

POLICY FOR THE VENDING OF PRE-PAID ELECTRICITY

Item A-F (17-2017) CM 25/05/2017	REVIEWD INTEGRATED DEVELOPMENT PLAN (IDP) AND MEDIUM TERM REVENUE AND EXPENDITURE FRAME WORK (MTREF): 2017/2018 TO 2019/2020
-------------------------------------	--

Resolved:

5. That to guide the implementation of the municipality's annual budget, the Council of the EMM **APPROVES** the policies as set out in the following Annexures of this document:

- Annexure D1** Medium-term Budget Policy Statement (reviewed)
- Annexure D2** Pricing Policy Statement (reviewed)
- Annexure D3** Property Rates Policy (reviewed)
- Annexure D4** Provision of Free Basic Electricity Policy (reviewed)
- Annexure D5** Waste Management Services Tariff Policy (reviewed)
- Annexure D6** Consumer Deposit Policy (reviewed)
- Annexure D7** Indigent Policy (reviewed)
- Annexure D8** Credit Control & Debt Collection Policy (reviewed)
- Annexure D9** Provision for Doubtful Debtors and Debtors Write Off (reviewed)
- Annexure D10** Budget Implementation and Monitoring Policy (remains unchanged)
- Annexure D11** Municipal Entity Financial Support Policy (reviewed)
- Annexure D12** Accounting Policy (reviewed)
- Annexure D13** Funding and Reserve Policy (remains unchanged)
- Annexure D14** Borrowing Policy (remains unchanged)
- Annexure D15** Cash Management Policy (remains unchanged)
- Annexure D16** Policy on electricity metering for residential and small business customers in the EMM (reviewed)
- Annexure D17** Policy for the Vending of Pre-paid Electricity (reviewed)
- Annexure D18** Policy for Correction of Meter Reading and Billing Data (reviewed)
- Annexure D19** Electricity Tariff policy (reviewed)
- Annexure D20** Virement Policy (remains unchanged)
- Annexure D21** Consumer Agreement Policy (reviewed)
- Annexure D22** Renewable Energy Revenue Loss Mitigation Policy (unchanged)
- Annexure D23** Supply Chain Management Policy (Reviewed)

CONTENTS

1. DEFINITIONS.....	2
2. VENDING SYSTEMS.....	2
3. REPORTING	4
4. PROVISION OF VENDING STATIONS	4
5. TYPES OF METERS	5
6. DEVIATION REPORTS	5
7. INFORMING CUSTOMERS.....	5

VENDING OF PREPAYMENT ELECTRICITY

1. DEFINITIONS

Vending means the sale of electricity to customers with prepayment electricity meter connections

Tampering means unauthorized interference with the metering installation in a way that damages it or slows it down or to bypass the meter, resulting in no or a reduction in consumption being registered.

Vending service provider means the entity appointed by Council to manage the sale of prepayment electricity.

Vending agents means the outlet appointed by the vending service provider to sell prepayment electricity.

Disaster recovery is the process, policies and procedures that are related to preparing for recovery or continuation of technology infrastructure which are vital to an organization after a natural or human-induced disaster.

Cash -Power Transfer Specification (CTS) is a proprietary secure message protocol that allows information to be carried between point of sale equipment and prepayment meters.

Standard Transfer Specification (STS) is a secure message protocol that allows information to be carried between point of sale equipment and prepayment meters.

On-line vending system is a vending system where transactions requests are handled by means of real time communications and no batch communication of transactions is permitted.

Any reference to his or her includes both genders

2. VENDING SYSTEMS

- 2.1 The Head of Department: Energy, or his delegate, shall assume total responsibility for the operation and maintenance of the vending system within CITY OF EKURHULENI, with the exception of the handling of cash and the staffing of the various vending stations. ICT staff are to assist the Head of Department: Energy whenever and where required ensuring the continued operation of the vending system.
- 2.2 The CFO is responsible for the handling of cash and the staffing of vending stations within the Ekurhuleni Metropolitan area. Electronic integration between the billing system and the vending system must be established.
- 2.3 The Chief Financial Officer is responsible for the contract employed to ensure prepayment vending through third party vendors. This is done for the convenience of the CITY OF EKURHULENI customers, and essentially, entails the extension of existing vending points. Many of the outsourced points are open 24 hours per day.

- 2.4 The vending system to be used by CITY OF EKURHULENI shall be an on-line vending system.
- 2.5 The integration between the vending system and the Council's billing systems must cater for the blocking of the vending of electricity as per the requirement of the Chief Financial Officer.
- 2.6 High availability is to be achieved through having an offsite disaster recovery site to permit continued vending should the primary system fail.

Redundant connectivity to CITY OF EKURHULENI's network needs to be in place for third party service providers to permit continued vending should the primary connectivity fail.
Daily back-ups of vending system data are to be made.
- 2.7 A control system must be in place to ensure that every meter procured, once delivered is loaded onto the system. Only three system meter stores will be permitted, these being Ekurhuleni Free Meters, Ekurhuleni Scrap Meters and Ekurhuleni to Be Tested Meters.
- 2.8 No vending to individual sub-consumers of bulk customers i.e. blocks of flats, town house clusters, hostels, etc. is to be provided by CITY OF EKURHULENI. Instead the complex owner or body corporate is to make their own arrangements for such vending if required. Historic arrangements where individual sub-consumers are metered by CITY OF EKURHULENI will continue until phased out.
- 2.9 Vending systems shall be designed to vend in terms of Council policies, including Monthly issues of Free Basic Electricity and shall be able to accommodate future policy changes.
- 2.10 Mandatory information on the vending system is a key field common to both vending and billing systems that identifies the property as well as fields identifying the township, depot, physical address of the property, owner account number and owner details.
- 2.11 The integration between the billing system and vending system must provide for automatic updating of owner or property details within the vending system to reflect any changes to owner or property details carried out on the billing system.
- 2.12 Integration between the billing system and vending system must provide for vending system transaction data to be automatically written into the billing system.
- 2.13 The integration between the billing system and the vending system must be done in such a way to ensure that the necessary data applicable to all new connections as well as changes to connections must be written to both systems.
- 2.14 All new pre-payment applications shall be captured through CoE Business Process Management system in order to maintain the integrity of point of connection, account and meter and owner data on the vending system for all meters that are installed.
- 2.15 The vending system must be regularly upgraded to stay current with the latest release.

3. REPORTING

- 3.1 User-friendly reporting is a prerequisite of the system.
- 3.2 The vending system must support connectivity from report writing software in a non-proprietary manner such as open data base connectivity (OBDC) to permit user defined, specific reports, to be created.
- 3.3 The types of standard reports, at a minimum, that are required include:
 - 3.3.1 Low purchase levels as specified by user (i.e. <50 kWh per month).
 - 3.3.2 Purchase history of customer.
 - 3.3.3 Summaries of connections per tariff.
 - 3.3.4 No-purchase report for specified periods (e.g. 90 days no purchase).
 - 3.3.5 Connection history of a stand.
 - 3.3.6 Connection history of a meter.
 - 3.3.7 Reports detailing number of transactions per vendor as well as total sale per vendor for specified periods.
 - 3.3.8 End of shift reports.
 - 3.3.9 Report detailing actions of users.
 - 3.3.10 Reversals, free issues and vending transactions.
 - 3.3.11 Sales (monetary value and kWh by township (suburb) and CCA).
 - 3.3.12 Active and inactive users.
 - 3.3.13 Report showing history of meters blocked and unblocked.
- 3.4 Training is to be provided to all CITY OF EKURHULENI staff involved with vending on an ongoing basis.

4. PROVISION OF VENDING STATIONS

- 4.1 In terms of NRS 047 - 2 (quality of service), a vending station is, where practical, to be located within a 5 km radius of every customer.
- 4.2 Where practical a vending station is to be provided and operated for every 2000 customers, as required by NRS 047 - 2.
- 4.3 In order to ensure that vending is available to customers on a 24 hour basis, the Chief Financial Officer shall appoint a vending service provider/s. These providers will be required to appoint and manage vending agents that are suitable outlets to perform vending on behalf of Council. The vending service providers shall manage the entire third party vending function on behalf of Council inclusive of collecting monies due to Council from the vending of prepayment electricity by the vending agents and depositing the monies collected into Council's bank account. All such vending shall be carried out by means of on-line vending through Council's vending system.
- 4.4 The appointment of such agents to be done in terms of Council's Procurement Policy.

5. TYPES OF METERS

Energy is phasing out CTS meters but due to a number of CTS meters still being used in the network, the vending system should be able to vend to both CTS and STS meters until they are phased out.

6. DEVIATION REPORTS

Monthly deviation reports are to be run to identify customers who have potentially tampered with their electricity meter.

Inspections of these customer's electricity connections are to be carried out.

Inspections that establish that a customer has tampered with his or her meter will require that the necessary action, as detailed under the provisions of the Council's by-laws for the supply of electricity, and/or in terms of Council policies, shall be taken.

7. INFORMING CUSTOMERS

All new and existing prepaid electricity customers must be informed regarding Council's policy on prepayment electricity vending systems, using existing structures such as customer forums, etc.

NOTE: The reference to "they" in the above sentences is a reference to the Department concerned and its personnel

The term "shall" is used throughout this document to indicate those provisions which, are considered to be mandatory.

The term "should" is used to indicate those provisions which, although not mandatory, are provided as a recognized means of meeting the requirements.

The term "may" is used to indicate something which is permitted.

The term "can" is used to indicate a possibility or a capability.

