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Our Ref.: Reduction of Tampering Penalties and Costs	

SUBMISSION TO MAYCO FOR THE REDUCTION OF PENALTIES AND RECONNECTION COSTS FOR TAMPERING BY APPROVED INDIGENTS CUSTOMERS IN MANGAUNG METROPOLITAN MUNICIPALITY

1. INTRODUCTION

In terms of the Mangaung Metropolitan Municipal Credit Control and Collections Policy residents who tamper with or bypass electricity meters are disconnected, meters are disconnected and the penalties imposed on them. No reconnections are made until such residents pay penalties and reconnection fees.

2. PURPOSE

To request the approval from Council to allow the Entity prerogative to provide discount on reconnection costs to registered indigent residents. The customer has to comply with pre-set conditions.

3. BACKGROUND

CENTLEC (SOC) Ltd embarked on a revenue enhancement drive aimed at protecting and maximising the entity’s revenue collection. The initiative involves inspection of all electricity meters to ensure that they are working according to set standards and that they are not tampered with or bridged. It has been established that Municipal meters and distribution boxes are continuously vandalised for the illegal tapping of electricity, resulting in continuous power interruptions and loss of revenue.

	Directors: N Mokhesi (Chairperson), DC Myeni (Deputy Chairperson), NEDs: CAK Choeru, KM Moroka, MP Mohale, NA Mgoqi (CEO)	
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It has been proven that when electricity meters are bridged, the consumption is much higher. The impact is that networks then become overloaded which cause power failures affecting all customers. It might create the perception that capital needs to be spent to upgrade the networks while in reality only the non-paying customers need to be addressed to lower the load and therefore decrease the occurrence of power failures.

Through this process, some customers have been found to have bridged or allowed bridging of electricity meters. In accordance with the Credit Control and Collections Policy, penalties should be imposed and meters be removed from the transgressing residents and remain without electricity until payment for penalties and tampering are made.

Most of these indigent customers cannot afford to pay the penalties imposed for the tampering, especially the old and vulnerable citizens of the Mungaung Metropolitan Municipality who in some instances claims that they were not even aware that their meters were tampered with.

Illegal connections not only defrauds the entity of revenue, it also poses danger to customers through electrocution which may result in deaths.

4. WHY IS THIS DONE?

It is in line with national legislation to stop tampering with infrastructure. The whole drive of inspections and ultimately fines where offenses were committed, is to change customer behaviour and achieve a long-term solution.

5. CRITERIA TO BE APPLIED

The criteria to be applied would be based on the proven monthly household income. The amount payable would amount to a once off 20% of the confirmed monthly household income to facilitate the reconnection of the meter.

6. BUSINESS PROCESSES TO BE FOLLOWED

In order to assess applications, the status of the indigent person needs to be confirmed on the MMM Indigent Register approved by Council. The indigent

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applicant would need to motivate why the penalties should be reduced and submit documentary proof of inability to pay the full penalty amount.

It is an operational matter and therefore can be delegated by Council to the Centlec Board of Directors who would in turn based on the approved delegated powers allow the CEO to deal with the matter. The CEO would rely on a committee to consider the applications and make recommendations to him for approval and implementation.

This principle can only apply to external people and no internal staff can be classified as indigent and therefore this approval would not be applicable to internal staff.

7. CONCLUSION

It should be noted by the community of the Mangaung Metropolitan Municipality that the main aim of this initiative is to ensure that residents abide by the by-laws and policy and regulations of the municipality.

8. RECOMMENDATIONS

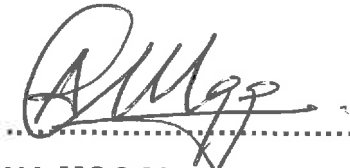
It is recommended that:

- a) MAYCO seeks approval from Council to authorise the Board of CENTLEC (SOC) Ltd the authority to consider that all tampering penalties and reconnection costs for registered indigent households be waived off and the entity have the delegated authority and power with discretion, to reconnect transgressors once the penalties and costs are reduced and paid where applicable;
- b) Based on merits of each case and at the Board's discretion, all indigent customers who cannot afford to pay the penalties and the reconnection fees in full, be assessed upon declaration in the prescribed form and compliance with the prescribed qualifying conditions below -
 - (b)(a) The customer must be indigent;
 - (b)(b) The customer must be a perpetrator or willing and able to identify the perpetrator;



- (b)(c) The customer must be willing to testify against perpetrators;
- (b)(d) The customer must be unable to pay the prescribed penalties and reconnection fees;
- (b)(e) The indigent customer would pay a once off amount equal to 20% of the monthly household income for the reconnection of the service and the remainder of the fine would be cancelled;
- c) In the event the Board is satisfied that such indigent customers have properly declared tampering in the prescribed form and complied with prescribed conditions, such customers be granted a complete reduction in penalties and reconnection costs or discount, which reduction or discount shall be determined by the entity's Board in terms of approved delegated powers;
- d) Repeat transgressors be dealt with in terms of the Mangaung Metropolitan Municipality Credit Control and Collection Policy and should not qualify for the reduction of penalties and reconnection costs;
- e) In order to qualify for consideration in reduction of penalties and reconnection costs, transgressors be given a window grace period of nine months to declare transgressions or report suspected tampering to the entity of which will be determined by the Executive Mayor of the Mangaung Metropolitan Municipality;
- f) The transgressors who come forward by themselves without a fine being imposed be given discounts on the penalty they would have incurred if identified by CENTLEC.

Submitted by:



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NA MGOQI

CHIEF EXECUTIVE OFFICER



CENTLEC

Reg No 2003/011612/30

APPLICATION FOR DISCOUNTING OF TAMPERING QUOTATIONS FOR INDIGENTS

QUOTE REFERENCE NO:		QUOTE DATE:	____ / ____ / 2018
DISCOUNT APPLICATION DATE:	____ / ____ / 2018		
METER NUMBER:			

CUSTOMER DETAILS

SURNAME:		INITIALS:			
FIRST NAMES:					

IDENTITY NUMBER:																			
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GENDER:	MALE	FEMALE	POPULATION:	ASIAN	BLACK	COLOURED	WHITE
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PHYSICAL ADDRESS:	POSTAL ADDRESS:
POSTAL CODE:	POSTAL CODE:

E-MAIL ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
CELL PHONE NUMBER:	

DECLARATION BY APPLICANT:

I, the under signed resident, declare that:

- | | | | | |
|--|------|--|-----|--|
| 1) I am unable to pay the fine. My motivation is attached: | YES: | | NO: | |
| 2) Proof of total monthly income of the household for this premises is attached: | YES: | | NO: | |
- 3) I agree that council officials may conduct an on site audit to verify information provided on this application.
- 4) I am aware that any false declaration on the form, is punishable by law.
- 5) Total amount of R _____ being 20% of total monthly income (plus VAT) will be payable to CENTLEC within 14 days after approval of this application and proof of payment will be submitted to CENTLEC immediately after payment.

DATE: _____ / _____ / 2018

Signature / Thumb print of Applicant

TERMS AND CONDITIONS**This waiver will be valid for a period of nine (9) months from application date.****FOR OFFICIAL USE:**

I / We confirm that:

- 1) The consequences of the above declaration was duly explained to the property owner.
- 2) I/We understand that information disclosed to me by the applicant will always be treated as confidential, will not be disclosed to any third party and is only meant for office use.
- 3) The applicant has provided sufficient information for consideration by CENTLEC approval committee.

Initials and surname of CENTLEC official

Signature of CENTLEC official

OFFICIAL STAMP

DATE: _____ / _____ / 2018

APPLICATION REFERRAL TO APPROVAL COMMITTEE

DATE REFERRED TO COMMITTEE _____ / _____ / 2018

COMMITTEE CONSIDERATION

APPROVED

DECLINED

Initials and surname of committee chairperson

Signature of committee chairperson

DATE: _____ / _____ / 2018

COMMENTS / REASONS FOR DECLINE: