

## **SPEAKER SUMMARY OF THE SARPA CONFERENCE 2012**

### **Mayoress Gesie van Deventer – Mayor of Drakenstein**

- ❖ **Welcomes everyone and explained the dynamics of the Drakenstein Municipality**
- ❖ **Quoted that “Lawfulness comes from those who inspect and not those who expect”**
- ❖ **Stated that we need to work together to protect our revenue, which we could then utilize to build our communities and look after its needs**

### **Challenges faced by the Municipality**

- ❖ **The influx of people from the rest of the country and Africa**
- ❖ **The expectations of people (especially those that are poor) and the subsequent dangers of making promises. Therefore politicians must be responsible and watch what they we say.**
- ❖ **There are only “so much money available” and there is only “so much to achieve” Therefore we have to be very responsible how we spend it**
- ❖ **We don’t understand how people could expect not to pay for services and think they could get away with it**
- ❖ **We need good information regarding our consumers and should work towards giving excellent services.**

### **Chris Hart – Investment Solutions**

- ❖ **Highlighted the current international financial trends and the challenges facing the different countries and the lead indicators with relation to the South African situation**
- ❖ **Explained the effect of all this on Central banks and unemployment,**
- ❖ **Shared the process of how to build small businesses and stay in line with regulations**
- ❖ **Regulations should focus on output not tied up in processes to conform**
- ❖ **Government income**
- ❖ **All wealth is generated by business activity**
- ❖ **Small businesses to be “formalized” and not “regulated”**
- ❖ **Highlighted the fact that Africa is still a challenging business for issues like infrastructure development, good governance, establishment of institutions and determining regulations**
- ❖ **Note must be taken that “Growth” is a multi-sectoral phenomenon**
- ❖ **Chinese interaction with Africa – can be called the 3<sup>rd</sup> scramble for Africa**

### Nathi Nkwanayana – Ethekewini municipality

- ❖ **Highlighted the Metros huge increase in the number of disconnections**
- ❖ **More reconnections than ever before**
- ❖ **There has however been an improvement in the way of doing things**
- ❖ **Losses currently just over 4%.**
- ❖ **Description of the working of a “digital pen” that is currently been utilized to capture data in the field**
- ❖ **Advantages of the digital pen were discussed as follows: -**
  - **Simple technology to utilize**
  - **GPS recognition, operator recognition included**
  - **Can attach photographs to report**
  - **Real time reporting**
  - **Archive**

### Michael Rhode – Drakenstein Municipality

- ❖ **Defined the concepts of revenue protection and smart grids**
- ❖ **Explained the “Smart Grid Merger”**
- ❖ **Gave an overview of the history regarding Revenue Protection Strategies focusing on conventional, prepaid and split metering, as well as automated meter reading systems (AMR) and smart meters**
- ❖ **Explained how the introduction of new Laws will impact on smart metering**
- ❖ **Highlighted the “Lessons learned”**
- ❖ **Explained Smart meter actions and issues**
- ❖ **Said that we need to “Jack up” internal controls**

### Marius Loggenberg - SPASA

- ❖ **Explained the mitigation of theft and corruption**
- ❖ **Gave Crime stats re corruption**
- ❖ **Asked “Who is stealing and why?”**
- ❖ **Felt that the remedy would be to deliver excellent service, ensure good governance and implement AMI**
- ❖ **Said that excellent service delivery is all about “knowing your customers” as well as: -**
  - **Excellent Debt Management**
  - **Reliable Communication**
  - **Demand Management**
  - **Managing an option for changing over to pre-paid**
  - **Establishing an Operation Center**
  - **Real time Asset Management**

### Maboe Maphaka –Eskom

- ❖ **Highlighted Energy loss management in Eskom**
- ❖ **Asked the question “Who is stealing?”**
- ❖ **Explained the safety element involved in illegal actions and overloads of the grid**
- ❖ **Explained how this element impedes the electrification program**
- ❖ **Need is there to manage energy losses effectively – very successful in some ways, but it is not sustainable**
- ❖ **We should unite in fight against electricity theft**
- ❖ **Launch a National campaign**
- ❖ **Progress - Partnerships formed through operation Khanyisa**
- ❖ **Awareness Campaign**
- ❖ **Embarked on a Social Mobilization - talent shows / farmers / enforcement**
- ❖ **Compiled a “First responder guide”**
- ❖ **Developed a “Guide to the Prosecution of Electricity Theft in SA”**
- ❖ **Reporting campaign re electricity thefts (call centers / toll free no)**
- ❖ **Showed so Outdoor campaign billboards**
- ❖ **Website developed and launched**
- ❖ **Challenge – getting more role-players and schools involved**

### Brian Young - IMFO

- ❖ **Explained how to Effectively recover lost revenue**
- ❖ **Explained the components of credit control**
- ❖ **Highlighted the role the Council should play**
- ❖ **Made some good remarks about “loyalty”**
- ❖ **Billing and collection processes to be done timeously**
- ❖ **Explained the duties of communities, ratepayers and residents**
- ❖ **Highlighted the duties of Ward Councilors – assist with implementation**
- ❖ **Service tariffs – Need political buy in and sufficient systems in place**

### Itzick Michaeli

- ❖ **Thanked SARPA on behalf of IURPA for attending the International Conference in New Orleans and the presentation**
- ❖ **Highlighted Israel Electrical revenue losses and explained the project underway to subsequently minimize losses**
- ❖ **Hike in prices caused a growing tendency for “free electricity” (stealing)**
- ❖ **Showed some examples of tampering**
- ❖ **New connections increasing - houses built without permits**
- ❖ **Lack of reinforcements for Revenue Protection units**
- ❖ **Smart metering implementation issues explained**
- ❖ **“Incentives program” frozen by Management**
- ❖ **Electricity theft used to grow cannabis**

## JH Gotze – Motla Engineering

- ❖ **Defining the M3 process which includes meter reading / audits /credit control and revenue management**
- ❖ **Explained the Requirements: -**
  - **Need to manage the data collectors**
  - **Need to “real time” Management**
  - **Need Spatial Management**
  - **Need Photos of issues identified**

## Adv Andre Maas

- ❖ **Said we need to enhance our revenue with the bigger picture in mind**
- ❖ **Explained the “Two Methods”**
  - **Popular payment rate method**
  - **Less used payment period method**
- ❖ **International debt increasing in relation to income growth - is not good**
- ❖ **If you implement the right processes, you can write off your debt**
- ❖ **Mosselbay rated the best Municipality in the country**

## Eric Saayman

- ❖ **Highlighted the Drivers – Energy prices will keep on increasing**
- ❖ **Said that there will be large volumes of data available**
  - **It could be difficult to get an overall picture**
  - **One should summarize the data - for easy interpretation**
- ❖ **Opportunities**
  - **Maximize the availability of information**
  - **Ability to utilize advantages / new technology**
- ❖ **Highlighted process of “from Revenue Protection to Revenue Assurance”**
- ❖ **Key features – Web based user interface it must be clear and flexible**
- ❖ **Explained the “business intelligence dashboard” – fast, cost saving model**
- ❖ **Energy balancing principle also explained**

## John Kabalin - Touchwork

- ❖ **Highlighted “Mobile Phones Sales and features”**
- ❖ **Said that cell phones can be used to make every employee the eyes and ears of the utility**
- ❖ **This will result in real time alerts for tampering and sealing**
- ❖ **Reporting from cell phones eliminates expensive hand-helds**
- ❖ **It is seen as an easy and cost effective method of recording data**

## Dewald Smith - UMS

- ❖ **Change of approach – not only focus on arrears collection anymore**
- ❖ **Explained the importance of data assessment and financial profiling**
- ❖ **Highlighted the concept of “Stand data verification”**
- ❖ **Presented a case study at Mogale City**
- ❖ **Said that one should determine “who could pay and who could not”**
- ❖ **Explained the advantages to local Municipalities to implement these concepts**

## Jan Olwagen – Util Labs

- ❖ **Asked the question re “what is driving the evolution of smart grids?”**
- ❖ **Highlighted the Power Utility Challenges**
- ❖ **Said we should focus specifically on Energy Balancing and Revenue Protection processes**
- ❖ **Explained “Energy loss detection vs. Revenue loss detection”**
- ❖ **Highlighted the 3 pillars of energy balancing**
  - **Time based measurements /**
  - **Network topology**
  - **Data storing and analysis**

## Harold Hayes – Landis + Gyr

- ❖ **Highlighted the Global evolution to smart grids**
- ❖ **Said that Smart metering is not just a meter – it is a solution**
- ❖ **Explained “System architecture”, “regulated market” and “future proof”**
- ❖ **Analyzed Standards and regulation issues**
- ❖ **Highlighted the Smart metering evolution process**
- ❖ **Highlighted the importance of “System security”, in order to protect consumer and the Utility**
- ❖ **Explained the importance of evaluating best partnerships for a long-term solution**

## Tony Coetzer – ICS

- ❖ **Highlighted the importance of “Water Management”**
- ❖ **Explained the Challenges facing South Africa, as well as catchment areas and climate changes**
- ❖ **Said that Utilities lack the infrastructure to deal with such issues**
- ❖ **Explained pollution in its different forms and focused on the negative effects of such issues**
- ❖ **Explained the problems related to “Acid Mine drainage”**
- ❖ **Highlighted the problems with relation to “Revenue Recovery processes”**
- ❖ **The importance of Public Awareness Campaigns was explained**
- ❖ **Said with regard to Water saving practices – “You can do it!”**

## Solly Selowa - DWA

- ❖ **RPMS Reports explained**
- ❖ **Risk issues that is very important are: -**
  - **Ineffective water usage**
  - **Not charging the cost reflective tariff**
- ❖ **Explained “Institutional Effectiveness” and customer satisfaction**
- ❖ **Highlighted the RPMS “KPI’s”**
- ❖ **Implementation plan explained in detail**
- ❖ **Explained the importance of Contracts and “cost reflective tariffs”**
- ❖ **Explained “Minimum Control measures” and “demand management”**

## Andre Kowalewski – Drakenstein Municipality

- ❖ **Highlighted the goals of the Municipality wrt water management**
- ❖ **Explained the demographics of the area**
- ❖ **Project design – public awareness / metering / refurbishment / leak detection**
- ❖ **Importance of Pressure Management and its components**
- ❖ **Showed some graphs of progress been made**
- ❖ **Huge savings over the past few years.**
- ❖ **Way forward – replacement / upgrading of systems**
- ❖ **Challenges – vandalism / buy in of role-players / retaining personnel**

## Maboe Mphaka - Eskom

- ❖ **Syndicates running the show of “Ghost syndicates”**
- ❖ **Of 4 mill customers / 31 000 not purchasing / losses R 342 million p/a**
- ❖ **Dynamics of syndicate (pyramid system) explained**
- ❖ **Need for maintenance of machines indicate internal involvement from Utilities – this is commonly called the “enemy within”**
- ❖ **Indicated that there is resource issues to address all the problems**
- ❖ **Said that “Vulnerable customers” we caught up in this fraudulent process**
- ❖ **Explained all the issues related to getting cases through courts**
- ❖ **“Strategies and technologies” used by Eskom to counter threats explained**

## Stephan Schoeman - DWA

- ❖ **Explained how to Harness the Municipal Strategic Self assessment.**
- ❖ **Concepts of “non revenue water” and how to reduce it –in order to counter losses was explained**
- ❖ **Explained how one can work towards an engineering judgment by analyzing all the data received**
- ❖ **Gave a lecture on the methods that should be used to analyze the data**
- ❖ **Highlighted the low percentages of the removal of illegal connections and revenue collections in Utilities**
- ❖ **Asked “When does NRW become acceptable?” the answer is 30%**
- ❖ **Highlighted processes used to “manage effectively” through “mentorship programs”, “ownership” and identifying “champions”**