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Cape Town Revenue Protection Branch

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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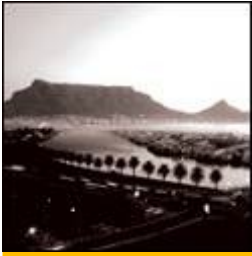


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Fishing for Sardines or Tuna.

Presented by: Greg Stopford, City of Cape Town,
Electricity Directorate's Revenue Protection Branch
2009/07/16



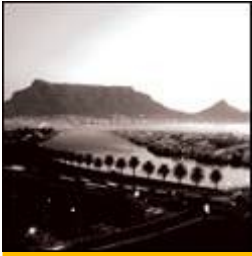
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Introduction

- Importance of having direction.
- Balance iro RP practices between Large customers and Smaller customers
- 80/20 principle
- Different RP practices for different customers
- Probability of Defective meters in the case of tuna vs sardines
- Probability of Tampered meters in the case of tuna vz sardines
- ARE WE WINNING?



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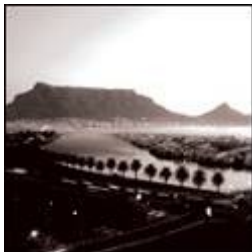


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Defining Tuna and Sardines

Very distinct line between key customers and smaller customer

- Key customers
 - Time of Use Tariff
 - Very Large Power Users
 - Large Power Users MV and LV
- Smaller customers
 - Small Power Users
 - Domestic Customers



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Table indicating 20/80 Principle

Tariff	Consumers	% of Customer base	% of Revenue base	Risk
Domestic Credit	150,000	95%	40%	?
Domestic Prepaid	400,000			
TOTAL DOMESTIC	550,000			
Small Power Credit	26,000	5%	60%	?
Small Power Prepaid	2,000			
TOTAL SMALL POWER	28,000			
Large Power LV	1,000	5%	60%	?
Large Power MV	700			
Very Large Power and TOU	150			
TOTAL LARGE POWER	1,850			
TOTAL	579,850			



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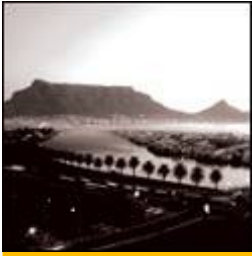


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Consider this:- “The Iceberg Approach”

- Do we spend 80% of our efforts chasing 20% of losses?
- Should we not be looking more closely at big cost items?
- Simple Audit concept
- Revenue Protection beyond the usual



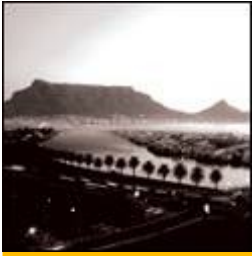
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Case study

- If the summated monthly income from the top 20 customers was R160 million
- Lets assume that 1 of these customer had a defective meter and we did not detect it
 - Loss for 1 month = R 8 million
 - Loss for 1 year = R96 million
- Avg domestic adjustment R2500- R3000
- Number of domestic and SPU investigations in a year = 8500 (not sweeps)
- This would net Approx R21 million
- Are we fishing for Sardines or Tuna?
- Can we neglect either?



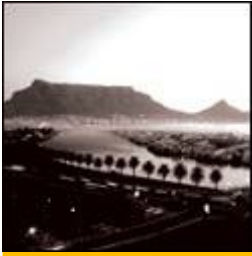
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Methods of detection Tuna

- Monthly validation of readings
- Move to AMR resulting in online/ immediate availability
- SAP system plausible validation
- Financial validation
- Routine site visits
- Customer feedback



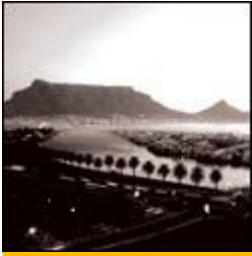
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Methods of detection Sardines

- Zero and low consumption reports
- Geographical comparisons
- Check meter comparisons
- Feedback from other departments
- Routine checks (Foot slogging)
- Tip-off's



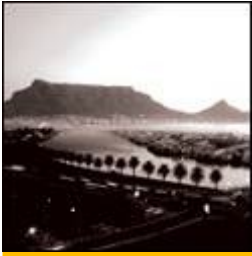
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Follow-up action iro Tuna

- Full replacement of metering installation
- Move to AMR
- Full commissioning test and records
- Follow-up checks at billing validation
- Adjust account



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Follow-up action iro Sardines

- Alter type of metering
 - Move from Cr Meter
 - If prepaid move to split Meter
- Alter position of metering
 - From inside home to split meter
 - Reroute cables
- Adjust account
- Cost reflective tariffs vs fines



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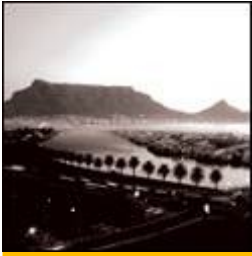
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Are we winning?

- Let's look at some of our:-
 - Challenges
 - Hazards
- And then let's look at how we overcome these
- Ensuring that we win !



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Challenges

- Staff
 - Training, Competence, Numbers
- By-in from internal Partners
 - Communication and Understanding
 - Common Goal
 - Trust
 - Meter Readers “Eyes and Ears”
 - Need for Policy and clear directives
- Reliance on Data
 - GIGO
 - Data Integrity
 - Data complete
- Meters reaching end of life span
- Social economic challenges



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Hazards

- Occupational Health risks
 - Environmental risks
- Safety risks
 - Violence
 - Robbery
 - Correct approach
 - Streetwise staff



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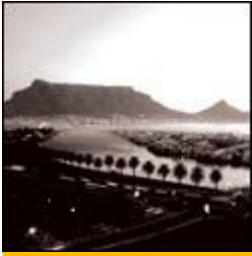


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Positive Builders

- Success of “Tip-off “ line
- Confessions by Public
- Morale of staff
- Positive Attitude
- Experts in the field
- Cooperation from other departments
- Correct vehicles
- Tools and equipment
- Making use of the experts to do the job
- RP staff are best equipped to detect losses or potential losses
- Remember all losses were once potential losses
- Focus on LPU and VLPU customers
- Revision of Deposits
- Keeping a check on Authorised capacity
- Notified Max Demand

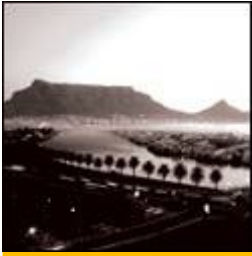


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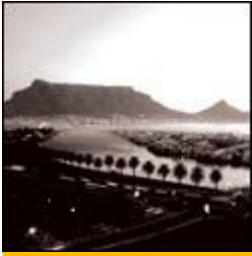


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Some food for thought?



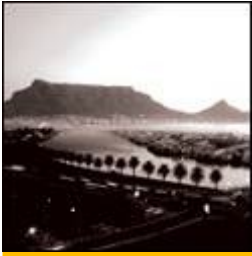
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Tunnel vision of Revenue Protection

- RP goes beyond sweeps
- RP goes beyond checking Meter seals
- RP goes beyond detecting tampered meters
- RP goes beyond detecting by-passed meter
- RP goes beyond detecting defective meters

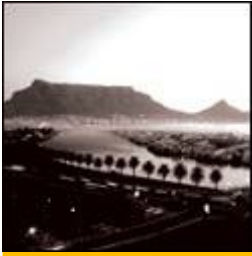


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Are we winning?



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Considerations in conclusion ????

- Does the 80/20 principal apply? (Sardines vs Tuna)
- How much attention do we give our large customers?
- Should they default do there deposits cover their debt?
- Are they exceeding their NMD and straining the infrastructure and placing others at risk of outages?
- Who are the worst culprits?
- Where does the biggest risk exist?
- Are we applying our resources correctly?
- NOW, what are the ambits of Revenue Protection?



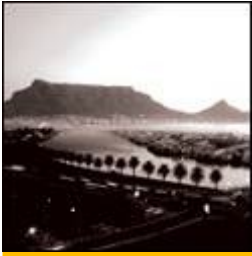
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Yes, we can do it!



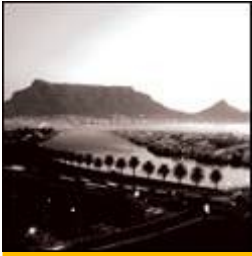


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Thank you !



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Questions ?