

UTILITIES WORKING TOGETHER TOWARDS SUSTAINABILITY

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GOAL OF SARPA REVENUE RECOVERY STRATEGY

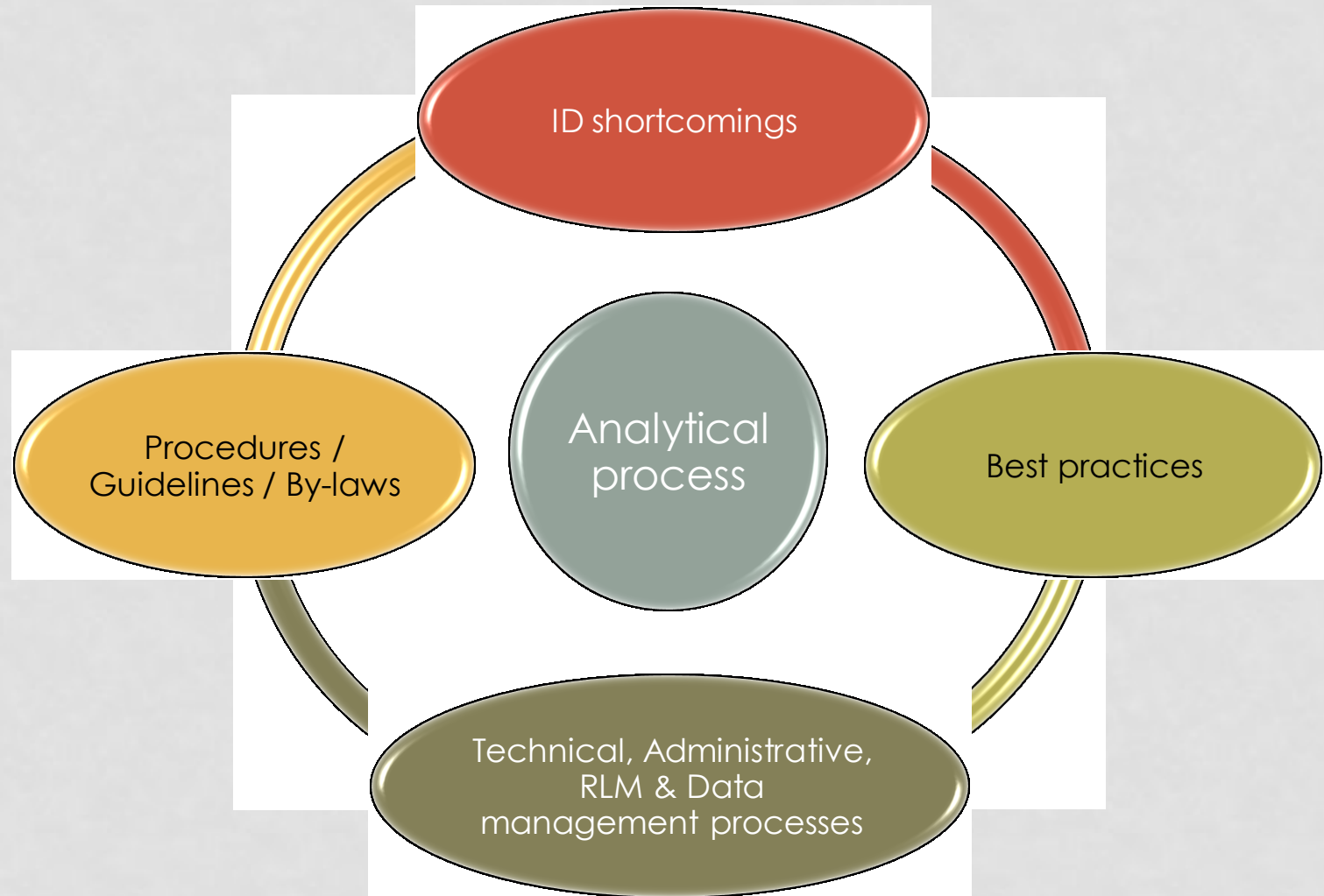
SARPA Revenue Recovery Strategy is to assist Utilities in South Africa to minimize their non-technical revenue losses and recover lost revenue



AN OVERVIEW OF THE SARPA REVENUE RECOVERY PROJECT.

- ❑ Focus on the Goal of this very interesting project
- ❑ How are we progressing with the development of the “SARPA Revenue Recovery Toolkit”
- ❑ Highlight what has been achieved in the pilot sites up to date and what does the future Action Plan look like.

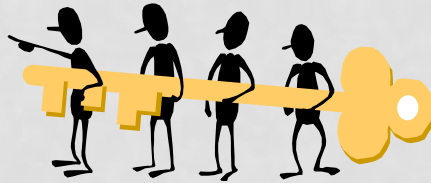
PROCESS



TASK TEAM

The Task team consists of experts in the field of

- ☐ Revenue protection,
- ☐ Financial and credit control measures,
- ☐ Meter management,
- ☐ Law enforcement and risk management.



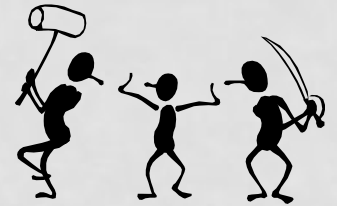
During the field exercise it is necessary for an authorized person from the Utility to escort the task team members into the field, as this would eliminate the constraints regarding access to metering equipment and safety aspects.

TASK TEAM DYNAMICS

❑ Commitment to take part or be on standby



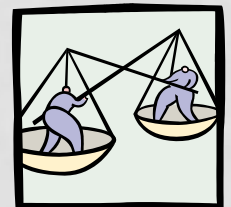
❑ A Chairman to be elected



❑ Record all the main issues



❑ Knowledge to be spread in the team



THE INFORMATION GATHERING PROCESS

1

- Communication sessions

2

- Administrative exercise

3

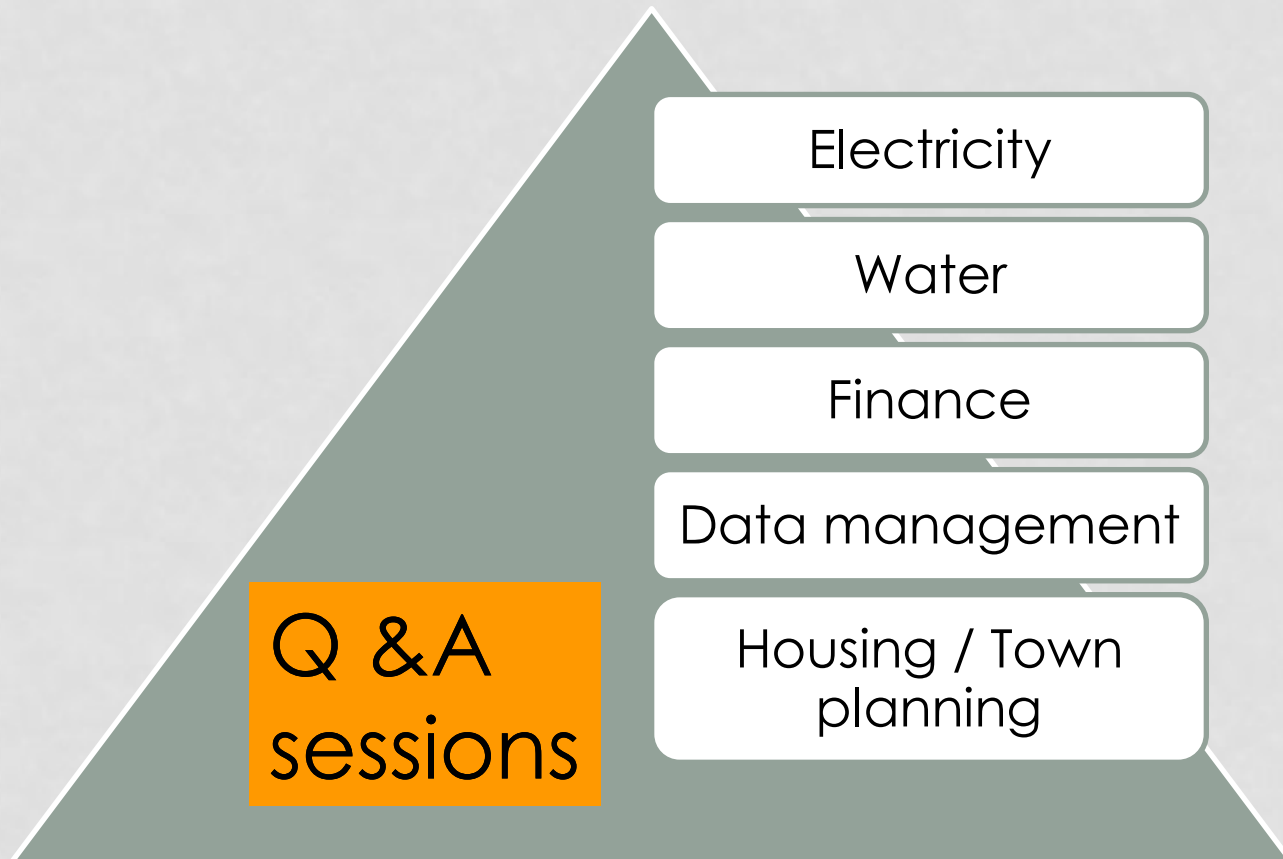
- Field inspection

4

- Final combined feedback session
- (representative from each Service Dept)



THE COMMUNICATION SESSIONS







SAMPLE QUESTIONNAIRE

Questions to be asked in order to determine GAPs within the entity w.r.t. management of revenue and limitation of losses			
Questions to be posed	Notes	Responses	Further leading questions and responses
Do you know what your losses, technical and non-technical are? How are they measured and what strategies are put in place to change/ improve these losses?	Where do you derive these from		
How do you balance your purchases to sales?			
Do you have energy balancing statistical meters?			
Are these across all aspects of your reticulation area?			
What by-laws do you have in place that cover this environment? Understand and discuss.	Obtain copies, evaluate the risks, do these ensure recovery ...		
What structure do you have to manage this Losses environment?			
What are the people's roles and how do they integrate? Specifically between the metering, technical, billing, financial and revenue management staff	Expand		
What are your short and long-term strategies for losses management			
Culture - does the TOTAL business entity understand that the meter is their cash register and do they give it the appropriate focus and level of attention	Enquire level of buy in		
Does the Rev Protection manager (as defined) have the correct level of independence and authority? Explain his role.	Get full detail		
What KPI's and KPA's do you have to measure and manage losses?	split by category		

FIELD EXERCISE

Large
power
users (LPU)

Pump
stations,
farms

Municipal
bulk
metering
points

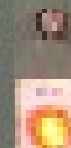
Smaller
retail
businesses

Residential
premises
(higher
and lower
income
areas)



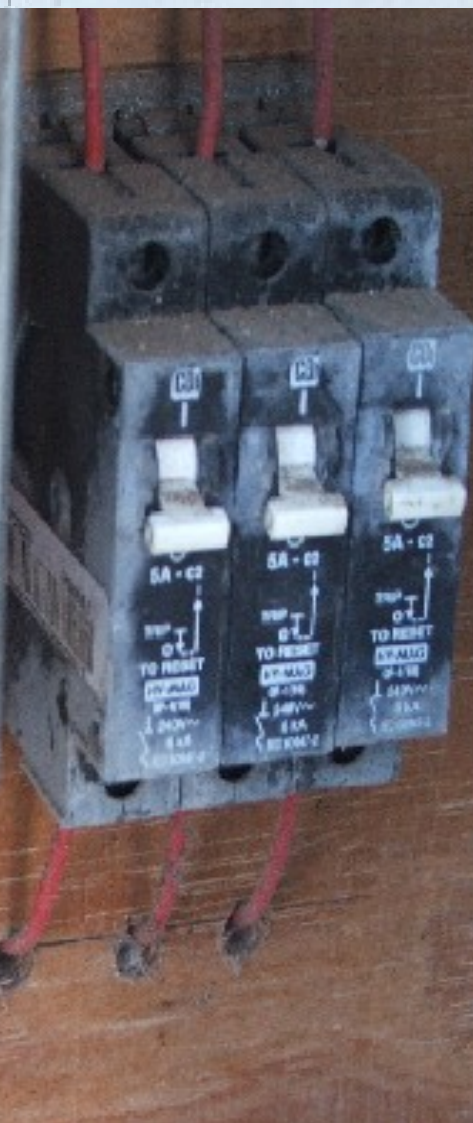
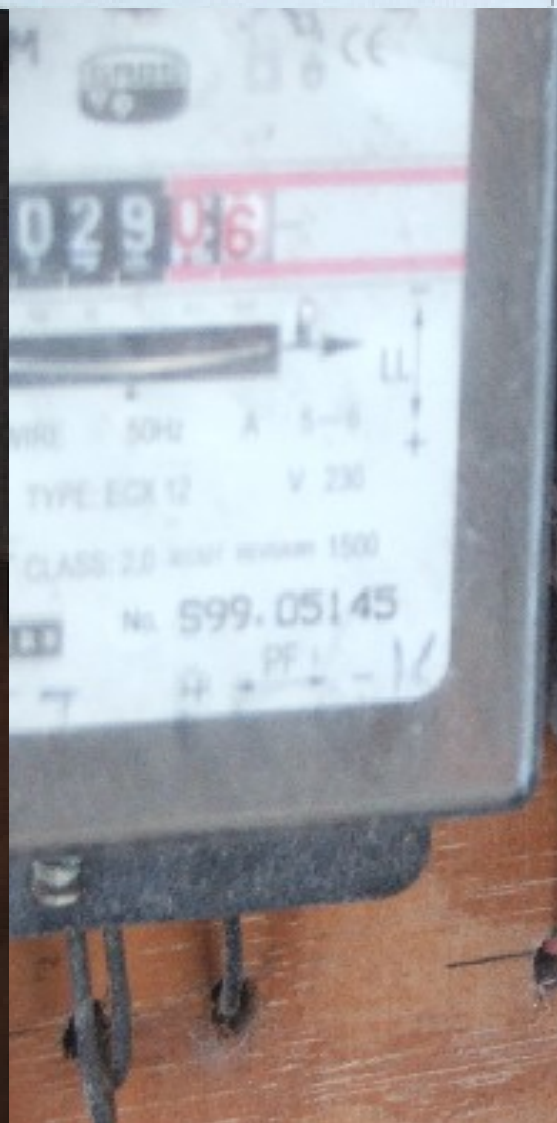






TRIP CIRCUIT











ADMINISTRATIVE EXERCISE



obtaining
procedures,
guidelines, bylaws



data printouts



other relevant
documentation



determine
trends



shortcomings



best practises

TOOLKIT

The toolkit provides guidelines to the following processes

- ☐ Communication exercise
- ☐ Administrative gathering process
- ☐ Field exercise



THE GOAL OF THE TOOLKIT

Test the processes of minimizing losses

- ❑ Tampering with “medium to large power user” meters
- ❑ Tampering with domestic meters
- ❑ Identifying illegal connections
- ❑ Shortcomings with regard to meter installation and maintenance
- ❑ Defective meters / incorrect installations
- ❑ Incorrect meter readings



THE GOAL OF THE TOOLKIT (CONT)

How is revenue losses been calculated

- ❑ The methods used to determine technical losses
- ❑ The methods used to effectively determine non-technical losses
- ❑ Are bulk meters in place and effectively utilized
- ❑ Is ring-fencing used as a tool



THE GOAL OF THE TOOLKIT (CONT)

What processes are in place to deal with:-

- ☐ Protection of metering equipment
(locked areas or protected enclosures)
- ☐ Unsafe installations
- ☐ Sealing of meters
- ☐ Unsafe leads
- ☐ Corrupt data systems
- ☐ Ghost metering / vending



THE GOAL OF THE TOOLKIT (CONT)

Processes of investigating / recovering lost revenue: -

- ❑ Methods used to collect evidence
- ❑ Methods used to protect / store evidence
- ❑ Data analysis processes to substantiate evidence found during the inspection
- ❑ Interaction with Law Enforcement Agencies and Judicial structures
- ❑ Methods used to recover past usage from the consumer



THE GOAL OF THE TOOLKIT (CONT)

Process of communicating: -

- ❑ Information regarding losses within the organization (eliminate “silo effect”)
- ❑ Methods used to educate consumers regarding illegal acts
- ❑ Best practises from other Utilities
- ❑ Establishment of a Revenue Loss Management forum

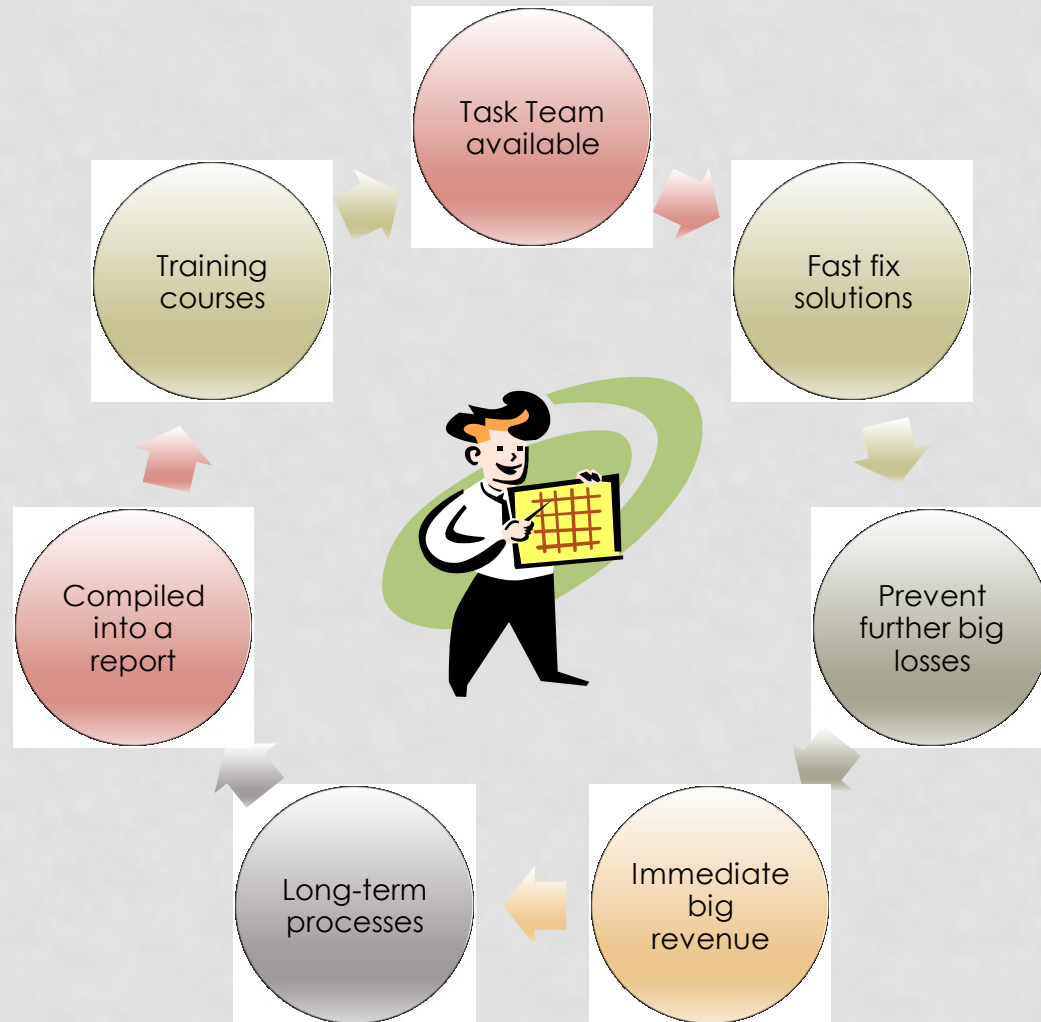


TIMETABLE

- ❑ 1 day for Finance Department
- ❑ Half day for each Water and Electricity Departments
- ❑ 2 hour sessions for Housing and Procurement
- ❑ 2 hour combined session with representatives of all Dept
- ❑ Short briefing sessions each day between Task team members



FEEDBACK SESSION



TEAM INFORMATION SESSIONS

- ❑ Planning session held on day before exercise
- ❑ Short briefing session each day
- ❑ Debriefing session after completion of last session
- ❑ Capturing of information after each session
- ❑ Downloading of notes and photos to Coordinator



FIELD EXERCISE

- ❑ Need to do probing meter audits before the information session.
- ❑ Divide into smaller groups to focus on different categories of consumers
- ❑ Can check water and electricity at same time
- ❑ Focus on safety and loss issues together
- ❑ Check for bypasses, illegal connections and tampers
- ❑ Talk to consumers to check facts obtained in the information sessions
- ❑ Check availability of trip codes and CT values
- ❑ Check sealing, plot number labeling and retrofits

REPORT

- ❑ Report to be compiled from notes
- ❑ Draft report to be completed within one week
- ❑ Draft sent to site task team members
- ❑ Feedback to be completed within 14 days and sent back to Coordinator
- 8
- ❑ Final report to be completed within one week
- ❑ Final report to be sent to the Executive for finalization
- 8
- ❑ Report to be forwarded to the Municipal Manager
- 8
- ❑ Presentation to be prepared from report



CHALLENGES

- ❑ Task team members have their own primary duties and responsibilities
- ❑ Costs of the intervention
- ❑ Integral knowledge of the systems in the utility
- ❑ Logistical issues
- ❑ Openness of staff
- ❑ Staff to understand that they are a team, all in the same boat, if one suffers all will suffer



RIGHTS OF PROPERTY

Intellectual property of this Tool kit resides with SARPA

The results of all interventions remains the property of the Utility

It must be further remembered that this tool kit is in its infancy and a process of continuous improvement is been followed in refining the concept.



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THANK YOU