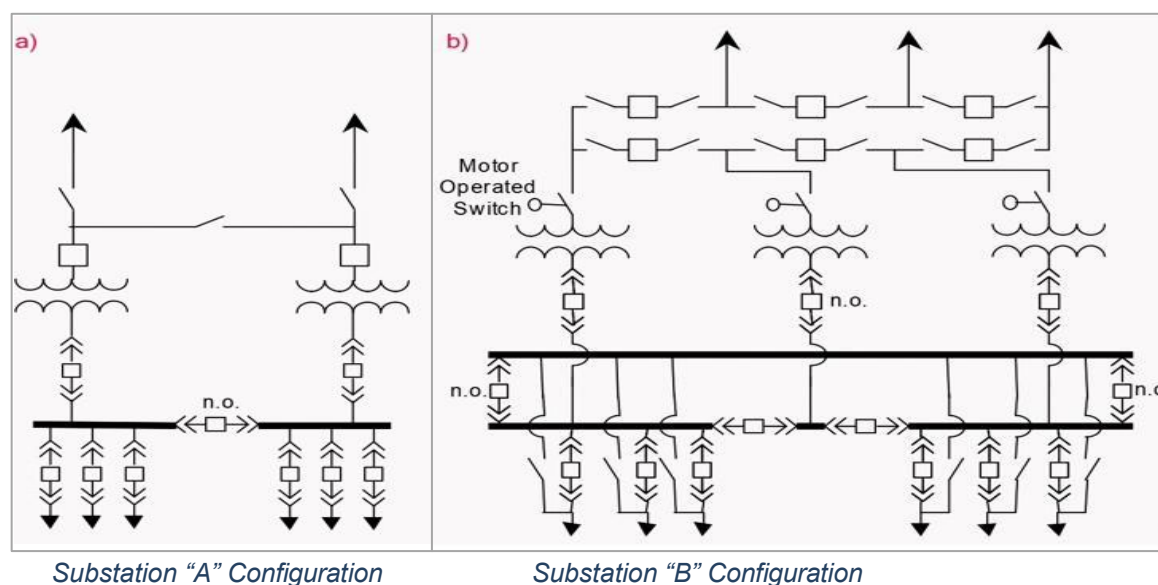


Table 9.4.2 — Bulk Projects per SDC: Primary Distribution (FY2026/27)

Primary Distribution Projects	Amount (R'000)	SDC
Construction of an 88kV transmission lines: Lutz / Peter Rd T-point New Transmission Line HONEY PARK EXT10 C Regional	18,000	Roodepoort
Acquire servitudes and substation sites New Transmission Line REUVEN F City Wide	4,243	All
Upgrade John Ware Substation Renewal Bulk Infrastructure FORDSBURG F Regional	54,500	Inner City

Primary Distribution Projects	Amount (R'000)	SDC
Allandale Substation: Upgrade 2 X 10 MVA transformers to 40 MVA Renewal Bulk Infrastructure COMMERCIA EXT11 A Regional	14,100	Midrand
Transformer capital program to eliminate high risk transformers Renewal Bulk Infrastructure REUVEN F City Wide	32,270	All
Emergency work on the transmission network Renewal Bulk Infrastructure REUVEN F City Wide	44,230	All
Upgrading of 88 kV overhead lines Renewal Bulk Infrastructure REUVEN F City Wide	23,293	All
New 88/11 kV substation at Sandringham New Bulk Infrastructure SANDRINGHAM E Regional	7,500	Inner City
Extend Mondeor substation and construct new Mondeor 88 kV switching station New Bulk Infrastructure MONDEOR F Regional	4,500	Reuven
Construct 88 kV switchyard adjacent to Pennyville substation New Bulk Infrastructure PENNYVILLE B Regional	260,373	Hursthill
Upgrade Orchards Substation New Bulk Infrastructure ORCHARDS F Regional	10,000	Inner City
Brynorth: Substation	7,698	Randburg
Hopefield: Substation	8,500	Lenasia
Randjespark Ext37: Satellite	9,000	Midrand
Ridge: Substation	6,300	Inner City
Robertsham: Substation upgrade	5,000	Reuven
Glen Lea (CP_E075)	12,500	Roodepoort
Lenasia South	4,500	Lenasia
Penny Street	5,000	Roodepoort
Pritchard 88/11 kV substation upgrade	11,250	Inner City
Soweto Local	5,000	Lenasia
Roosevelt Switching Station	1,611	Alexandra
Dainfern Substation upgrade	4,700	Randburg
MV Feederboard replacement	7,200	All
Design and install fire walls and oil embankments	500	All
Mobile sub-station	18,800	All
Refurbish Vasco Switching station	14,700	Alexandra
Upgrade Eikenhof Substation	32,900	Reuven
Replacement of high risk and obsolete MV feeder boards - Primary substations	1,125	All
Mondeor - Eikenhof HV OHL	28,900	Reuven
HV Cable Replacement: Rosebank - Cydna	15,000	Hursthill
Total	673,192	

9.4.3 Secondary Distribution Projects

The Secondary Distribution Programme focuses on strengthening the medium-voltage (MV) and low-voltage (LV) reticulation networks, addressing ageing infrastructure, supporting township electrification, and enhancing network reliability. The total secondary distribution programme for FY2026/27 is R235.9 million across 15 projects.

Table 9.4.3 — Secondary Distribution Network Programme (FY2026/27)

Secondary Distribution Projects	Amount (R'000)	SDC
Prepare mini subs and load centres for 11 kV conversion Renewal Township Reticulation JEPPESTOWN SOUTH F Regional	9,000	Inner City
Replacement of aged and/or faulting MV cables Renewal Medium Voltage Network NORTH RIDING EXT30 C City Wide	13,400	North
Refurbishment of LV infrastructure Renewal Low Voltage REUVEN F Regional	18,500	South
Refurbishment of MV infrastructure (Switchgear and transformers) Renewal Medium Voltage Network REUVEN F Regional	27,900	South

Secondary Distribution Projects	Amount (R'000)	SDC
Replacement of aged and/or faulting MV cables Renewal Medium Voltage Network REUVEN F Regional	13,400	South
Emergency Work Renewal Medium Voltage Network NORTH RIDING EXT30 C Regional	18,200	North
Emergency work Renewal Medium Voltage Network REUVEN F City Wide	22,700	South
Normalisation Renewal Medium Voltage Network ALEXANDRA EXT42 E Regional	19,200	Alexandra
Network development for townships and service connections New Network Development FERNDAL B Regional	10,000	Randburg
Network development for townships and service connections New Network Development ROODEPOORT C Regional	10,000	Roodepoort
Network development for townships and service connections New Medium Voltage Network HURST HILL B Regional	10,000	Hursthill
Network development for townships and service connections New Medium Voltage Network LENASIA EXT1 G Regional	10,000	Lenasia
Network development for townships and service connections New Medium Voltage Network REUVEN F Regional	11,164	Reuven
Preparation of LCs and MSS for 11kV conversion Bryanston	22,400	Randburg
Upgrade MV Networks in CBD Renewal Medium Voltage Network JOHANNESBURG F Regional	20,100	Inner City
Total	235,964	

9.4.4 Capital Investment Programme

The total capital expenditure budget for FY2026/27 amounts to R1,477,062,000. The budget includes enabling programmes: Service Connections R37.2m, ICT Infrastructure R54m, Tools of Trade R58.5m, and Public Lighting R43.65m. The remaining R1,274,513,000 is allocated to strategic infrastructure programmes.

Figure 9.4.1 — FY2026/27 Capital Investment Summary by Programme

R673.2m Primary Distribution Substations, HV lines, transformer replacement	R236.0m Secondary Distribution MV/LV networks, township reticulation, cables	R196.2m Secondary Plant SCADA, IEDs, protection, security systems	R168.3m Meters + Renewables Smart meters, PV, BESS programmes
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Table 9.4.4 — Capital Investment Programme by Category (FY2026/27)

Programme	Total	Stabilisation	Strengthening	Expansion
Primary Distribution	R673,192,000	R256,984,000	R376,466,000	R39,743,000
Secondary Distribution	R235,964,000	R100,700,000	R84,100,000	R51,164,000
Renewable Energy	R68,184,000	–	–	R68,184,000
Secondary Plant	R196,200,000	R61,300,000	–	R134,900,000
Meters	R100,973,000	R12,000,000	R53,965,000	R35,016,000
TOTAL	R1,274,513,000	R430,984,000	R514,531,000	R329,007,000

9.5 Secondary Plant, Protection Systems and Grid Automation

The Secondary Plant Programme provides funding for the design, procurement, installation, upgrading, and refurbishment of electrical protection and control infrastructure across City Power's network. These systems are essential for safeguarding critical electricity infrastructure and ensuring the reliable operation of substations, switching stations, and distribution networks. The programme supports deployment of advanced protection systems, SCADA infrastructure, IEDs, metering technologies, and security systems.

9.5.1 Intelligent Electronic Devices (IED) Programme

IEDs form a critical component of modern substation automation systems, integrating measurement, monitoring, protection, and control functions. Unlike legacy electromechanical protection relays, modern IEDs provide enhanced functionality, faster response times, and improved integration with digital control systems.

Table 9.5.1 — IED Installation Programme (FY2026/27)

Install new IEDs in Substations	Amount	SDC
Installation of new Intelligent Electronic Devices at various substations	R13,500,000	All
Replacement of batteries in substations	R9,000,000	
Total	R22,500,000	

Table 9.5.2 — Protection System Quality Functions

Quality	Function
Selectivity	Detect and isolate only the faulted section of the network
Stability	Maintain continuity of supply to unaffected network areas
Sensitivity	Detect even minor system abnormalities before major damage occurs
Speed	Rapid relay operation to minimise equipment damage

9.5.2 SCADA and Network Monitoring Systems

Table 9.5.3 — SCADA RTU Installation Programme (FY2026/27)

Installation of new SCADA System	Amount	SDC
RTU installation for new SCADA system	R9,000,000	All
Telecommunications network installations and upgrades	R65,000,000	
Telecommunications multiplexer and network management system	R28,200,000	

9.5.3 Fire and Security Infrastructure Programme

Table 9.5.4 — Fire and Security Infrastructure (FY2026/27)

Installation of Fire and Security Systems	Amount	SDC
Fencing and security lighting for substations	R46,400,000	All
Integrated fire detection and suppression systems	R15,100,000	
Fire suppression systems in HV yards	R23,500,000	

9.5.4 Metering Infrastructure Programme

The Metering Programme funds installation, replacement, and upgrade of electricity metering infrastructure. It plays a critical role in revenue assurance, load management, and energy loss reduction.

Table 9.5.5 — Metering Programme (FY2026/27)

Metering Programme	Amount	SDC
Installation of statistical meters	R35,016,000	All
Installation of protective structures	R9,818,000	
Replacement of obsolete meters	R12,000,000	
Installation of smart meters	R44,138,000	
Total	R100,973,000	

9.6 Energy Loss Reduction Programme

9.6.1 Technical Loss Reduction Programme

City Power has identified eleven strategic interventions to reduce technical losses, including network simulation studies, substation automation, transmission line upgrades using HTLS conductors, transformer replacement, smart meter deployment, predictive grid analytics, condition-based maintenance, underground cable replacement, capacitor bank installation, energy efficiency programmes, and medium voltage network optimisation.

Table 9.6.1 — Benefits of Technical Loss Reduction Programme

Benefit	KPI
Technical loss reduction	Percentage reduction in energy losses
Grid reliability	Reduction in unplanned outages
Grid efficiency	Improvement in energy utilisation
Customer impact	Improved customer satisfaction
Revenue stabilisation	Improved revenue collection

9.6.2 Non-Technical Loss Reduction Programme (IDS)

City Power has implemented an Intelligent Distribution Solution (IDS) Proof of Concept. The IDS solution uses advanced analytics and monitoring technologies to identify illegal connections, meter bypassing, abnormal consumption patterns, and network imbalances. Between 2020 and 2024, total losses increased from 28.42% to 31.86%. The IDS pilot at MSS 4209 reduced line losses from high initial levels to approximately 4.42%; at MSS 2940, losses were reduced from 7.23% to 4.32% after intervention.

Table 9.6.2 — Benefits of Non-Technical Loss Reduction Programme

Benefits	KPI
Loss Reduction	Reduced energy theft and meter tampering
Improved Billing Accuracy	Fewer billing disputes and enhanced revenue collection
Customer Trust	Improved public perception through fair metering and service delivery
Operational Visibility	Data-driven decision-making and improved network transparency
Regulatory Compliance	Alignment with energy audit and revenue protection frameworks

IDS — FY2026/27 BUDGET

Total Annual OPEX: R60 million

- IDS Monitoring Room — dedicated facility, video walls, operator workstations
- Real-time monitoring of NTLs and distributed energy assets (EV chargers, solar systems)
- Integration with SCADA, ForceLink, OMS, and asset management systems
- Alert management, investigations, reporting, and operational support

9.6.3 Sustainable Energy Programmes

City Power is implementing a range of sustainable energy programmes aimed at reducing Eskom dependence and supporting Johannesburg's energy transition. These include rooftop solar PV (FY2026/27: four SDC sites — Inner City, Hursthill, Bryanston, Alexandra, each 200 kW / 500 kWh), BESS maintenance, EV charging stations (10 DC fast-chargers at Reuven in FY2025/26; extension to additional SDCs in FY2026/27), Solar Water Heater Programme (4,900 units remaining for FY2026/27), and energy efficiency retrofits across all SDCs and municipal buildings.

WHEELING AND SSEG PROGRAMME

- Wheeling target: Onboard 200 MW through wheeling over next 18–36 months
- Expected benefits: ~40% reduction in Eskom reliance, ~30% carbon footprint reduction by 2030
- SSEG programme: 981 installations commissioned (139 MW capacity) as at reporting date
- DERMS required: Distributed Energy Resource Management System for net billing and grid integration
- SSEG <1 MVA and Embedded Generation >1 MVA — automated portal planned

9.7 Energy Sustainability - (Smart City Programmes)

Background

City Power is implementing a range of sustainable energy programmes aimed at reducing dependence on Eskom, improving energy security, and supporting Johannesburg's transition to a more resilient and lower-carbon electricity system.

These programmes include the installation of solar photovoltaic systems, small-scale power grids, battery energy storage systems, electric vehicles and charging infrastructure, solar streetlights, gas turbines, and intelligent monitoring platforms. Collectively, these initiatives support City Power's broader objective of becoming a modern, diversified, and customer-centric utility.

A central focus of the sustainable energy programme is the deployment of rooftop solar systems and microgrids on municipal buildings, schools, markets, water facilities, and underserved communities where conventional electrification is difficult or costly. These systems improve local energy resilience while reducing reliance on the bulk Eskom supply network.

City Power has also begun integrating electric vehicles (EVs) and charging stations into its operations to support carbon reduction and modernise the municipal fleet. In addition, intelligent monitoring systems such as the Intelligent Distribution Solution (IDS) are being deployed to improve oversight of distributed energy resources, detect electricity theft, and manage the integration of new technologies such as solar PV and EV charging.

N.B.

IPPs have been delayed by 12 months to onboard by **FY29/30 onwards**

- ✓ This means there is now a timeline of at least 36 months before these projects come online
- ✓ The following are impacted projects
 - **MIPPP Solar PV (totaling 1050MW)** – uptake by year will be as follows: 250, 400 & 400.
 - **Waste to Energy (totaling 100MW)** – will come online at once
 - **BESS (totaling 400MW)** – will come online at once

9.7.1 Intelligent Distribution System (IDS) Department Programmes

IDS Operating Model and Responsibilities

The IDS programme is structured across two main functional areas:

CAPEX Department

Responsible for the installation, commissioning, testing, and formal handover of IDS field devices, including:

- smart meters
- feeder and transformer monitors
- communication infrastructure

IDS Department (Operations)

Responsible for:

- procuring and operating the IDS monitoring and analytics platform
- establishing and operating the IDS Monitoring Room
- real-time monitoring of non-technical losses (NTLs) and distributed energy assets such as EV chargers and solar systems
- integration of IDS with other City Power systems, including SCADA, ForceLink, OMS, maintenance and asset management systems

- alert management, investigations, reporting, and operational support

IDS Monitoring and Maintenance Approach

The IDS programme is designed to enhance network intelligence and operational responsiveness through:

- **Real-Time Monitoring:** Continuous comparison of energy supplied versus billed, with automated alerts for theft, illegal connections, tampering, and performance anomalies in EV and solar systems
- **Intelligent Analytics:** Localisation of losses at feeder, transformer, and customer level; identification of high-risk zones; and prioritisation of field investigations
- **Maintenance Enablement:** Improved planning of corrective interventions, reduced equipment failures caused by overloading or distributed generation, and better protection of network assets

IDS Monitoring Room Requirements

To support centralised, real-time monitoring, the IDS Monitoring Room requires:

- a dedicated facility allocated by the Facilities Department
- video walls for integrated network and field visualisation
- operator workstations
- secure access control
- reliable power supply and network connectivity

IDS Benefits to City Power

The IDS programme is expected to deliver the following benefits:

- **Reduction in Non-Technical Losses:** Faster detection and resolution of theft, tampering, and illegal connections
- **Improved Revenue Protection:** Improved measurement accuracy, billing integrity, and recoverable revenue
- **Operational Efficiency:** Reduced dependence on manual inspections and improved targeting of investigations and maintenance
- **Asset Protection and Network Reliability:** Fewer transformer failures and improved network safety
- **Support for Renewable Energy and Electrification:** Better monitoring of EV charging infrastructure and solar PV systems, with improved load balancing and integration
- **Maximised Return on CAPEX:** Improved utilisation of installed devices through active monitoring and data-driven decision-making
- **Reactive Energy Detection:** Ability to detect reactive energy from PV systems and correct related system issues

IDS Estimated Budget (FY2026/27)

- Total Annual OPEX: R60 million

9.7.2 Grid Access Programmes

Load Control

Load control is currently implemented through the ripple relay and transmitter system to reduce electricity consumption during peak periods and avoid Notified Maximum Demand (NMD) exceedance penalties.

The programme includes maintenance of approximately:

- 195,000 residential ripple relays
- 44 substations with transmitters

9.7.3 Quality of Supply Programmes

City Power is mandated to provide a sustainable, affordable, safe, and reliable electricity supply, in line with customer expectations and regulatory standards. The Quality of Supply programme monitors the voltage profiles of key customers, substations, and selected low-voltage customers in accordance with NRS 048.

9.7.3.1 Wheeling Programme (Grid Impact Study for Embedded Generators)

Wheeling refers to the delivery of electricity from private generators to end-users located elsewhere using the existing City Power network. In terms of the Electricity Regulation Act and Grid Codes, utilities are required to provide non-discriminatory access to the grid.

City Power aims to onboard 200 MW through wheeling over the next 18 to 36 months. This programme is expected to reduce reliance on Eskom by approximately 40% and contribute to a 30% reduction in carbon footprint by 2030.

9.7.3.2 Small-Scale Embedded Generation (SSEG) Identification Tool

The SSEG programme covers the full customer lifecycle for embedded generation, including:

- applications
- registration
- testing
- commissioning
- compensation for net excess energy exported to the grid

To date, 981 installations have been successfully commissioned, representing a total installed capacity of 139 MW.

To further improve integration and compensation, City Power requires a Distributed Energy Resource Management System (DERMS) to support net billing, trading, and network integration for both:

- SSEG (<1 MVA)
- Embedded Generation (EG >1 MVA)

9.7.3.3 Distributed Energy Integration (DEI) – Battery Energy Storage Systems (BESS) Maintenance

The BESS maintenance programme supports the continued operation of distributed energy assets and contributes to:

- peak shaving
- reduced reliance on Eskom
- NMD exceedance mitigation
- improved reliability
- reduced technical losses and bulk purchases

9.7.3.4 Automation for Embedded Generation (EG) and Wheeling Application Portal

City Power plans to implement an automated **EG and wheeling application portal** to streamline the customer application, registration, testing, commissioning, and compensation process.

This system will:

- enable customers to apply and track applications online
- reduce congestion at physical offices
- improve network visibility

- strengthen compliance and quality of supply management

9.7.3.5 Rooftop Photovoltaic (PV) System Energy Generation

Planned for FY2026/27

- Inner City SDC – **200 kW & 500 kWh**
- Hursthill SDC – **200 kW & 500 kWh**
- Bryanston SDC – **200 kW & 500 kWh**
- Alexandra SDC – **200 kW & 500 kWh**

9.7.3.6 Maintenance of Alternative Energy Assets

Planned for FY2026/27

- OCGT – Durban Street & John Ware
- Microgrids – Amarasta, Shalazile, The View & Vlakfontein
- Solar rooftop with BESS – Reuven, Roodepoort, Lenasia, Randburg, Midrand, Klipspruit and all City Power SDCs
- Solar streetlights and high masts
- EV charging station – Reuven

9.7.3.7 Electric Vehicles (EVs)

City Power introduced electric vehicles and charging infrastructure in FY2024/25 as part of its sustainability and energy efficiency agenda. The programme aims to reduce the carbon footprint of municipal operations and modernise the vehicle fleet.

Programme Components

- Expansion of the municipal fleet with EVs, prioritising high-utilisation vehicles
- Installation of EV charging stations at operational and public sites
- Partnerships with the private sector to scale EV adoption and support energy-smart mobility

EV Charging Stations

Status for FY2025/26

- 10 DC fast-charging stations installed at Reuven
- Electric mini-SUV delivered as part of the proof of concept
- Electric bakkie, electric bus, and electric minibus still pending delivery
- Additional charging stations planned for Midrand, Randburg, and Klipspruit SDCs

Plan for FY2026/27

City Power will extend the rollout of 10 EV charging stations to other Service Delivery Centres, prioritising high fleet utilisation locations and integrating:

- smart charging
- load management
- solar PV and battery storage where feasible

9.7.3.8 Water Heating Systems (Geyser) Energy Generation

Water heating accounts for approximately 30% of household energy use, making it a major opportunity for energy efficiency intervention.

City Power, in partnership with the Department of Mineral Resources and Energy (DMRE), is implementing a Solar Water Heater (SWH) Programme targeting low-income households.

Status Quo

Since the programme launch in **June 2023**:

- **11,000 SWH units** have been installed
- **5,300 units** were completed in FY2023/24
- **5,700 units** were completed in FY2024/25
- **4,900 units** remain to be installed in FY2026/27, subject to budget availability

Plan for FY2026/27

The programme will expand into additional low-income areas, prioritising households with high electricity use and strengthening community partnerships to improve uptake.

9.7.3.9 Energy Efficiency in Municipal Infrastructure

Energy efficiency is a central component of the City's approved Energy Plan and Green Economy Strategy. It is recognised as a low-hanging fruit for reducing electricity consumption, carbon emissions, and pressure on the Eskom-supplied grid.

The programme targets:

- City-owned buildings
- public lighting
- wastewater treatment plants
- municipal facilities and infrastructure

Status Quo

- LED lighting retrofits completed in all City Power SDCs
- Partial air-conditioning retrofits undertaken
- Energy audits completed at clinics, Johannesburg Water facilities, and JMPD Head Office
- 57 Energy Performance Certificates (EPCs) issued and displayed

Plan for FY2026/27

- Complete air-conditioning retrofits across all SDCs
- Install efficient water heating systems in municipal buildings
- Develop a policy on energy-efficient appliances
- Conduct streetlighting energy audits
- Install smart lighting controls and energy monitoring systems

9.7.3.10 Sustainable Just Energy Transition

In line with City Power's Sustainable Energy Strategy, the utility is committed to advancing a just energy transition that balances:

- economic viability
- environmental sustainability
- social inclusion

This includes prioritising electrification of informal settlements, pro-poor energy infrastructure, and modernisation of the electricity network to improve access to affordable and sustainable energy.

9.8 Strategy, Innovation and Technology Services (SITS) Programmes

The Strategy, Innovation and Technology Services (SITS) Group remains a central enabler of City Power's transformation agenda, supporting the organisation's vision of becoming a Smart Utility through digital innovation, improved service delivery, better governance, and data-driven decision-making. SITS integrates governance, strategic planning, programme coordination, advanced systems (ADMS, GIS, SAP ERP), business continuity support, and data analytics.

Figure 9.7.1 — SITS Strategic Objectives

Smart Infrastructure Intelligent infrastructure for network automation	Smart Workforce Digital workforce experience and productivity	Smart Customer Customer-centric digital experience	Smart Data Intelligent business analytics and data governance	Embedded Security Cybersecurity and ICT governance
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9.7.1 SITS Governance and Compliance Environment

The SITS Group operates within a complex legislative, regulatory, and standards-based environment including DPSA CGICT, MFMA, POPIA, PAIA, ECA, ECTA, Cybercrimes Act, NERSA standards (NRS 047, 048, 049, 037, 042), ISO standards (9001, 14001, 45001, 27001), IEC 61850, SABS, ICASA, Grid Code, CIS/NERC CIP, IEEE 1366, and SANS. Governance is aligned to King V, ISO/IEC 38500, and COBIT 2019.

Table 9.7.1 — SITS Governance Universe

Category	Number	Committee Approval	Status
Policies	21	Board	Applicable
Frameworks	3	Board	Under Review
Strategies	2	Board	Under Review
Standards	6	SITS Stakeholders	Applicable
Service Level Agreement	2	Board	Applicable
Standard Operating Procedures	80	SITS Stakeholders	Applicable
Total	114		

9.7.2 Alignment to City Power Strategic Direction

Table 9.7.2 — SITS Alignment to City Power Strategy

GDS 2040	Mayoral Priority	Trading and Reforms Strategy	PJWG	City Power Strategic Objectives	City Power Strategic Risk	SITS Objective
Provide a resilient, liveable, sustainable urban environment underpinned by smart infrastructure supportive of a low-carbon economy	Sustainable service delivery; Infrastructure development and refurbishment; Energy mix; Smart City	TRS 24 (A1); B&I Plan (A2); PIAP (A3)	555 Framework	Aspiring for uninterrupted service	Inadequate infrastructure; Inadequate ICT systems	SITS 10 Strategic Objectives

9.7.3 FY2026/27 SITS Programmes and Budget

City Power's SITS roadmap targets 100% visibility of the electrical network, meters, and employees by 2030. Priority programmes for FY2026/27 focus on value realisation, operational stability, network visibility, cybersecurity, and workforce productivity. Total FY2026/27 SITS Capital Budget: R54 million.

Table 9.7.3 — SITS FY2026/27 Programmes and Budget (Table: FY2026/27 Programmes and Budget)

No.	Programme	Project	ROI / Benefits	Capex FY2026/27 Budget
1	Employee Productivity	Paperless Printing	Significantly reduces costs associated with paper, ink, printers, maintenance, storage, and energy consumption, while also improving employee productivity through faster access to information, digital workflows, and automated approvals. Realising measurable operational benefits within the first 6 to 12 months.	R15,000,000
2	ICT Infrastructure Upgrade	SAP Infrastructure Upgrade	The SAP Upgrade will bring much needed stability to the environment as the outdated and unsupported software was last upgraded in 2014. Will ensure fast response times and performance for users. Address system capacity issues. Improved stability and security running on the latest Hardware and Software Versions. Allow ICT to have SAP and Hardware Support and resolve an Audit Finding within the SAP Environment.	R10,000,000
3	Network Visibility	DERMS for Trading platform	Complete System Visibility of IPP's and SSEG's. Digitally control and monitor energy inputs to the electricity network by alternative energy suppliers. Anticipated payback period of investment: 36 months after full implementation.	R10,000,000
4	ICT Infrastructure Upgrade	Software Licenses (Systems)	Replacing evergreen contracts for critical systems such as vending, metering, OMS, PowerOffice Retic Master, Manage Engine, and Meter Reading Quality Control systems will modernise technology platforms while strengthening governance and contractual oversight.	No budget in the FY
5	ICT Infrastructure Upgrade	Aircons for Comms Room and Data Centre UPS Rectifier	Installing air conditioning in the IT room protects critical systems, reduces outage risk, extends equipment life, and lowers long-term support costs. A working UPS delivers strong ROI by preventing downtime and protecting critical equipment.	R1,500,000

No.	Programme	Project	ROI / Benefits	Capex FY2026/27 Budget
6	ICT Infrastructure Upgrade	ICT Hardware: Production and DR site upgrade	Replacing the data centre network will improve performance, resilience, security, and scalability while reducing operational risk and enabling modern cloud-ready platforms.	No budget in the FY
7	ICT Infrastructure Upgrade	Redundant Roodepoort DC Fiber Link	Replacing the data centre network will improve performance, resilience, security, and scalability while reducing operational risk and enabling modern cloud-ready platforms.	No budget in the FY
8	ICT Infrastructure Upgrade	Core-Network switch infrastructure	Replacing the data centre network will improve performance, resilience, security, and scalability while reducing operational risk and enabling modern cloud-ready platforms.	No budget in the FY
9	Integrated Security System (ISS)	ISS Video Wall	Implementing an ISS Video Wall will centralise real-time grid, SCADA, and security monitoring, improving control room efficiency, speeding up incident response, and reducing downtime.	No budget in the FY
10	Integrated Security System (ISS)	Video Footage Storage	Implementing video footage storage will enable continuous recording, efficient footage retrieval, reduce theft and vandalism losses, improve incident response via pre/post-event recording, and ensure compliance with regulations.	R3,500,000
11	Employee Productivity	ITSM Enterprise Solution	Replacing the existing platform with a modern, scalable ITSM solution that supports Enterprise Service Management (ESM) and includes integrated IT Asset Management (ITAM).	No budget in the FY
12	ICT Security	Privileged Access Management (PAM) solution	Prevents credential theft. Enforces the principle of Least Privilege. Mitigates insider threats by monitoring and recording logon sessions.	R9,000,000
13	ICT Security	Network Detection and Response (NDR) solution	Provides lateral movement network threats visibility. Accelerates incident response by automatically containing and isolating compromised devices.	R5,000,000
14	ICT Security	Digital Literacy Solution (Awareness Training)	Ensures that City Power meets legal and compliance obligations. Educates and teaches staff on cybersecurity threats. Allows for simulation of real-world tests.	No budget in the FY
15	Employee Productivity	Library Management System (LMS)	Reduces manual administrative effort, improving resource tracking, and enhancing user experience through automated, efficient library operations.	No budget in the FY
16	Data Management	Data Warehouse Tool	Centralizes reliable data, enabling faster and better decision-making, improving operational efficiency, and supporting scalable analytics.	No budget in the FY

No.	Programme	Project	ROI / Benefits	Capex FY2026/27 Budget
17	Data Management	Enterprise Architecture Tool	The deployment of Enterprise Architecture Tool will simplify and depict single source of truth for ICT applications, improved decision-making, cost reduction via application rationalization, enhanced collaboration between business and ICT.	No budget in the FY
18	Data Management	Data Quality tool	Improve data accuracy and trust, reduce rework and risk, and ensure downstream analytics and decisions are based on high-quality data.	No budget in the FY
19	Data Management	GIS Data Gathering (ADMS deployment)	Ensures verified, field-validated asset locations, attributes, and customer-to-network relationships, forming the foundation for ADMS, DERMS, loss reduction, and smart metering initiatives.	Part of ADMS Deployment
20	Integrated Security System (ISS)	Hydrostatic testing, filling and replacement of gas Cylinders x 150 cylinders	Hydrostatic testing will enhance safety by identifying cylinder defects before failures occur, ensuring reliability under real operating conditions. Delivers compliance benefits by meeting regulatory requirements (SANS).	No budget in the FY
21	Integrated Security System (ISS)	Stores Security Systems	Implementing Stores Security Systems will yield significant ROI through theft prevention, operational efficiencies, and risk reduction in inventory warehouses or Service Delivery Centres.	No budget in the FY
22	Integrated Security System (ISS)	Deluge System for power transformers	Deluge systems rapidly suppress oil fires, limiting fire spread and reducing replacement costs. They shorten outage durations and improve insurance terms through reduced risk exposure.	No budget in the FY
23	Integrated Security System (ISS)	Deluge / Sprinkler and Gas Suppression System	Implementing deluge/sprinkler and gas fire-suppression systems will significantly reduce fire damage, insurance costs, and operational downtime. By protecting critical infrastructure such as substations, data centres, and control rooms, these systems prevent prolonged outages.	No budget in the FY
24	ICT Infrastructure Upgrade	Network Operating Centre	A Network Operation Centre will deliver proactive monitoring, faster issue resolution, improved security, and operational efficiency ensuring a reliable, secure, and high-performing network.	No budget in the FY
25	ICT Infrastructure Upgrade	LAN Network Upgrade	Stable access network with adequate bandwidth to support access to applications and systems bringing improved system performance, end-user experience and business continuity.	No budget in the FY

No.	Programme	Project	ROI / Benefits	Capex FY2026/27 Budget
26	Network Visibility	Meter Firmware Upgrade	The Meter Firmware Upgrade will enhance system performance, adding features (like better grid monitoring, multi-tariff billing), fixing bugs, patching security flaws, and ensuring compliance with new standards.	No budget in the FY
27	Network Visibility	Meter Data Manager	The Meter Data Manager will centralise smart meter data, enable accurate billing, reduce operational costs, detect leaks/tampering, improve grid efficiency through real-time monitoring, and empower customers with usage insights.	No budget in the FY
28	Network Visibility	ArcFM Utility Network Migration (ADMS deployment)	The ArcFM Utility Network Migration delivers high strategic and operational ROI by establishing a validated, topologically correct digital model of the electricity network, which is a prerequisite for ADMS, OMS, and DERMS deployment.	Part of ADMS Deployment
29	ICT Infrastructure Upgrade	Data Centre Network Management System	Replacing the data centre network will improve performance, resilience, security, and scalability while reducing operational risk and enabling modern cloud-ready platforms.	No budget in the FY
30	ICT Infrastructure Upgrade	Switching Infrastructure	Replacing the data centre network will improve performance, resilience, security, and scalability while reducing operational risk and enabling modern cloud-ready platforms.	No budget in the FY
31	ICT Infrastructure Upgrade	Short and Long Range SFPs	Replacing the data centre network will improve performance, resilience, security, and scalability while reducing operational risk and enabling modern cloud-ready platforms.	No budget in the FY
	TOTAL			54,000,000

9.7.4 SITS Challenges and Key Dependencies

Figure 9.7.2 — SITS Key Technology Challenges

Ageing Infrastructure Unsupported systems, legacy hardware, limited investment	Skills Shortage Under-capacitation of skilled SITS human resources	Data Integrity Inadequate data completeness across critical systems	Cyber Threats Rising cyberattack risks, limited control environment maturity
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KEY DEPENDENCIES FOR SITS SMART UTILITY VISION
• Budget availability and capital investment in SITS infrastructure • Skills and resource allocation for technology programmes • Smart City implementation roadmap alignment (CoJ Smart City Office) • Business buy-in to the SITS vision and process re-engineering • Adoption of new technologies by employees and customers • Cross-business collaboration and effective consequence management • Ongoing compliance with statutes, standards, and governance requirements

END OF CHAPTER 9 — SERVICE DELIVERY

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & NT Trading Reforms Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 10

STRATEGIC RESPONSE — PERFORMANCE MANAGEMENT

Business & Investment Plan | FY2026/27

NT Circular 88 Compliant
National Treasury Trading Reforms

MFMA Compliant
Section 87 Trading Entity

GDS 2040 Aligned
58 KPIs | 4 Scorecard Clusters

This chapter focuses on the following key areas

- 10.1 Key Performance Areas (KPAs)
- 10.2 Past Performance (FY2019/20 – FY2024/25)
- 10.3 City Power Scorecard — FY2026/27
- 10.4 Scorecard Technical Indicator Descriptions (Table 55)
- 10.5 Service Level Standards Charter (Table 56)
- 10.6 SLS Technical Indicator Descriptions (Table 57)
- 10.7 KPI Clusters — Circular 88 Outcome, Output and Compliance Indicators
- 10.8 SDBIP Indicators (Table 61)
- 10.9 Performance Improvement Action Plan A3 (PIAP)
- 10.10 Transversal Programme (Table 61)

CHAPTER 10 — KEY PERFORMANCE MANAGEMENT

Chapter 10 provides a comprehensive overview of City Power's Key performance areas, alignment shareholder priorities, scorecard, service level, circular 88, IDP and PIAP plan for FY2026/27.

10.1 Key Performance Areas

City Power has entered a pivotal stage of institutional and operational transformation. The organisation's strategic agenda is centred on sustainable electricity distribution, financial resilience, infrastructure modernisation, and inclusive economic growth.

In alignment with the City of Johannesburg's strategic priorities, the National Just Energy Transition framework, and National Treasury's Trading Services Reform Programme and Performance Improvement Action Plans (A3), City Power has defined a set of Key Performance Areas (KPA's). These KPAs serve as the foundation for operational excellence, sound financial management, and strengthened governance accountability across the organisation.

Figure 10.1 — City Power Key Performance Areas (FY2026/27)

1. Reliable & Sustainable Electricity Supply Reduce planned/unplanned outages; integrate renewables; advance smart grid readiness	2. Energy Loss Reduction & Revenue Protection Reduce losses from 29% to 16% by 2030 via smart metering and enforcement
3. Financial Sustainability Improve collection rates, reduce bad debts, achieve clean audit outcomes	4. Infrastructure Investment & Maintenance Address R44bn backlog; capital investment, substation modernisation, planned maintenance
5. Customer Service & Stakeholder Engagement Reduce fault response times; strengthen digital platforms; rebuild public trust	6. Institutional Capacity & Skills Development Leadership development; technical training; graduate programmes; succession planning
7. Digitalisation & Smart Utility Transformation Real-time monitoring; smart metering; cybersecurity; advanced data analytics	8. Governance, Risk & Compliance Eliminate irregular expenditure; MFMA compliance; improved audit outcomes
9. Just Energy Transition & Climate Resilience Renewable energy; carbon reduction; decentralised community energy solutions	10. Transformation, Localisation & Job Creation B-BBEE; SMME support; local supplier development; township economies

10.1.1 KPA Descriptions

Reliable and Sustainable Electricity Supply: A core performance priority is ensuring the reliable and sustainable provision of electricity services to the residents and businesses of Johannesburg. City Power will prioritise the reduction of planned and unplanned outages, improvements in network reliability and system availability, and the integration of renewable and alternative energy sources to strengthen energy security and grid resilience. This includes advancing initiatives relating to embedded generation, distributed energy resources, and smart grid readiness, which will position the utility to support the evolving energy landscape and future electricity market reforms.

Energy Loss Reduction and Revenue Protection: Reducing technical and non-technical energy losses remains a strategic priority for improving operational efficiency and financial performance. City Power will intensify interventions aimed at strengthening revenue protection through accelerated smart meter rollout, deployment of load-limiting

technologies, strengthened metering accuracy and data management, and enhanced energy audit and network monitoring systems. These initiatives support the organisation's strategic objective of reducing electricity losses from approximately 29% to 16% by 2030.

Financial Sustainability: Ensuring long-term financial sustainability is fundamental to City Power's transformation agenda. Key interventions include strengthening financial governance and internal controls, enhancing financial reporting systems, improving cash flow management, and achieving clean audit outcomes — demonstrating City Power's commitment to financial discipline, transparency, and accountability in line with the MFMA.

Infrastructure Investment and Maintenance: City Power continues to prioritise infrastructure renewal and expansion to address the estimated R44 billion infrastructure backlog. The organisation is committed to executing a structured programme of capital investment, refurbishment, and preventative maintenance, including modernisation of substations and switching infrastructure, replacement of ageing distribution assets, and network strengthening to support future energy demand.

Customer Service and Stakeholder Engagement: Improving customer experience and public trust is a key strategic priority. City Power will enhance its customer relationship management systems to reduce fault response and restoration times, improve communication regarding planned outages, strengthen digital customer platforms, and enhance transparency and responsiveness.

Institutional Capacity and Skills Development: Developing institutional capacity and technical skills is essential for sustaining long-term operational performance. City Power will invest in leadership development programmes, technical skills training, graduate and youth development initiatives, and knowledge transfer and succession planning.

Digitalisation and Smart Utility Transformation: Digital transformation is central to City Power's modernisation strategy. Key initiatives include deployment of real-time network monitoring systems, expansion of smart metering technologies, strengthening cybersecurity frameworks, and utilisation of advanced data analytics for operational planning.

Governance, Risk Management and Compliance: City Power will continue strengthening its risk management and governance frameworks to ensure compliance with the MFMA, PFMA principles, National Treasury regulations, and City of Johannesburg governance frameworks. The organisation remains committed to eliminating irregular, fruitless and wasteful expenditure and improving audit outcomes.

Just Energy Transition and Climate Resilience: City Power is integrating Just Energy Transition (JET) principles into its strategic planning, including pursuing renewable energy initiatives, reducing carbon emissions, strengthening climate resilience of energy infrastructure, and supporting decentralised and community-based energy solutions.

Transformation, Localisation and Economic Development: Transformation and inclusive economic growth remain central to City Power's socio-economic mandate. The organisation will continue to promote localisation of supply chains, empowerment of black-owned enterprises, strengthening B-BBEE participation, development of SMMEs and township enterprises, and creation of sustainable employment opportunities.

10.2 Past Performance (FY2019/20 – FY2024/25)

City Power's performance over the past six financial years demonstrates steady improvement in organisational performance and strategic alignment. The performance trend reflected in Figure 32 indicates that the organisation has progressively strengthened its operational and governance performance through the implementation of targeted strategic interventions, institutional reforms, and improved performance management practices.

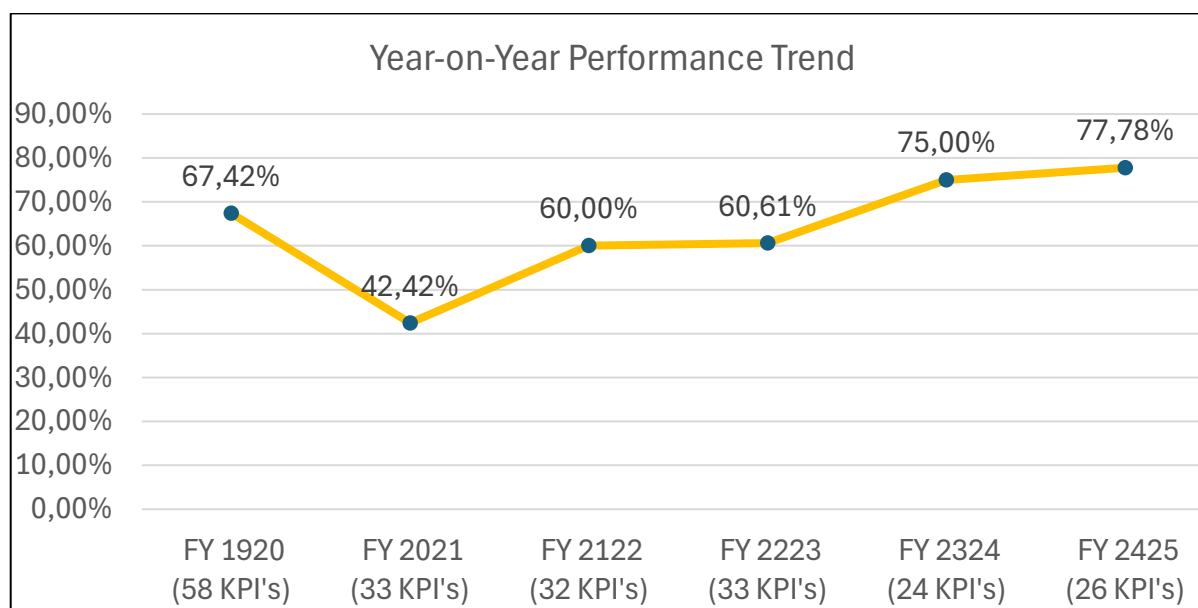
These improvements reflect City Power's commitment to enhancing service delivery, operational efficiency, financial governance, and infrastructure investment, while addressing systemic challenges affecting the electricity distribution environment. The organisation continues to build on these improvements by implementing additional strategic programmes and operational reforms aimed at sustaining and accelerating performance improvements in the medium term.

PAST PERFORMANCE TREND — KEY OBSERVATIONS

Figure 32 (Company Past Performances) reflects a consistently improving performance trend over six financial years.

Performance improvements are attributed to: targeted strategic interventions, institutional reforms, improved performance management practices, and alignment with National Treasury Trading Reforms (TAS24).

City Power continues to implement additional programmes to sustain and accelerate these improvements.



10.3 City Power Scorecard — Financial Year 2026/27

The implementation of the 2026/27 Business Plan will be monitored and evaluated through the City Power corporate scorecard, which integrates key strategic objectives, shareholder priorities, and regulatory performance requirements. The scorecard framework aligns with the City of Johannesburg Shareholder Compact, National Treasury Circular 88 reporting requirements, and Trading Services Reform Programme performance indicators.

The City Power Board, Executive Management, and the Shareholder provide strategic direction to ensure that the organisation's operational programmes and projects support the achievement of defined strategic objectives. The corporate scorecard incorporates Key Performance Indicator (KPI) clusters drawn from multiple governance and regulatory frameworks, ensuring alignment with both shareholder and national oversight requirements.

10.3.1 2025/26 Key Performance Indicator Clusters

Table 10.3.1 — 2025/26 Key Performance Indicator Clusters

KPI Clusters	Number of KPIs	Comments	Framework
National Treasury Circular 88 Indicators	34	National Treasury issued Circular 88 which rationalises planning and reporting requirements for municipalities within the MTREF period.	NT Circular 88
COJ Institutional Indicators	14	These KPIs are aligned to the City of Johannesburg's SDBIP and are intended to improve organisational effectiveness and efficiency.	GDS 2040 / SDBIP
City Power Company KPIs	1	Company-level KPIs aligned to City Power's strategic objectives and organisational priorities.	Strategic Objectives
TSA: Performance Assessment Improvement Plan (A3)	13	Indicators aligned with National Treasury's Trading Services Reform Programme Performance Improvement Action Plan.	NT Trading Reforms
Total	60		

10.3.2 Service Level Standards

Table 10.3.2 — Service Level Standards Cluster

Number of KPIs	Comments
7	Service level standards ensure the quality, reliability, and responsiveness of electricity services delivered to residents and businesses. City Power recognises the importance of maintaining high service standards while ensuring service reliability and operational efficiency. These indicators are measured and reported across the organisation and aligned with the Service Delivery Agreement (SDA) with the City of Johannesburg.

10.3.3 Alignment to Shareholder Priorities

Table 10.3.3 — Alignment to Shareholder Priorities

Shareholder Priority	Number of KPIs	Notes
Energy Mix, Energy Security and Green Economy	5	
Sustainable Service Delivery	14	
Good Governance	9	
Smart City and Safer City	1	
Active and Engaged Citizenry	2	
Infrastructure Development and Refurbishment	3	
Financial Sustainability and Economic Growth	19	
Job Opportunities and Creation	7	
Total	60	

10.3.4 KPI Definitions

For City Power performance management purposes, the following KPI definitions apply:

- Cumulative KPI: The annual target is disaggregated into quarterly targets. Performance reporting reflects the cumulative progress from the beginning of the financial year to the reporting quarter.
- Non-Cumulative KPI: Targets are measured independently for each quarter or as a stand-alone annual target, without aggregation across reporting periods.

10.3.5 GDS2040 and Shareholder Priority — Energy Mix Scorecard (KPIs 1–6)

GDS2040 Outcome: Provide a resilient, liveable, and sustainable urban environment — underpinned by smart infrastructure supportive of a low-carbon economy. Shareholder Priority: Energy Mix. City Power Objective: Committed to creating value for our customers and Aspiring for Uninterrupted Service.

Table 10.3.4 — Energy Mix KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
1	Number of registered electricity consumers with an embedded generation system (C57)	New	120	130	140	150	32	64	97	130	N/A	N/A	Spreadsheet; Final approval letter; Completed application for inverter-based grid tied PV installation form City Power National Treasury Circular 88
2	Number of municipal buildings that consume renewable energy (C59)	New	30	4	5	6	4				N/A	N/A	Spreadsheet (City owned buildings with addresses that consume renewable energy) City Power National Treasury Circular 88
3	Installed capacity of approved embedded generators on the municipal distribution network (EE4.12)	36.25MW	30MW	35MW	40MW	45MW	8 MW	17 MW	26 MW	35 MW	N/A	N/A	Spreadsheet; Final approval letter; Completed application form; Emissions spreadsheet City Power National Treasury Circular 88
4	Percentage Implementation of Energy Mix Initiatives	New	100% of Milestone	100% of Milestone	100% of Milestone	100% of Milestone	100%	100%	100%	100%	N/A	N/A	Spreadsheet City Power National Treasury Circular 88
5	Percentage of Procured Energy Demand Supplied by Renewable Energy	New	10%	15%	20%	25%	3.7%	7.5%	11.3%	15%	N/A	N/A	IPPs, PPAs for STPPP, MIPPP, and renewable feed-in tariffs subject to implementation City Power National Treasury Circular 88
6	Tons CO2 Offset in Greenhouse Gas Emissions	43 560	45 000	50 000	55 000	60 000	12 500	25 000	37 500	50 000	N/A	N/A	SSEG customer application letters; CO2 reduction emission spreadsheet; Landfill Eskom invoices; Street Light retrofitted spreadsheet; Buildings retrofitted spreadsheet; Solar High Mast spreadsheet; Handover/Commissioning report for Microgrids City Power CoJ Institutional

10.3.6 GDS2040 and Shareholder Priority — Sustainable Service Delivery Scorecard (KPIs 7–16)

GDS2040 Outcome: Provide a resilient, liveable, and sustainable urban environment — underpinned by smart infrastructure supportive of a low-carbon economy. Shareholder Priority: Sustainable Service Delivery. City Power Objective: Committed to creating value for our customers and Aspiring for Uninterrupted Service.

Table 10.3.5 — Sustainable Service Delivery KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
7	Number of electricity connection applications received (C99)	New	700	900	900	900	150	400	600	900	R33m	N/A	Spreadsheet; Application forms City Power National Treasury Circular 88
8	Percentage of households with access to electricity (EE1.1)	89.5%	92%	92%	92%	92%	92%				N/A	N/A	Statistics SA Report 2023 City Power National Treasury Circular 88
9	Number of dwellings provided with connections to mains electricity supply by the municipality (EE1.11)	3 522	700	500	500	500	80	180	300	500	N/A	N/A	SAP System; Commissioning Meter (Job Cards) City Power National Treasury Circular 88
10	Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards: 30 working days (EE1.13)	96%	95%	80%	80%	80%	80%	80%	80%	80%	N/A	N/A	SAP PM – New Service Connection Notifications; SAP Screenshots City Power National Treasury Circular 88

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
11	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE) (EE2.11)	0.20%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	N/A	TBC	Spreadsheet of Postpaid customers (CoJ Sales report). Spreadsheet of Prepaid Customers (SAP Master Data) City Power National Treasury Circular 88
12	Percentage of households with electricity connections receiving Free Basic Electricity EE2.1	New	New	3%	3%	3%	3%				N/A	N/A	Prepaid Master Data (SAP); Sales File (CoJ) City Power National Treasury Circular 88
13	Percentage of unplanned outages that are restored to supply within industry standard timeframes: 24 hours (EE3.11)	93.60%	98%	98%	98%	98%	98%	98%	98%	98%	N/A	1.27b	Forcelink City Power National Treasury Circular 88
14	Percentage of planned maintenance performed (EE3.21)	82.35%	50%	60%	70%	80%	60%	60%	60%	60%	N/A	1.27b	SAP PM; Spreadsheet City Power National Treasury Circular 88
15	Average System Interruption Duration Index (ASIDI) (EE3.5)	4 697.34 min	7 000 min	4 500 min	4 400 min	4 300 min	1 625 min	2 250 min	3 875 min	4 500 min	N/A	N/A	Forcelink City Power National Treasury Circular 88
16	Average System Interruption Frequency Index (ASIFI) (EE3.6)	9.45	11	9	8	7	2.5	5	7.5	9	N/A	N/A	Forcelink City Power National Treasury Circular 88
17	Percentage achievement of Service Level Standards (SLS)	71.43%	85%	85%	85%	85%	85%	85%	85%	85%	N/A	N/A	Spreadsheet City Power COJ Institutional
18	Bulk commercial metering performance (E1)	New	98%	98%	98%	98%	98%	98%	98%	98%	N/A	N/A	SAP & Spreadsheet City Power PIAP: A3

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
19	Vending efficiency % metering operational (E2)	New	95%	95%	95%	95%	95%	95%	95%	95%	N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
20	Automated meter reading coverage (E3)	New	98%	98%	98%	98%	98%	98%	98%	98%	N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
21	Repairs efficiency (E4)	New	8%	8%	8%	8%	8%				N/A		SAP & Spreadsheet City Power PIAP: A3
22	Percentage repairs and maintenance on property, plant, and equipment (FM5.31)	6.31%	8%	8%	8%	8%	8%				N/A	N/A	SAP System City Power CoJ Institutional
23	Industrial and Commercial Metering Performance (EE4.11)	New	98%	98%	98%	98%	98%				98%	98%	SAP & Spreadsheet City Power PIAP: A3
24	Percentage of automated meter reading coverage (EE4.13)	New	98%	98%	98%	98%	98%				N/A	N/A	IEE report & MDCX report; SAP ISU City Power NT Circular 88
25	Percentage of repairs coverage (EE4.14)	New	8%	8%	8%	8%	8%				N/A		Total operational spend on repairs and maintenance / total operational costs City Power NT Circular 88

10.3.7 GDS2040 and Shareholder Priority — Good Governance Scorecard (KPIs 17–24)

GDS2040 Outcome: A high-performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region. Priority: Good Governance. City Power Objective: Being a governance and risk-conscious organisation.

Table 10.3.6 — Good Governance KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
26	Percentage of the strategic risks' management action plans implemented	89%	85%	85%	85%	85%	55%	65%	75%	85%	N/A	N/A	Governance Reports; Strategic Risk Register and Audit Reports City Power CoJ Institutional
27	Percentage resolution of Audit findings (AGSA only)	155%	100%	100%	100%	100%	0%	0%	50%	100%	N/A	N/A	Schedule of the audit findings City Power CoJ Institutional
28	Percentage resolution of Internal Audit findings	163%	100%	100%	100%	100%	10%	35%	65%	100%	N/A	N/A	Audit Dashboard; Internal Audit Reports City Power CoJ Institutional
29	AGSA Audit opinion	Unqualified	Unqualified	Unqualified	Unqualified without material finding	Unqualified without material finding	Unqualified				N/A	N/A	AG Report City Power CoJ Institutional
30	Percentage reduction in Fruitless and Wasteful Expenditure	New	75%	85%	100%	100%	85%				N/A	N/A	FWE Registers; Reports for approval to Board City Power CoJ Institutional
31	Percentage reduction in Irregular Expenditure	New	100%	100%	100%	100%	100%				N/A	N/A	IE Registers; Reports for approval to Board City Power CoJ Institutional
32	Percentage valid invoices paid within 30 days	45%	100%	100%	100%	100%	100%	100%	100%	100%	N/A	N/A	Creditors' report from SAP City Power CoJ Institutional

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
33	Percentage Implementation of Employee Engagement Programmes	100%	75%	75%	75%	75%	0%	25%	50%	75%	N/A	N/A	PowerPoint Presentation; Excel BOEs generated by Strategic Partner City Power CoJ Institutional

10.3.8 GDS2040 and Shareholder Priority — Job Opportunities & Creation Scorecard (KPIs 25–32)

GDS2040 Outcome: A high-performing metropolitan government. Priority: Job opportunity & creation. City Power Objective: Winning through our people.

Table 10.3.7 — Job Opportunities & Creation KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
34	Number of SMME's supported	261	300	300	350	380	75	75	75	75	N/A	N/A	SAP and Excel Spreadsheet; Number of SMMEs supported City Power CoJ Institutional
35	Number EPWP job opportunities created	803	800	800	800	800	25	100	400	800	0	N/A	Spreadsheet; ID copies; Contracts; Attendance register City Power CoJ Institutional
36	Number of approved engineer posts in the Entity (C41)	New	New	140	145	150	140				N/A	N/A	GE Verification letter, Organisational structure and Structure Approval Treasury Circular 88
37	Number of registered engineers employed in approved posts (C42)	New	15	25	30	35	0	15	20	25	0	N/A	Spreadsheet City Power National Treasury Circular 88

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
38	Number of engineers employed in approved posts (C43)	New	23	28	33	38	0	0	25	28	0	N/A	Spreadsheet City Power National Treasury Circular 88
39	Number of approved electrician posts in the entity (C48)	New	450	450	450	450	0	400	420	450	0	N/A	Spreadsheet City Power National Treasury Circular 88
40	Number of electricians employed in approved posts (C49)	New	420	435	450	450	0	400	420	435	0	N/A	Spreadsheet City Power National Treasury Circular 88

10.3.9 GDS2040 and Shareholder Priority — Smart City Scorecard (KPI 33)

GDS2040 Outcome: A high-performing metropolitan government. Shareholder Priority: Smart City and Safer City. City Power Priority: Committed to creating value for our customers and Aspiring for Uninterrupted Service.

Table 10.3.8 — Smart City KPI (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
41	Percentage Achievement of Smart Utility Initiatives	100%	100%	100%	100%	100%	100%	100%	100%	100%	R54M	R311M	Spreadsheet of the milestones City Power City Power

10.3.10 GDS2040 and Shareholder Priority — Active & Engaged Citizenry Scorecard (KPIs 34–35)

GDS2040 Outcome: A high-performing metropolitan government. Shareholder Priority: Active & engaged citizenry. City Power Objective: Committed to creating value for our customers.

Table 10.3.9 — Active & Engaged Citizenry KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
42	Number of Stakeholder Engagements	146	100	124	129	129	30	62	93	124	N/A	8m	Spreadsheet of engagements held; Attendance registers and Invitations City Power City Power
43	Customer surveys (A1)	New	70%	70%	75%	75%	70%				N/A	N/A	Customer Survey Report City Power PIAP: A3

10.3.11 GDS2040 and Shareholder Priority — Infrastructure Development & Refurbishment (KPIs 36–37)

GDS2040 Outcome: Provide a resilient, liveable, and sustainable urban environment. Shareholder Priority: Infrastructure development & refurbishment. City Power Objective: Committed to creating value for our customers and Aspiring for Uninterrupted Service.

Table 10.3.10 — Infrastructure Development & Refurbishment KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
44	Number of public lights Installed	1 218	700	500	500	700	50	200	300	500	R108m	N/A	Spreadsheet; Work Completion Certificate City Power City Power

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
45	Capital Budget Execution (A4)	106.98%	95%	95%	95%	95%	15%	40%	75%	95%	R2.3b	N/A	SAP System; Work Completion Certificates City Power PIAP: A3
46	Percentage institutionalisation of the (LG- FIDPM) - Local Government Framework for Infrastructure Delivery and Procurement Management	New	New	100%	100%	100%	15%	65%	95%	100%	N/A	N/A	Letter by CEO adoption of the LG-FIDPM, nomination of members letter, training attendance register, SOP, Evidence of use, Gateway review meeting minutes, reports and presentations, End-user JSIP reports, Quality Assurance report.

10.3.12 GDS2040 and Shareholder Priority — Financial Sustainability Scorecard (KPIs 38–58)

GDS2040 Outcome: A high-performing metropolitan government. Shareholder Priority: Financial sustainability. City Power Objective: Create shareholder value through increased profitability and cash flow.

Table 10.3.11 — Financial Sustainability KPIs (FY2026/27)

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
47	Public procurement transparency (A3)	New	60%	65%	70%	75%	65%	65%	65%	65%	N/A	N/A	Spreadsheet; Bid register; Tender adverts; Approved BAC report City Power PIAP: A3
48	Procurement effectiveness (A3)	New	130 days	130 days	125 days	125 days	130 days	130 days	130 days	130 days	N/A	N/A	Bid register; Tender adverts; Approved BAC report City Power PIAP: A3

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
49	Financial viability: Operating Cost Coverage Ratio OCCR (F1)	New	1.69	1.51	1.54	1.60	1.51				N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
50	Cash collection rate (F2)	New	93.80%	93.26%	93.64%	93.71%	93.80%	93.80%	93.80%	93.80%	N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
51	Operational cash flow (F3)	New	2,2bn	1,19bn	1,2bn	1,7bn	2,2bn	2,2bn	2,2bn	2,2bn	N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
52	Customer debt management - debtors' days (F4)	New	43 Days	41.08 Days	39,58 Days	38,40 Days	41.08 days				N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
53	Self-financing ratio (F6)	New	218.04%	56.63%	61.08%	97.09%	218.04%	218.04%	218.04%	218.04%	N/A	N/A	SAP & Spreadsheet City Power PIAP: A3
54	Total non-technical losses in MW (Estimate) (C58)	1 481 429 MWh	471 753 MWh	471 753 MWh	471 753 MWh	471 753 MWh	471 753 MWh				N/A	N/A	Comparison between unit sales from CoJ, Prepaid sales and bulk purchases City Power NT Circular 88
55	Percentage total electricity losses (EE4.4)	29.85%	25.83%	25%	23%	22%	25%				N/A	N/A	City Power National Treasury Circular 88
56	Municipal electricity consumption per 10 000 of the population (EE4.5)	New	17 640 kWh/person	17 640 kWh/person	17 640 kWh/person	17 640 kWh/person	17 640 kWh/person				N/A	N/A	Spreadsheet of updated municipal facilities from EISD; Meter Audit form; Meter installation job card; Electricity consumption per facility City Power NT Circular 88
57	Net Surplus /Deficit Margin for Electricity (FM7.31)	-13.79%	8.98%	5.56%	6.90%	8.38%	8.98%				N/A	N/A	SAP report City Power NT Circular 88

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Means of Verification / Lead Dept / Cluster
58	Percentage of the municipality operating budget spent on indigent relief for free basic service LED 2.12	New	New	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	0.49%	N/A	N/A	TBC City Power National Treasury Circular 88
59	Prepayment efficiency (EE4.12)	New	65%	75%	85%	90%	75%	75%	75%	75%	N/A	N/A	SAP prepaid sales report; Suprima Vending Status Report City Power NT Circular 88
60	Percentage spend on Operating budget against approved operating budget	New	New	95%	95%	95%	25%	50%	75%	95%	N/A	32 376b	SAP & Spreadsheet

10.4 Scorecard Technical Indicator Descriptions

Each of the KPIs in the City Power Scorecard is defined in the tables below. Table 55 presents the Scorecard Technical Indicator Descriptions in accordance with National Treasury Technical Indicator Description (TID) standards.

Table 55 — Scorecard Technical Indicator Descriptions (KPIs 1–10)

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
1	Number of registered electricity consumers with an embedded generation system (C57)	Monitors number of registered municipal electricity consumers with an embedded generation electricity system	GE Verification Letter	Spreadsheet of Renewable Energy Applications; City Power Approval letter	Simple count of the number of registered municipal electricity consumers with an embedded generation system	Customer Registration	Cumulative	Monthly, Quarterly, Annual	No	120
2	Number of municipal buildings that consume renewable energy (C59)	The number of municipal buildings consuming own renewable electricity or embedded generation	GE Verification Letter	Spreadsheet (City owned buildings with addresses that consume renewable energy)	Simple count of the number of municipal buildings that generate their own renewable energy or are supplied by embedded generation	Data from sister companies	Non-cumulative	Annual; Quarterly	No	4
3	Installed capacity of approved embedded generators on the municipal distribution network (EE4.12)	Measures the capacity of embedded generators on the municipal distribution network	GE Verification Letter	Spreadsheet of Renewable Energy Applications; City Power Approval letter	Sum of all SSEG installation capacities within municipal distribution network (registered customers and City Power)	Dependent on customer registration and information as provided	Cumulative	Monthly	No	35MW
4	Percentage Implementation of Energy Mix Initiatives	KPI measures achievement of milestones for alternative sources of energy	GE Verification Letter	Spreadsheet of Renewable Energy Applications; Solar high mast spreadsheet; Signed Completion Certificate for EV & PV (End of Q4)	(Number of composite KPIs achieved / number of composite KPIs measured) × 100	Dependent on information received from dependencies	Non-Cumulative	Quarterly	Yes	100% of the Milestone

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
5	Percentage of Procured Energy Demand Supplied by Renewable Energy	KPI measures the proportion of total energy procured from renewable energy sources — including IPPs, STPPP, MIPPP, and renewable feed-in tariffs	GE Verification Letter	IPPs, PPAs for STPPP, MIPPP, and renewable feed-in tariffs	Sum of capacity in MW procured from renewable sources / 2400MW × 100; Total Renewables Energy Procured (MWh) / Total Energy Procured (MWh) × 100	None	Cumulative	Monthly, Quarterly, Annual	No	15%
6	Tons CO2 Offset in Greenhouse Gas Emissions	Total Green House Gasses Reduction Contribution: tonnes of CO2 emissions per mega Watt hour	GE Verification Letter; CO2 intensity of Eskom power; Energy Efficiency Retrofits; Solar PV based on installed capacity	SSEG customer application letters; CO2 reduction Emission spreadsheet; Landfill Eskom accounts invoices; Spreadsheet of Street Light retrofitted; Spreadsheet of Buildings retrofitted; Spreadsheet of Solar High Mast installed; Handover or proof of Commissioning report/documents for Microgrids	MWh from Landfills and installed capacity from SSEG and Solar PV and Energy Efficiency Retrofitting × Stated Carbon Dioxide Emission Factor for Eskom Grid Supply (1.01)	None Identified	Cumulative	Monthly, Quarterly and Annual	No	50 000
7	Number of electricity connections applications received (C99)	Number of new electricity connection applications received by the municipality. Measures only new applications received regardless of whether valid or complete.	GE Verification Letter	Listing from SAP Applications	The number of new electricity connection applications received (SPUs)	None identified	Cumulative	Quarterly	Yes	900
8	Percentage of households with access to electricity (EE1.1)	Percentage of households that have access to electricity services within the municipal area	GE Verification Letter	Stats SA General Household Survey	(Number of households having access to electricity / Total number of households within the municipal area) × 100	Availability of Stats SA General Household Survey	Non-Cumulative	Annual	Yes	92%
9	Number of dwellings provided with connections to mains electricity	Number of new residential electricity connections to dwellings provided by the municipality	GE Verification Letter	Spreadsheet; Meter commissioning sheet (Job cards)	The total number of dwellings electrified (New service connections)	None identified	Cumulative	Quarterly	No	500

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
	supply by the municipality (EE1.11)									
10	Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards: 30 working days	Measures number of SPU applications processed within 30 working days after customer payment as a percentage of the total SPU applications received	GE Verification Letter	Spreadsheet; SAP screenshots	(Number of valid SPU applications for new connection processed within 30 working days after customer payment / Total number of valid SPU applications processed) × 100	None identified	Cumulative ; Quarterly	No	No	80%
11	Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE) (EE2.11)	Measures the reliance of municipal residents on FBE by measuring how much electricity provided by the municipality in kW is subsidized through FBE	GE Verification Letter	TBC	FBE units issued / residential units sold × 100	Data from CoJ	Non-cumulative	Monthly / Quarterly and Annually	No	0.4%
12	Percentage of households with electricity connections receiving Free Basic Electricity EE2.1	KPI measures the number of individuals in a household with electricity connection that receive Free Basic Electricity (FBE) as per the approved beneficiary list from Social Development	Prepaid Master Data (SAP); Sales File (CoJ)	Spreadsheet of Post-paid units issued from sales file; Spreadsheet of Prepaid units issued; Spreadsheet of prepaid units allocated for non-Affluent area (Loss reduction)	Total number of individuals in a household receiving FBE / residential customers eligible to receive FBE × 100	Data received from CoJ	Non-cumulative	Monthly, Quarterly and Annual	No	3%

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
13	Percentage of unplanned outages that are restored to supply within industry standard timeframes: 24 hours (EE3.11)	Proportion of unplanned electricity outages where at least 98% of customers affected have electricity supply restored within 24 hours of the incident	GE Verification Letter	Municipal works management systems (work order systems)	(Number of unplanned outages where 98% of affected customers are restored within 24 hours / Total number of unplanned outages) × 100	None identified	Cumulative	Quarterly	No	98%
14	Percentage of Planned Maintenance Performed (EE3.21)	Planned work orders are proactively created by Asset Management for planned maintenance. KPI calculated from number of executed planned work orders against the total planned work orders.	GE Verification Letter	SAP PM (IW38)	Percentage of executed planned work orders from the total number of planned work orders created on the maintenance schedule	None identified	Cumulative	Quarterly	No	60%
15	Average System Interruption Duration Index (ASIDI) (EE3.5)	ASIDI calculated using a load-based approach rather than customer affected approach. Indicates the average system interruption duration in minutes per KVA served over a defined period.	GE Verification Letter	Forcelink	Sum of connected kVA duration of load interrupted in kVA-minutes per defined period / Total connected kVA served	None identified	Cumulative	Quarterly	Yes	4 500
16	Average System Interruption Frequency Index (ASIFI)	ASIFI calculated using a load-based approach. Indicates the average system interruptions over a defined period.	GE Verification Letter	Forcelink	(Sum of total connected kVA of load interrupted in kVA per defined period / Total connected kVA served)	None identified	Cumulative	Quarterly	Yes	9

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
17	Percentage achievement of Service Level Standards (SLS)	Percentage of Service Level Standards achieved of the total number of Service Level Standards	GE Verification Letter	Spreadsheets; SAP	Number of KPIs achieved in the Service Level Standards Agreement against total no of Service Level Standards achieved $\times 100$	None identified	Non-Cumulative	Monthly	No	85%
18	Bulk commercial metering performance (E1)	Measures the progress and maturity of the billing part of the revenue cycle that is active and in operation. Technologies available in the AMR/AMI space to enhance metering and collection.	GE Verification Letter	SAP & Spreadsheet	Bulk (LPU) & commercial meterage: Total bulk (LPU) and commercial meters in full billing operation / Total bulk and commercial customers	None identified	Non-Cumulative	Monthly/Quarterly	No	98%
19	Vending efficiency % metering operational (E2)	Measures the wholistic performance of the vending/prepayment system ability to sell tokens continuously when customers require energy. Has two components: uptime to the master system and number of active meters in the system.	GE Verification Letter	Suprema uptime report	Uptime of system as available hours against total system hours (exclude the planned downtime)	None identified	Non-Cumulative	Monthly/Quarterly/Annually	Yes	95%

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
20	Automated meter reading coverage (E3)	Automated meter reading (AMR) as a percentage of Advanced metering infrastructure (AMI) that is operational, within each customer category of bulk (industrial) and commercial customers	GE Verification Letter	Spreadsheet; IEE report & MDCX report	Automated metering as % total bulk (LPU) metering; Automated metering (smart) deployment as % of total bulk (LPU) and commercial metering; % of Integration of bulk and commercial against total meters	None identified	Non-Cumulative	Monthly/Quarterly	No	98%
21	Repairs efficiency (E4)	Inadequate investment in repairs and maintenance of networks need to be pursued to improve reliability. Indicator measures how much as a percentage of operation is spent on repairs and maintenance.	GE Verification Letter	SAP & Spreadsheet	Total operational spend on repairs and maintenance / total operational costs (revenue)	None identified	Non-Cumulative	Annual	No	8%
22	Percentage repairs and maintenance on property, plant and equipment	Measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery	GE Verification Letter	SAP Expenditure report (R&M) and Balance Sheet for assets	Total Repairs and Maintenance Expenditure / Property, Plant and Equipment and Investment Property (Carrying value) × 100	None identified	Non-Cumulative	Annually	No	8%

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
23	Industrial and Commercial Metering Performance (EE4.11)	Tracks industrial and commercial meters in full billing operation at point of delivery (POD)	IEE report & MDCX report	Spreadsheet	Sum of the Industrial and commercial meters in full billing operation per month / Total industrial and commercial customers aggregated over monthly billing cycles × 100	None	Non-cumulative	Annual	Yes	98%
24	Percentage of automated meter reading coverage (EE4.13)	Measures the automated meter reading (AMR) that is operating as a percentage of total installed industrial and commercial metering	IEE report & MDCX report; SAP ISU	Spreadsheet	Number of industrial and commercial customer meters with AMR / Total industrial and commercial customer meters × 100	None	Non-cumulative	Annual	Yes	98%
25	Percentage of repairs coverage (EE4.14)	Measures how much is spent on repairs and maintenance of electricity utilities that are both planned and unplanned as a proportion of the total operational costs	Total operational spend on repairs and maintenance of electricity utilities	R-value of expenditure	(Total operational spend on repairs and maintenance of electricity utilities) / (Total operational costs)	None identified	Non-cumulative	Annual	Yes	8%

KP I No .	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
26	Percentage implementation of the strategic risk management action plan	Percentage of strategic risks action plans implemented is compared to total number of strategic risk action plans	GE Verification Letter	Governance Risk Reports; Strategic Risk Plan; Strategic risk register and Audit Report	Aggregate percentage implementation of strategic risk action plans divided by total number of strategic risk action plans $\times 100$	None identified	Cumulative	Quarterly	No	85%
27	Percentage resolution of Audit findings (AGSA only)	Measures the audit findings resolved against the total number of audit findings issued by the AGSA	GE Verification Letter	Audit Dashboard; Internal Audit Reports	Total number of Auditor General findings resolved / total number of Auditor General findings for the current year (due for the period) $\times 100$	None identified	Cumulative	Quarterly / Annually	No	100%
28	Percentage resolution of Internal Audit findings	Measures the audit findings resolved against the total number of audit findings issued by the IA	GE Verification Letter	Audit Dashboard; Internal Audit Reports	Total number of Internal Audit findings resolved / total number of Internal Audit findings (due for the period) $\times 100$	None identified	Cumulative	Quarterly / Annually	No	100%

KP I No .	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
29	AGSA Audit opinion	The opinion that the auditor expresses after auditing the annual financial statement of the entity	GE Verification Letter	Audit Report	Opinion as per Auditor General Report	None identified	Non-cumulative	Annually	No	Unqualified
30	Percentage reduction in Fruitless and Wasteful Expenditure	Percentage reduction on fruitless and wasteful compared to the historical financial years excluding 2024/25 financial year	GE Verification Letter	SAP report; Audited Annual Financial statements and AG Final Report; Finance WFE Final Report to MPAC for processing	Write offs and recoveries in the current financial year / balance of fruitless and wasteful expenditure for historical years (Excluding 2025/26) × 100	None identified	Non-Cumulative	Quarterly / Annually	No	85%
31	Percentage reduction in Irregular Expenditure	Percentage reduction on UIFWE compared to the previous financial year	GE Verification Letter	SAP report; Audited Annual Financial statements and AG Final Report; Finance IE Final Report to MPAC for processing	Write offs and recoveries in the current financial year / balance of UIFWE as at 2025/2026 × 100	None identified	Non-Cumulative	Quarterly / Annually	No	100%

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
32	Percentage valid invoices paid within 30 days	KPI measures the suppliers with valid invoices paid within 30 days for goods and services rendered	GE Verification Letter	Creditors' report from SAP	Total valid invoices paid within 30 days / Total valid invoices received × 100	None	Non-Cumulative	Monthly / Quarterly	No	100%
33	Percentage Implementation of Employee Engagement Programmes	Strategic initiatives designed to enhance employees' motivation, job satisfaction, and emotional connection to their work and organisation	Performance Confirmation Letter	PowerPoint Presentation; Excel BOE's generated by Strategic Partner	KPI measures the engagement force through survey; results divided by the total number of questions within each dimension to get the overall mean score	Participation rate	Non-Cumulative	Quarterly	No	75%
34	Number of SMME's supported	Number of SMMEs participating in City Power available job opportunities. Providing financial and non-financial support (including compliance training)	GE Verification Letter	SAP and Excel Spreadsheet	Total number of SMME's doing business with City Power	None identified	Cumulative	Quarterly	No	300

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
35	Number EPWP job opportunities created	Beneficiaries of job opportunities through EPWP	Performance Confirmation Letter	Spreadsheets, registers	Number of EPWP jobs opportunities created	None identified	Cumulative	Quarterly	No	800
36	Number of approved engineer posts in the Entity (C41)	Monitors the extent to which the Entity has formally specified engineering posts within its municipal structure	Performance Confirmation Letter	Spreadsheets	Simple count of the number of approved engineers' posts in the Entity	None identified	Non-Cumulative	Annual	No	140
37	Number of registered engineers employed in approved posts (C42)	The number of registered engineers employed in approved posts	Performance Confirmation Letter	Spreadsheets	Simple count of the number of registered engineers employed in approved posts	None identified	Non-Cumulative	Quarterly	No	25

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
38	Number of engineers employed in approved posts (C43)	The number of engineers employed in approved posts	Performance Confirmation Letter	Spreadsheets	Simple count of the number of engineers employed in approved posts	None identified	Non-Cumulative	Quarterly	No	28
39	Number of approved electrician posts in the entity (C48)	The number of approved electrician posts	Performance Confirmation Letter	Spreadsheets	Simple count of the number of approved electrician posts in the Entity	None identified	Non-Cumulative	Quarterly	No	450
40	Number of electricians employed in approved posts (C49)	The number of electricians employed in approved posts in terms of the approved structure	Performance Confirmation Letter	Spreadsheets	Simple count of the number of approved electrician posts in the entity	None identified	Non-Cumulative	Quarterly	No	435

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
41	Percentage Achievement of Smart Utility Initiatives	Measures City Power's progress towards becoming a Smart Utility by tracking high impact enterprise-wide ICT milestones and strategic programme delivery: Visibility of Network; Visibility of Meters; Visibility of Employees; Achievement of Strategic Programmes	GE Verification Letter	Spreadsheet of the milestones	Number of composite KPIs achieved (Actual) / Number of composite KPIs measured (Target) × 100 × Weight	None	Non-Cumulative	Quarterly	No	100% of milestones
42	Number of Stakeholder Engagements	KPI measures the number of engagements held with the community	GE Verification Letter	Spreadsheet of engagements held; Attendance registers; Invitations for engagements	Total number of Stakeholder engagements held per reporting cycle	Filling of attendance registers	Cumulative	Monthly, Quarterly, annually	No	124 engagements
43	Customer surveys (A1)	Customer service satisfaction surveys are undertaken annually and reflect progress towards the benchmark	GE Verification Letter	Survey Report	Customer survey report	None	Non-Cumulative	Annual	No	70%

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
44	Number of public lights installed	Public lighting refers to infrastructure for illumination of streets in the City of Joburg, inclusive of High Mast Solar Public Lighting. KPI measures the number of public lights installed	GE Verification Letter	Spreadsheet; Work Completion Certificates	Total number of public lights installed per annum	None identified	Cumulative	Quarterly	No	500
45	Capital Budget Execution (A4)	The Capex spent on projects against the approved budget. Objective is to improve, stabilize and sustain a positive financial position	GE Verification Letter	SAP Spreadsheet; Work Completion Certificates	Total Capex spend divide by the budget Capex spend $\times 100$	None identified	Cumulative	Quarterly	No	95%
46	Percentage institutionalisation of the (LG-FIDPM) - Local Government Framework for Infrastructure Delivery and Procurement Management	The LG-FIDPM aligns objectives, activities and performance indicators relevant to infrastructure delivery and procurement management as per National Treasury Circular 106. The alignment considers internal procedures, sop's and project delivery approaches as prescribed by GL-FIDPM guidelines.	GE Verification Letter	Letter by CEO adoption of the LG-FIDPM, nomination of members letter, training attendance register, SOP, Evidence of use, Gateway review meeting minutes, reports and presentations, End-user JSIP reports, Quality Assurance report.	Projects completed / Projects Planned $\times 100$	None identified	Cumulative	Quarterly	Yes	100%

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
47	Public procurement transparency (A3)	This measures the degree to which the trading service business unit adheres to best practices in ensuring transparency in its procurement process, this includes openness in tendering, decision making and reporting, aiming to reduce corruption, promote competition and ensure the effective use of public resources.	GE Verification Letter; Bid register; Tender adverts; Approved BAC report	Spreadsheet; Bid register; Tender adverts; Approved BAC report Signed contracts	Number of competitive bids awarded within the prescribed period / Total number of competitive bids received x 100	None identified	Non-Cumulative	Annual	Yes	65%
48	Procurement Effectiveness	This key KPI measures the average time, in calendar working days (working days), taken from the date bid advert closed to the date the bid award approval. The KPI provides an incite into efficiency and speed of the procurement process	Bid register; Tender adverts; Approved BAC report	Spreadsheet; Bid register; Tender adverts; Approved BAC report	Average (network days (tender closing date, award date)) for all bids awarded during the reporting period	None identified	Cumulative	Annually	Yes	130 days
49	Financial viability: Operating Cost Coverage Ratio (OCCR) (F1)	Basic definition is 'operating revenue / operating expenses'. Operating revenue excludes any capital items (capital grants,) and interest income Operating expenditure excludes any capital related items (interest and depreciation)	GE Verification Letter	SAP & Spreadsheet	Gross Profit / Operating expenditure (excluding bulk purchases)	None identified	Non-Cumulative	Annual	No	1,51

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
50	Cash collection rate (F2)	Efficiency of cash collection measured as cash collected from customers / total invoiced to customers (over the same relevant 12-month period)	GE Verification Letter	SAP & Spreadsheet	Cash receipts from customers (12 months) / amount invoiced to customer (corresponding period)	None identified	Non-Cumulative	Monthly/Quarterly	No	93,26%
51	Operational cash flow (F3)	The cash available from operations after all operating costs have been met	GE Verification Letter	SAP & Spreadsheet	Cash receipts less operating expenses	None identified	Non-Cumulative	Annual	No	1190,78
52	Customer debt management - debtors' days (F4)	Customer debt outstanding expressed as days of revenue	GE Verification Letter	SAP & Spreadsheet	Customer accounts receivable (net of provisions for bad debt) / Invoiced customer revenues (12 months) × 365	None identified	Non-Cumulative	Monthly/Quarterly	No	41.08 days

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
53	Self-financing ratio (F6)	Cash flow from operations (Indicator F3) divided by actual capital expenditure incurred during the financial year on property, plant and equipment (PPE)	GE Verification Letter	SAP & Spreadsheet	Ratio = Operational cash flow / Infrastructure Capex on PPE	None identified	Non-Cumulative	Annual	No	56,63%
54	Total non-technical losses in MW (Estimate) (C58)	Measures the non-technical losses in units (MW)	GE Verification Letter	SAP & Spreadsheet	The amount of non-technical electricity loss (in kWh) in a municipal service area divide by 1000 to get unit in MW	None identified	Non-Cumulative	Annual	No	471 753MW
55	Percentage total electricity losses (EE4.4)	Measures the electricity lost (technical and non-technical losses) as percent of the total electricity consumed	GE Verification Letter	A comparison is made between unit sales from CoJ, Prepaid sales and bulk purchases report from City Power; Spreadsheet from Revenue Management Department: Bulk Purchases Report; Prepaid Units Sold; Eskom Invoices (AEL)	$((\text{Electricity Purchases in kWh}) - (\text{Electricity sales in kWh})) / (\text{Electricity Purchases in kWh}) \times 100$	Customer registration process is managed by COJ	Non-cumulative	Annual	No	25%

KP I No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
56	Municipal electricity consumption per 10 000 of the population (EE4.5)	Total amount of electricity consumed by the municipality for administration and delivery of services across the entire metropolitan area for the year in kWh, normalised per 10 000 of the municipal population	GE Verification Letter	Spreadsheet of updated municipal facilities from EISD; Meter Audit form per facility; Meter installations job card or commissioning sheets; Electricity consumption per facility	(Electricity consumption in kWh by the municipal administration / Total population / 10 000). Dependent on whether the building is metered and there is consumption from the meter.	Total Number of population	Non-Cumulative	Annually	No	17 640 kWh/person
57	Net Surplus /Deficit Margin for Electricity	Electricity is measured separately to track the extent to which the municipality generates surplus or deficit. Total expenditure refers to direct costs, overhead costs and capital financing costs incurred in providing electricity services.	GE Verification Letter	SAP report	(Total Electricity Revenue – Total Electricity Expenditure) / Total Electricity Revenue	None identified	Cumulative	Annual	Yes	5.56%
58	Percentage of the municipality's operating budget spent on indigent relief for free basic services (LED 2.12)	Measures the proportion of the municipality's total operating budget spent on indigent relief for free basic services. For Eskom and City Power areas of supply.	SAP Cost Centre Reports and Trial Balance; Prepaid Master Data (SAP); Sales File (CoJ)	Spreadsheet of Calculations for the reported performance; Spreadsheet extracted from SAP (GL Account); Spreadsheet of Post-paid units issued from sales file; Spreadsheet of Prepaid units issued; Spreadsheet of prepaid units allocated for non-Affluent area (Loss reduction)	Total Free Basic Electricity / Total Operating Budget × 100	Data received from CoJ; Correctness of Eskom Invoices	Cumulative	Monthly, Quarterly and Annual	No	0.49%

KPI No	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
59	Prepayment efficiency (EE4.12)	Tracks the performance of the vending system selling prepaid tokens to customers monthly. Measures whether the prepayment meters in the system are active and receive tokens for energy purchases monthly.	GE Verification Letter	Spreadsheet SAP prepaid sales report; SAP prepaid active meter list; Suprima Vending Status Report	Total number of vending customers per month / Total number of active customers	None	Non-cumulative	Monthly/Quarterly/Annual	Yes	75%
60	Percentage spend on Operating budget against approved operating budget	This KPI measures the organisational operational spend compared to the allocated budget. The objective is to improve, stabilize and sustain a positive financial position	GE Verification Letter	SAP and spreadsheet	Actual costs /Allocated budget *100	None	Cumulative	Quarterly	Yes	95%

Table 55 (continued) — Scorecard Technical Indicator Descriptions (KPIs 51–58)

10.5 Service Standards Charter

City Power has Seven (7) Service Level Standards (SLS) targets that have been agreed with its shareholders. The table below outlines the SLS KPIs with annual and monthly targets for FY2025/26.

Table 56 — Service Level Standards Table with Targets

No	SLS	Baseline FY2024/25	Target	Jul	Aug	Sep	Q1	Oct	Nov	Dec	Q2	Jan	Feb	Mar	Q3	Apr	May	Jun	Q4	Annual
1	Average time taken to repair logged streetlight queries (Motorways)	1.73 days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days	2 Days
2	Average time taken to repair logged streetlight queries (Secondary Roads, Main Arterials and Area lighting)	3.50 days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days	3 Days
3	Percentage resolution of logged queries within 30 days.	98%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
4	Percentage of Large Power Users (LPU) meters read as per the download file.	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%	98%
5	Percentage of Domestic meters read as per the download file.	85%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
6	Average days taken in advance to communicate planned power interruptions	15.93 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days
7	Average time taken to communicate unplanned power interruptions (MV, HV) post logging	2.61 hours	3 Hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours	3 hours

10.6 SLS Technical Indicator Descriptions

The SLS KPIs are defined in the table below:

Table 57 — SLS Technical Indicator Description

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
1	Average time taken to repair logged streetlight queries (Motorways)	Average days taken to resolve all logged motorways queries for that period	GE Verification Letter	Forcelink	Average days taken to resolve all logged motorways queries for that period	None identified	Non-Cumulative	Monthly	No	2 Days
2	Average time taken to repair logged streetlight queries (Secondary Roads, Main Arterials and Area lighting)	Average time taken to repair logged streetlight queries (Secondary Roads, Main Arterials and Area lighting)	GE Verification Letter	Forcelink	Average days taken to resolve all logged Main Arterials, Secondary Road and Area lighting excluding cases of theft and vandalism, illegal connections, planned maintenance and loadshedding	None identified	Non-Cumulative	Monthly	No	3 Days
3	Percentage resolution of logged queries within 30 days.	Resolution of walk-in queries logged within 30 days (The 30 days is from 20th - 21st)	GE Verification Letter	Forcelink; SAP CRM	Total walk-in queries resolved within 30 days divide by total number of walk-in queries received multiply by 100	None identified	Non-cumulative	Monthly	No	95%

KPI No.	KPI	Short Definition	Source / Collection of Data (MoV)	Evidence	Method of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
4	Percentage of Large Power Users (LPU) meters read as per the download file.	Number of read meters as % of Bill orders received from CoJ (RSSC). The by-law requires for the meters to be read once every month.	GE Verification Letter	(i) Download file; (ii) Upload file; (iii) IEE reading Report; (iv) MRQC	Total Number of meters read / (Total Number of meters in the download file – Exceptions namely disconnections and illegal connection) × 100	None identified	Non-cumulative	Monthly	No	98%
5	Percentage of Domestic meters read as per the download file.	Number of read meters as % of Bill orders received from CoJ (RSSC). The by-law requires for the meters to be read once in three months.	GE Verification Letter	(i) Download file; (ii) Upload file; (iii) MDC and MDCX Reading Report; (iv) MRQC	Total Number of meters read / (Total Number of meters in the download file – Exceptions namely disconnections and illegal connection) × 100	None identified	Non-cumulative	Monthly	No	95%
6	Average days taken in advance to communicate planned power interruptions	This indicator measures number of days taken in advance between the date of publication and the actual date of outage	GE Verification Letter	City Power Website	Number of days taken in advance between date of publication and actual date of outage; average of all planned outages in the month	None identified	Non-cumulative	Monthly	No	7 days
7	Average time taken to communicate unplanned power interruptions (MV, HV) post logging	This indicator measures the average hours taken to communicate logged outage calls after acknowledging the outage	GE Verification Letter	Social Media communication (Twitter and WhatsApp); Forcelink	Time from outage first logged on Forcelink to first communication on Twitter; average time of communication on the monthly spreadsheet	None identified	Non-cumulative	Monthly	No	3 Hours

10.7 KPI Clusters

10.7.1 Circular 88 Outcome Indicators

The table below outlines the FY2026/27 Circular 88 Outcome indicators and are part of the City Power annual performance scorecard.

Table 58 — C88 Outcome Indicators

IDP Performance Indicator (Outcomes)	KPI	Ref No.	Baseline (Actual Annual Performance 2024/25)	Target for 2025/26	Target for 2026/27	Target for (MTREF) 2027/28 (End of Term)
EE1. Improved Access to Electricity	Percentage of households with access to electricity	EE1.1.	89.50%	92%	92%	92%
EE3. Improved reliability of electricity services	Average System Interruption Duration Index (ASIDI)	EE3.5	4 697.34 min	7 000 Min	75 Hours (4 500 Min)	73 Hours (4 400 Min)
EE3. Improved reliability of electricity services	Average System Interruption Frequency Index (ASIFI)	EE3.6	9.45	9	8	7
EE4. Improved energy sustainability	Percentage of total electricity losses	EE4.4	29.85%	25.83%	25%	23%
EE4. Improved energy sustainability	Municipal electricity consumption per 10 000 of the population	EE4.5	7 200 000 kWh person	17 640 kWh/person	17 640 kWh/person	17 640 kWh/person

10.7.2 Circular 88 Output Indicators

The table below outlines the 2026/27 Circular 88 Output indicators and are part of the City Power annual performance scorecard.

Table 59 — Circular 88 Output Indicators

Output Indicator No.	C88 Output Indicator	Ref No	Baseline 2024/25	2026/27 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Lead Dept / Me
1	Number of dwellings provided with connections to the mains electricity supply by the municipality	EE1.11	3 522	500	100	200	300	500	KPI budget allocated as per scorecard	N/A	City Power
2	Percentage of valid customer applications for new electricity connections processed in terms of municipal service standards: 30 working days	EE1.13	96%	80%	80%	80%	80%	80%	N/A	N/A	City Power
3	Percentage of total residential electricity provision allocated as free Basic services (FBE)	EE2.11	0.20%	0.4%	0.4%	0.4%	0.4%	0.4%	N/A	N/A	City Power
4	Percentage of unplanned outages that are restored to supply within industry standard timeframes	EE3.11	93.6%	98%	98%	98%	98%	98%	N/A	N/A	City Power
5	Percentage of Planned Maintenance Performed	EE3.21	82.35%	60%	60%	60%	60%	60%	N/A	N/A	City Power
6	Installed Capacity of approved embedded generators on the municipal distribution network	EE4.12	36.25MW	35MW	8MW	17MW	26MW	35MW	N/A	N/A	City Power
7	Net Surplus /Deficit Margin for Electricity	FM7.31	-13.79%	5.56%	5.56%	5.56%	5.56%	5.56%	N/A	N/A	City Power

10.7.3 Circular 88 Compliance Indicators

The table below outlines the 2026/27 Circular 88 Compliance indicators and are part of the City Power annual performance scorecard:

Table 60 — Circular 88 Compliance Indicators

No	Key Performance Indicator	Ref No	Baseline 2024/25	2026/27 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Notes / Lead Dept
1	Number of registered electricity consumers with an embedded generation system (C57)	C57	New	130	32	64	97	130	N/A	Budget allocated as per Scorecard	City Power
2	Number of municipal buildings that consume renewable energy (C59)	C59	New	4	4				N/A	N/A	City Power
3	Percentage Implementation of Energy Mix Initiatives	N/A	New	100%	100%	100%	100%	100%	N/A	N/A	City Power
4	Tons CO2 Offset in Greenhouse Gas Emissions	N/A	43 560	50 000	12 500	25 000	37 500	50 000	N/A	N/A	City Power
5	Number of electricity connection applications received (C99)	C99	New	700	100	250	450	700	R33m	N/A	City Power
6	Percentage of households with access to electricity (EE1.1)	EE1.1	89.5%	92%	92%				N/A	N/A	City Power

No	Key Performance Indicator	Ref No	Baseline 2024/25	2026/27 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Notes / Lead Dept
7	Average System Interruption Duration Index (ASIDI) (EE3.5)	EE3.5	4 697.34 Min	6 500 Min	1 625 Min	3 250 Min	4 875 Min	6 500 Min	N/A	N/A	City Power
8	Average System Interruption Frequency Index (ASIFI) (EE3.6)	EE3.6	9.45	10	2.5	5	7.5	10	N/A	N/A	City Power
9	Number of approved engineer posts in the Entity	C41	New	140	140				N/A	N/A	City Power
10	Number of registered engineers employed in approved posts (C42)	C42	New	25	0	15	20	25	N/A	N/A	City Power
11	Number of engineers employed in approved posts (C43)	C43	New	28	0	0	25	28	N/A	N/A	City Power
12	Number of approved electrician posts in the entity (C48)	C48	New	450	0	400	420	450	N/A	N/A	City Power
13	Number of electricians employed in approved posts (C49)	C49	New	435	0	400	420	435	N/A	N/A	City Power
14	Percentage of households with electricity connections receiving Free	EE2.11	New	3%	3%				N/A	N/A	City Power

No	Key Performance Indicator	Ref No	Baseline 2024/25	2026/27 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Notes / Lead Dept
	Basic Electricity EE2.1										
15	Bulk commercial metering performance (E1)	E1	New	98%	98%	98%	98%	98%	N/A	N/A	City Power
16	Vending efficiency % metering operational (E2)	E2	New	98%	98%	98%	98%	98%	N/A	N/A	City Power
17	Automated meter reading coverage (E3)	E3	New	98%	98%	98%	98%	98%	N/A	N/A	City Power
18	Repairs efficiency (E4)	E4	New	8%	8%				N/A	N/A	City Power
19	Total non-technical losses in MW (Estimate) (C58)	C58	1 481 429 MWh	471 753 MWh	471 753 MWh				N/A	N/A	City Power
20	Percentage total electricity losses (EE4.4)	EE4.2	29.85%	25%	25%				N/A	N/A	City Power
21	Municipal electricity consumption per 10 000 of the population (EE4.5)	EE4.5	7 200 000 kWh/person	17 640 kWh/person	17 640 kWh/person				N/A	N/A	City Power
22	Percentage of the municipality operating budget spent on indigent relief for free basic service LED 2.12	LED2.12	New	0.49%	0.49%	0.49%	0.49%	0.49%	N/A	N/A	City Power
23	Industrial and Commercial Metering Performance (EE4.11)	EE4.11	New	98%	98%				N/A	N/A	City Power

No	Key Performance Indicator	Ref No	Baseline 2024/25	2026/27 Target	Q1	Q2	Q3	Q4	Capex Budget R	Opex Budget R	Notes / Lead Dept
24	Prepayment efficiency (EE4.12)	EE4.12	New	75%	75%	75%	75%	75%	N/A	N/A	City Power
25	Percentage of automated meter reading coverage (EE4.13)	EE4.13	New	98%	98%				N/A	N/A	City Power
26	Percentage of repairs coverage (EE4.14)	EE4.14	New	8%	8%				N/A	N/A	City Power

10.8 SDBIP Indicators

The table below outlines the 2026/27 SDBIP indicators and are part of the City Power annual performance scorecard.

Table 61 — SDBIP Indicators

Key Performance Area	Key Performance Indicator	Intervention	2024/25 Audited Baseline	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target	Lead Dept/ME	Cluster Lead	Supporting Department
Energy Mix	Installed capacity of approved embedded generators on the municipal distribution network (EE4.12)	Demand Side Management Programme; Self-Generation Programme; Wheeling; SSEG; Off Grid Public Lighting and IPP	36.25MW	30MW	35MW	40MW	45MW	City Power	Sustainable Services Cluster	None
Access to electricity	Number of dwellings provided with connections to mains electricity supply by the municipality (EE1.11)	Electrification Programme	3 522	700	500	500	500	City Power	Sustainable Services	None
Electricity losses	Percentage total electricity losses (EE4.4)	Infrastructure upgrade	29.85%	25.83%	25%	23%	22%	City Power	Sustainable services	Revenue Shared Service
Ensure energy security	Percentage of Procured energy demand supplied by renewable sources	Onboard additional energy capacity to meet current and future energy demands	New indicator	10%	15%	20%	25%	City Power	Sustainable Services Cluster	EISD, Pikitup, Transport, Joburg Market, Treasury, NERSA, DMRE, ESKOM

10.9 Performance Improvement Action Plan A3 (PIAP)

10.9.1 Accountability Performance: KPIs

As per the guidance note 4 there are five accountability performance indicators. The table below outlines the City Power KPI targets for the next five years as per the Business Plan and the status as at December 2026 (Q2 Performance). These indicators are part of the City Power annual performance scorecard:

Table 57 — Accountability Performance: KPIs

ID	Indicator	Description	25/26 Target for COJ	2026/27 Target for COJ	Responsibility
M1	SPOMA Service Compact	Define roles, obligations and expectations between COJ and Entity	Council Approved Compact signed by City Manager; updated and aligned SDAs/SLAs adopted; SLS Framework approved;	Implementation of Council Approved Compact signed by City Manager;	Group Governance
				Implementation of updated SDAs/SLAs and SLS Framework	
M2	SPOMA Appointment	Define and appoint accountable utility leadership; full delegated authority	SPoMA operational; reporting established; full transfer of CRM, revenue, and treasury functions to entities.	Implementation of SPOMA	City Manager
					Group Governance
M3	SPOMA Organisational Structure	Unified structure encompassing full value chain with supporting systems	Structure approved and institutionalized; transition roadmap adopted; integrated trading services operational.	Structure institutionalized;	GCSS
				Implementation of transition roadmap;	
				integrated trading services operational.	
M4	SPOMA Delegations	Standardize Delegation of Authority (DOA) aligned to SPoMA for improved governance, clarity, and operational effectiveness.	DOA approved by Council and signed by City Manager; standardised DOAs adopted; oversight mechanisms implemented.	Implementation of approved Standardised DOA; oversight mechanisms implemented.	Group Legal
M5	Financial Model and Business and Investment Plan	Develop a multi-year financial model to inform strategic budgeting and investment planning for utility turnaround.	Council approval of B&I Plan; integration into MTREF and budgeting processes; start implementation and monitoring cycle.	Council approval of B&I Plan; integration into MTREF and budgeting processes; continue implementation and monitoring cycle.	Group Finance
					Joburg Water
					City Power

ID	Indicator	Description	25/26 Target for COJ	2026/27 Target for COJ	Responsibility
M6	Budget Support of Business and Investment Plan	Align City's MTREF and long-term budgeting with the approved B&I Plans to support sustainability.	Budget allocations reflect the financial model and B&I Plan; establish monitoring of alignment and sustainability assumptions.	Budget allocations reflect the financial model and B&I Plan; continue monitoring sustainability assumptions.	Group Finance
					DP
					OCOO (SPMO)
M7	Financial Transparency – Separate AFS	Separate financial statements for transparency and performance tracking.	Sustain publication of AFS, MTREF, and Business Plan for 2024/25; build capacity for enhanced flows and balances reporting.	Sustain publication of AFS, MTREF, and Business Plan; build capacity for enhanced flows and balances reporting.	Joburg Water
					City Power
M8	Support for Management of Organisational Change	Capacity and change plans to support integration and reform execution.	Execute change programme with annual review; institutionalize transition support, stakeholder alignment, and performance tracking.	Execute change programme with annual review; institutionalize transition support, stakeholder alignment, and performance tracking.	GCSS
					Joburg Water
					City Power

10.9.2 Accountability Performance: Programmes

As per the guidance note 4 there are five accountability performance indicators. The table below outlines the City Power KPI targets for the next five years as per the Business Plan and the status as at December 2026 (Q2 Performance):

Table 58 — Accountability Performance (PIAP) KPIs

ID	Performance Indicators	25/26 Target	Q2 Target	Q2 Actual	26/27 Target	27/28 Target	28/29 Target	29/30 Target	30/31 Target
A1	Customer surveys — Implement action plan as per services that rated low in last survey conducted. KPI: 70%	70%	0.00	0.00	Implement action plan as per services rated low in the last survey conducted. KPI: 70%	75%	75%	80%	80%
A2	Financial Accounting — MSCOA compliance — Implementation of the COJ MSCOA Implementation Plan; Monitoring and reporting on Performance	Plan	In Progress	On Track	Implementation of the COJ MSCOA Implementation Plan; Monitoring and reporting on Performance	Plan	Plan	Plan	Plan
A3	Public Procurement Transparency	60%	0.00	0.00	65%	70%	75%	80%	80%
A4	Capital Budget Execution	95%	40%	27.57%	95%	95%	95%	95%	95%
A5	Core technical & management capacity — Development of the core technical & management capacity plan (M8)	In Progress	In Progress	On Track	% Implementation of the plan including: Awareness Campaign & Engagements; Strategic Partnerships; Accreditation of Training Facilities; Educational Qualification Verification & Candidate Pool Assessment; Professional Registration & Certification Process; On-The-Job Training & Mentorship; Competency Development Modules; Work Experience Accumulation; Professional Development Activities; Professional Review & Certification Process	% Plan	% Plan	% Plan	% Plan

10.9.3 Operational Performance

City Power is committed to improving operational performance as part of its broader turnaround strategy to enhance service delivery, reduce losses, and ensure the reliability of Johannesburg's electricity distribution network. The section has seven Operational Performance Indicators that City Power must comply with. These indicators are part of the City Power annual performance scorecard:

Table 59 — Operational Performance PIAP KPIs

ID	Performance Indicators	25/26 Target	Q2 Target	Q2 Actual	26/27 Target	27/28 Target	28/29 Target	29/30 Target	30/31 Target	31/32 Target	32/33 Target	33/34 Target	34/35 Target
E1	Meter Coverage of Industrial (Bulk) and Commercial Meters	98%	98.00	90.00	94%	96%	98%	98%	98%	98%	98%	98%	98%
E2	Vending Efficiency	95%	65.00%	66.69%	95%	95%	95%	95%	95%	95%	95%	95%	95%
E3	AMR/AMI Maturity	98%	98.00%	90.00%	98%	98%	100%	100%	100%	100%	100%	100%	100%
E4	Repairs Efficiency	2,206	1,180	1,188	1,686	1,980	3,130	5,853	6,889	6,906	7,140	10.28%	10.04%
E5	Total Losses Efficiency	25.83%	0.00	0.00	25.00%	23.00%	22.00%	19.57%	18.57%	17.58%	16.59%	16.08%	15.59%
E6	Average System Interruption Duration Index (ASIDI)	7 000 min	3 500 min	1 569 min	75 Hours (4 500 min)	73 Hours (4 400 min)	72 Hours (4 300 min)	70 Hours (4 200 min)	68 Hours (4 100 min)	66 Hours (4 000 min)	66 Hours (4 000 min)	66 Hours (4 000 min)	66 Hours (4 000 min)
E7	Average System Interruption Frequency Index (ASIFI)	11	6.00	3.42	9	8	7	6	5	5	5	5	5

10.9.4 Financial Performance KPIs

The section has six Financial Performance Indicators that City Power must comply with. The table below outlines the City Power KPI Target for the next ten years as per the Investment Plan FY 2025/26 and the status as at December 2026 (Q2 Performance):

Table 60 — Financial Performance (PIAP) KPIs

ID	Performance Indicators	24/25 Target	25/26 Target	26/27 Target	27/28 Target	28/29 Target	29/30 Target	30/31 Target	31/32 Target	32/33 Target	33/34 Target	34/35 Target
F1	Operating Cost Coverage Ratio (OCCR)	0,75	1.66	1.51	1.54	1.59	1.53	1.72	2.08	2.30	2.37	2.42
F2	Cash collection rate	94,09%	93.80%	93.26%	93.64%	93.71%	94.34%	94.86%	95.44%	96.40%	96.41%	96.49%
F3	Cash flow from operations	- 5 604,81	2,206	1,180	1,188	1,686	1,980	3,130	5,853	6,889	6,906	7,140
F4	Debtors' days after provisions	48,61	42.66	41.08	39.58	38.40	32.39	30.57	28.44	26.39	24.65	22.72
F5	Infrastructure Investment (Capex on PPE)	1626,99	1,011	2,103	1,968	1,764	2,257	2,351	2,341	2,296	2,300	2,267
F6	Self-financing Ratio	-344,49%	218.11%	56.11%	60.36%	95.58%	87.73%	133.17%	250.07%	300.12%	300.32%	314.90%
	Net Surplus / Deficit	-3171,27	2,415	1,617	2,182	2,797	2,256	3,677	7,115	8,538	8,742	9,177

10.10 Transversal Programme

City Power has one transversal Programme that cut across different functions and management practices.

Table 61 — Transversal Programmes KPIs

No	KPI	Lead Department	2026/27 Target	2026/27 Budget	Dependency
1	Number of dwellings provided with connections to mains electricity supply by the municipality	City Power: Energy Management	500	KPI budget allocated as per scorecard	City Power will provide basic electrical service to informal settlement/s informed by the Department of Human Settlement business plan based on appointment through service level agreements entered into between the parties as and when the need arises. It is against this background that the Department of Human Settlement will be reporting on Number of dwellings provided with connections on informal settlements for the financial year.

END OF CHAPTER 10 — STRATEGIC RESPONSE: PERFORMANCE MANAGEMENT

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | National Treasury Circular 88 Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 11

FINANCIAL IMPACT

Business & Investment Plan | FY2026/27

MFMA Compliant Municipal Finance Management Act	TAS24 & TSR Aligned National Treasury Trading Reforms	10-Year ROI: 39% Net Return: R11.38 billion
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This chapter focuses on the following key areas

- 11.1 Key Financial Challenges
- 11.2 Revenue Enhancement Programme
- 11.3 Budget and Sources of Funding
- 11.4 Operational Expenditure
- 11.5 Capital Expenditure
- 11.6 Investment Plan (TAS24 & TSR Alignment)
- 11.7 Procurement Improvement Plan

CHAPTER 11 — FINANCIAL IMPACT: OVERVIEW

City Power's business model is designed to create sustainable value for all stakeholders, including residents, businesses, and the City of Johannesburg, both in the present and into the future. The financial framework underpinning this Business Plan is aligned with the requirements of the Municipal Finance Management Act (MFMA), including the monitoring of key financial ratios and sustainability indicators applicable to municipal entities.

The primary objective of the financial strategy is to ensure that City Power transitions into a financially sustainable electricity utility, capable of maintaining reliable infrastructure, supporting the Just Energy Transition, and delivering efficient electricity services to the City of Johannesburg. The financial projections and budgets contained in this Business Plan are based on key assumptions, operational drivers, and recent performance trends observed within City Power's operational environment.



Figure 11.0 — FY2026/27 Key Financial Indicators at a Glance

NATIONAL TREASURY TRADING REFORMS & MFMA ALIGNMENT

This chapter is prepared in accordance with National Treasury Trading Services Reform (TSR) requirements, the Turnaround Strategy TAS24 (approved by CoJ Mayoral Council on 31 July 2024), and MFMA Section 87.

Financial projections are based on key assumptions, operational drivers, and recent performance trends.

All monetary figures are stated in South African Rand thousands (R'000) unless otherwise indicated.

11.1 Key Financial Challenges

11.1.1 Escalating Overdraft and High Interest on City of Johannesburg Loans

City Power's financial position continues to be significantly constrained by an escalating overdraft facility and historical shareholder loan obligations to the City of Johannesburg. The overdraft facility has grown rapidly in recent years and currently exceeds R19 billion, placing significant pressure on the organisation's liquidity and financial sustainability. In addition, City Power continues to service long-standing shareholder loans dating back more than two decades, with interest obligations that continue to erode available operational cash flows.

These liabilities have materially impacted the organisation's ability to:

- Maintain adequate cash reserves
- Finance infrastructure investments
- Improve operational liquidity
- Achieve financial sustainability ratios required under MFMA oversight frameworks

In response to these challenges, management has proposed a series of financial remediation interventions, including:

- Freezing the interest on overdraft charges to prevent further erosion of cash flows
- Exploring the conversion of historical shareholder loan debt into equity
- Implementing financial restructuring measures to stabilise the balance sheet
- Strengthening cash flow management and creditor payment strategies

These interventions are intended to restore financial stability, reduce debt servicing costs, and improve City Power's long-term solvency position.

Escalating Overdraft Trends

Table 11.1.1 — Escalating Overdraft Trends (FY2017 – FY2026)

Financial Year	Funds Advanced (R'000)	Outstanding Balance (R'000)	Interest Paid (R'000)	Risk Level
FY2017	–	–	14 704	Baseline
FY2018	1 284 174	1 284 174	69 050	Low
FY2019	1 597 343	2 881 517	191 370	Growing
FY2020	1 121 796	4 003 313	226 145	Moderate
FY2021	1 402 286	5 405 599	210 523	Moderate
FY2022	1 376 727	6 782 326	270 627	High
FY2023	3 275 186	10 057 512	622 180	Critical ▲
FY2024	1 337 906	11 395 418	1 076 640	Critical ▲
FY2025	4 282 107	15 676 525	1 159 244	Critical ▲
FY2026	3 983 802	19 660 328	672 389	Critical ▲
Total	19 660 328	19 660 328	4 512 872	

The trend above illustrates the rapid escalation of debt exposure, which has been driven primarily by historical funding requirements for operational and capital expenditure in the absence of sufficient tariff adjustments and internal cash generation.

High Interest on City of Johannesburg Shareholder Loans

City Power continues to service interest obligations on historical shareholder loans dating back to 2001 and 2002. These interest payments have accumulated significantly over time.

Table 11.1.2 — High Interest on City of Johannesburg Shareholder Loans (R'000)

Financial year	Interest paid - 2001 loan R'000	Interest paid - 2002 loan R'000	Total R'000
2001	–	–	–
2002	103 309 091	–	103 309 091
2003	103 309 091	6 290 023	109 599 114
2004	103 309 091	6 290 023	109 599 114
2005	103 309 091	6 290 023	109 599 114
2006	103 309 091	6 290 023	109 599 114
2007	103 309 091	6 290 023	109 599 114
2008	103 309 091	6 290 023	109 599 114
2009	103 309 091	6 290 023	109 599 114
2010	103 309 091	6 290 023	109 599 114
2011	103 309 091	6 290 023	109 599 114
2012	103 309 091	6 290 023	109 599 114
2013	103 309 091	6 290 023	109 599 114
2014	103 309 091	6 290 023	109 599 114
2015	103 309 091	6 290 023	109 599 114
2016	103 309 091	6 290 023	109 599 114
2017	103 309 091	6 290 023	109 599 114
2018	103 309 091	6 290 023	109 599 114
2019	103 309 091	6 290 023	109 599 114
2020	103 309 091	6 290 023	109 599 114
2021	103 309 091	6 290 023	109 599 114
2022	103 309 091	6 290 023	109 599 114
2023	103 309 091	6 290 023	109 599 114
2024	103 309 091	6 290 023	109 599 114
2025	103 309 091	6 290 023	109 599 114
2026	51 654 545	3 145 011	54 799 557
Total	2 531 072 729	147 815 540	2 678 888 270

Table 11.1.3 — Shareholder Loan Capital and Interest Summary

Summary Item	2001 Loan R'000	2002 Loan R'000	Total R'000
Capital	581 814 023	42 978 816	–
Capital/Interest %	4.3	3.4	–
Total Interest Paid — 2001 Loan	2 531 072 729	–	–
Total Interest Paid — 2002 Loan	–	147 815 540	–
Total	2 531 072 729	147 815 540	2 678 888 270

The sustained interest payments on these loans continue to place a significant burden on City Power's financial performance, reducing available resources for infrastructure investment and service delivery improvements.

11.2 Revenue Enhancement Programme

In response to the financial pressures identified above, City Power is implementing a Revenue Enhancement Programme aimed at improving billing accuracy, revenue collection, operational efficiency, and financial sustainability. Two major strategic projects form part of this programme:

1. **Prepaid Vending and Revenue Collection System Modernisation**
2. **Billing and Collection Efficiency Programme**

11.2.1 Prepaid Vending and Revenue Collection System Project

City Power is embarking on a transformative technology initiative to modernise its prepaid electricity vending and revenue collection platform. The existing system was implemented in 2003, and the infrastructure supporting it has reached the end of its operational lifespan. The current system architecture limits the organisation's ability to deploy upgrades, scale services, and implement modern cybersecurity protections. These limitations pose operational risks and may potentially expose customer data to security vulnerabilities.

11.2.2 Billing and Collection Efficiency Project

In addition to the vending system modernisation, City Power is implementing a Billing and Collection Efficiency Programme aimed at improving billing accuracy, meter integrity, and revenue completeness. The project will be implemented over a three-year period, with the following initiatives.

Table 11.2.1 — Billing and Collection Efficiency Programme

Financial Year	Key Initiatives	Dependencies
FY2024/25	Planning technical audit for LPU and business meters; takeover of LPU operations; repair of 3,800 faulty LPU meters; technical audits for 4,000 LPU meters; 100%-meter reading for key customers and time-of-use customers; improved revenue collection	Budget availability; metering material availability
FY2025/26	Technical audits for 14,000 business meters; continued 100%-meter reading for key customers; monitoring and fixing meter alarms	Smart Centre for data analytics
FY2026/27	Technical audits for all meters; monitoring customer consumption; tariff and billing factor validation; monitoring disconnections and reconnections	Data analytics capability
FY2027/28	Revenue completeness programme; identification of missing customers; resolution of billing errors, out-sorts and implausible readings	Smart data analytics and billing systems

11.3 Budget and Sources of Funding

The budget for the 2026/27 Medium-Term Expenditure Framework (MTEF) has been prepared to support City Power's strategic objective of restoring financial sustainability while maintaining service delivery, network reliability, and infrastructure investment. The budget is informed by the principle that available financial resources must be allocated in a manner that supports operational continuity, protects core infrastructure, improves revenue generation, and gradually restores City Power's financial health. In preparing the budget, management considered the constrained fiscal environment, escalating bulk electricity costs, debt servicing pressures, and the need to prioritise expenditure toward critical service delivery and revenue-generating activities.

11.3.1 Principles Used for Budget Preparation

The following key assumptions and parameters were adopted in preparing the budget:

Table 11.3.1 — Budget Guidelines

Budget Guidelines FY2026/27	2025/26	2026/27	2027/28	2028/29
CPI	4.60%	3.40%	3.20%	3.20%
Salary increases	5.35%	4.75%	4.45%	4.45%
Interest on loans	10.17%	11.99%	11.53%	11.29%
Repairs and Maintenance as % of NAV	8.0%	8.0%	8.0%	8.0%
General expenses	4.60%	3.40%	3.20%	3.20%

These assumptions were applied consistently across the operating and capital budget to ensure realism, affordability, and alignment with the City's budget guidelines. The ultimate objective of the budget is to ensure that City Power plans the receipt and expenditure of financial resources in a manner that progressively improves liquidity, protects infrastructure, supports operational sustainability, and enhances long-term value creation.

11.3.2 Revenue

The table below summarises projected revenue for the 2026/27 to 2028/29 MTEF period. Please note that 'Other Income' is the aggregate of revenue items not explicitly detailed in the summary table above.

Table 11.3.2 — Revenue Forecast as per MTEF (FY2026/27 – FY2028/29) (ZAR millions)

Revenue Source	2026/27 R'000	2027/28 R'000	2028/29 R'000
Service Charges	27,752	30,186	31,877
Other Income	75	74	76
Internal Transfers & Subsidies	1,109	1,177	1,221
Capital Grants & Subsidies	900	993	1,290
Interest Revenue	130	136	142
Total	29,965	32,566	34,605

11.3.3 Revenue Sources — Detailed Notes

11.3.3.1 Service Charges

Service charges remain the primary source of revenue and are projected at R27,75 billion in 2026/27. The estimate is based on the following assumptions: an average tariff increase of 8.63% for 2026/27; a reduction in total losses from 27.41% in 2025/26 to 25% in 2026/27; and revenue mix assumptions based on customer segments: 54% Large Power Users (LPU); 29% Domestic; 9% Business; 8% Prepaid. The service charge forecast excludes new connection fees, which are budgeted separately.

11.3.3.2 New Connections

Revenue from new connections is projected to increase by R16.6 million, from R113.8 million to R130 million in 2026/27. This increase is aligned with the estimated growth in the number of service connections to be delivered during the financial year.

11.3.3.3 Disconnections

Revenue from disconnections is projected at R39.9 million in 2026/27.

11.3.3.4 Sundry Revenue

Sundry revenue is estimated at R30 million for 2026/27.

11.3.3.5 Engineering Contributions

Engineering contributions are budgeted at R35 million for 2026/27. This relates mainly to developer-funded bulk and reticulation infrastructure contributions.

11.3.3.6 Rental Income

Rental income is projected to remain unchanged at R567,000 in 2026/27.

11.3.3.7 Advertising — Street Poles

Revenue from advertising on street poles is projected to remain unchanged at R2 million in 2026/27.

11.3.3.8 Interest Earned

Interest revenue is projected at R130 million in 2026/27. This is mainly linked to the anticipated level of outstanding debtors.

11.3.3.9 Other Income

Other income is estimated at R435,000 in 2026/27 and comprises items such as canteen revenue, gym fees, and external training income.

11.3.3.10 Skills Development and Other Grants

Skills Development Grant revenue is estimated at R14 million in 2026/27, in line with City of Johannesburg budget guidelines. This includes EISD Grant: R8 million and Infrastructure Skills Grant: R6 million.

11.3.3.11 Transfers and Subsidies Received

Transfers and subsidies are estimated at R1.1 billion in 2026/27. This amount includes R362 million for unfunded mandates (including street lighting in City Power and Eskom supply areas) and R733 million to cushion a portion of network and service charges funded through the Equitable Share — to subsidise the provision of basic electricity services to indigent households, including Free Basic Electricity.

11.3.4 Tariffs

It is proposed that electricity tariffs increase by an average of 8.63% for FY2026/27. Miscellaneous charges are proposed to increase in line with the projected CPI. The proposed tariff increase is subject to public consultation processes and formal approval by the National Energy Regulator of South Africa (NERSA).

NERSA-approved Eskom increases for prior periods were: FY2024/25: 12.72%; FY2025/26: 12.41%. The indicative increases for future years are currently averaged at FY2026/27: 8.63%; FY2027/28: 8.76% and FY2028/29: 5.60%.

These assumptions remain indicative until the Eskom/NERSA determination and municipal tariff approval processes are finalised. The impact across customer categories may differ from the average tariff adjustment presented above; however, City Power's intention is to align the overall tariff impact as closely as possible to the NERSA-approved guideline.

11.4 Operational Expenditure

City Power's proposed operational expenditure for 2026/27 amounts to R28.3 billion. The main cost driver remains bulk electricity purchases, which account for approximately 71% of total operating expenditure and are the largest contributor to the increase in the budget.

Table 11.4.1 — Operational Expenditure Forecast as per MTEF (FY2026/27 – FY2028/29) (ZAR millions)

Expenditure Item	2026/27	2027/28	2028/29
Bulk Purchases	20,251	22,274	23,396
Employee Related Costs	2,246	2,346	2,450
General Expenses	886	910	942
Repairs & Maintenance	1,061	1,086	1,120
Bad Debts	1,733	1,778	1,894
Depreciation & Amortisation	905	934	964
Finance Costs	1,258	1,048	1,009
Total	28,340	30,375	31,776

11.4.1 Bulk Purchases

Bulk purchases are estimated at R20 billion in 2026/27 and remain the most significant cost item in the budget. The bulk purchase budget has been developed based on current supply arrangements, known contractual commitments, and expected tariff movements from Eskom and alternative energy supply programmes.

Table 11.4.2 — Bulk Purchases (Table 68)

Description	FY24/25 Actuals	FY25/26 Approved Budget	FY25/26 Approved Mid term Budget	FY26/27 Proposed Budget	FY27/28 Proposed Budget	FY28/29 Proposed Budget
Eskom — R' millions	17 367	13 610	13 610	18,746	21,686	23,372
Eskom — GWh	9 055	7 648	7 648	9,783	10,337	10,730
Eskom — R c/kWh	1.92	1.78	1.78	1.92	2.10	2.18
Kelvin — R' millions	1 618	3 113	3 113	662	-	-
Kelvin — GWh	988	1 630	1 630	310	-	-
Kelvin — R c/kWh	1.64	1.91	1.91	2.13	-	-
Ekurhuleni — R' millions	40.86	50	50	33.0	-	-
Ekurhuleni — GWh	17.43	21	21	13.3	-	-
Ekurhuleni — R c/kWh	2.34	2.43	2.43	2.48	-	-
Mogale City — R' millions	3.18	3.4	3.4	3.6	4.1	4.4
Mogale City — GWh	1.35	1.5	1.5	1.5	1.5	1.5
Mogale City — R c/kWh	2.36	2.3	2.3	2.37	2.72	2.88
Short Term Power Purchase Programme (STPPP) — R' millions	-	805	805	787.66	564.10	
STPPP — GWh	-	315	315	348.83	254.66	

Description	FY24/25 Actuals	FY25/26 Approved Budget	FY25/26 Approved Mid term Budget	FY26/27 Proposed Budget	FY27/28 Proposed Budget	FY28/29 Proposed Budget
STPPP — R c/kWh	–	2.55	2.55	2.26	2.22	
Own PV Microgrids — R' millions	–	–	–	11.2	11.7	12.1
Own PV Microgrids— GWh	–	–	–	22.3	22.3	22.2
Own PV Microgrids— R c/kWh	–	–	–	0.50	0.52	0.55
Own PV & Battery Energy Storage — R' millions	–	–	–	7.4	7.7	7.9
Own PV & Battery Energy Storage — GWh	–	–	–	9.3	9.2	9.2
Own PV & Battery Energy Storage — R c/kWh	–	–	–	0.79	0.83	0.87
MIPPP PV — R' millions	–	–	–	–	–	–
MIPPP PV — GWh	–	–	–	–	–	–
MIPPP PV — R c/kWh	–	–	–	–	–	–
MIPPP Gas to Power — R' millions	–	–	–	–	–	–
MIPPP Gas to Power — GWh	–	–	–	–	–	–
MIPPP Gas to Power — R c/kWh	–	–	–	–	–	–
MIPPP Battery Energy Storage — R' millions	–	–	–	–	–	–
MIPPP Battery Energy Storage — GWh	–	–	–	–	–	–
MIPPP Battery Energy Storage — R c/kWh	–	–	–	–	–	–
Grand Total — R' millions	19 030	17 582	17 582	20,251	22,274	23,396
Grand Total — GWh	10 051	9 616	9 616	10,489	10,625	10,763
Grand Total — R c/kWh	1.89	1.83	1.83	1.93	2.10	2.17

The budget assumptions include: tariff assumptions of FY2026/27 – 8.63%; FY2027/28 – 8.76%; FY2028/29 – 5.60%. A 1,3% growth assumption on upstream purchases. The current Kelvin PPA extension being valid up to August 2026. Mogale City rates being linked to Eskom-related input costs. Initial power supply from alternative sources such as Microgrids, Battery Energy Storage Systems (BESS), and Municipal Independent Power Producer Procurement Programme (MIPPP) initiatives. The total bulk purchase requirement reflects a diversified power sourcing strategy that supports City Power's long-term energy mix diversification objectives.

11.4.2 Employee Related Costs

Employee-related costs are estimated at R2.2 billion in 2026/27. The main cost drivers are a general annual salary increase of 4.75% and the current salary budget shortfall from 2025/26 FY. This budget reflects the need to maintain core technical and operational capacity while balancing affordability constraints.

11.4.3 Contracted Services

Contracted services are estimated at R240 million in 2026/27. Key cost drivers include:

- **Security Costs** is estimated at R57 million. The budget caters for the protection of network infrastructure, fixed installations and the additional request for enhanced security measures from the strategic customer retention project.
- **Metering Programmes** are estimated at R114 million mainly covering revenue initiatives including meter reading, commission, cut offs and meter audits.
- **Consultants' fees** is estimated at R34 million.
- **Legal fees** are estimated at R39 million.
- The budget on contracted services (including repairs and maintenance) was reduced during the 2025/26 mid-term adjustment budget Council Approval and the overall reduction of R793 million affected the base for the 2026/27 FY budget as outlined in this report, this will negatively affect several service delivery as follows:
 - Increased non-technical losses due to reduced protection of the network infrastructure.
 - This will affect revenue and collection.
 - Increase in losses as a result of low maintenance programmes to be carried.

11.4.4 Repairs and Maintenance

Repairs and maintenance budget is estimated at R1 billion in 2026/27, representing a decrease of approximately R531 million from approved adjustment budget of R1 billion in 2025/26. The overall budget caters for accelerated implementation of planned maintenance programmes, increased capital investment resulting in future maintenance requirements, unplanned maintenance arising from ageing electrical infrastructure, equipment failures, theft and vandalism, and maintenance and support requirements associated with the Digitalised Energy Mix Project. A rapid maintenance programme has been developed to reduce the infrastructure maintenance backlog and improve network reliability across high-voltage infrastructure, medium-voltage infrastructure, low-voltage infrastructure, and street lighting systems.

The budget on contracted services (including repairs and maintenance) was reduced during the 2025/26 mid-term adjustment budget Council Approval and the overall reduction of R793 million affected the base for the 2026/27 FY budget as outlined in this report, this will negatively affect several service delivery as follows:

- Reduction in planned maintenance programmes
- Increased impact on unplanned maintenance
- Limited responses to outages
- Increased equipment breakdowns as the network is old

11.4.5 Bad Debt Provision

Bad debt provision is estimated at R1,7 billion in 2026/27. This is based on an assumed collection rate of 93%, with approximately 7% of service charge revenue as bad debt.

11.4.6 Depreciation and Amortisation

Depreciation and amortisation are projected at R905 million in 2026/27. This is aligned to the values reflected in the fixed asset register, the planned capital expenditure programme, and the expected useful lives of infrastructure and equipment assets.

11.4.7 Other Materials

Other materials are budgeted at R9,6 million in 2026/27. This provides for stores requirements, material issues, and SDC consumables.

11.4.8 Other Expenditure

Other expenditure is estimated at R353 million in 2026/27. Key items include telecommunications and software licences: R70 million (including mobile telephony, software licences); motor vehicle costs: R113 million; advertising, marketing and public relations: R18,7 million; staff costs: R51 million; street lighting and Free Basic Electricity-related costs: R24 million; assessment rates: R18 million.

11.4.9 Internal Charges

Internal charges are estimated at R283 million in 2026/27, compared to R327.5 million previously, reflecting a reallocation of R44 million. The major changes relate to RSSC billing and query management services. All other internal charges are aligned to City of Johannesburg internal charging guidelines.

11.4.10 Interest Paid

Interest paid is estimated at R1.25 billion in 2026/27 and comprises interest on capital expenditure loans: R294 million; interest on overdraft: R854 million; and interest on shareholder loans: R109.6 million. This level of finance cost continues to place significant pressure on City Power's operating sustainability and reinforces the importance of the proposed financial restructuring interventions outlined earlier in this chapter.

11.5 Capital Expenditure

Capital expenditure is estimated at R2,354 billion in 2026/27. The capital investment programme is structured as a self-funding financial recovery mechanism, where investments in metering, network upgrades, and loss reduction are expected to generate sufficient revenue improvements to offset funding requirements and improve City Power's liquidity and solvency position over the medium term.

The capital programme is intended to support network refurbishment and expansion, reliability improvement programmes, electrification and new connections, smart grid and digitalisation initiatives, and alternative energy and resilience projects. City Power's capital expenditure programme is designed to restore network reliability, enhance revenue generation, modernise infrastructure, and support long-term financial sustainability. The 2026/27 capital budget reflects a targeted investment approach, prioritising high-impact programmes that directly contribute to reduction of technical and non-technical losses, improvement in revenue collection, enhancement of network reliability and resilience, digital transformation and smart utility capabilities, and support for alternative energy and Just Energy Transition objectives.

Table 11.5.1 — Capital Expenditure by Programme (FY2026/27)

Programme	Approved Indicative Budget	Increase / (Decrease)	Purpose
Public Lighting	R44 million	(R41 million)	Installation of new public lighting and group luminaire replacement programme
Bulk Infrastructure	R641 million	+R454 million	Transformer Replacement Programme and bulk network strengthening
Network Upgrades	R499 million	+R200 million	Mini-sub replacements and underground cable replacement programme
Secondary Plant	R415 million	+R280 million	Substation automation (fibre, RTUs, IEDs, batteries, chargers, security systems)
Metering	R395 million	+R250 million	Smart metering rollout, prepaid normalisation and revenue protection
Service Connections	R32 million	-	New electricity connections driven by demand
Operating Capital	R103 million	+R60 million	Office equipment, operational infrastructure and substation buildings
ICT	R75 million	+R35 million	Digital energy mix initiatives and smart technology enablement
Renewable Energy	R150 million	+R20 million	Energy efficiency initiatives including solar and streetlighting
Total	R2.354 billion	+R1,256 Billion	Full capital expenditure programme FY2026/27

Table 11.5.2 — Capital Expenditure Forecast (MTEF) (ZAR millions)

Year	2026/27	2027/28	2028/29	2029/30
Capital Expenditure (R millions)	2 354	2 254	2 691	2 746

The capital expenditure forecast reflects a progressive increase in infrastructure investment, aligned to the medium-to long-term requirements of the network and the implementation of the Turnaround Strategy.

11.5.1 Key Capital Programme Drivers

11.5.1.1 Bulk Infrastructure

The bulk infrastructure programme has been increased to approximately R641 million, primarily to support construction of the 88kV Lutz / Peter Road transmission line, expansion of network capacity to meet growing demand, and strengthening of backbone infrastructure. This investment is critical to improving system stability and load management capability.

11.5.1.2 Network Upgrades

The network upgrade programme increased significantly to approximately R499 million, focusing on replacement of ageing transmission and distribution infrastructure, and restoration of supply in areas affected by equipment failure, theft and vandalism, and network overload. These investments will improve network reliability, safety, and service continuity.

11.5.1.3 Secondary Plant — Substation Automation

The secondary plant programme increased to approximately R415 million, focusing on fibre rollout and communication systems, RTUs (Remote Terminal Units), IEDs (Intelligent Electronic Devices), battery and charger systems, and substation security enhancements. This programme is central to digitalisation and real-time network monitoring, enabling a transition to a smart grid environment.

11.5.1.4 Metering — Revenue Protection

The metering programme increased significantly to approximately R395 million, with a strong focus on smart meter rollout, replacement of obsolete meters, prepaid metering normalisation, and protection of metering infrastructure.

This programme directly supports revenue assurance, reduction in non-technical losses, and improved billing accuracy and collection efficiency.

11.5.1.5 Service Connections

The service connections programme increased to approximately R32 million, driven by growing demand for household electrification and expansion of service delivery footprint. This investment supports access to electricity and revenue growth.

11.5.1.6 Renewable Energy and Energy Efficiency

The renewable energy programme increased to approximately R150 million, focusing on rooftop solar PV initiatives, energy efficiency programmes, and solar-powered infrastructure. This supports City Power's alignment with the Just Energy Transition and energy diversification strategy.

11.6 Investment Plan

11.6.1 Executive Summary

City Power Johannesburg SOC Ltd presents this Investment Plan in fulfilment of its obligations under Section 87 of the Municipal Finance Management Act (MFMA), Act 56 of 2003, and in alignment with the National Treasury Trading Services Reform (TAS24), the Presidential Johannesburg Working Group (PJWG) Workstream 3, and the City of Johannesburg Integrated Development Plan (IDP).

This plan sets out a structured 10-year capital investment programme (FY2026/27 – FY2035/36) totalling R28.8 billion across nine investment programmes, designed to deliver financial recovery, infrastructure modernisation, and long-term sustainability.

R28.8bn Total CAPEX 10-Year Programme	R39.95bn Projected Returns Gross Returns	R11bn Net Benefit After Full Recovery	39% 10-Year ROI Payback: 6–7 Years
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EXECUTIVE SUMMARY — KEY COMMITMENTS

- 9 investment programmes across primary/secondary distribution, metering, public lighting, alternative energy, ICT, and operating capital
- Total 10-year CAPEX: R28.8 billion | Short-term (Yrs 1–3): R6.68bn | Medium-term (Yrs 4–6): R5.79bn | Long-term (Yrs 7–10): R16.3bn
- Network Enhancement is the largest programme: R16.76bn across primary and secondary distribution
- Metering initiative: 7 sub-programmes targeting smart metering, loss reduction, and IDS deployment across all SDCs
- Returns of R39.95bn driven by non-technical loss reduction (77%), unserved energy avoided (22%), technical losses (1%)
- Fully aligned: MFMA • NT TAS24 • TSR • PJWG WS3 • CoJ IDP • A3 PIAPs

11.6.2 Strategic Context and Mandate

11.6.2.1 City Power's Operating Context

City Power Johannesburg SOC Ltd is the sole NERSA-licensed electricity distributor for the City of Johannesburg, the largest metropolitan economy in South Africa, serving approximately +399,812 customers across all eight Service Delivery Centres.

- Energy losses of approximately 30% (technical and non-technical), representing ~R5.8 billion in annual revenue leakage

- Infrastructure backlog of R44 billion, with network assets in some areas approaching 100 years of operational age
- Overdraft position exceeding R19 billion, requiring urgent cash flow recovery through revenue protection and CAPEX prioritisation
- Escalating bulk electricity purchase costs accounting for approximately 71% of operational expenditure

11.6.2.2 Legislative Mandate

Instrument	Key Provision	Investment Obligation
MFMA Act 56/2003	Section 87 — Business & Investment Plan	Annual B&I Plan and investment planning obligation
Municipal Systems Act 32/2000	Section 73-78 — Services and tariffs	Sustainable service delivery and financial management
Electricity Regulation Act 4/2006	NERSA licence — quality of supply	Distribution licence conditions
NT Trading Services Reform (TAS24)	7 Utility Dimensions — A3 PIAPs	Investment and performance improvement targets
PJWG 555 Framework	WS3.3 — Infrastructure Recovery	Presidential delivery commitments

11.6.3 Investment Objectives

The investment programme is designed to achieve five interconnected strategic objectives.

11.6.3.1 Revenue Optimisation and Protection

- Reduce non-technical losses by 10% through smart metering, IDS, and enforcement
- Improve billing accuracy to 100% through system integration and meter alignment
- Increase collection rate to ≥98% by FY2035/36
- Convert illegal connections into paying customers
- Deploy IDS city-wide beyond proof-of-concept (MSS 4209: 4.42% | MSS 2940: 4.32%)

OUTCOME	~R30.9bn in non-technical loss returns over 10 years
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11.6.3.2 Operational Efficiency

- Increase SCADA visibility from 37% to 80% by FY2030/31
- Deploy ADMS, MDM, and upgraded SAP IS-U
- Automate fault detection and network monitoring
- Reduce ASIDI from 9,500 to 7,000 minutes (target 5,000 by FY2030/31)

OUTCOME	Lower OPEX and improved service restoration times
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11.6.3.3 Network Reliability and Capacity

- Rehabilitate primary and secondary distribution across all 8 SDCs
- Address R44bn infrastructure backlog in phased risk-prioritised approach
- Electrify 312 unelectrified informal settlements
- Upgrade public lighting: 277,112 points

OUTCOME	~R8.7bn in avoided unserved energy costs over 10 years
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11.6.3.4 Sustainability and Energy Transition

- Deploy SSEG to 200MW wheeling capacity target

- Optimise Kelvin Power (111.2MW) and expand IPP pipeline
- Deploy BESS at high-risk SDCs
- Reduce technical losses by 4%

OUTCOME

~R1.0bn in technical loss returns; JET and ESG alignment

11.6.3.5 Financial Resilience

- Achieve OCCR target of ≥ 1.36 by FY2027/28 (current: 0.98)
- Implement blended financing (internal cash flow, grants, DFI)
- Prudent capital allocation across 9 investment programmes

OUTCOME

Long-term sustainability and investment-grade financial profile

11.6.4 Investment Horizon and Phases

Phase	Period	CAPEX	Primary Focus
SHORT-TERM Years 1–3	FY2026/27– FY2028/29	R6.68bn	Revenue protection • Smart metering rollout • Non-technical loss reduction • IDS expansion • Emergency infrastructure stabilisation
MEDIUM-TERM Years 4–6	FY2029/30– FY2031/32	R5.7bn	Grid modernisation • Substation upgrades • SSEG/IPP integration • SCADA expansion • Customer platform improvements
LONG-TERM Years 7–10	FY2032/33– FY2035/36	R16.3bn	Smart grid optimisation • Climate resilience • BESS deployment • Full digital transformation • Energy transition delivery

11.6.5 Capital Investment Programme — Five Core Imperatives**11.6.5.1 Revenue Improvement — R6 Billion**

- Smart meter deployment (44,138 units in FY2026/27, scaling to full coverage by FY2030/31)
- IDS deployment city-wide building on MSS 4209 (4.42%) and MSS 2940 (4.32%) proof-of-concept
- Post-paid to prepaid migration completion (residual 8,500 accounts by Q2 FY2026/27)
- SAP IS-U billing system integration, MDM, and CRM alignment
- Customer regularisation, amnesty programmes, and FBE registration (target: 130,000 households)

OUTCOME

~R30.9bn return (76% of total) through non-technical loss reduction

11.6.5.2 Reduction of Technical Losses — R2.83 Billion

- Transformer replacement in high-fault SDCs (Hursthill, Alexandra, Randburg)
- LV cable rehabilitation and inner-city tunnel network remediation (11km, R1.78bn)
- Voltage optimisation and reactive power compensation across MV network
- Capacitor bank installation to reduce reactive power losses
- Technical loss monitoring via SCADA and feeder-level energy balancing

OUTCOME	~R301m return through technical loss reduction by 1% cumulative till FY2035/36
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11.6.5.3 Network Enhancement — R16.6 Billion

- Primary distribution: substation upgrades, HV cable replacement, protection system upgrades
- Secondary distribution: MV/LV transformer replacement, LV network reconfiguration
- Electrification of 312 unelectrified informal settlements across CoJ
- Public lighting upgrades: 277,112 points — LED conversion and fault management
- Infrastructure security: 500 CCTV cameras, anti-theft enclosures, substation security

OUTCOME

~R8.7bn avoided unserved energy cost (21% of total returns)

11.6.5.4 Reduction of Reliance on Eskom — R1.5 Billion

- SSEG scale-up: 981 installations (139MW) to 200MW wheeling target within 18–36 months
- Kelvin Power (111.2MW) optimisation and new IPP procurement pipeline
- BESS pilot deployment at high-risk SDCs for peak demand management
- Wheeling infrastructure development for third-party energy delivery
- LED and demand-side management to reduce peak Eskom demand

OUTCOME

20% reduction in Eskom bulk purchase dependency by FY2035/36

11.6.5.5 ICT Enablement — R792 Million

- SCADA/ADMS deployment: network visibility from 37% to 80% by FY2030/31
- MDM (Meter Data Management): centralised smart meter data with billing integration
- SAP IS-U upgrade: customer system alignment and CRM integration
- Cybersecurity framework: network security, access controls, POPIA compliance
- Customer-facing platforms: mobile app, customer portal, USSD, WhatsApp self-service

OUTCOME

Digital foundation enabling all other imperatives

11.6 10-Year Capital Investment Programme by Programme (FY2026/27–FY2035/36)

The table below presents the full 10-year capital investment programme disaggregated by programme area and financial year. All amounts are in Rands.

Programme	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	10-Yr Total
Primary Distribution	641,373,000	858,879,000	610,955,805	1,061,388,046	1,249,244,221	996,366,456	917,875,336	843,728,800	790,391,669	711,797,223	8,681,999,555.89
Secondary Distribution	498,597,370	557,375,000	535,000,000	565,000,000	485,000,000	680,000,000	720,000,000	805,000,000	805,000,000	860,000,000	6,510,972,370.00
Secondary Plant	415,000,000	334,575,000	360,000,000	290,000,000	290,000,000	315,000,000	315,000,000	315,000,000	315,000,000	315,000,000	3,264,575,000.00
Service Connections	32,000,000	52,000,000	51,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	73,000,000	73,000,000	631,000,000.00
Public Lighting	43,649,000	59,500,000	50,000,000	75,000,000	75,000,000	80,750,000	90,000,000	101,630,000	100,000,000	100,000,000	775,529,000.00
Metering	395,164,950	169,780,900	210,000,000	276,125,000	324,446,875	381,225,078	447,939,467	526,328,873	618,436,426	726,662,801	4,076,110,370.71
Alternative Energy	150,000,000	121,625,000	150,000,000	250,000,000	300,000,000	360,000,000	367,918,000	375,000,000	400,000,000	400,000,000	2,874,543,000.00
ICT	75,000,000	42,500,000	25,000,000	75,000,000	75,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	792,500,000.00
OC	102,742,600	58,000,000	84,416,905	130,000,000	135,000,000	135,000,000	135,000,000	140,000,000	140,000,000	140,000,000	1,200,159,505.00
TOTAL CAPITAL INVESTMENT	2,353,526,920	2,254,234,900	2,076,372,710	2,792,513,046	3,003,691,096	3,118,341,534	3,163,732,802	3,276,687,673	3,341,828,095	3,426,460,024	28,807,388,801.60

Note: All values in Rands. The Total Capital Investment row represents the verified programme total. Individual programme subtotals sum to R28,807,388,801 (10-year aggregate).

11.7 Metering Initiative Detail — 10-Year Rollout Plan

The Metering programme comprises seven targeted initiatives designed to eliminate non-vending meters, deploy intelligent distribution systems, and protect metering infrastructure. The table below details quantities, unit costs, and subtotals for each initiative across all ten financial years.

METERING PROGRAMME OVERVIEW
7 sub-initiatives targeting different meter categories, protection needs, and loss reduction mechanisms - Average cost per installation ranges from R4,985 (Non-Affluent Prepaid) to R49,500 (Protective Enclosure) - Total metering programme: R6.05 billion over 10 years - Average selling price (SP) escalates from R4.04 (Yr 1) to R6.53 (Yr 10) - Expected additional unit sales and loss reduction percentages tracked annually

11.7.1 Years 1–3: FY2026/27 – FY2028/29

Initiative / Metric	Year 1 (FY2026/27)			Year 2 (FY2027/28)			Year 3 (FY2028/29)		
Initiative	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)
Energy Balancing / Informal Settlements	1 106	8,054.5	R 8,907,291	733	8,054.5	R 5,899,949	1 164	8,054.5	R 9,373,474
SPU Domestic Meters	5 195	6,694.8	R 34,781,730	3 441	6,694.8	R 23,038,478	5 467	6,694.8	R 36,602,106
LPU Obsolete Meters	818	8,054.5	R 6,591,469	542	8,054.5	R 4,366,011	861	8,054.5	R 6,936,448
Non-Affluent Non-Vending Prepaid	9 494	4,985.0	R 47,325,299	6 288	4,985.0	R 31,346,998	9 990	4,985.0	R 49,802,169
Protective Enclosure	4 252	49,500.0	R 210,488,738	2 817	49,500.0	R 139,422,049	4 475	49,500.0	R 221,505,115
Affluent Non-Vending Prepaid to Post-Paid	5 618	6,694.8	R 37,612,620	3 721	6,694.8	R 24,913,582	5 912	6,694.8	R 39,581,156
IDS	3 681	8,054.5	R 29,647,848	2 438	8,054.5	R 19,637,933	3 874	8,054.5	R 31,199,531
METERING SUB-TOTAL	395,164,950			169,780,900			210,000,000		
Average Selling Price (R/kWh)	4.04			4.29			4.56		
Expected Additional Unit Sales	1,171,844			1,595,805			1,502,783,108		
Expected Loss Reduction (%)	8.2%			12.60%			11.63%		

11.7.2 Years 4–6: FY2029/30 – FY2031/32

Initiative / Metric	Year 4 (FY2029/30)			Year 5 (FY2030/31)			Year 6 (FY2031/32)		
Initiative	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)
Energy Balancing / Informal Settlements	1 314	8,054.5	R 10,586,686	1 722	8,054.5	R 13,869,107	1 889	8,054.5	R 15,216,472
SPU Domestic Meters	6 175	6,694.8	R 41,339,531	8 089	6,694.8	R 54,156,928	8 875	6,694.8	R 59,418,199
LPU Obsolete Meters	973	8,054.5	R 7,834,235	1 274	8,054.5	R 10,263,254	1 398	8,054.5	R 11,260,314
Non-Affluent Non-Vending Prepaid	11 283	4,985.0	R 56,248,083	14 782	4,985.0	R 73,687,904	16 218	4,985.0	R 80,846,582
Protective Enclosure	5 054	49,500.0	R 250,174,607	6 621	49,500.0	R 327,741,703	7 264	49,500.0	R 359,581,354
Affluent Non-Vending Prepaid to Post-Paid	6 677	6,694.8	R 44,704,160	8 748	6,694.8	R 58,564,767	9 598	6,694.8	R 64,254,253
IDS	4 375	8,054.5	R 35,237,699	5 731	8,054.5	R 46,163,212	6 288	8,054.5	R 50,647,904
METERING SUB-TOTAL	276,125,000			324,446,875			381,225,078		
Average Selling Price (R/kWh)	4.84			5.14			5.45		
Expected Additional Unit Sales	1,415,183			1,332,690			1,255,005		
Expected Loss Reduction (%)	10.7%			9.9%			9.05%		

11.7.3 Years 7–10: FY2032/33 – FY2035/36

Initiative / Metric	Year 7 (FY2032/33)			Year 8 (FY2033/34)			Year 9 (FY2034/35)			Year 10 (FY2035/36)		
Initiative	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)	Qty	R/Unit	Sub-Total (R)
Energy Balancing / Informal Settlements	2 086	8,054.5	R 16,799,625	2 317	8,054.5	R 18,659,830	2 588	8,054.5	R 20,845,571	2 907	8,054.5	R 23,413,817
SPU Domestic Meters	9 799	6,694.8	R 65,600,192	10 884	6,694.8	R 72,864,033	12 159	6,694.8	R 81,399,047	13 657	6,694.8	R 91,427,688
LPU Obsolete Meters	1 543	8,054.5	R 12,431,861	1 714	8,054.5	R 13,808,428	1 915	8,054.5	R 15,425,894	2 151	8,054.5	R 17,326,417
Non-Affluent Non-Vending Prepaid	17 905	4,985.0	R 89,258,028	19 888	4,985.0	R 99,141,477	22 218	4,985.0	R 110,754,530	24 955	4,985.0	R 124,399,867
Protective Enclosure	8 020	49,500.0	R 396,992,945	8 908	49,500.0	R 440,951,564	9 952	49,500.0	R 492,602,942	11 178	49,500.0	R 553,293,310
Affluent Non-Vending Prepaid to Post-Paid	10 596	6,694.8	R 70,939,399	11 769	6,694.8	R 78,794,446	13 148	6,694.8	R 88,024,125	14 768	6,694.8	R 98,868,999
IDS	6 942	8,054.5	R 55,917,417	7 711	8,054.5	R 62,109,095	8 614	8,054.5	R 69,384,316	9 676	8,054.5	R 77,932,701
METERING SUB-TOTAL	447,939,467			526,328,873			618,436,426			726,662,801		
Average Selling Price (R/kWh)	5.79			6.15			6.53			6.53		
Expected Additional Unit Sales	1,181,849			1,112,957			1,048,080			748,629		
Expected Loss Reduction (%)	9.0%			8.0%			8.0%			6.0%		

11.7.4 10-Year Metering Initiative Summary

Initiative	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36
Energy Balancing / Informal Settlements	R 8,907,291	R 5,899,949	R 9,373,474	R 10,586,686	R 13,869,107	R 15,216,472	R 16,799,625	R 18,659,830	R 20,845,571	R 23,413,817
SPU Domestic Meters	R 34,781,730	R 23,038,478	R 36,602,106	R 41,339,531	R 54,156,928	R 59,418,199	R 65,600,192	R 72,864,033	R 81,399,047	R 91,427,688
LPU Obsolete Meters	R 6,591,469	R 4,366,011	R 6,936,448	R 7,834,235	R 10,263,254	R 11,260,314	R 12,431,861	R 13,808,428	R 15,425,894	R 17,326,417
Non-Affluent Non-Vending Prepaid	R 47,325,299	R 31,346,998	R 49,802,169	R 56,248,083	R 73,687,904	R 80,846,582	R 89,258,028	R 99,141,477	R 110,754,530	R 124,399,867
Protective Enclosure	R 210,488,738	R 139,422,049	R 221,505,115	R 250,174,607	R 327,741,703	R 359,581,354	R 396,992,945	R 440,951,564	R 492,602,942	R 553,293,310
Affluent Non-Vending Prepaid to Post-Paid	R 37,612,620	R 24,913,582	R 39,581,156	R 44,704,160	R 58,564,767	R 64,254,253	R 70,939,399	R 78,794,446	R 88,024,125	R 98,868,999
IDS	R 29,647,848	R 19,637,933	R 31,199,531	R 35,237,699	R 46,163,212	R 50,647,904	R 55,917,417	R 62,109,095	R 69,384,316	R 77,932,701
METERING TOTAL	R 375,354,995	R 248,625,000	R 395,000,000	R 446,125,000	R 584,446,875	R 641,225,078	R 707,939,467	R 786,328,873	R 878,436,426	R 986,662,801

11.8 Projected Returns and ROI

The investment programme generates total projected returns of R39.95 billion over the 10-year period, driven by three primary mechanisms.

Return Driver	Short-Term FY2026/27–2028/29	Medium-Term FY2029/30–2031/32	Long-Term FY2032/33–2035/36	10-Year Total
Reduction in Technical Losses (1%)	R80,285 k	R73,763 k	R147,186 k	R 301,234 k
Reduction in Non-Technical Losses (10%)	R8,157,411k	R6,308,674k	R16,455,102k	R30,921,187k
Cost of Unserved Energy Avoided	R842,527k	R1,462,253k	R6,427,372k	R8,732,152k
TOTAL RETURNS	R9,076,413 K	R7,844,690 K	R23,029,660	R 39,950,762 k

Metric	Short-Term	Medium-Term	Long-Term	Total (10-Year)
Net Cash Flow	R2,392,278 k	R 2,048,485 k	R 6,702,610 k	R 11,143,374 k
Cumulative Cash Flow	R 2,392,278 k	R 4,440,764 k	R11,143,374 k	R 11,143,374 k
ROI	36%	35%	41%	39%

11.9 Detailed 10-Year Financial Projections

9.1 Annual Returns by Driver (R'000)

Return Driver	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	10-Yr Total
Technical Loss Reduction	26,933	30,252	23,100	60,081	13,683	58,440	19,744	24,717	4,404	39,880	301,234
Non-Technical Loss Reduction	2,788,992	2,578,860	2,789,561	2,476,643	2,476,643	3,708,305	3,708,305	3,708,305	3,637,057	3,637,057	30,921,187
Cost of Unserved Energy Avoided	22,232	179,802	640,492	791,060	671,193	1,009,496	1,388,240	1,200,505	1,474,691	1,354,441	8,732,152
Total Returns	2,838,156	2,788,914	3,449,342	3,867,606	3,977,084	3,544,579	5,116,488	4,415,956	4,850,153	5,102,484	39,950,762

9.2 Annual Net Cash Flow (R'000)

Metric	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Total
Projected Returns	2,254,235	2,076,373	2,792,513	3,003,691	3,118,342	3,163,733	3,276,688	3,341,828	3,426,460	28,807,389	2,254,235
Investment Costs	2,788,914	3,449,342	3,867,606	3,977,084	3,544,579	5,116,488	4,415,956	4,850,153	5,102,484	39,950,762	2,788,914
Net Cash Flow	534,680	1,372,970	1,075,093	973,393	426,238	1,952,755	1,139,269	1,508,324	1,676,024	11,143,374	534,680
Cumulative Cash Flow	1,019,309	2,392,278	3,467,371	4,440,764	4,867,002	6,819,757	7,959,025	9,467,350	11,143,374	11,143,374	1,019,309

11.10 Key Financial and Operational Assumptions

DEMAND AND REVENUE	
•	Electricity demand growth: 2.0%–2.5% per annum
•	Tariff increases: 5%–6% per annum (NERSA regulatory approvals)
•	Revenue growth driven by: non-technical loss reduction (14%), billing accuracy, illegal connection formalisation
•	Collection rate improvement: current levels to ≥98% by FY2035/36

LOSS REDUCTION	
•	Total losses reduce to 15% by FY2035/36 from current ~30%
•	Non-technical losses: 14% reduction — smart metering, IDS, enforcement, regularisation
•	Technical losses: 1% reduction — network upgrades, transformer replacement, voltage optimisation
•	Loss reduction percentages tracked annually: 8.2% (Yr1) → 6.0% (Yr10)

CAPITAL EXPENDITURE	
•	Total CAPEX: R28.9bn over 10 years CAPEX escalation: ~5% p.a.
•	Short-term: R6.7bn Medium-term: R5.8bn Long-term: R16.3bn
•	Network Enhancement largest programme at R16.8bn (58% of total CAPEX)
•	Implementation capacity increases progressively in Years 7–10

METERING ASSUMPTIONS	
•	Average selling price escalates from R4.04 (Yr1) to R6.53 (Yr10)
•	Protective Enclosure at R49,500/unit is highest unit cost initiative
•	Energy Balancing/Informal Settlements: 1,106 units Yr1 scaling to 2,907 by Yr10
•	IDS: 3,681 units Yr1 scaling to 9,676 by Yr10

FINANCING	
•	Blended model: internal cash flow, government grants, DFI lending, capital markets
•	WACC: ~9%–11% Debt servicing supported by early positive cash flows
•	Full NT DLI tracking for grant and TSR reform condition compliance

GOVERNANCE	
•	Full MFMA and SCM compliance Monthly Section 71 reporting
•	TSR Steering Committee oversight PM&E Department performance tracking
•	AGSA-aligned KPI framework: useful, reliable, and verifiable information

11.11 Governance and Performance Monitoring

The governance framework is anchored in City Power's approved Turnaround Strategy (TAS24) and National Treasury TSR reporting requirements.

Governance Body	Role and Accountability
Board of Directors	Fiduciary oversight Major CAPEX approval Quarterly investment performance review
Chief Executive Officer	TAS delivery accountability Monthly EXCO reviews Shareholder reporting
TSR Steering Committee	Cross-functional GMs Monthly progress tracking Escalation authority
PM&E Department	Real-time performance tracking Section 71 MFMA reporting KPI verification
Chief Financial Officer	CAPEX financial governance Budget variance management DFI/DLI tracking
CoJ Shareholder	Consolidated TAS reporting National Treasury submission IDP alignment
National Treasury	A3 PIAP quarterly reporting TSR minimum commitment compliance DLI verification

- Monthly: Section 71 MFMA financial and performance reports
- Quarterly: A3 PIAP submission to National Treasury | Board investment performance review
- Annually: Annual Report (MFMA Section 121) | AGSA performance audit | B&I Plan update

11.12 Strategic Risk Register

No.	Risk Category	Risk Description	Root Cause	Impact	Likelihood	Rating	Mitigation Actions	Owner
1	Revenue Risk	Failure to achieve loss reduction revenue	Meter tampering, illegal connections	High	High	High	Smart meter rollout, IDS expansion, enforcement, regularisation	CFO/CCO
2	Collection Risk	Low collection rates and non-payment	Billing inaccuracies, affordability	High	High	High	Billing improvement, prepaid migration, debt recovery	CFO
3	Implementation Risk	CAPEX programme delays	Procurement delays, contractor capacity	High	Medium	High	SCM improvement, PMO oversight	COO/SCM
4	Funding Risk	Insufficient DFI/Treasury funding	Fiscal constraints, DLI non-compliance	High	Medium	High	Blended financing, DLI tracking	CFO
5	Cost Overrun Risk	CAPEX exceeds budget	Poor planning, inflation	Medium	High	High	Cost controls, contingency budgets	CFO/PMO
6	Technical Risk	Infrastructure underperformance	Ageing network complexity	Medium	High	High	QA framework, asset management	COO
7	ICT Risk	System implementation failure	Legacy systems, integration	Medium	High	High	Phased deployment, vendor management	CIO
8	Data Integrity Risk	Inaccurate meter/customer data	Legacy systems, poor governance	High	Medium	High	MDM, SAP IS-U, data cleansing	CFO/CIO
9	Security Risk	Infrastructure theft and vandalism	High crime levels	High	High	High	500 CCTV, SAPS, community watch	COO
10	Regulatory Risk	NERSA tariff changes	Policy changes	Medium	Medium	Medium	Regulator engagement, scenario modelling	CFO
11	Customer Resistance	Resistance to smart metering	Awareness gaps, affordability	High	Medium	High	Communication, amnesty programmes	CCO
12	Energy Supply Risk	Eskom supply constraints	Limited alternative sources	Medium	High	High	SSEG, IPP, BESS deployment	COO
13	Operational Risk	Capacity constraints in execution	Skills shortages	Medium	Medium	Medium	Outsourcing, training	HR/COO
14	Macroeconomic Risk	Inflation affecting demand	External economic conditions	Medium	Medium	Medium	Scenario planning, cost optimisation	CFO
15	Security Risk	Theft and vandalism	High crime levels	High	High	High	CCTV (500), SAPS partnership	COO/Security
16	Climate Risk	Extreme weather damage	Climate change impacts	Medium	High	High	Climate-resilient design, redundancy	COO
17	Reputational Risk	Poor service delivery	Delays, outages, billing issues	Medium	Medium	Medium	Stakeholder comms, Social Compact	CEO/CCO

11.13 Conclusion and Recommendation

The City Power Johannesburg Investment Plan FY2026/27 – FY2035/36 presents a compelling, financially sound, and reform-aligned pathway to transforming City Power into a modern, sustainable, and financially resilient electricity distribution utility.

The programme addresses nine investment areas across primary and secondary distribution, metering, public lighting, alternative energy, ICT, and operating capital. The metering programme alone — comprising seven targeted initiatives from smart meters to IDS and protective enclosures — represents a R6.05 billion investment designed to recover R30.9 billion in revenue through non-technical loss reduction.

The financial case is unambiguous: an ROI of 39%, a net benefit of R11 billion, and positive cash flows in every year confirm this is one of the most financially compelling infrastructure programmes in the South African municipal sector.

R29.8bn Total Investment 10-Year Programme	R39.95bn Projected Returns Gross Returns	R11bn Net Benefit Value Created	39% 10-Year ROI 6–7 Year Payback
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11.13.1 Recommendation

It is recommended that the Board of Directors, CoJ Shareholder, and National Treasury approve and support this 10-Year Capital Investment Programme, noting:

- The strong financial case: R11bn net benefit | 39% ROI | 6–7 year payback | positive cash flows every year
- Full alignment with MFMA, NT TAS24, TSR, PJWG WS3, and CoJ IDP requirements
- The phased, risk-managed approach with robust governance through TSR Steering Committee and PM&E Department
- The critical necessity for City Power's long-term financial sustainability and service delivery obligations
- The programme's direct contribution to CoJ economic growth, energy security, and Just Energy Transition objectives

DOCUMENT APPROVAL AND SIGN-OFF

Submitted by: City Power Johannesburg SOC Ltd — Finance and Strategy Division
 Approved by: Acting Chief Executive Officer — Mr. Charles Tlouane
 Reviewed by: Chief Financial Officer — Ms. Rendani Sadiki
 Effective Date: FY2026/27 Budget Cycle
 Classification: Public Document | MFMA Section 87 Compliant
 Version: 2.0 Final | Aligned to TAS24 | NT Trading Reforms | Includes 10-Year Programme Detail

11.7 Procurement Improvement Plan

Procurement plays a critical role in ensuring the timely availability of goods and services required to support operational efficiency and effective service delivery. A well-functioning procurement process is dependent on accurate demand planning, the timely submission of procurement requests, and effective coordination between user departments and the Supply Chain Management (SCM) unit. When these elements are aligned, procurement activities can be executed efficiently, cost-effectively, and in full compliance with applicable SCM prescripts.

In recent periods, City Power has experienced recurring delays within the procurement cycle. A key contributing factor has been the late submission of procurement requests by user departments. In several instances, requests were initiated after required delivery timelines, resulting in rushed procurement processes, extended lead times, and, in some cases, disruptions to operations. These delays have placed additional pressure on procurement personnel and suppliers, increasing the risk of errors, non-compliance, and higher procurement costs.

11.7.1 Scope of the Procurement Implementation Plan

The procurement implementation plan applies to all officials responsible for executing procurement-related duties within their respective roles. The plan outlines targeted improvement interventions aimed at strengthening procurement processes and ensuring the delivery of required outputs within defined turnaround times. The overarching objective is to ensure that all procurement activities result in the acquisition of goods and services that are commercially sound, financially efficient, and technically appropriate. These outcomes are aligned with the constitutional principles of fairness, equitability, transparency, competitiveness, and cost-effectiveness, as well as the Municipal Finance Management Act (MFMA) requirements to prevent unauthorised, irregular, fruitless, and wasteful expenditure.

11.7.2 Procurement Improvement Interventions

Table 11.7.1 — Procurement Improvement Interventions

Improvement Area	Objective	Actions	Expected Outcome
Demand Management	Improve procurement planning and reduce emergency procurement	• Implement an annual procurement plan aligned to the approved budget and SDBIP • Enforce timeous submission of end-user procurement plans with clear specifications and timelines • Enforce planning timelines and cut-off dates • Improve specification quality to reduce bid cancellations • Introduce quarterly demand plan reviews	Reduced deviations and improved budget alignment
Compliance and Governance	Strengthen adherence to MFMA and SCM Regulations	• Review and update SCM policies and procedures • Establish pre-award compliance checks for all bids and quotations • Strengthen Bid Committees (BAC, BEC, BSC) through training and clear delegations • Implement consequence management for non-compliance • Introduce standard compliance checklists • Improve segregation of duties • Conduct quarterly SCM compliance reviews	Improved audit outcomes and reduced irregular expenditure
Procurement Process Efficiency	Reduce procurement turnaround times and bottlenecks	• Introduce procurement turnaround time targets per process • Introduce deadlines for submission of procurement pre-bidding packs • Appoint a minimum of four (4) members to BSC and BEC committees to ensure continuity • Release bid committee members from normal duties at least three days per week to focus on bid committee work • Establish a fast-track procurement process for critical operational items • Use transversal and framework contracts where applicable	Faster procurement processes and improved service delivery
Supplier and Contract Management	Improve value for money and supplier accountability	• Maintain a contract register with expiry alerts • Initiate procurement processes for contracts ending at least six (6) months before expiry • Enforce penalties for non-performance • Improve supplier engagement and briefing sessions	Reduced contract failures and improved service quality

Improvement Area	Objective	Actions	Expected Outcome
Capacity Building and Skills Development	Build a competent and professional SCM workforce	• Provide training on MFMA, bid evaluation, and contract management • Ensure segregation of duties to strengthen internal controls	Increased professionalism and reduced errors
Monitoring, Reporting and Oversight	Improve transparency and accountability	• Monthly SCM performance reports to EXCO and the Board • Quarterly reporting on deviations, irregular expenditure, and contract performance • Regular SCM compliance reviews • Implement SCM dashboards for management oversight	Strong oversight, improved transparency, and proactive risk management

11.7.3 Implementation Plan

Table 11.7.2 — Procurement Improvement Implementation Plan

Improvement Area	Key Action	Responsible Unit / Official	Implementation Activities	Timeline	Monitoring & Evidence of Implementation
Demand Management	Implement annual procurement plan aligned to budget & SDBIP	SCM & User Departments	Compile annual demand plans per department; Align plans to approved budget and SDBIP; Consolidate into annual procurement plan	Annually – by June	Approved procurement plan; Board / EXCO approval
Demand Management	Enforce timeous submission of procurement plans	User Departments & SCM	Issue planning circulars with deadlines; Enforce cut-off dates; Reject late or incomplete submissions	Ongoing	Submission logs; SCM compliance reports
Demand Management	Improve specification quality	User Departments & SCM	Standardise specification templates; Pre-review specifications before advertising	Ongoing	Reduced bid cancellations; SCM reports
Demand Management	Introduce quarterly demand plan reviews	SCM	Quarterly review meetings; Update demand forecasts and procurement schedules	Quarterly	Review minutes; updated procurement plan
Compliance & Governance	Review and update SCM policies & procedures	SCM	Policy gap analysis; Update policies in line with MFMA & SCM Regulations; Obtain approvals	By June 2026	Approved SCM policies
Compliance & Governance	Establish pre-award compliance checks	SCM	Develop compliance checklist; Mandatory compliance sign-off before award	Ongoing	Completed compliance checklists

Improvement Area	Key Action	Responsible Unit / Official	Implementation Activities	Timeline	Monitoring & Evidence of Implementation
Compliance & Governance	Strengthen Bid Committees (BAC, BEC, BSC)	SCM & HR	Training on bid governance; Clarify delegations and roles	By June 2026	Training records; delegation framework
Compliance & Governance	Implement consequence management	SCM & HR	Enforce disciplinary measures for non-compliance; Report repeat offences	Ongoing	Disciplinary records; consequence management reports
Compliance & Governance	Improve segregation of duties	SCM	Review SCM process flows; Reassign roles where required	Ongoing	Updated process maps; audit confirmation
Compliance & Governance	Conduct quarterly SCM compliance reviews	SCM & Internal Audit	Compliance testing; Report findings and corrective actions	Quarterly	Compliance review reports
Procurement Process Efficiency	Introduce procurement turnaround time targets	SCM	Define turnaround times per process; Communicate SLAs to departments	By June 2026	Approved SLA document
Procurement Process Efficiency	Enforce deadlines for pre-bidding packs	SCM & User Departments	Introduce submission deadlines; Reject incomplete packs	Ongoing	Pre-bidding submission tracker
Procurement Process Efficiency	Strengthen bid committee capacity	SCM	Appoint minimum of four members per committee; Maintain committee roster	Ongoing	Committee appointment letters
Procurement Process Efficiency	Release bid committee members from duties	Executive Management	Approve dedicated bid committee time allocation	Ongoing	Approved duty rosters
Procurement Process Efficiency	Establish fast-track procurement	SCM	Define criteria for fast-track items; Implement streamlined process	Ongoing	Fast-track procurement register
Procurement Process Efficiency	Use transversal & framework contracts	SCM	Identify applicable transversal contracts; Procure through frameworks where possible	Ongoing	Contract utilisation reports
Supplier & Contract Management	Maintain central contract register	SCM	Develop contract register; Set expiry alerts	Ongoing	Updated contract register
Supplier & Contract Management	Initiate procurement 6 months before expiry	SCM & User Departments	Track contract end dates; Start procurement early	Ongoing	Procurement initiation records
Supplier & Contract Management	Enforce penalties for non-performance	SCM & Legal	Apply contract penalties; Monitor supplier KPIs	Ongoing	Supplier performance reports
Supplier & Contract Management	Improve supplier engagement	SCM	Conduct supplier briefings; Issue guidance notes	Ongoing	Attendance registers; briefing material

Improvement Area	Key Action	Responsible Unit / Official	Implementation Activities	Timeline	Monitoring & Evidence of Implementation
Capacity Building & Skills Development	Provide SCM-related training	HR & SCM	MFMA, bid evaluation & contract management training	Ongoing	Training records; skills matrix
Capacity Building & Skills Development	Strengthen segregation of duties	SCM	Align roles with internal control framework	Ongoing	Updated SCM role matrix
Monitoring, Reporting & Oversight	Monthly SCM performance reporting	SCM	Compile SCM dashboard; Submit reports to EXCO & Board	Monthly	SCM performance reports
Monitoring, Reporting & Oversight	Quarterly reporting on deviations & irregular expenditure	SCM	Compile deviation & irregular expenditure reports	Quarterly	Board / Audit Committee packs
Monitoring, Reporting & Oversight	Regular SCM compliance reviews	SCM & Internal Audit	Review adherence to SCM processes	Ongoing	Compliance review reports
Monitoring, Reporting & Oversight	Implement SCM dashboards	SCM & ICT	Develop real-time dashboards; Enable management oversight	Ongoing	Dashboard reports

11.7.4 Risk Management Plan: Procurement and Supply Chain Management

The Risk Management Plan focuses on the identification, assessment, mitigation, and continuous monitoring of risks associated with procurement and supply chain management processes. The plan aims to strengthen compliance, improve operational efficiency, and ensure value for money in procurement activities, while enhancing overall service delivery. It further seeks to prevent unauthorised, irregular, fruitless, and wasteful expenditure through the implementation of robust internal controls, governance mechanisms, and oversight processes.

Table 11.7.3 — Procurement Risk Management and SCM Plan

Risk Area	Risk Description	Risk Impact	Likelihood	Inherent Risk Rating	Mitigation / Control Measures	Responsible Unit	Residual Risk Rating	Monitoring Mechanism
Demand Management	Late or poor procurement planning by user departments	High	High	High	Annual procurement plan aligned to budget & SDBIP; Enforced planning timelines & cut-off dates; Quarterly demand plan reviews	SCM & User Departments	Medium	Quarterly demand review reports
Specification Quality	Poor or unclear specifications leading to bid cancellations	High	High	High	Standard specification templates; Pre-advertisement specification reviews	SCM & User Departments	Medium	SCM quality assurance reports
Compliance & Governance	Non-compliance with MFMA and SCM Regulations	High	High	High	Updated SCM policies & procedures; Pre-award compliance checks; Compliance checklists	SCM	Medium	Quarterly compliance reviews
Bid Committees	Inadequate capacity or unavailability of bid committee members	Medium	High	High	Training of BAC, BEC, BSC members; Minimum of four committee members per committee; Clear delegations	SCM & HR	Medium	Committee attendance records
Segregation of Duties	Weak segregation of duties within SCM	Medium	High	High	Role separation across SCM processes; Periodic internal reviews	SCM & Internal Audit	Low–Medium	Internal audit reports
Procurement Efficiency	Lengthy procurement turnaround times	High	High	High	Procurement turnaround time targets; Fast-track procurement for critical items; Use of transversal contracts	SCM	Medium	Monthly SCM performance reports
Contract Management	Poor monitoring of contracts and expiries	Medium	High	High	Central contracts register with expiry alerts; Procurement initiated 6 months before expiry	SCM	Medium	Contract register & alerts
Supplier Performance	Non-performing suppliers	Medium	Medium	Medium	Supplier performance monitoring; Enforcement of penalties	SCM & Legal	Low–Medium	Supplier performance reports

Risk Area	Risk Description	Risk Impact	Likelihood	Inherent Risk Rating	Mitigation / Control Measures	Responsible Unit	Residual Risk Rating	Monitoring Mechanism
Capacity & Skills	Inadequate SCM skills and competencies	Medium	Medium	Medium	MFMA, bid evaluation & contract management training	HR & SCM	Low–Medium	Training records
Monitoring & Oversight	Inadequate reporting and management oversight	Medium	High	High	Monthly SCM reports to EXCO & Board; SCM dashboards; Quarterly deviation & irregular expenditure reports	SCM	Medium	Dashboard & quarterly reports

11.7.5 Expected Outcomes

The Procurement Improvement Plan is expected to deliver the following outcomes:

- Improved compliance with the Municipal Finance Management Act (MFMA) and SCM Regulations, resulting in reduced unauthorised, irregular, fruitless, and wasteful expenditure
- Strengthened procurement planning and demand management, reducing reliance on emergency procurement and deviations
- Improved procurement turnaround times and operational efficiency through better planning, defined service-level targets, and streamlined processes
- Enhanced governance and internal controls, including strengthened segregation of duties, effective bid committee functioning, and robust pre-award compliance checks
- Improved contract and supplier management, leading to better value for money, reduced contract failures, and enhanced service delivery
- Increased SCM capacity and professionalism through targeted training and skills development
- Improved transparency, oversight, and accountability through regular reporting, compliance reviews, and management dashboards
- Enhanced risk identification, monitoring, and mitigation, enabling proactive risk management and improved audit outcomes

END OF CHAPTER 11 — FINANCIAL IMPACT

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | National Treasury Circular 88 Compliant

CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 12

MANAGEMENT AND ORGANISATIONAL STRUCTURE

Business & Investment Plan | FY2026/27

MFMA Compliant
Municipal Finance Management Act

NT Trading Reforms Aligned
GDS 2040 | PJWG 555 Framework

Winning Through Our People
Employment Equity Act Compliant

This chapter focuses on the following key areas:

- 12.1 Management and Organisational Structure
- 12.2 High-Level Organisational Structure
- 12.3 High-Level Organisational Structure (Detailed Alignment to Service Delivery)
- 12.4 Job Descriptions as Transformation Enablers
- 12.5 Capacity Analysis and Staff Enablement
- 12.6 Strategic Succession Planning
- 12.6 Strategic Change Management and Culture Refresh
- 12.7 Employment Equity
- 12.8 Management Team

CHAPTER 12 — MANAGEMENT AND ORGANISATIONAL STRUCTURE

City Power's business model is designed to create sustainable value for customers and stakeholders through a set of strategic levers and enablers that support the achievement of its vision, mission, and strategic objectives.

This chapter outlines how City Power will strengthen customer value creation and ensure reliable energy provision through the strategic objective of "Winning Through Our People," with a clear focus on employee engagement, capability development, and organisational effectiveness.

To support this objective, Corporate Services has identified five human capital strategic levers:

- Creating Capacity
- Building Capability
- Empowering for Commitment
- Boosting Compliance
- Enabling Continuity

These levers ensure alignment between the people strategy and the broader organisational strategy, while responding to current operational realities and future workforce requirements. City Power recognises that the availability of the right talent — supported by the appropriate skills, knowledge, and organisational culture — is critical to successful strategy execution and long-term sustainability.

Figure 12.1 — The 5C Strategic Levers: People Management Framework



Table 12.0 — Strategic Priorities: The Five Human Capital Strategic Levers

Strategic Lever	Description
Create Capacity	To create an environment where City Power has the right number of people, deployed in the right place at the right time to deliver on its mandate and respond to changing operational demands.
Build Capability	To ensure employees have the appropriate knowledge, skills, and competencies to perform effectively, supporting both current operations and future organisational needs.
Empower for Commitment	To strengthen leadership and enhance the employee value proposition, driving engagement, accountability, and cultural transformation.
Boost Compliance	To ensure adherence to transformation imperatives, employment legislation, and organisational policies and directives.
Enable Continuity	To promote employee wellbeing, resilience, and business continuity by building organisational capacity to respond to workforce and operational disruptions.

12.1 Management and Organisational Structure

City Power's business model is designed to create sustainable value for customers and stakeholders, both now and in the future. Central to this is the strategic objective "Winning Through Our People," which recognises that reliable service delivery is fundamentally dependent on a capable, committed, and well-supported workforce.

City Power's people strategy is anchored on five (5) strategic levers and seven (7) organisational enablers, which collectively support the achievement of the organisation's vision, mission, and strategic objectives. The effectiveness of these enablers directly influences organisational stability, operational performance, and long-term sustainability.

STRATEGIC INTENT: WINNING THROUGH OUR PEOPLE

City Power recognises that its workforce is the primary driver of organisational performance, resilience, and transformation.

The ability to deliver reliable electricity services in a complex and evolving environment depends on an engaged, skilled, and accountable workforce.

The strategic intent focuses on creating a workforce environment that:

- Attracts, develops, and retains the right skills and talent
- Promotes a culture of high performance, ethics, teamwork, and innovation
- Strengthens business continuity through wellness, safety, and workforce stability initiatives
- Advances transformation and compliance with legislative requirements
- Empowers leadership to drive accountability and service excellence

12.1.1 Human Capital Strategic Levers (The 5Cs)

Corporate Services has defined five key levers that form the foundation of the People Management Plan:

Create Capacity

Ensuring the organisation has the right number of people with the appropriate competencies, deployed effectively to meet operational requirements. This includes workforce planning, organisational design, recruitment, and talent pipeline development.

Build Capability

Developing a future-ready workforce through targeted training, leadership development, technical skills enhancement, and continuous learning aligned to operational and technological needs.

Empower for Commitment

Driving employee engagement, strengthening leadership capability, and fostering a performance-driven culture aligned with organisational values and customer-centric behaviours.

Boost Compliance

Ensuring adherence to employment legislation, governance frameworks, and organisational policies, including Employment Equity, OHS, and labour relations requirements.

Enable Continuity

Promoting employee wellbeing, safety, and resilience while strengthening succession planning and workforce stability to ensure uninterrupted operations.

12.1.2 Summary of Strategic Priorities

Table 12.1.1 — Summary of Strategic Priorities

Strategic Lever	Description
Create Capacity	Ensuring optimal workforce size and deployment to meet service delivery demands.
Build Capability	Developing a skilled and future-ready workforce aligned to organisational needs.
Empower for Commitment	Strengthening leadership, engagement, and organisational culture.
Boost Compliance	Ensuring adherence to legislative and governance requirements.
Enable Continuity	Promoting resilience, wellness, and workforce stability for sustained operations.

12.2 High-Level Organisational Structure

City Power operates at the centre of a rapidly transforming energy sector, shaped by global trends of decarbonisation, decentralisation, digitalisation, and democratisation of energy, as well as national reforms arising from the Presidential Working Group on Electricity and Metropolitan Trading Reforms. In response, City Power has undertaken a strategic redesign of its organisational structure to transition from a traditional electricity distributor to a modern, financially sustainable, customer-centric, and resilient energy utility.

This organisational transformation is not merely structural — it is a critical enabler for delivering on the entity's mandate of providing secure, affordable, and sustainable electricity to the City of Johannesburg.

12.2.1 Rationale for the Organisational Redesign

The redesign is anchored on five strategic imperatives:

12.2.1.1 Responding to an Evolving Energy Landscape

The structure reflects City Power's evolving role as an energy market enabler, integrating Independent Power Producers (IPPs), wheeling arrangements, embedded generation, and smart grid technologies.

12.2.1.2 Enabling the Strategic Vision

The structure supports key priorities including revenue enhancement, loss reduction, service delivery improvement, and expansion of distributed energy resources. It is designed to be agile, future-fit, and strategy-driven.

12.2.1.3 Supporting Trading Reform and Sector Restructuring

In line with anticipated Metropolitan Trading Framework reforms, the structure enables separation of network operations and energy services, management of multi-source energy trading, and engagement with diverse customer segments.

12.2.1.4 Strengthening Accountability and Operational Efficiency

The redesigned structure introduces clear reporting lines, rationalised mandates, reduced duplication, and improved decision-making and oversight.

12.2.1.5 Driving Innovation and Capability Development

The structure embeds digital transformation, sustainability functions, and innovation capabilities — positioning City Power to adopt new technologies while developing future-ready talent.

12.2.2 Organisational Design Principles

The structure is guided by the following principles:

- Single Point of Accountability (SPoA): Clear ownership of functions and outcomes
- Functional Integration: Elimination of silos and improved responsiveness
- Financial Transparency: Alignment with SCOA and cost-reflective structures
- Strategic Alignment: Direct linkage to long-term objectives and energy diversification
- Agility and Adaptability: Flexibility to respond to regulatory and technological shifts
- Governance and Risk Management: Embedded compliance and risk-based decision-making
- Centres of Excellence: Development of specialised technical and strategic capabilities
- Customer-Centric Design: End-to-end service delivery visibility and improved customer experience

12.2.3 Executive Leadership Structure

At the apex of governance, the Board of Directors provides strategic oversight, supported by the Audit and Risk Committee (ARC). The Chief Executive Officer (CEO), serving as both accounting authority and executive director, leads the organisation and is supported by key governance functions: Company Secretary and Chief Audit Executive (functionally reporting to the ARC).

The CEO is supported by a reconfigured Executive Team aligned to governance, operational delivery, and strategic transformation:

Figure 12.2 — Executive Leadership Portfolios

Chief Financial Officer (CFO) Financial sustainability, funding strategy, revenue optimisation, and financial governance	Chief Operations Officer (COO) Network operations, maintenance, infrastructure reliability, and service delivery performance
Chief Commercial Officer (CCO) Energy trading, IPP integration, revenue growth, and customer and stakeholder engagement	Chief Governance & Corporate Services Officer (CG&CSO) Governance, compliance, human capital, legal services, and corporate support functions
Chief Strategy, Innovation & Technology Officer (CSITO) Digital transformation, smart grid development, and innovation and future energy systems	Chief Risk Officer (CRO) Independent enterprise risk oversight — direct reporting line to CEO

Supporting functions are provided through: General Manager: Business Enablement — enhancing operational support services and internal efficiency; and General Manager: Shareholder Relations — strengthening stakeholder engagement, reporting, and alignment with the Shareholder.

12.3 High-Level Organisational Structure (Detailed Alignment to Service Delivery)

The approved organisational structure of City Power provides a clear governance and accountability framework that supports effective decision-making, operational delivery, and strategic alignment with the entity's mandate. At the apex, the Board of Directors provides oversight, supported by the Audit and Risk Committee (ARC), which ensures independent assurance on governance, audit, and risk matters.

The Chief Executive Officer (CEO), who also serves as an executive director of the Board, is responsible for the overall leadership and management of the utility. Reporting directly to the CEO are key executive and governance functions including: Company Secretary; Chief Financial Officer (CFO); Chief Operations Officer (COO); Chief Commercial Officer (CCO); Chief Governance and Corporate Services Officer (CG&CSO); Chief Strategy, Innovation & Technology Officer (CSITO); and Chief Risk Officer (CRO). The structure is further supported by General Manager: Business Enablement and General Manager: Shareholder Relations. Independent assurance is reinforced through the Chief Audit Executive, who reports functionally to the ARC and administratively to the CEO.

12.3.1 Alignment to Service Delivery and Strategic Execution

The structure reflects a deliberate balance between governance independence, accountability, and operational efficiency, ensuring that City Power remains agile while upholding principles of sound corporate governance. It facilitates integration across financial management, operations and infrastructure delivery, commercial and revenue functions, technology and innovation, and risk and compliance.

12.3.2 Supporting Infrastructure Rollouts through Workforce Planning

The structure enables targeted workforce planning to strengthen technical capacity within operations and engineering functions. Key focus areas include development of pipelines for artisans, engineers, and technical trainees; alignment of workforce capacity with CAPEX delivery programmes; and support for grid expansion, infrastructure upgrades, and embedded generation integration. Programmes such as the Promotability Programme and technical training initiatives directly support infrastructure rollout and long-term skills sustainability.

12.3.3 Regulatory Compliance and Governance Enablement

Compliance is embedded within the structure through the Chief Governance and Corporate Services Officer, who oversees labour relations, organisational development (OD), policy management, and corporate compliance. This ensures alignment with MFMA requirements, labour legislation, and AGSA audit expectations. Importantly, compliance is positioned not only as a control function, but as a strategic enabler of sustainable service delivery.

12.3.4 Enhancing Responsiveness through Decentralisation and Shared Services

The structure enhances operational responsiveness through deployment of HR Business Partners closer to operational units, establishment of shared services models, and improved turnaround times in recruitment, employee relations, and wellness support. The introduction of the Chief Risk Officer (CRO) further strengthens responsiveness to emerging risks, particularly in infrastructure security, financial sustainability, and operational resilience.

12.3.5 Identified Gaps and Planned Realignments

While the structure represents significant progress, key gaps remain in customer-facing service integration, including turnaround times for new connections, service complaint resolution, and customer advisory services. Targeted interventions include embedding customer-centric design principles within operational units, expanding Centres of Excellence to include customer experience and digital innovation, and strengthening alignment between shared services and frontline operations.

12.4 Job Descriptions as Transformation Enablers

The organisational redesign establishes the macro framework for City Power's transformation. To fully operationalise this structure, the organisation must now activate its micro-foundations — through the strategic redesign of job descriptions. Fit-for-purpose job descriptions are critical in translating the future-state organisational vision into clear role definition, individual accountability, and measurable performance outcomes.

12.4.1 Alignment of Job Descriptions to the Transformation Agenda

Job descriptions at City Power will be aligned across five key dimensions:

12.4.1.1 Aligning Roles with the Strategic Landscape

Traditional, task-based job descriptions are no longer sufficient in a dynamic and integrated energy environment. The new approach requires elevating the purpose of each role to clearly articulate its contribution to the value chain, and hardwiring strategic outcomes so that KPIs are directly linked to organisational priorities.

12.4.1.2 Alignment to Organisational Design Principles

Job descriptions will embed the core design principles: Single Point of Accountability (SPoA) through a clearly defined 'Accountable For' statement; Functional Integration through defined collaboration interfaces and structured cross-functional handovers; Agility and Adaptability through scenario planning, regulatory awareness, and adaptive decision-making; and Customer-Centricity through every role defining its contribution to the customer value chain.

12.4.1.3 Strategic Cascading of Mandates and Building Future Capability

The organisational design ensures that strategic intent cascades seamlessly from executive leadership to individual contributors, while simultaneously building the specialised capabilities required for a modern energy utility. Each job description is directly aligned to its respective executive portfolio, ensuring that objectives, competencies, and performance outcomes are derived from strategic priorities. Roles within the CSITO portfolio drive innovation, digital capability, and technology adoption. Roles within the CRO portfolio focus on enterprise risk management and risk-informed decision-making.

12.4.1.4 Engineering Executional Discipline and Role Clarity

The role architecture strengthens operational discipline and governance by embedding accountability into job design. Job descriptions clearly define reporting lines, decision rights, and governance responsibilities. Financial accountability is embedded across all roles with budgetary or procurement responsibilities, aligned to MSCOA and cost allocation principles. Technical roles are aligned to workforce pipelines with clearly defined career paths (e.g., Graduate Engineer to Pr.Eng), ensuring availability of critical skills and alignment to CAPEX delivery.

12.4.1.5 Institutionalising Adaptive and Enabling Responsiveness

Job descriptions are treated as living documents, continuously refined through feedback loops and performance insights. Enabling functions (HR, SCM, Finance) are designed with clear service-level agreements (SLAs) and embedded partnerships with operational units to improve responsiveness.

12.5 Capacity Analysis and Staff Enablement

City Power maintains a structured workforce aligned to its service delivery mandate.

12.5.1 Workforce Overview (FY2024/25)

Table 12.5.1 — Workforce Overview (FY2024/25)

Metric	Value
Approved Posts	2,630
Filled Posts	2,513
Vacancies Filled in Q3	117
Vacancy Rate	4%
Target Vacancy Rate	12%

Following the integration of additional functions and insourcing of services (including billing and query resolution), the approved establishment has increased to 3,130 posts.

12.5.2 Workforce Performance Analysis

The low vacancy rate (4%) indicates a stable and adequately staffed workforce. Recruitment and retention strategies remain effective in maintaining operational continuity. However, emerging gaps in critical technical roles (e.g., metering, safety, contracts management) require focused intervention.

12.5.3 Forward Workforce Strategy

City Power's forward workforce strategy anticipates growth of approximately 150 additional posts annually through FY2031, with a focus on:

- Technical and engineering capacity
- Digital and innovation skills
- Project and contract management

WORKFORCE STRATEGY — NT TRADING REFORMS ALIGNMENT

City Power's workforce planning is aligned with National Treasury Trading Reforms requirements for municipal trading entities, specifically the NT A3 PIAP requirement for core technical and management capacity (A5).
 Target for registered engineers: 25 by FY2026/27, 35 by FY2028/29 (aligned to NT Circular 88 C41–C49).
 Target for approved electrician posts: 450 by FY2026/27 (NT Circular 88 C48–C49).
 Workforce planning is reported quarterly to the Board and CoJ Oversight structures.

12.6 Strategic Succession Planning

Succession planning is positioned as a strategic enabler of City Power's transformation into a resilient, innovative, and customer-centric energy utility.

12.6.1 Current State: Foundation Phase

Key initiatives underway include:

- Policy and Governance Enhancement — Review of succession planning policy to align with strategic workforce risks and governance requirements.
- Framework Development — Development of a standardised, data-driven succession planning framework.
- Initial Risk Assessment — Identification of roles with retirement risk and future-critical capability requirements.
- System Integration — Linking succession planning to performance management processes.

12.6.2 Future State Strategic Roadmap

Table 12.6.1 — Succession Planning Strategic Focus

Horizon	Focus
Short-Term (FY2026/27)	Establish frameworks, secure critical roles, launch development programmes
Medium-Term (FY2027/28)	Develop enterprise leaders and future capabilities
Long-Term (FY2028/29)	Achieve a self-sustaining talent ecosystem

12.6.3 Strategic Outcomes

The succession planning programme aims to deliver:

- 100% succession coverage for mission-critical roles
- Strong internal leadership pipeline
- Integration of succession planning into enterprise risk and workforce planning
- Development of future-ready capabilities (e.g., digital, IPP integration, analytics)

Succession planning transitions from an administrative function to a strategic risk mitigation and competitive advantage, ensuring leadership continuity and long-term organisational resilience.

12.6 Strategic Change Management And Culture Refresh

City Power is transitioning from measuring employee sentiment to driving accountable organisational change. The change management framework focuses on Change Preparation (aligning leadership and workforce to transformation priorities), Change Management (embedding structured interventions to drive behavioural and operational change), and Change Reinforcement (sustaining change through performance management, accountability, and culture alignment).

This approach directly supports the strategic objective "Winning Through Our People" by driving accountability at all levels, embedding a performance-driven culture, aligning behaviours to organisational values, and enabling workforce adaptability in a transforming energy sector.

12.6.1 Change Management Six Phases

Figure 32 illustrates the six phases through which change is initiated, embedded, and sustained at City Power. Each phase draws on specific change levers to guide implementation, reinforce adoption, and ensure sustainable change delivery. This framework is intended to drive the behavioural and operational shifts required to support City Power's financial sustainability, digital transformation, and energy transition.

Table 12.6.2 — Integrated Change Management Framework

Phase	Define the Change	Guide the Change	Assess the Change Landscape	Design the Change Journey	Manage the Change	Sustain the Change
Objective	Clarify the nature and scale of change; identify relevant change levers; define the desired future state aligned to City Power priorities	Secure leadership alignment and visible sponsorship; establish governance structures; build shared understanding of purpose, scope and delivery roles; activate change leadership at all levels	Assess change impact on people, processes and structures; gauge stakeholder readiness and identify risks; review communication and engagement channels; validate the business case for change	Develop a comprehensive change strategy and plan with targeted interventions; address stakeholder needs, risks and impacts; secure resources and assign delivery ownership	Execute planned interventions; monitor adoption and impact; address resistance and provide transition support	Monitor long-term adoption; reinforce desired behaviours and accountability; capture lessons and integrate improvements
Outcomes	Clarity on change scope and sponsorship secured; project team prepared for onboarding	Mobilise for action	Insight gathered to inform a fit-for-purpose change strategy and implementation plan	Actionable, owned and approved change plan ready for implementation; levers sequenced and aligned to rollout phases	New ways of working are in use, and early indicators of adoption are being tracked	Change is sustained through embedded behaviours, reinforced accountability, and continuous learning loops
Priority Level: Short-Term	High	High	High	Medium	Low	Low
Priority Level: Medium-Term	—	—	Low	High	High	Medium
Priority Level: Long-Term	—	—	—	Low	Medium	High

12.6.2 Actionable Metrics and Targeted Diagnostics

City Power has replaced a perception-based index with the actionable KPI: "Percentage Implementation of Employee Engagement Programmes." This places clear accountability on leadership to deliver measurable interventions across five pillars: Leadership; Wellness; Recognition; Career Development; and Process Improvement.

Diagnostic pre-surveys indicate that these interventions are beginning to address employee concerns and provide a baseline for focused action. HR Business Partners have been deployed to Service Delivery Centres to improve frontline accessibility and communication.

12.6.3 Institutionalised Change Management

City Power has formally adopted the PROSCI ADKAR model as its standard change management methodology. This is being applied through practical mechanisms such as the Conditions of Service Harmonisation Forum, which is supporting the integration of Section 197 employees. Pulse checks are being used to provide real-time insights into employee sentiment and emerging gaps.

The formal rollout of leadership behavioural programmes, including "Culture-led Leadership" and "Managers to Manage," has been identified as a key next step. All change initiatives are framed by the demands of the Just Energy Transition. Large-scale upskilling and reskilling of the workforce is therefore a strategic requirement, not a secondary activity, to ensure City Power is able to meet future technical and operational demands.

12.7 Employment Equity

City Power continues to make steady progress in advancing Employment Equity (EE) and remains committed to achieving its long-term transformation objectives. During the current financial year, transformation efforts have extended beyond basic compliance and have focused on more detailed workforce analysis, particularly in areas where under-representation remains evident, most notably within the Indian and Coloured population groups.

Compliance with the Employment Equity Act, 55 of 1998, as amended, remains a statutory requirement. City Power has established governance structures, including the Employment Equity and Skills Development Committee, to monitor progress, support compliance, and guide transformation interventions. In support of the strategic target to achieve 85% affirmative action, 29% gender equity, and 2% disability representation, City Power continues to track performance and implement corrective measures where required.

12.7.1 Employment Equity Performance (Q3)

Table 12.7.1 — Employment Equity Performance (Q3)

Month	Staff Establishment	Filled Positions	Affirmative Action Target	Affirmative Action Achieved	Gender Equity Target	Gender Equity Achieved	Disability Target	Disability Achieved
January	2 630	2 519	85%	96.30%	29%	41.24%	2%	1.98%
February	2 630	2 518	85%	96.30%	29%	41.24%	2%	1.98%
March	2 630	2 513	85%	96.29%	29%	41.38%	2%	1.98%

12.7.2 Workforce Demographics

City Power's long-term transformation targets include 50% gender equity, 2% disability representation, and 40% youth employment by 2030. These are complemented by procurement transformation targets of 40% gender, 2% disability, and 10% youth.

Table 12.7.2 — Workforce Demographics

Month	Staff Establishment	Filled Positions	Affirmative Action Target: 85%	Gender Equity Target: 29%	People with Disabilities Target: 2%
Close-out FY2024/25	–	–	–	–	–
July 2025	2 630	2 489	96.34%	41.66%	2%
August 2025	2 630	2 489	96.34%	41.66%	2%
September 2025	2 630	2 489	96.34%	41.66%	2%
Quarter 1	2 630	2 489	96.34%	41.66%	2%
YTD	2 630	2 489	96.34%	41.66%	2%

Table 12.7.3 — Workforce Demographics by Race, Gender and Disability

Race Group	Female	Male	PWD	Total
White	22	91	11	–
African	989	1 313	37	–
Indian	4	8	0	–
Coloured	22	40	2	–
Total	1 037	1 452	50	2 489

12.7.3 Key Observations

The demographic profile indicates that City Power has:

- Exceeded its affirmative action target (96.34% against 85%)
- Exceeded its gender equity target (41.66% against 29%)
- Met its disability representation target (2%)

However, despite strong overall performance, under-representation remains evident among Indian and Coloured employees, particularly in senior management and technical occupational categories. This highlights the need for more targeted recruitment, development, and succession planning interventions.

12.7.4 Employment Equity Plan Implementation

Implementation of the Employment Equity Plan was constrained during the review period by the moratorium on recruitment and appointments. This limited the organisation's ability to correct demographic imbalances through recruitment, promotion, and internal movement. Despite this constraint, City Power has continued to align EE targets with workforce planning processes so that once the moratorium is lifted, corrective interventions can be implemented promptly.

No promotions or appointments took place during the review period due to the moratorium. City Power currently employs 50 people with disabilities, thereby meeting the 2% target. To improve accessibility and reasonable accommodation, the organisation plans to procure three wheelchairs during FY2025/26 and assess further support requirements such as assistive technologies.

12.7.5 Economically Active Population (EAP)

Table 12.7.4 — Economically Active Population Statistics (EAP)

No.	Economically Active Population Statistics (EAP)	Male African	Male Coloured	Male Indian	Male White	Female African	Female Coloured	Female Indian	Female White	Foreign Nationals Male	Foreign Nationals Female
1	National Economically Active Population	43.6%	5.0%	1.8%	4.9%	35.8%	4.1%	0.9%	3.9%	0%	0%
2	Provincial EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0%	0%

A workforce profile analysis identified barriers to employment and advancement among certain designated groups. City Power therefore needs to implement more deliberate and innovative recruitment strategies to attract suitable candidates from under-represented groups, particularly Coloured and Indian candidates, to strengthen workforce diversity.

For FY2025/26, the organisation is committed to maintaining and improving representation of under-represented groups and increasing designated employee representation at senior levels. Planned interventions include: targeted recruitment aligned to EAP benchmarks; reasonable accommodation analysis for employees with disabilities; retention strategies for designated groups; training for leaders on employment equity and diversity management; and institutional baseline surveys to assess inclusivity and guide interventions.

12.7.6 Employment Equity Landscape

Table 12.7.5 — Employment Equity Landscape

Race	Female	Male	PWD	Total
White	22	93	11	115
African	991	1 331	37	2 322
Indian	4	8	0	12
Coloured	24	40	2	64
Total	1 041	1 472	50	2 513

The 50 employees with disabilities are already included within the female and male totals.

12.7.7 City Power Employment Equity by Occupational Level

The table below demonstrates the current position of City Power's Employment Equity profile across occupational levels, measured against the applicable Economically Active Population (EAP) benchmarks.

Table 12.7.6 — City Power Employment Equity by Occupational Level (vs EAP Benchmarks)

Occupational Levels		Males A	Males C	Males I	Males W	Female A	Female C	Female I	Female W	Foreign Nationals Male	Foreign Nationals Female	Total
Top Management	ACTUAL	2	0	0	0	3	0	0	0	0	0	5
	ACTUAL %	40%	0%	0%	0%	60%	0%	0%	0%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	-7%	-1%	-1%	-6%	23%	-1%	-1%	-5%	0%	0%	
Senior Management	ACTUAL	57	3	1	2	34	0	2	3	0	0	103
	ACTUAL %	56%	3%	1%	2%	33%	0%	2%	3%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	9%	2%	0%	-4%	-4%	-1%	1%	-2%	0%	0%	
Professional Qualified	ACTUAL	63	0	2	9	48	2	1	0	0	0	125
	ACTUAL %	50%	0%	2%	7%	38%	2%	1%	0%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	4%	-1%	0%	1%	1%	1%	0%	-5%	0%	0%	
Skilled Technical and Academically Qualified	ACTUAL	608	22	4	63	404	6	0	8	0	0	1 115
	ACTUAL %	55%	2%	0%	6%	36%	1%	0%	1%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	8%	1%	-1%	0%	-1%	-1%	-1%	-4%	0%	0%	
Semi-skilled	ACTUAL	182	5	0	18	155	10	1	11	0	0	382
	ACTUAL %	48%	1%	0%	5%	41%	3%	0%	3%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	1%	0%	-1%	-1%	3%	2%	0%	-2%	0%	0.00%	
Unskilled	ACTUAL	260	4	1	1	148	1	0	0	0	0	415
	ACTUAL %	63%	1%	0%	0%	36%	0%	0%	0%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	16%	0%	-1%	-6%	-2%	-1%	-1%	-5%	0%	0%	
Temporary	ACTUAL	159	6	0	0	199	4	0	0	0	0	368
	ACTUAL %	43%	2%	0%	0%	54%	1%	0%	0%	0%	0%	
	EAP	46.6%	1.4%	1.3%	6.1%	37.5%	1.1%	0.7%	5.2%	0.0%	0.0%	—
	GAP %	4%	0%	-1%	-8%	15%	-1%	-1%	-8%	0%	0%	

2.8 Management Team

The management team is responsible for translating strategic priorities into operational delivery. Roles are clearly defined across organisational layers to support accountability, execution, and performance management.

- CEO: Provides strategic leadership and serves as the primary liaison with the Board.
- Executives: Lead functional strategies and oversee strategic and operational risks.
- Group Heads: Translate strategy into medium-term operational plans aligned to the MTEF.
- General Managers: Operationalise business plans and oversee business units.
- Senior Managers: Execute programmes and monitor performance compacts.
- Managers and Team Leaders: Supervise day-to-day service delivery and operational performance.

The table below illustrates the vacancies associated with the current management structure.

Table 12.8.1 — Vacancies Associated with the Management Structure

Level	Number of Positions	Number of Vacancies
Chief Executive Officer	1	0
Chief Financial Officer	1	0
Chief Operations Officer	1	0
Chief Governance and Corporate Services Officer	1	0
Chief Strategy and Risk Officer	1	0
Chief Audit Executive	1	0
Company Secretary	1	0
General Manager: Strategic Communications and Stakeholder Relations	1	0
General Manager: Corporate Identity	1	0
General Manager: Shareholder Relations	1	0
Group Heads	12	12
General Managers	49	14
Senior Managers	91	30
Managers	223	96
Grand Total	385	152

12.8.1 Gaps and Mitigation for Occupational Levels

City Power has identified gaps across certain occupational levels that will need to be addressed through targeted recruitment and workforce planning interventions. Particular attention is required in areas where representation remains limited or absent. The analysis indicates that within the unskilled and temporary categories, there is no representation of white employees. This requires further assessment to determine the underlying causes and appropriate corrective action.

City Power remains an equal opportunity employer and will continue to appoint suitably qualified candidates in line with the Employment Equity Plan and EAP targets. All appointments are made through open and transparent recruitment processes, with advertisements intended to attract candidates from targeted under-represented groups. To address current gaps, the organisation will strengthen targeted recruitment initiatives, awareness and outreach roadshows, and deliberate attraction strategies aimed at under-represented groups.

END OF CHAPTER 12 — MANAGEMENT AND ORGANISATIONAL STRUCTURE

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CITY POWER JOHANNESBURG

SOC (RF) PROPRIETARY LIMITED

CHAPTER 13

COMMUNICATION AND STAKEHOLDER MANAGEMENT

Business & Investment Plan | FY2026/27

MFMA Compliant
Sections 53, 71, 95(d) & 121

NT Trading Reforms Aligned
Customer Service & Revenue

AGSA Audit Ready
Useful & Reliable KPIs

This chapter focuses on the following key areas:

- 13.1 Customer Service Plan
- 13.2 Customer Service Improvement Plan
- 13.3 Revenue Improvement Plan
- 13.4 City Power Stakeholder Universe
- 13.5 City Power Inter-dependencies
- 13.6 Stakeholder Matrix
- 13.7 Communication Plan
- 13.8 Channels and Platforms
- 13.9 Digital Media Strategy Enhancements
- 13.10 Implementation Support

CHAPTER 13 — COMMUNICATION AND STAKEHOLDER ENGAGEMENT

City Power-initiated engagements include educational and awareness campaigns, while City of Johannesburg-initiated engagements in which City Power participates include CRUM service delivery engagements, open days, MMC events, and Mayoral programmes. Given that the City of Johannesburg comprises 134 wards, City Power may participate in up to 134 public meetings convened by Ward Councillors with their communities to discuss service delivery, maintenance, and project-related matters. These engagements may be planned or unplanned, depending on service delivery demands.

95%	100%	2 Days	3 Hours	70%	R25m
Query Resolution Target	Billing Accuracy Target	Average time taken to repair logged streetlight queries (Motorways)	Communication of unplanned power interruptions (MV, HV) post logging	Customer Satisfaction Index	Education & Outreach Budget
30 working days	FY2026/27	FY2026/27	FY2026/27	FY2026/27	FY2026/27

Figure 13.0 — Chapter 13 Key Performance Snapshot

NATIONAL TREASURY TRADING REFORMS & MFMA ALIGNMENT

This chapter is prepared in accordance with National Treasury Trading Services Reform (TSR) requirements and MFMA provisions (Sections 53, 71, 95(d), and 121). Customer service KPIs are aligned to the SDBIP, AGSA performance audit criteria, and the approved Customer Service Plan. All performance indicators are monitored monthly through Section 71 MFMA reporting frameworks.

13.1 Customer Service Improvement Plan

13.1 Purpose and Scope

The City Power Customer Service Improvement Plan (CSIP) FY2026/27 is a strategic operational document that defines City Power's commitment to improving the quality, accessibility, and responsiveness of electricity-related services delivered to all customers across the City of Johannesburg (CoJ).

This plan is developed in response to documented gaps in customer experience, escalating service delivery expectations, and alignment requirements with the National Treasury Trading Services Reform (TSR), the Performance Improvement Action Plan (PIAP A3), the Presidential Johannesburg Working Group (PJWG) Workstream 3, and the TAS24 Turnaround Strategy.

13.1.1 Purpose

The purpose of this CSIP is to:

- Establish a structured, measurable framework for improving service delivery to City Power customers
- Define specific improvement targets, accountabilities, and timelines for FY2026/27
- Align customer service operations with NT Trading Reforms and MFMA obligations
- Respond to identified gaps from the Quality of Life Survey, Community-Based Planning (CBP) feedback, and IDP engagements
- Provide a governance framework for monitoring, evaluating, and reporting on customer service performance
- Strengthen trust between City Power and the communities it serves through transparent, responsive service delivery

13.1.2 Scope

This plan applies to all City Power operational divisions, Service Delivery Centres (SDCs), and functional departments that interact with customers or influence service delivery outcomes. The plan covers:

- All 8 Service Delivery Centres: Siemert, Reuven, Randburg, Hursthill, Roodepoort, Midrand, Alexandra, and Lenasia
- All customer-facing channels: walk-in centres, call centre, digital platforms, WhatsApp, and social media
- Revenue management, billing, metering, and vending operations
- Field operations including fault response, restoration, and public lighting maintenance
- Customer education, outreach, and community engagement programmes

CSIP ALIGNMENT SUMMARY

- MFMA Section 87 — Business & Investment Plan obligation
- NT A3 PIAP A2/A3 — Customer satisfaction and accountability KPIs
- TAS24 Dimension 5 — Customer Trust: CSI 70%→75% by FY2027/28
- PJWG WS3.4 — Service Delivery Improvement workstream
- Quality of Life Survey — Customer satisfaction and perception management
- IDP Chapter — Service delivery priorities and community accountability

13.2 Legislative and Policy Framework

City Power's customer service obligations are governed by a comprehensive legislative, regulatory, and policy framework that establishes minimum service standards, consumer rights, and utility accountability requirements.

13.2.1 Primary Legislative Instruments

Legislation / Policy	Key Provision	Customer Service Implication
MFMA Act 56 of 2003	Section 87 — Business plan obligation; Section 62 — Reporting	Annual customer service plan and performance reporting
Municipal Systems Act 32 of 2000	Section 73-78 — Services and tariffs; Section 95 — Customer care	Minimum customer care standards; accessible services
Electricity Regulation Act 4 of 2006	NERSA licence conditions — Service standards	Quality of supply and restoration time obligations
Consumer Protection Act 68 of 2008	Section 48-52 — Unfair terms; Section 61 — Product liability	Fair billing, accurate metering, transparent tariffs
POPIA Act 4 of 2013	Data protection and privacy of customer information	Secure handling of customer data and billing records
National Credit Act 34 of 2005	Debt management and customer payment arrangements	Structured payment plans and indigent support
NT Trading Reforms (TAS24)	7 Utility Dimensions — Dimension 5: Customer Trust	CSI target 70%→75%; 95% query resolution
PJWG WS3 555 Framework	WS3.4 Service Delivery Improvement	Quick wins and medium-term service delivery targets

13.3 Customer Profile and Segmentation

City Power serves approximately 399, 812 customers across the City of Johannesburg, comprising a diverse mix of residential, commercial, industrial, and government accounts. Understanding the distinct characteristics, needs, and vulnerability profiles of each customer segment is essential to designing effective and equitable customer service interventions.

13.3.1 Customer Segmentation by Category

Customer Segment	Proportion	Primary SDCs	Key Service Needs
Residential — Prepaid	~65% of customer base	Predominantly SDCs: Alexandra, Randburg, Lenasia	High-frequency vending interactions; price-sensitive; FBE eligibility; require digital access to vending
Residential — Post-paid	~15% of customer base	Predominantly SDCs: Siemert, Reuven, Hursthill	Monthly billing queries; meter reading disputes; payment arrangements
Commercial	~12% of customer base	All SDCs — concentrated in Siemert, Randburg	Billing accuracy; tariff structure; connection applications; demand management
Industrial / LPU	~3% of customer base	Predominantly Reuven, Siemert	NMD management; technical account management; dedicated account managers
Government / Municipal	~3% of customer base	All SDCs	Lease, SLA management; bulk metering; energy efficiency programmes
Indigent / Subsidised	~84,581 registered	All SDCs — priority: Alexandra, Lenasia, Randburg	FBE 50 kWh/month; registration support; expanded social package awareness

13.3.2 SDC Revenue and Customer Profile Summary

SDC	YTD Actual Rev	Vending Cust	Not Vending	YTD Collection	Customer Debt	Vending %	Profile
Siemert	R4.39bn	15 427	3 734	R2.86bn	R2.84bn	81%	LPU hub
Reuven	R4.12bn	28 356	3 741	R3.87bn	R2.39bn	88%	Industrial
Randburg	R3.10bn	16 146	912	R3.57bn	R705m	95%	High prepaid
Hursthill	R3.08bn	22 161	4 126	R2.33bn	R1.67bn	84%	Infra risk
Roodepoort	R2.51bn	40 782	18 427	R2.27bn	R873m	69%	Mixed
Midrand	R2.05bn	10 193	5 356	R1.34bn	R459m	66%	Growth node
Alexandra	R1.13bn	13 428	36 774	R1.09bn	R496m	27%	Theft priority
Lenasia	R805m	28 922	46 779	R846m	R891m	38%	Transitioning
TOTAL	R21.19bn	175 415	119 849	R18.17bn	R10.32bn	—	All SDCs

13.4 Current Service Delivery Performance

City Power's current customer service performance reflects a mixed picture of operational progress in some areas against persistent structural challenges in others. The following baseline data, drawn from FY2024/25 performance, informs the improvement targets set out in this plan.

13.4.1 Key Performance Baseline (FY2024/25)

KPI Indicator	Baseline (FY2024/25)	Target (FY2026/27)	Source / Reference
Customer Satisfaction Index (CSI)	65%	70%	TAS24 Dimension 5
Query / Complaint Resolution Rate	82%	95%	NT A3 PIAP A3
Average Query Resolution Time	28 working days	22 working days	Service Charter SLA
Fault Restoration — within 24 hours	71%	98%	NERSA / MFMA
Fault Restoration — within 7 days	89%	100%	NERSA / MFMA
Billing Accuracy Rate	91%	100%	Consumer Protection Act
First-Call Resolution Rate	58%	75%	Call Centre KPI
Digital Channel Adoption	34%	50%	Digital Strategy FY2026/27
FBE Registration (indigent)	65% (84,581)	100% (130,000)	PJWG Quick Win
Meter Reading Accuracy	76%	90%	Revenue Migration Plan
Call Centre Answer Rate (20 seconds)	62%	85%	Call Centre SLA
Walk-In Average Wait Time	42 minutes	20 minutes	Customer Charter

13.4.2 Outage and Restoration Performance

Financial Year	HV Outages	MV Outages	LV Outages	Total Outages
FY 2022/23	285	4,550	176,362	181,197
FY 2023/24	239	4,584	153,835	158,658
FY 2024/25	243	4,805	126,876	131,924
FY 2025/26 (July–October)	60	1,426	34,613	36,099

The declining trend in total outage incidents — particularly in LV outages — reflects the impact of ongoing operational maintenance interventions. However, the absolute volume of interruptions remains a primary driver of customer dissatisfaction and requires continued prioritisation.

13.5 Key Customer Service Challenges

The following challenges have been identified through customer satisfaction surveys, Quality of Life survey data, CBP engagements, IDP consultation processes, AGSA audit findings, and operational performance reviews.

13.5.1 Billing and Revenue Challenges

- Billing inaccuracies due to estimated meter readings, particularly in areas where physical access is constrained by illegal connections or infrastructure damage
- Delayed bill delivery resulting in customer confusion over amounts owed and payment deadlines
- Incomplete FBE subsidy registration — approximately 45,419 qualifying households not yet receiving free basic electricity
- High customer debt of R10.32 billion aggregate, reflecting unresolved disputes, affordability constraints, and billing system inefficiencies
- Post-paid to prepaid migration backlogs creating revenue leakage and billing system complexity

13.5.2 Communication and Responsiveness Challenges

- Inadequate two-way communication during planned and unplanned outages — customers not consistently notified within required timeframes
- Social media and digital channels insufficiently integrated with case management and CRM systems
- Low first-call resolution rate (58%) at the call centre, resulting in repeat contacts and escalations
- Long wait times at walk-in service centres — average 42 minutes versus 20-minute target
- Limited multilingual communication in communities with non-English dominant populations

13.5.3 Infrastructure and Service Reliability Challenges

- 17% energy losses (technical and non-technical) directly affecting revenue availability for service reinvestment
- R44 billion infrastructure backlog driving service interruptions, with some network components nearing 100 years of operational age
- Poor inner-city tunnel network condition (11 km, R1.78bn remediation cost) risking supply reliability to high-density areas
- SCADA visibility at 37% constraining real-time fault detection and rapid restoration capability
- Copper cable theft and substation vandalism causing extended unplanned outages particularly in Alexandra, Hursthill, and Inner City

13.5.4 Customer Trust and Perception Challenges

- Quality of Life survey results indicate declining customer trust ratings, particularly in informal settlements and high-theft areas
- Perception of unfair or inconsistent tariff application between customer categories
- Community frustration with slow response to infrastructure protection requests
- Low awareness of FBE benefits, indigent support programmes, and SSEG incentives

CSIP CHALLENGE PRIORITISATION MATRIX — TOP 5 FOCUS AREAS

1. Billing accuracy and FBE registration completion — Revenue integrity + social equity
2. Fault response time improvement — ASIDI / ASIFI target achievement
3. Call centre and digital channel effectiveness — First-call resolution and accessibility
4. Customer communication during outages — Transparency and trust
5. Infrastructure theft prevention — Service reliability and community safety

13.6 Customer Engagement Framework

City Power has established a comprehensive, multi-channel customer engagement framework designed to ensure accessible, responsive, and transparent service delivery. The framework integrates digital and traditional communication platforms to serve the full spectrum of City Power customers.

13.6.1 Engagement Channels

Engagement Channel	Primary Function	Service Standard / SLA
Call Centre (0800202925)	24/7 fault logging, billing queries, account management	Averaging at 80% answer rate within 30 seconds target (with plans to reach 85% 26/27)
City Power App (IOT)	Self-service: vending, billing, fault log, account history	10% month-on-month adoption growth target
City Power Website	Account portal, payment gateway, news and alerts	Full portal functionality by Q2 FY2026/27
Social Media (Twitter/X, Facebook)	Outage updates, service announcements, community engagement	3-hours (Avarege time to communicate)
Social Media (X, Facebook,WhatsApp)	Planned outage notifications,	Avarege time taken to communicate within 7 working days
Email Correspondence	Formal queries, LPU account management	Acknowledgment within 72-hour response SLA
Customer Escalation Platforms (toll-free number 0800 003 156)	Escalated complaints, community issues	Averaging at 80% answer rate within 30 seconds target (with plans to reach 85% 26/27)
Community Engagement Drives	Customer Education and awareness campaigns	Quarterly per region (115 26/27)

13.6.2 FY2026/27 Planned Engagement Activities

Engagement Activity	Frequency	Target Area	Schedule
Customer Engagement Forums (Key customer forum)	2 per annum	All SDCs	Q2 and Q4
Government Indaba (Public sector alignment)	2 per annum	All SDCs	Q2 and Q4
Business Forums/LPU (Commercial & SME customers)	16 per annum	All SDCs	Q1, Q2, Q3,Q4
Customer Education and awareness campaigns	115 per annum	All SDCs	Monthly rotation

13.7 Customer Service Improvement Strategies

This section sets out City Power's nine strategic improvement programmes for FY2026/27, each with defined interventions, accountabilities, milestones, and expected outcomes.

13.7.1 Strategy 1: Billing Accuracy and Revenue Integrity

Objective: Achieve 100% billing accuracy by FY2026/27 through smart metering, enhanced meter reading protocols, and improved billing system governance.

Key Interventions:

- Deploy 44,138 smart meters across priority SDCs — focusing on areas with high estimated read rates
- Increase actual meter reading coverage from 76% to 90% by June 2027
- Implement automated billing exception reports to flag estimated reads exceeding 2 consecutive months
- Complete post-paid to prepaid migration backlog — targeting residual 8,500 accounts
- Introduce monthly billing reconciliation committees at each SDC to review anomalies
- Roll out IDS (Intelligent Distribution System) to detect and correct meter bypassing and illegal connections

13.7.2 Strategy 3: Fault Response and Restoration Improvement

Objective: Achieve 98% restoration within 24 hours and 100% within 7 days by implementing improved fault management, field crew deployment, and restoration planning protocols.

Key Interventions:

- Increase SCADA network visibility from 37% to 55% by Q4 FY2026/27 through the IED and SCADA capital programme (R22.5m)
- Implement 24/7 SDC duty manager model with direct field crew dispatch authority
- Deploy mobile command units for major outage events affecting more than 500 customers
- Introduce outage prediction analytics using historical fault data and weather correlation models
- Establish public-facing outage tracker on City Power website and app — real-time restoration ETAs
- Implement Plant Out of Service (POS) reduction programme — target below 90 assets city-wide

13.7.3 Strategy 4: Call Centre Transformation

Objective: Averaging at 80% answer rate within 30 seconds target (with plans to reach 85% 26/27 , and reduce average waiting time by 10%.

Key Interventions:

- Recruit and train 30 additional call centre agents — prioritising bilingual (Zulu, Sotho, Xhosa) capabilities
- Implement AI-assisted call routing and script support for tier-1 agents
- Deploy real-time supervisor monitoring dashboard with queue visibility and escalation alerts
- Implement post-call customer satisfaction micro-surveys (IVR: press 1 for satisfied / 2 for not)
- Introduce a dedicated LPU account management line with account manager assignment

13.7.4 Strategy 5: Walk-In Service Centre Modernisation

Objective: Establish clear, measurable service standards across all Service Delivery Centre (SDC) and improve overall customer satisfaction, quality of service and trust.

Key Interventions:

- Leasing of a queue management systems (QMS) with digital ticketing at all 8 SDC walk-in centres
- Review the Customer Service Charter and align with regulatory requirements and customer feedback and actively communicate a concise Customer Charter written in plain language and accessible across all service channels (website, service delivery centres, call centres, and community platforms).
- Establish and fully capacitate a Centralised Query Management Office through which oversight and escalation of customer queries, complaints and Customer feedback as is performed.
- Enhance Customer service agent training on billing, outages, common technical issues and customer service.
- Capacitation of Customer Service Agents and Strategic Accounts Officers
- Process Improvements & SOP Updates, Escalation Matrix & SLA's

13.7.5 Strategy 6: Proactive Communication and Outage Management

Objective: Ensure 100% of planned outages are communicated at least 7 working days in advance, and all unplanned outages are communicated within 3 hours of occurrence.

Key Interventions:

- Implement automated WhatsApp outage notification for all affected customer accounts — both planned and unplanned
- Introduce a public-facing, real-time outage map on the City Power website and app

13.7.6 Strategy 7: Digital Channel Adoption and Self-Service

Objective: Increase digital channel adoption 50% of all customer interactions by Q4 FY2026/27, reducing pressure on call centre and walk-in channels.

Key Interventions:

- Launch a redesigned City Power customer portal with full self-service capability: meter readings, billing history, payment, fault logging, and account management
- Enhance WhatsApp channel with automated: vending balance queries, account status, fault logging, and outage updates
- Develop and launch the City Power Mobile App (iOS and Android) by FY2026/27
- Introduce digital payment integration with major South African banking apps (Easypay, SnapScan, banking portals)
- Run monthly digital adoption campaigns targeting SDC areas with below 30% digital channel usage

13.7.7 Strategy 8: Infrastructure Protection and Anti-Theft Programme

Objective: Reduce copper theft incidents by 30%, reduce substation break-ins by 25%, and achieve 17 new infrastructure theft convictions in FY2026/27, building on the 150.9 cumulative sentencing years achieved.

Key Interventions:

- Deploy 500 additional CCTV cameras at high-risk substations and cable routes — funded from the R46.4m Fire and Security capital programme
- Implement anti-theft cable identification marking programme across the network
- Establish Community Infrastructure Watch (CIW) in partnership with ward councillors and CPFs in high-theft areas
- Partner with SAPS and NPA for accelerated prosecution of infrastructure crimes — targeting repeat offenders
- Install anti-tampering cable locking systems on identified high-theft routes

- Launch a community reporting reward programme — anonymous tip-off line with incentive for successful prosecution

13.7.8 Strategy 9: Customer Trust and Perception Rebuild

Objective: Improve the City Power Customer Satisfaction Index (CSI) from 65% to 70% by June 2027, and implement the Quality-of-Life survey electricity satisfaction score.

Key Interventions:

- Implement a quarterly customer satisfaction micro-survey across all touchpoints — walk-in.
- Introduce a customer complaints fast-track: all complaints from Quality of Life survey participants will be acknowledged and escalated to the relevant department within the business.
- Launch the 'City Power Social Compact' — a public commitment to specific service standards co-signed with community leaders
- Perform an annual customer satisfaction survey across City Power's area of supply.
- Conduct customer engagement or forums to manage customer perceptions and to reset the social contract
- Report on sentiment analysis through daily media monitoring
- Launch the #resetsocialcontract campaign.

13.8 Customer Education and Outreach Programme

The Customer Education and Outreach Programme is funded through an annual operational allocation of R25 million and is designed to drive behavioural change, reduce electricity theft and non-technical losses, promote safe electricity use, and strengthen customer participation in sustaining a reliable electricity supply.

13.8.1 Programme Objectives

- Reduce non-technical losses through community awareness of the legal and safety consequences of electricity theft
- Promote safe electricity usage, particularly regarding illegal connections, overloading, and SSEG installations
- Strengthen relationships between City Power and community structures in historically marginalised areas
- Build awareness of customer rights and available channels for service complaints and escalations

13.8.2 FY2026/27 Education Activities and Budget

Activity	Frequency / Scope	Budget Allocation	Target Area
Capacitation of Customer Service Agents & Strategic Accounts Officers	Once Off	R2,000,000	All SDCs
Capacitation of a Centralised Query management Office	Once Off	R2,000,000	All SDCs
Customer satisfaction Survey	Annually	R2,800 000	All SDCs
Process Improvements & SOP Updates, Escalation Matrix & SLA's	Annually	R2,000,000	All SDCs
Training, Ethics, etiquette & Customer service training)	Once Off	R2,000,000	All SDCs

Activity	Frequency / Scope	Budget Allocation	Target Area
Customer Engagement Forums (Key Customers)	2 Forums	R2,500,000	All SDCs
Government Indaba	2 events	R1,000,000	All SDCs
Business Forums/LPU	16 forums	R1,000,000	All SDCs
Queueing management systems (QMS)	Annually	R3,000,000	All SDCs
Customer Education and awareness campaigns	115 campaigns	R11 000,000	All SDCs
Advertising (paid social media campaigns)	Annually	R30,000,000	All SDCs
Media Buying Services (radio, print, digital)	Continuous	R24,000,000	All SDCs
Materials production (brochures, flyers, digital)	Annually	R3,500,000	All SDCs
Events, Marketing and Branding	Annually	R26,000,000	All SDCs
Automated WhatsApp	Once Off	R5,000,000	All SDCs
Media Equipment	Once Off	R12,000,000	All SDCs
Connection Workshop and Quality Control	Once Off	R4,000,000	All SDCs
Customer Education & Outreach Equipment	Once off	R5,000,000	All SDCs
Call Centre Expansion (systems)	Once off	R12,500,000	All SDCs
TOTAL	—	R 151,300,000	City-wide

**This budget is in line with the draft budget submission for 2026-2027 FY, and it is pending approval*

13.9 Complaint and Query Management

A robust complaint and query management framework is essential to building customer trust, identifying systemic service delivery failures, and demonstrating accountability. City Power's complaint management process aligns with the Consumer Protection Act, MFMA, and the Municipal Systems Act.

- Chief Operations Officer → Chief Executive Officer: If complaint reaches media, ward councillor, or Ombudsman level

13.9.1 Complaint Trend Reporting

City Power will produce a monthly Complaint Trend Report analysing:

- Top 5 complaint categories by volume (billing, outages, connections, FBE, meter tampering)
- Resolution rates and average time-to-resolution by SDC
- Repeat complaint rate — indicator of systemic failures
- Customer satisfaction scores post-complaint resolution
- SDC league table of complaint performance — published internally monthly

This report will be submitted to the Board Audit and Risk Committee quarterly and published in the Annual Service Delivery Report.

13.10 Digital Transformation and Channel Innovation

City Power's digital transformation strategy for customer service is anchored in the SITS Plan FY2026/27 and targets 100% network, meter, and employee visibility by 2030, with a specific interim target of 50% digital channel adoption by customers by Q4 FY2026/27.

13.10.1 Digital Customer Service Roadmap FY2026/27

Quarter	Digital Initiative	Accountability	Target Date
Q1 (Jul–Sep 2026)	Launch redesigned customer portal with full self-service suite (billing, faults, vending balance)	SITS / Customer Services	Go-live: 30 Sep 2026
Q4 (April–June 2027)	Launch City Power Mobile App (iOS + Android) with push notifications for outages and billing	SITS / Communication	Go-live: 31 June 2027
Q2 (Oct–Dec 2026)	Integrate WhatsApp with CRM — automated case creation and real-time case status updates	SITS / Communications	Complete: 30 Nov 2026
Q4 (Apr–Jun2027)	Implement real-time outage tracking map — public-facing, live updates every 15 minutes	SITS / Network Operations	Complete: 31 June 2027
Q4 (Apr–Jun 2027)	Launch digital payment integration: EasyPay, SnapScan, major SA banking apps	Finance / SITS	Complete: 31 June 2027

13.11 Revenue and Billing Improvement Plan

Revenue and billing performance are directly linked to customer satisfaction. Inaccurate billing, delayed statements, and opaque tariff structures are consistently cited as key drivers of customer complaints, trust deficits, and collection underperformance.

13.11.1 Billing Improvement Interventions

Intervention	Budget Estimate	Timeline	Expected Outcome
Smart meter rollout — 44,138 units FY2026/27	CAPEX: R44.1m	Q1–Q4 FY2026/27	Eliminate estimated reads — 100% actual billing
Meter reading improvement programme	OPEX: R5m	Q1 FY2026/27	Increase actual reads from 76% to 90%
Billing dispute fast-track (72-hour resolution for disputes <R2,000)	OPEX: R2m (staffing)	Q1 FY2026/27	Reduce billing dispute backlog by 60%
Post-paid to prepaid migration completion	CAPEX: R8m (meters)	Q1–Q2 FY2026/27	Eliminate 8,500 legacy post-paid accounts
Automated billing exception alert system	SITS CAPEX: R2m	Q2 FY2026/27	Catch >2-month estimated reads automatically
Customer billing statement redesign — plain language, bilingual	OPEX: R500k	Q1 FY2026/27	Reduce billing query rate by 20%
VAT and tariff transparency guide — digital and physical	OPEX: R300k	Q1 FY2026/27	Reduce tariff confusion complaints
Payment arrangement portal (online self-service)	SITS CAPEX: R1.5m	Q2 FY2026/27	Allow customers to self-manage debt arrangements

13.12 Stakeholder Engagement and Communication

13.12.1 Stakeholder Matrix

Stakeholder	Role	Engagement Frequency	Key Topics
Residential Customers	Primary service recipients	Continuous	Direct service delivery, billing, outages
Business and LPU Customers	Revenue anchor customers	Monthly (account manager)	NMD management, technical support, tariff guidance
Ward Councillors	Community accountability link	Monthly + ad hoc	Planned outages, service complaints, infrastructure requests
CoJ Shareholder	Governance oversight	Monthly (EXCO) + Quarterly (Board)	Performance reporting, CAPEX approvals, SDAs
National Treasury	Reform compliance	Quarterly (PIAP reporting)	TAS24 milestones, M1-M8 commitments, financial turnaround
NERSA	Regulatory oversight	Annual + as required	Licence conditions, quality of supply, tariff applications
PJWG / Presidency	Presidential programme	Monthly (WS3 meetings)	WS3 progress reporting, Quick Wins updates
Community and Civil Society	Trust and social licence	Quarterly community forums	Social compact, outreach, FBE, infrastructure protection
SAPS and NPA	Infrastructure protection	Monthly (joint operations)	Anti-theft programme, prosecution coordination
Media	Reputation management	As required / proactive	Outage communication, service reports, success stories

13.13 Performance Monitoring and KPI's

City Power's CSIP performance will be monitored through a quarterly reporting cycle aligned to the A3 PIAP accountability framework, SDBIP reporting, and the Board Audit and Risk Committee review cycle.

13.1 CSIP Key Performance Indicators — FY2026/27

KPI	Baseline	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Data Source
Customer Satisfaction Index (CSI)	67%	-	-	-	70%	Annual survey
Query Resolution Rate - WMC	96%	95%	95%	95%	95%	Forcelink (WMC)
Query Resolution Rate - CRM	0%	80%	85%	90%	95%	CRM system
Average Resolution Time (working days)	30 days	28 days	26 days	24 days	22 days	CRM analytics & Forcelink
Fault Restoration — within 24 hours	71%	82%	90%		98%	OMS data
Fault Restoration — within 7 days	89%	94%	97%		100%	OMS data
Call Centre Answer Rate (<30 seconds)	62%	72%	78%		80%	Call centre system
First-Call Resolution Rate	58%	65%	70%		75%	Call centre system
First contact resolution Time	0%	70%	80%	90%	95%	QMS data
Billing Accuracy Rate	91%	95%	98%		100%	Billing system
Digital Channel Adoption Rate	34%	40%	46%		50%	IT analytics
Meter Reading Actual Rate	76%	82%	86%		90%	Meter mgmt system

REPORTING CYCLE AND GOVERNANCE

- Monthly: SDC Customer Service Manager reports to General Manager: Service Delivery
- Quarterly: CSIP progress reported to EXCO and to the Board Audit and Risk Committee

REPORTING CYCLE AND GOVERNANCE

- Quarterly: A3 PIAP A2/A3 KPI submissions to National Treasury
- Annually: Customer Satisfaction Survey results published on City Power website
- Annually: Full CSIP review and FY2027/28 plan update prepared by November each year

13.14 Implementation Roadmap

The CSIP implementation roadmap is structured across four quarters of FY2026/27, with specific milestones assigned to each improvement strategy. Accountability rests with named executives and SDC managers, with progress tracked through the CRM system and PIAP reporting cycle.

QUARTER 1 (Jul–Sep 2026)	QUARTER 2 (Oct–Dec 2026)	QUARTER 3 (Jan–Mar 2027)	QUARTER 4 (Apr–Jun 2027)
Launch redesigned customer portal	Complete CRM-WhatsApp integration	Run Q3 community engagement drives	Complete digital payment integration Launch City Power Mobile App Deploy AI chatbot on WhatsApp
Implement QMS at all 8 SDCs	Roll out 24/7 SDC duty manager model	Achieve 95% query resolution rate	Launch real-time outage tracking map
Launch billing statement redesign	Deploy 250 new CCTV cameras	Run Q3 community engagement drives	Achieve 50% digital adoption target
Recruit and train 30 call centre agents	Achieve 80% call centre answer rate	Achieve 95% query resolution rate	Conduct annual customer satisfaction survey

13.15 Resource Requirements

15.1 Financial Resource Summary

Initiative	Type	Estimated Cost	Budget Source
Capacitation of Customer Service Agents & Strategic Accounts Officers	OPEX	R2,000,000	Strategic Communication
Capacitation of a Centralised Query management Office	OPEX	R2,000,000	Strategic Communication
Customer satisfaction Survey	OPEX	R2,800 000	Strategic Communication
Process Improvements & SOP Updates, Escalation Matrix & SLA's	OPEX	R2,000,000	Strategic Communication
Training, Ethics , etiquette & Customer service training)	OPEX	R2,000,000	Strategic Communication
Customer Engagement Forums (Key Customers)	OPEX	R2,500,000	Strategic Communication
Government Indaba	OPEX	R1,000,000	Strategic Communication
Business Forums/LPU	OPEX	R1,000,000	Strategic Communication
Queueing management systems (QMS	OPEX	R3,000,000	Strategic Communication

Initiative	Type	Estimated Cost	Budget Source
Customer Education and awareness campaigns	OPEX	R11 000,000	Strategic Communication
Advertising (paid social media campaigns)	OPEX	R30,000,000	Strategic Communication
Media Buying Services (radio, print, digital)	OPEX	R24,000,000	Strategic Communication
Materials production (brochures, flyers, digital)	OPEX	R3,500,000	Strategic Communication
Events, Marketing and Branding	OPEX	R26,000,000	Strategic Communication
Automated WhatsApp	OPEX	R5,000,000	Strategic Communication
Media Equipment	CAPEX	R12,000,000	Strategic Communication
Connection Workshop and Quality Control	CAPEX	R4,000,000	Strategic Communication
Customer Education & Outreach Equipment	CAPEX	R5,000,000	Strategic Communication
Call Centre Expansion (systems)	CAPEX	R12,500,000	Strategic Communication
TOTAL CSIP RESOURCE REQUIREMENT	CAPEX + OPEX	R 151,300,000	Multiple sources

* This budget is in line with the draft budget submission for 2026-2027 FY, and it is pending approval

13.16 Risk Management

The following risks may impact the successful delivery of this Customer Service Improvement Plan. Each risk is assessed against its likelihood and potential impact, with mitigation strategies and responsible executives identified.

Risk Description	Likelihood	Impact	Rating	Mitigation Strategy
Budget constraints limiting CAPEX deployment for smart meters and digital platforms	High	High	Extreme	Prioritise highest-impact SDCs; phase deployment; seek COJ grant funding
Load shedding / Eskom supply interruptions disrupting planned maintenance and outage response	High	High	Extreme	Maintain Stage 1-3 contingency plans; communicate proactively; expedite IDS deployment
Infrastructure theft escalating, neutralising restoration improvements	High	High	Extreme	Accelerate CCTV deployment; community watch; NPA partnership; anti-theft cable marking
CRM system integration delays slowing case management improvements	Medium	High	High	Phased deployment; manual workarounds; weekly SITS programme oversight
Staff capacity constraints — call centre recruitment delays	Medium	Medium	Moderate	Commission agency staff as interim; prioritise training existing staff; explore outsourcing
Low community uptake of digital channels in informal settlements	Medium	Medium	Moderate	USSD deployment; community champion programme; incentivise digital adoption
FBE registration vetting backlogs persisting beyond Q2	Medium	High	High	Additional CoJ Social Development integration; streamline vetting process; escalate to PJWG
Customer trust not recovering at projected pace despite improvements	Low	High	Moderate	Accelerate Social Compact; publish report card; CEO community engagement

13.17 Conclusion

City Power's Customer Service Improvement Plan FY2026/27 represents a comprehensive, measurable, and accountable framework for transforming the customer experience across the City of Johannesburg. This plan acknowledges the significant challenges that City Power faces — from an ageing infrastructure network to persistent non-technical losses and high customer debt — but equally affirms that these challenges are being addressed through a structured, Presidential-level reform programme.

The nine strategic improvement programmes outlined in this plan are designed to deliver tangible, visible improvements to customers by the end of FY2026/27. The targets established — a Customer Satisfaction Index of 70%, 95% query resolution, 98% fault restoration within 24 hours, and 50% digital channel adoption — are ambitious but achievable through the coordinated deployment of capital investment, technology, human capacity, and community partnership.

City Power's commitment to its customers is embedded in its vision of becoming a sustainable energy services provider and its participation in the Presidential Johannesburg Working Group, National Treasury Trading Reforms, and the TAS24 Turnaround Strategy. Customer trust is not a secondary consideration — it is Dimension 5 of the TAS24 framework, placing the customer at the heart of the utility's transformation agenda.

The Customer Service Improvement Plan will be reviewed quarterly, with full progress reported to the Board of Directors, National Treasury, and the PJWG. The plan will be updated annually to reflect evolving customer needs, technological developments, and the outcomes of customer satisfaction surveys and community consultations.

13.3 Revenue Improvement Plan

13.3.1 Strategic Context

City Power is experiencing significant financial pressure driven by high electricity losses (~30% / ±R4.9 billion), weak revenue collection, billing inefficiencies, and rising bulk electricity costs.

Figure 13.3.1 — Revenue Improvement Strategy: 5 Pillars

01 Billing & Revenue Assurance Full insourcing; field audits; estimated billing reduction	02 Data-Driven Metering 44,000-meter analysis; non-billing & faulty meter identification	03 Strategic Customer Focus Top 3,600 customers; dedicated account management	04 Tariff Alignment & Profitability Cost-reflective tariffs; customer segmentation	05 Loss Reduction Bulk metering; feeder-level energy balancing; targeted interventions
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13.3.2 Customer Completeness Analysis

13.3.2.1 Customer Base Mapping Overview

A comprehensive reconciliation of billing systems, meter databases, and the General Valuation Roll identified a serviceable population of 572,219 properties expected to have active electricity supply relationships with City Power. This excludes non-electrified properties, bulk-metered developments, and properties served by alternative distributors.

Table 13.3.1 — Customer Database Coverage Assessment

Metric	Number of Customers	% of Population
Total Serviceable Population	572,219	100%
Customers on Active Records	399,812	70%
Missing Customers	172,407	30%

KEY INSIGHT — REVENUE LEAKAGE RISK

30% of potential customers are not billed — representing a material revenue leakage risk.
 Estimated revenue leakage: R800 million – R1.2 billion per annum
 (Excludes secondary losses (technical + theft escalation), billing inaccuracies, and long-term customer attrition risks.)
 This indicates systemic weaknesses in customer onboarding, meter-to-account linkage, and data integrity.

13.3.2.2 Customer Segmentation and Revenue Contribution

Table 13.3.2 — Customer Segmentation and Revenue Contribution

Customer Category	Number of Customers	% of Base	% of Revenue
Prepaid	297,352	74.4%	10%
Domestic (Credit)	88,976	22.3%	26%
Business	9,891	2.5%	10%
Large Power Users (LPU)	3,593	0.9%	54%
Total	399,812	100%	100%

STRATEGIC INSIGHT

LPU segment (0.9% of customers) contributes 54% of revenue — high-risk revenue concentration.
 Prepaid dominates volume (74.4%) but contributes only 10% of revenue.
 Domestic & Business segments represent stable revenue growth opportunity.

13.3.2.3 Root Cause Analysis: Customer Coverage Gap

The 172,407 missing customers are driven by the following systemic failures:

Figure 13.3.2 — Root Cause Analysis: Customer Coverage Gap

Operational Failures Meter change-out not linked to billing; prepaid migrations not captured; disconnection without account closure	Data & System Failures SAP IS-U misalignment; duplicate or misclassified accounts; unregistered meters	Customer Lifecycle Failures Property transfers not updated; tenant turnover not captured; weak onboarding processes	Illegal Consumption Bypass connections; unmetered supply; theft and tampering
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13.3.2.4 Remediation Strategy

Remediation interventions include: Customer Database Reconciliation — matching valuation rolls with billing and metering systems, identifying non-billed properties, and prioritising by revenue potential; Field Verification Programme — physical property inspections, meter validation and legality checks, and customer onboarding data collection; Meter-to-Billing Linkage Audit — auditing all meters against SAP IS-U and resolving orphan meters; Customer Onboarding Redesign — enforcing meter-to-account validation, mandatory linkage controls, and no closure without meter confirmation; and Illegal Connection Regularisation — amnesty programmes, legal onboarding, and safety and compliance enforcement.

13.3.3 Metering Effectiveness Assessment

The metering infrastructure is the foundation of revenue assurance, yet the prepaid system (2003) is obsolete, postpaid meters are manual and outdated, and the network lacks energy balancing capability. Non-vending meters identified: non-affluent areas — 153,024; affluent areas — 90,560. Revenue stops immediately when vending stops, with high exposure to tampering, bypass, system misalignment, and meter obsolescence.

Table 13.3.3 — Meter Reading Performance Analysis

Segment	Sep	Oct	Nov	Dec	Trend
Business	71%	78%	65%	85%	Improving
LPU	78%	72%	79%	92%	Strong
Residential	64%	92%	51%	84%	Unstable
Unknown	3%	1%	3%	3%	Critical

CRITICAL EXCEPTION RISK

44,131 meters flagged as 'read' without actual readings — 85% are not disconnected.
Consequence: Consumption continues, no billing generated — direct violation of Council by-laws.
Residential instability indicates operational inefficiencies.
Unknown segment (3%) represents complete revenue loss risk.

13.3.4 Investment Framework and Returns

Table 13.3.4 — Investment and Revenue Impact

Initiative	Quantity	Investment	Revenue Impact	Annual ROI
Energy Balancing Meters	18,862	R151.9m	Indirect	-
Domestic Smart Meters	84,741	R567.3m	R1.76bn	R176m
LPU Smart Meters	14,192	R114.3m	R3.07bn	R306m
Non-Affluent Prepaid	153,024	R762.8m	R25.32bn	R2.53bn
Protective Enclosures	68,440	R3.39bn	Indirect	-
Affluent Conversion	90,560	R606.3m	R14.98bn	R1.50bn
Intrusion Detection	49,623	R399.7m	Indirect	-
Total Programme	—	R5.99bn	R45.13bn	R4.51bn p.a.

STRATEGIC OUTCOME	
Total investment:	R5.99 billion
Revenue recovery potential:	R45.1 billion
Annual return:	~R4.5 billion
This programme represents the single most critical lever in restoring City Power's financial sustainability. Failure to implement will result in continued revenue leakage, liquidity deterioration, and inability to meet National Treasury reforms.	

13.4 City Power Stakeholder Universe

Stakeholders are individuals or groups who influence or are affected by City Power's activities, either positively or negatively. Effective stakeholder management involves identifying and analysing these groups, understanding their needs and expectations, and implementing tailored engagement strategies to strengthen relationships, enhance collaboration, and support the achievement of organisational objectives.

FIGURE 13.4 — CITY POWER STAKEHOLDER ECOSYSTEM
City Power's stakeholder universe encompasses the following key groups:
• Shareholder (City of Johannesburg) — strategic oversight and governance • Board of Directors — fiduciary accountability and strategic direction • Regulators (NERSA, National Treasury) — compliance and reform alignment • Customers (Domestic, Business, LPU, Prepaid) — primary revenue source • Employees and Labour Unions — operational delivery and transformation • Suppliers, Kelvin Power and Eskom — energy supply and infrastructure delivery • Communities and Civic Organisations — service delivery stakeholders • Media — public perception and reputation management • Embedded Generators and IPPs — energy diversification partners

13.5 City Power Inter-Dependencies

City Power's performance and service delivery are highly dependent on effective collaboration with internal and external stakeholders across government, regulatory, and operational environments. These inter-dependencies ensure alignment with broader City of Johannesburg priorities, compliance requirements, and infrastructure delivery programmes.

Table 13.5.1 — City Power Inter-dependencies

No	Sectoral Dependency Description	Department to Respond	Joint Action
1	Identification and proclamation of informal settlements	COJ Housing Department	Alignment of electrification with housing master plan
2	Provision of grant funding for electrification & public lighting	DOE & DPLG	Sourcing of funding from DE & MIG by City Power
3	Environmental impact assessment for infrastructure projects	Gauteng Department of Agriculture (GDACE)	Compliance with Environmental Impact Assessment (EIA) Act
4	Township establishment	COJ Town Planning Department	Co-development of infrastructure masterplan
5	Wayleave provision	Johannesburg Roads Agency (JRA)	Inter-departmental SLA in place between JRA and City Power
6	Servitudes acquisition	Johannesburg Development Agency (JDA)	Processing of servitudes to allow network construction
7	Integration of service delivery programmes	EISD	Streamlining electricity, water and waste removal initiatives
8	Prevention of network theft and vandalism	SAPS, JMPD, Community Policing Forums	Joint operations including Buyamthetho initiative
9	Investigation and prosecution of criminal activities	SAPS, NPA, Judiciary	Ensuring convictions under Criminal Matters Amendment Act
10	Enhancing customer relations	Councillors, Communities, CRUM	Engagement through public participation forums
11	Customer interface and revenue management	COJ Finance	Inter-departmental SLA in place for services
12	Enabling Smart Utility	COJ Smart City Office (MTC)	Alignment with Smart City strategy and joint delivery
13	Vegetation management	City Parks	Inter-departmental SLA in place
14	Fleet management	COJ Group Corporate Shared Services	Effective fleet allocation and management
15	Enabling energy mix	Joburg Water, Pikitup	Alignment with waste-to-energy and hydro initiatives

These inter-dependencies are formalised through service level agreements (SLAs), joint programmes, and coordinated planning frameworks to enhance efficiency, reduce risks, and support sustainable service delivery.

13.6 Stakeholder Matrix

City Power operates within a complex stakeholder environment where each group plays a critical role in operational sustainability, financial performance, and strategic delivery. Stakeholder engagement is guided by mutual value creation, transparency and accountability, and targeted and structured communication.

The stakeholder matrix categorises stakeholders based on their level of influence and interest, what matters most to them, their importance to City Power, and appropriate engagement channels. This structured approach ensures that high-influence stakeholders (e.g. shareholder, Treasury, Board) receive strategic and governance-focused engagement; customers and communities receive service delivery and communication support; operational stakeholders (e.g. suppliers, departments) are aligned through coordinated execution; and strategic partners are engaged on long-term initiatives such as the Just Energy Transition and modernisation programmes.

13.6.1 Levels of Engagement

The four levels of engagement in the stakeholder matrix — inform, consult, cooperate, and involve — represent increasing levels of collaboration and interaction required to effectively manage stakeholders. They guide how City Power communicates with and engages stakeholders based on their level of influence, interest, and impact on operations, ensuring appropriate participation, alignment, and decision-making support.

Figure 13.6.1 — Four Levels of Stakeholder Engagement

Inform	Consult	Cooperate	Involve
Provide stakeholders with balanced and objective information to assist them in understanding the issues	Obtain feedback from stakeholders on analysis, alternatives and decisions	Work directly with stakeholders throughout the process to ensure their concerns are understood	Partner with stakeholders in each aspect of decision-making and implementation

13.6.2 Stakeholder Engagement Channels

Table 13.6.1 — Stakeholder Engagement Channels

Stakeholder Group	Why Engagement Matters	What Matters Most to Them	Primary Engagement Channels
Domestic Customers	Represent both paying and non-paying households; directly impact revenue stability and public perception.	Reliable and affordable electricity; awareness of benefits (e.g. Free Basic Electricity); safety.	Social media, radio, face-to-face forums, WhatsApp groups, public meetings
Large Power & Key Customers	Critical to revenue performance and economic activity; high consumption customers with risk of migration to IPPs.	Stable supply, customised support, tariff clarity, responsiveness, grid resilience.	Key customer forums, dedicated account managers, CEO roundtables, digital service platforms
Business Organisations & Forums	Influence economic development, job creation, and energy policy direction.	Billing transparency, supply reliability, industry recognition, partnership opportunities.	Business roundtables, city-wide stakeholder engagements, media platforms
Councillors & Civic Leaders	Highly influential in community mobilisation and acceptance of service delivery initiatives.	Project transparency, job creation, service delivery updates, political accountability.	Regional forums, ward committees, community walkabouts, councillor WhatsApp groups
Media (Mainstream & Local)	Shape public perception, especially during outages and crisis situations.	Timely and transparent communication; access to leadership and project updates.	Media briefings, press releases, project site visits, social media amplification
Employees & Labour Unions	Core to operational delivery; employee alignment directly impacts service outcomes.	Effective communication, fair labour practices, recognition, skills development.	Intranet, staff meetings, notice boards, internal newsletters, roadshows
National & Local Government	Ensure policy alignment, funding, and regulatory compliance (IDP, NT frameworks, MFMA).	Governance compliance, performance reporting, reform progress, SMME inclusion.	Management meetings, board committees, executive engagements, formal reporting
Embedded Generators & IPPs	Key partners in energy diversification and decentralisation strategy.	Licensing clarity, wheeling frameworks, grid access, fair compensation.	SSEG platforms, technical forums, bilateral engagements
Kelvin Power & Eskom	Primary energy supply partners; critical for system reliability and risk management.	Contract compliance, system stability, coordination on load shedding and planning.	Operational meetings, technical working groups, SLA review forums

Strong inter-dependencies and a well-defined stakeholder matrix enable City Power to improve coordination across the value chain, strengthen governance and compliance, enhance customer service and revenue performance, and support infrastructure delivery and energy transition.

13.7 Communication Plan

City Power's communication approach is anchored in three pillars: transparency, trust, and transformation. The Communications, Public Relations, and Customer Engagement units have developed a multi-channel strategy that integrates digital platforms, traditional media, and in-person forums to ensure real-time, inclusive communication.

13.7.1 Strategic Objectives

- Build trust and credibility with all stakeholders.
- Promote transparency around projects, outages, and performance.
- Shift perception from a reactive service utility to a proactive, solutions-oriented partner.
- Empower customers with energy literacy and engagement opportunities.
- Manage reputational risk and maintain consistency of messaging across channels.

13.7.2 Core Messaging Areas

- Energy Security: Informing the public about efforts to reduce load shedding and theft.
- Tariff Clarity: Educating customers on the R200 service fee, prepaid metering, and billing.
- Grid Modernisation: Promoting investment in smart meters, substations, and renewables.
- Reform Implementation: Highlighting progress against TAS24, TSR, and the Just Energy Transition.

13.8 Channels and Platforms

Table 13.8.1 — Communication Channels and Platforms

Channel	Function
Social media (X, FB, TikTok, LinkedIn)	Real-time updates, customer education, crisis communication, perception management
Community WhatsApp Groups	Direct outage alerts, targeted updates, councillor support, informal sentiment monitoring
Local and National Media	Broadcast interviews, load-shedding statements, project launches, performance announcements
Website and Mobile App	Centralised platform for outage tracking, service requests, self-help, and tariff calculators
Community Forums & Roadshows	Direct engagement on IDP, project planning, customer complaints, and education
Internal Communications	Intranet, newsletters, screen banners, and staff briefings to keep employees aligned

13.9 Digital Media Strategy Enhancements

The digital media strategy will be strengthened through targeted campaigns and continuous monitoring of communication effectiveness.

Table 13.9.1 — Digital Media Strategy Enhancements

Area	Focus
Planned Campaigns	Energy Safety (Winter); Women in Energy (August); TID (prepaid deadline); Youth Month (June)
Measurement & Evaluation	Customer satisfaction surveys; website and social media analytics; outage response times; community sentiment tracking

13.10 Implementation Support

Implementation of the communication plan will be supported through structured processes and standardised tools to ensure consistency and responsiveness across all channels. Key support measures include a content calendar aligned to business priorities, standardised templates for outages and crises, a clear escalation protocol for incident communication, and a crisis communication checklist activated during major disruptions.

Table 13.10.1 — Implementation Support Measures

Support Area	Description
Content Calendar	Aligned to business priorities and planned campaigns
Standardised Templates	Used for outage notices, crisis communication, and service updates
Escalation Protocol	Clear process for incident communication and approvals
Crisis Communication Checklist	Activated during major disruptions with defined contact points

13.10.1 Communication Channels by Stakeholder Group

The matrix below maps each communication channel against the full range of City Power stakeholder groups, indicating where each channel is applicable. This ensures targeted, efficient, and appropriate communication across all stakeholder segments.

Table 13.10.2 — Communication Channels by Stakeholder Group

Communication Channel	Domestic Customers	Business Customers	Key Customers	Resellers of Power	Civic Organisations	Employees (CP)	Employees (CoJ)	Labour Unions	COJ Communications	COJ Regional Directors	Office of May or / MMC	Business Organisations	Kelvin Power	Eskom	NER SA	SA BS	Ward Councils	Business Forums	Media	Board of Directors
Face to face	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Intranet						✓	✓	✓	✓											
Resellers forum				✓																
Social media	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓	
Telephone	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emails	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Traditional media	✓	✓			✓						✓	✓					✓		✓	
Community meetings	✓				✓					✓	✓						✓			
Pamphlets	✓	✓			✓							✓					✓			
City Power website	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	✓	

Communica tion Channel	Domesti c Custom ers	Busines s Custom ers	Key Custom ers	Resell ers of Power	Civic Organisati ons	Employ ees (CP)	Employ ees (CoJ)	Labo ur Unio ns	COJ Communicat ions	COJ Regio nal Direct ors	Offi ce of May or / MM C	Business Organisati ons	Kelv in Pow er	Esko m	NER SA	SA BS	Ward Councill ors	Busine ss Forum s	Med ia	Board of Direct ors
Public meetings	✓				✓					✓	✓						✓		✓	
Business forums		✓	✓									✓						✓		
Meetings	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Councillors' forums	✓				✓					✓	✓						✓			
Internal magazine						✓	✓	✓	✓											
Notice boards						✓	✓	✓	✓											

END OF CHAPTER 13 — COMMUNICATION AND STAKEHOLDER MANAGEMENT

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CHAPTER 14

AUDIT RESOLUTION

Business & Investment Plan | FY2026/27

MFMA Compliant
Municipal Finance Management Act

AGSA Aligned
External Audit Findings FY2024/25

NT Trading Reforms
Audit Readiness Programme

This chapter focuses on the following key areas:

- 14.1 Movement of AGSA Audit Findings
- 14.2 Movement of Internal Audit Findings
- 14.3 Internal Audit Findings by Business Unit
- 14.4 Unresolved AGSA Findings
- 14.5 Key Elements Addressing Audit Readiness
- 14.6 Internal Audit Focus Areas (FY2026/27)

CHAPTER 14 — AUDIT RESOLUTION OVERVIEW

This chapter provides a consolidated view of Internal Audit and External Audit (AGSA) findings for FY2024/25, focusing on resolution performance, movement of findings, and key interventions to strengthen the control environment. The chapter is prepared in compliance with National Treasury Municipal Trading Entity reform requirements, MFMA governance obligations, and AGSA audit readiness standards.

Resolution of Audit Findings as at 30 June 2025

Figure 14.0 — Audit Resolution Performance Dashboard (FY2024/25)

163% Internal Audit YTD Resolution vs 100% target	155% AGSA (External) YTD Resolution vs 100% target	30 Internal Audit Outstanding Findings Q4: 85% resolved	6 AGSA Outstanding Findings Q4: 36% resolved
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Table 14.0 — Resolution of Audit Findings as at 30 June 2025

Internal Audit		AGSA (External Audit)	
Description	Total	Description	Total
Opening balance	46	Opening balance	0
New findings	125	New findings	45
Less: Repeat findings	(14)	Less: Repeat findings	(0)
Less: Resolved	(127)	Less: Resolved	(39)
Unresolved findings	30	Unresolved findings	6
Quarter 4 actual	85%	Quarter 4 actual	36%
YTD Resolution %	163%	YTD Resolution %	155%
Target (Quarter)	30%	Target (Quarter)	25%
Target (YTD)	100%	Target (YTD)	100%

KEY INSIGHTS — AUDIT RESOLUTION FY2024/25

- Internal Audit resolution exceeded target: 163% YTD (target 100%) — 30 findings outstanding
- AGSA resolution strong: 155% YTD (target 100%) — 6 findings outstanding
- Remaining findings are linked to budget constraints and recurring control weaknesses
- Corporate Services and Operations Management require urgent focus on unresolved findings
- All AGSA unresolved findings (6) are distributed equally across Finance, Operations, and ICT

14.1 Movement of AGSA Audit Findings

The table below tracks the monthly movement of AGSA (external audit) findings throughout FY2024/25, from the opening balance of 32 findings in July 2024 through to 6 unresolved findings at 30 June 2025. A total of 45 new findings were raised in January 2025, with 61 findings resolved cumulatively over the year, representing a YTD resolution rate of 155% against a 100% target.

Table 14.1.1 — Movement of AGSA Audit Findings (FY2024/25)

Period	Opening	Raised	Repeat	Resolved (YTD)	Unresolved	% Resolved
Jul-24	32	0	0	2	30	6%
Aug-24	30	0	0	4	26	13%
Sep-24	26	0	0	3	23	9%
Oct-24	23	0	0	2	21	6%
Nov-24	21	0	0	1	20	3%
Dec-24	20	0	(10)	10	0	31%
Jan-25	0	45	0	6	39	13%
Feb-25	39	0	0	9	30	20%
Mar-25	30	0	0	8	22	18%
Apr-25	22	0	0	1	21	2%
May-25	21	0	0	4	17	9%
Jun-25	17	0	0	11	6	24%
Total FY	32	45	10	61	6	155%

AGSA MOVEMENT — KEY OBSERVATIONS

- December 2024: 10 repeat findings removed, resulting in a clean opening balance in January 2025
- January 2025: 45 new findings raised — all related to the FY2023/24 AGSA audit outcome
- June 2025: 11 findings resolved in final month — strongest single-month resolution performance
- 6 findings remain unresolved at year-end — distributed across Finance, Operations, and ICT

14.2 Movement of Internal Audit Findings

The table below tracks the monthly movement of internal audit findings throughout FY2024/25. The financial year opened with 30 outstanding findings. A total of 68 new findings were raised, with 40 resolved cumulatively over the reported period, representing a YTD resolution rate of 74%. The months from March to June 2026 reflect the planned reporting period not yet completed at the time of preparation.

Table 14.2.1 — Movement of Internal Audit Findings (FY2025/26)

Period	Opening	Raised	Repeat	Resolved (YTD)	Unresolved	% Resolved
25-Jul	30	9	0	-3	36	8%
25-Aug	36	25	0	-5	56	8%
25-Sep	56	4	0	-18	42	30%
25-Oct	42	0	0	-3	39	5%
25-Nov	39	5	0	-2	42	5%
25-Dec	42	9	-1	-6	44	11%
26-Jan	44	16	0	0	60	0%
26-Feb	60	0	-4	-3	53	5%
26-Mar	—	—	—	—	—	—
26-Apr	—	—	—	—	—	—
26-May	—	—	—	—	—	—
26-Jun	—	—	—	—	—	—
Total FY	30	68	-5	-40	53	74%

INTERNAL AUDIT MOVEMENT — KEY OBSERVATIONS

- August 2025: Largest single-month intake — 25 new findings raised
- September 2025: Strongest resolution month — 18 findings resolved (30% monthly rate)
- January 2026: 16 new findings raised with 0 resolved — requires immediate management attention
- March to June 2026: Planned period — findings to be updated as year progresses
- 53 findings unresolved at last reporting date (February 2026)

14.3 Internal Audit Findings by Business Unit

The table below disaggregates internal audit findings by business unit, showing opening balances, new additions, recurring findings, resolutions, and unresolved positions. This enables targeted management oversight and accountability for audit resolution at business unit level.

Table 14.3.1 — Internal Audit Findings per Business Unit

Business Unit	Opening	Additions	Recurring	Resolved	Unresolved
Finance	5	24	-2	-21	6
Operations Management	2	12	0	0	14
SIST (Office of CEO)	1	12	-2	-5	6
Corporate Services	14	9	0	-9	14
Communications	0	1	0	0	1
Enterprise Risk Management	3	3	0	-3	3
Commercial Services	4	7	-1	-1	9
Total	30	68	-5	-40	53

BUSINESS UNIT FOCUS — KEY OBSERVATIONS

- Operations Management (14 unresolved) and Corporate Services (14 unresolved) require URGENT focus
- Commercial Services (9 unresolved) — escalation required; no resolutions recorded
- Finance (6 unresolved) — high additions (24) partially offset by strong resolution (21 resolved)
- Persistent issues linked to control environment weaknesses and compliance gaps
- All business units must submit remediation plans with monthly progress tracking

14.4 Unresolved AGSA Findings

The table below presents the current unresolved AGSA findings per business unit as at 30 June 2025. A total of 6 findings remain unresolved, distributed equally across Finance, Operations Management, and ICT (Office of CEO). These findings represent the highest governance priority for FY2025/26 and are subject to dedicated remediation plans and Board-level oversight.

Table 14.4.1 — Unresolved AGSA Findings per Business Unit

Business Unit	Unresolved Findings
Finance	2
Operations Management	2
ICT (Office of CEO)	2
Total	6

AGSA UNRESOLVED — GOVERNANCE PRIORITY

- All 6 remaining AGSA findings must be fully resolved by Q2 FY2025/26 (target: September 2025)
- Each unresolved finding has a dedicated action plan with a responsible official and target date
- Monthly progress reporting to EXCO and Audit & Risk Committee is mandatory
- Repeat findings carry elevated audit risk — zero recurrence target for all 6 findings
- Unresolved findings may negatively impact the FY2024/25 audit opinion if not addressed

14.5 Key Elements Addressing Audit Readiness

City Power has implemented a structured Audit Readiness Programme to proactively strengthen the control environment, address systemic weaknesses identified through both internal and external audits, and ensure preparedness for the FY2025/26 AGSA audit. The programme is aligned with National Treasury's expectations for a reformed and accountable municipal trading entity.

Table 14.5.1 — Audit Readiness Interventions

Area	Area	Area
Self-control assessments	Employee verification	Fraud prevention workshops
Inventory reviews	Compliance framework	Overtime management
Audit resolution tracking	Audit of performance objectives	Leave management
Policy register	Project management	ICT governance
Risk register updates	Mock financials	Expenditure management
ISO certification	Investigations	Governance reporting
Asset management	SCM reviews	Record keeping
Irregular expenditure investigations	Litigation	Cyber security
Insurance claims	HR management	

AUDIT READINESS — NT TRADING REFORMS ALIGNMENT

The Audit Readiness Programme directly supports National Treasury's requirements for:

- Sound internal controls (MFMA Section 62) — policy registers, risk registers, ICT governance
- Financial management and reporting — mock financials, expenditure management, SCM reviews
- Performance management (NT A3 PIAPs) — audit of performance objectives, record keeping
- Governance and accountability — governance reporting, investigations, fraud prevention
- Asset and inventory management — asset register, inventory reviews, insurance claims

14.6 Internal Audit Focus Areas (FY2026/27)

The Internal Audit function has identified the following focus areas for the FY2026/27 audit plan. These focus areas are risk-based, aligned to the organisation's strategic priorities, and informed by findings from prior audit cycles. They support the attainment of a clean audit outcome and strengthen the overall governance and control environment.

Figure 14.6.1 — Internal Audit Focus Areas FY2026/27

Human Capital & Training	Fleet Management	Service Delivery Centres	SAP & SCADA Controls
Data Management & Licensing	Alternative Energy	ICT Performance	Inventory / Warehouse Mgmt
Supply Chain Management	Payments & Accounts Payable	Revenue & Accounts Receivable	Meter Management

Focus areas in detail:

- Human Capital & Training — workforce compliance, skills levies, training records, and HR policy adherence
- Fleet Management — vehicle utilisation, maintenance records, fleet procurement compliance
- Service Delivery Centres — operational controls, fault management, customer service performance
- SAP & SCADA Controls — system access controls, change management, application security
- Data Management & Licensing — software licensing compliance, data integrity, POPIA alignment
- Alternative Energy — IPP procurement controls, SSEG registration compliance, renewable energy governance
- ICT Performance — ICT governance, cybersecurity controls, system availability and disaster recovery
- Inventory / Warehouse Management — stock controls, reconciliations, procurement linkages
- Supply Chain Management — SCM policy compliance, bid committee functioning, deviation management
- Payments & Accounts Payable — payment controls, creditor reconciliations, irregular expenditure prevention
- Revenue & Accounts Receivable — billing accuracy, collection controls, bad debt management
- Meter Management — meter reading accuracy, non-reading meters, prepaid vending controls

AUDIT PLAN GOVERNANCE — NT REFORM ALIGNMENT

The FY2026/27 Internal Audit Plan has been developed in accordance with:

- IIA International Professional Practices Framework (IPPF)
- MFMA Section 165 — Internal Audit Unit requirements for municipal entities
- National Treasury Circular 65 — Internal Audit Framework for municipalities
- King IV Principle 15 — Governing body oversight of combined assurance

The plan is approved by the Audit and Risk Committee and reported quarterly to the Board.

END OF CHAPTER 14 — AUDIT RESOLUTION

City Power Johannesburg SOC (RF) Proprietary Limited | Business & Investment Plan FY2026/27 | MFMA & AGSA Compliant

ANNEXURE:

RISK REGISTER



Strategic Risk
FY2025-26.pptx