



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

REVENUE PROTECTION INITIATIVES and SUCCESSES

Electricity, Revenue Protection, 2015-10-14

Making progress possible. **Together.**

Alarm Bells !!!!

- Currently the CoCT experiences
 - % Electricity Losses = 11.25 %

Let's not forget that the Total Losses are made up of Technical Losses and Non Technical Losses

- **Technical losses are possible to compute and control.**
- **Non-technical losses are due to human manipulation or errors and are therefore external to the power systems**

Technical Losses 6.5 % –

Transformer losses and PLC losses

Non Technical Losses 4.75% –

Unmetered supplies
Theft due to tampering
Defective metering
Bad billing and Data

Reality

- Socio economic problem (questionable) as when tamperers are detected consumers begin to pay
 - CT high influx
 - Unemployment rate 23.5%
 - Influx in informal area (large proportion of tampering)
 - 400 informal areas in CT
- Increasing price of electricity
- Getting worse

National and International benchmarks into losses

- National losses - Non Technical
 - **= 8% = R 6.1bn/y (World Bank)**
- International losses
 - **= 3 to 55% = US\$ 200bn/y (World Bank)**
- NERSA regards 10% losses as acceptable!
- Not condoning losses always strive to improve situation
- Knock on effect for those paying

Better use of staff resources

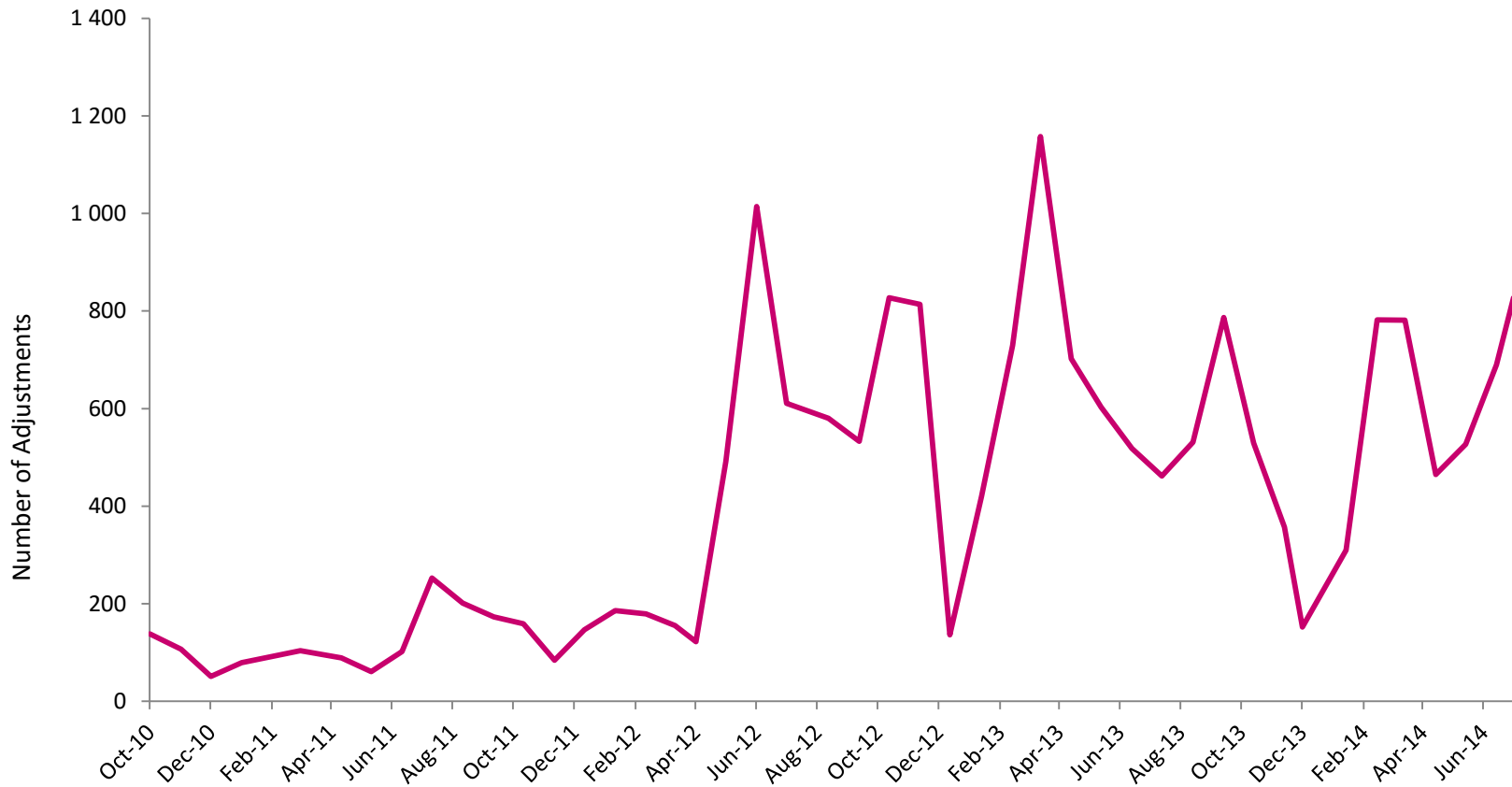
- Previous organisation
 - 6 Teams each consisting of 1x Artisan and 2 Workers
 - Past modus operandi visits to premises by Inspector then team for rectification

- New organisational structure and methodology
 - Teams consisting of 1x Artisan and 1 x Maint Asst
 - 6 teams per area under control of 3x Spc Eng Art's (Inspectors) reporting to Snr Supt (soon this will be 9 teams per area)
 - One Stop shop (eliminate multiple visits)
 - Team visits, inspects, and corrects installation
 - Surprise of single visit
 - Provision for Floating Maint Asst to assist with Pole box jobs
 - Contravention Notices posted

Notification Stats (BAD NEWS)

- There has been an increase in the number of outstanding notifications
 - 2013 - 7200
 - 2014 outstanding 12700 notifications
 - 2015 13000 !!!! We seem to be on top of the problem
- Trend going up
- With increased staff complement the prediction is that it will take about 5yrs to eliminate backlog at the rate at which we are managing to clear these currently
- Our Director has given us a deadline of 3 years

Adjustment Stats



Adjustment Stats

- See-Saw effect
- New **adjustment software** implemented May 2012

- Average before May 2012 - 115 cases /month
- Average since May 2012 - 609 cases /month

- Average **monthly** income from Adjustments prior to May 2012 - R650k
- Average **monthly** income from Adjustments since to May 2012 – R2.7 million (and increasing)

- R10 mil in Contravention notices (current rolling year) up from R2.9 mil in 2012

Stats

- 50% of the 8000 visits pa result in action
 - Contravention notice
 - Adjustment
 - Back on the radar
- Breakdown of cases(Dom & SPU only)

	<u>Tampering</u>	<u>Defective</u>	<u>Cable Fault</u>	<u>By-passed</u>	<u>Unmetered supply</u>	<u>Missing meter</u>	<u>No Further action required</u>
	18%	25%	11%	10%	1%	1%	34%
Avg / Adjustment	R 8,489.06	R 14,008.71	R 2,166.94	R 8,362.02	R 1,538.99	R 3,541.94	

Observations

- Clear that there is an awareness of Rev Prot
- Auxiliary charges 50% previously 20-30%
- AMI
- Pareto or “ABC” Law. A small number of large consumers represent large % of revenue
- High hit rate 50% (vs sweeps = 5% hit rate)
- Success in Split Mtr installation era
- Identified shortfalls on Mtr accommodation, Kiosks and Pole boxes

Observations

- Faulty Mtr costs the City more than a Tampered Mtr
- Adjustment 1 yrs for Defective Unlimited iro Tamper
- CT metered installation
 - 60 SPU CT metered adjustments p.a.
 - 87 faulty LPU sites in the last year
 - Tampers vs defective (undetected tampers)

Now for the good news

Revenue Protection Mission and Vision

- Mission

To enhance service equity for the people of the City by monitoring and eliminating the theft of electricity and instilling a culture of payment for services

- Vision

To be leaders in the field of Revenue Protection setting national and international standards for this industry

- Values

To treat customers with fairness, respect and dignity

To serve the City with diligence

To instil a passion for Revenue Protection operations among the staff

To continually strive to improve systems and service through innovative means and remain abreast with developments

To be constantly aware of a changing society and commit to transformation

To foster a work force who are competent, proud, and have the desire to develop



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CERTIFICATE OF RECOGNITION

Revenue Protection Section

The Council of the City of Cape Town commends you for the exemplary service you have provided in contributing to the recovery of more than R100 million in non-technical losses by Revenue Protection over the past 12 months.

Your dedication and valued contribution to the City's service delivery is greatly appreciated.

A handwritten signature in blue ink, appearing to read 'Achmat Ebrahim'.

ACHMAT EBRAHIM
CITY MANAGER

A handwritten signature in blue ink, appearing to read 'P. de Lille'.

PATRICIA de LILLE
EXECUTIVE MAYOR

10.09.2015

DATE

Making progress possible. Together.



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- Figures below indicate that last month we as Revenue Protection broke the **R100 million** recovery over the past 12 months (rolling). **Absolutely commendable**. I'd like to commend the staff of Revenue Protection for "The role each and every one of them have played in reaching the R100 million lost revenue in the past 12 months"

Composition hereof:-

- Contravention notices issued in last 12 months:- R 10 204 554.00
- Domestic and SPU adjustments processed in last 12 months:- R 50 196 578.39
- LPU Adjustments processed in last 12 months:- R 43 306 617.72
- Total **R 103 707 750.10**



T

together

E

everyone

A

achieves

M

more

Points to ponder

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- In 2012 we did 10 000 calls whilst in 2015 only 9000
 - *This highlights the fact that we are finding more tampering and that correcting it using the split ED is quite a tedious (but necessary) process*

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- In 2012 we attended to 1000 cable faults whilst in 2015 only 100
 - *This is because slowly the use of pilot-core communication is being phased out.*

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- In 2012 we corrected 100 SAP related problems whilst in 2015 only 10
 - *Hopefully this is because other staff are becoming more adept at loading the correct information.*

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- In 2012 we found 2000 faulty meters whilst in 2015 only 1400
 - *Could this mean that the ED is finally becoming more reliable?*

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- In 2012 we found 22 unmetered supplies and in 2015 exactly the same number.

Well what does this mean?

- *Simply, Yes, it still happens*

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- However,
 - In 2012 we found 1000 tampered meters whilst in 2015 much more at 1700
 - *People are becoming much more **brazen***
 - *We cannot relax the pressure*

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- In 2012 we uncovered 400 bypassed supplies but this increased greatly to 1000 in 2015
 - ***Our staff are just too good for even the most devious consumer out there !***
 - These are the most difficult tampers to find

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- In 2012 we brought in R2.9 mil in Contravention Notices. In 2015 this grew to a massive R10 mil
 - *Despite the difficulties that come with implementing the increased tariff, we are positive that it will bear the desired results.*

Extract from :- Background Paper for the World Bank Group Energy Sector Strategy

“In all successful cases, a large share of non-technical losses was concentrated in users able to pay for cost-reflective tariffs. Thus, non-technical losses can be reduced with little loss of welfare, while their continuation jeopardizes the financial sustainability of the power sector and harms well-behaving-electricity consumers, taxpayers, socially disadvantaged segments, and the country as a whole. Elimination of those losses (with the exception unmetered consumption explicitly and transparently defined in the regulatory framework) should be a matter of **high national priority for every country.**”

HELP !!!

- Old Days Mtr mounted in kitchen
 - Replace Cr withCr Mtr
 - Became more wise moved Mtr to Kiosk
 - Advent of the PPM Common base
 - Advent of the Split Mtr
 - Even wiser moved to pole mounted and kiosk move mtr off property
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- This is where HELP is required
 - METERING ACCOMMODATION

Troublesome pockets

- Great success in Tsunami with a mass switch off
- Could this approach be used for the other “trouble pockets”????

- Joe Slovo Milnerton
- “H” and “J” block Nyanga

Others that are on the horizon

- Phumlani
- Site 5

Thanks

To the Staff of Revenue Protection

- Hard Work
- Dedication

My Managers and Supervisors of RP

- Positive attitude
- Vision

Senior Management

- Trust in Revenue Protection

Executive Director

- Recognising the importance of RP and increasing the complement

Most importantly to the Staff of Revenue Protection

- For never giving up in the face of a job that requires a special kind of person
- Thank you and well done!



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Thank You

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