



SARPA PRESENTATION

“DEVELOPMENT OF REVENUE PROTECTION IN ESCOM”

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At ESKOM Convention Centre, Midrand

24th August, 2017





Presentation Outline

- Introduction
- History of Revenue Protection in ESCOM
- Losses
- Establishment of R P Department
- ESCOM'S R P Projects and Activities
- Achievements
- Challenges
- Priorities Going Forward
- Conclusion





Introduction

- ESCOM- Parastatal Organization, unbundled effective Jan 2017 - (Generation Function was carved out).
 - Transmission, Single Buyer, Distribution, Head office,(365,355)
- Revised Mandate- Purchase, Transmit, Distribute and Supply Power to End Costumers.
- In 2012, Losses were high as 26%
- Through implementation of ISP 2013-17- To reduce Losses . How?
- Major Strategy was to Introduce the Revenue Protection (RP) Function
- Paper Covers measures put or being implemented by ESCOM to bring down the Losses to 16%





Background to Revenue Protection in ESCOM

- Initially, Known as Loss Reduction.
 - ✓ Done by a small section attached to a Department.
 - ✓ Major activities
 - Attend to meter defects
 - Meter calibration and maintenance
 - Door to door visitations.
 - ✓ RP disadvantaged with set up-RP subdued by operations of mother department
- Post paid Metering
- Prepaid meters introduced in 2000





Losses

- Technical and Non-Technical (NTL)
 - ✓ Technical-Natural (Power dissipation in physical infrastructure)
 - ✓ Non Technical-External to the system, deviant conduct of customers
- Common sources of NTLs
 - Meter tampers and By-passes ,Undeclared MDs ,Wrong tariffs, Faulty meters,
 - Tappings (hooking),Errors in meter reading and Entries
 - Corruption, etc.





Establishment of RP Department

- In 2012 losses rose to 26%.
 - Largely these were Non-Technical Losses
- RP Department established in 2013 under Distribution directorate
- Major Function: Reduce Losses: How?
 - Manage and Implements RP projects
 - Manage and Implement RP activities for both Pre and post paid meters
 - Repair and calibrate meters
 - Manage Installations inspections for new customers
 - Manage Distribution Performance monitoring function





ESCOM's RP Activities

- Maximum Demand(MD) Section
 - Monitors performance of a total of 925 MD customers- contribute around 50% of total ESCOM Revenue
- Prepaid Meter Section
 - Responsible for Meter defects and Low Consumption Reports (LCR)
- Post paid Meter Section
 - Meter defects, Door to Door visits
- Revenue Protection Department is responsible for projects
 - Meter Migration and Repositioning-Using split meters-Why?
 - MD Meter repositioning to meter kiosks.
 - Customer Verification Project-(Data, accounts, tariff and RP)
 - EMIS project-Energy Balancing function-In progress
 - AMR Project-MCC-Inter utility and MD customers-In progress





ESCOM's RP Activities-Cont'd

- Targeted Visits through LCR- 87% customers on prepaid
- Implementation of the customer service charter
 - Meter faults to be cleared within 4 hours.
 - Timely connections
- Tip-off Anonymous-Toll free numbers, and other means.
 - Tokens of appreciation given when proved true.





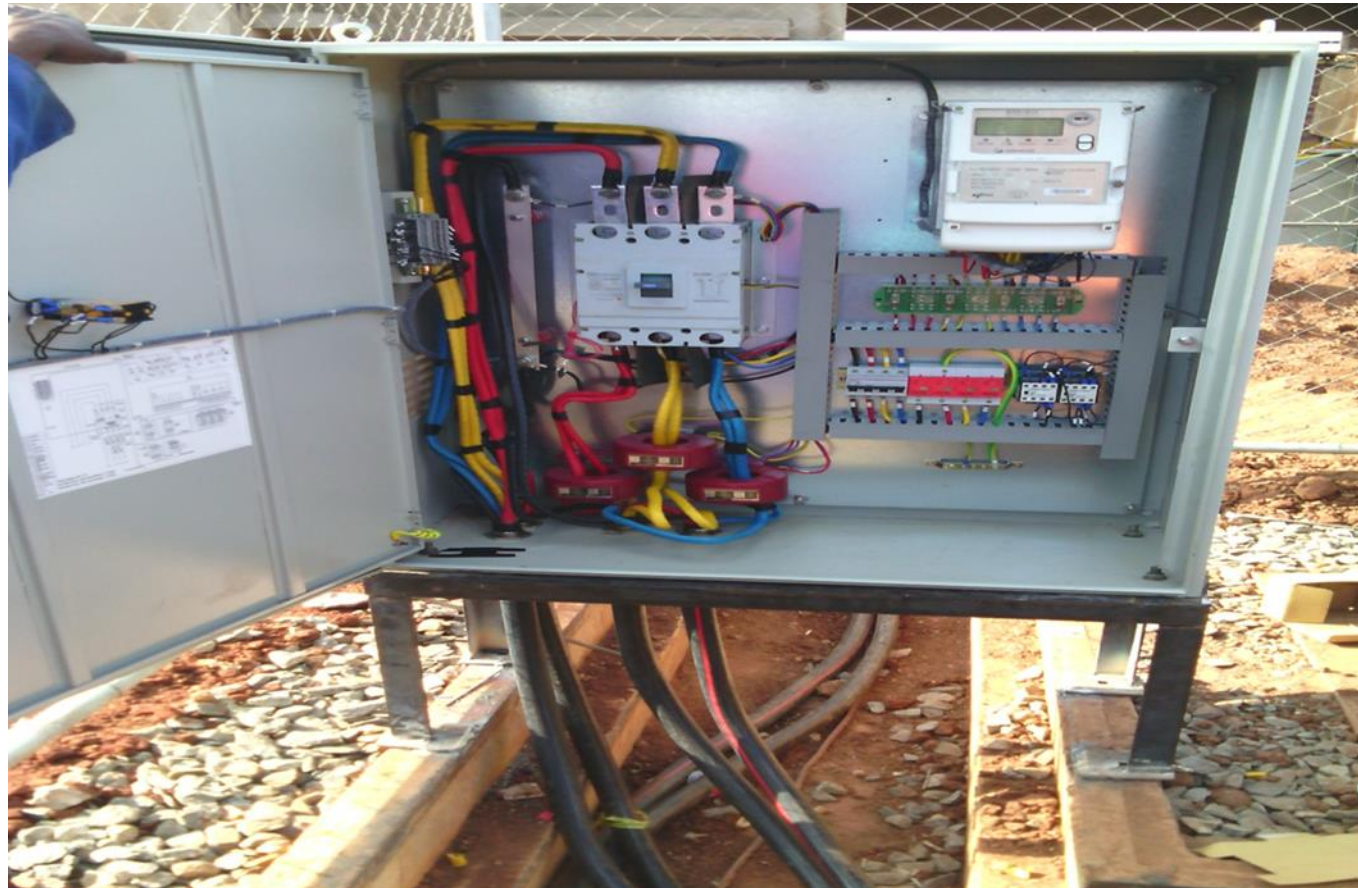
Achievements

- Establishment of an RP department to focus on RP activities
- Developed a Revenue Protection Strategy to Coordinate the design and operational principles of RP
 - Covers Metering, Customer connections, Meter Audits, Internal & External Communication, Meter Movements and the legal frame work
- One major achievement was to bring down System Losses from over 26% to 17% in 2016 See graph
- Less tampers & bypasses, less errors, Less conniving/corruption
- 87% Customers –Prepaid,62% on Split meters,85% MD Meters repositioned.





MD Meter Kiosk





Three Phase split pole mounted meter





Achievements





Challenges

- Challenges in steady flow of materials
- Insufficient Resources allocation - e.g. labour and materials
- Contractors and Temporary staff aiding customer to tamper with Meters
- Acceptance of the importance of RP function in the initial stage
- Ascertaining with accuracy specific level of Technical and Non Technical Losses





Priorities Going forward

- Further reduction of Losses to 14%
- AMI solutions- Smart metering
- Design of Medium and Low voltage OHL to reduce theft-Use ABC
- Customer and employee education-Vigilant-employees and awareness for customer on dangers and penalties
- Improved Legal frame work
- Calculation of Losses – a proper model is being developed to determine with certainty the distribution of losses into Technical and Non-technical Losses





Conclusion

- Since unbundling, opportunity to gain efficiency is critical for the Corporation – Loss Reduction
- Therefore, Robust RP function is very critical/key in addressing and sustaining gains made in Loss Reduction.
- Revenue losses cripple operations.
 - Poor service
 - Slows Economic and Social growth
 - Stifles ESCOM's Financial Capacity to implement key projects
- Fraudsters will try to out smart RP experts, RP needs to be vigilant and dynamic
 - Continued demand to explore new technologies in Revenue Protection
- It is imperative that RP function be funded adequately.





End of Presentation

Thanks for your attention

