

CENTLEC (SOC) LTD



CENTLEC

Connection & Disconnection Policy

2024/2025

Centlec (SoC) Ltd – Connection & Disconnection Policy

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DEFINITIONS:

Electricity connection is defined as: *"The point where Centlec establishes the supply of electricity to a consumer"*

Electricity disconnection is defined as: *"The point where Centlec discontinues the delivery of electricity to a property and/or premise"*

Electricity reconnection is defined as: *"The point where a property or premise has its electricity supply re-established by Centlec."*

Customer is defined as: *"a person or entity that purchases electricity or related services from Centlec"*

Illegal connection: *"means a connection to any system that is not authorized or approved by the Centlec or any of its authorized agents"*

Tampering: *"means unauthorized interference with the Centlec's electricity supply equipment, including the removal of the seals from the protective devices or metering equipment, or the illegal connection of cables to Centlec's infrastructure by any individual not authorised by Centlec".*

Bypass: *"means partial or complete circumvention of the metering equipment"*

SECTION 1: OBJECTIVE OF CONNECTION & DISCONNECTION POLICY

- a) To provide for to revenue enhancement operators, including technicians or electricians regarding the disconnection of meters due to tampering, overdue accounts or illegal connections
- b) To provides best practices in the field of revenue protection and credit control for electricity utilities in line with NRS 055
- c) To provide for alternative measures of addressing the consumer debt problem, while maintain a positive and reciprocal relationship with consumers of electricity
- d) To provide for additional tools to protect and enhance revenue of the entity.

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SECTION 2: LEGISLATIVE BACKGROUND

Section 101 of the Municipal Systems Act

Mangaung Electricity Supply By-Law

Section 27 of Electricity Regulatory Act, 2006(Act No.4 of 2006) stipulate that each municipality must exercise its executive authority and perform its duty by-

- Complying with all the technical and operational requirements for electricity networks determined by Regulator;
- Integrating its reticulation services with its integrated development plans;
- Preparing, implementing and requiring relevant plans and budgets;
- progressively ensuring access to at least basic reticulation services through appropriate investments in its electricity infrastructure;
- providing basic reticulation services free of charge or at a minimum cost to certain classes of end users within its available resources;
- ensuring sustainable reticulation services through effective and efficient management and adherence to the national norms and standards contemplated in section 35;
- regularly reporting and providing information to the Department of provincial and Local Government, the National Treasury, the Regulator and customers;
- executing its reticulation function in accordance with relevant national energy policies; and
- keeping separate financial statement, including a balance sheet of the reticulation business

SECTION 3: POLICY PRINCIPLES

- a) The realisation of Centlec's strategic plan depends on the organisation being able to perform proper reconnection and disconnection procedures in a way that does not jeopardise the direct interests of all stakeholders, therefore, sound management of the connection and disconnection policy will enable Centlec to provide sustainable and efficient customer service.
- b) Centlec reserves the right to physically disconnect or limit the amount of electricity that a customer can consume due to the following reasons:
 - Non-payment of electricity accounts

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- Disconnection by consumer request
 - Safety and reliability issues
 - Unauthorised use of electricity
- c) Electricity connection and disconnection is recognised as an integral part of the operations of Centlec (SOC) Ltd. It represents a way of managing the operational risk exposures that may affect the long term sustainability of Centlec.
- d) This policy should be read together with the approved Credit Control and Debt Collection Policy and the Revenue Enhancement Strategy of Centlec (SOC) Ltd as may be approved from time to time.

SECTION 4: ELECTRICITY CONNECTION

- a) Application for an electricity service connection must be done in writing, either by completing an official application form, which is obtainable from the Customer Care offices of Centlec.
- b) A new electricity installation will be installed as per written authorisation of the Chief Engineer Assistant, in any premises within the area of supply and connected to Centlec's supply mains.
- c) Application of such authority shall be lodged with the Chief Engineer Assistant via an official letter or by an application form obtainable from the Customer Care offices of Centlec.
- d) The record given by any meter installed shall be conclusive proof of the quantity of electricity consumed.
- e) Final readings: No reduction of or addition to the prescribed monthly fixed or minimum charges will be made, unless the date of reading is at least five days before or after a full period of one month or a multiple thereof, from the previous reading.
- f) Where a meter is read less than or more than one month after the commencement of an account, or where an account is terminated less than or more than one month or a multiple thereof after the preceding reading of the meter, the monthly fixed or minimum charge will be proportioned accordingly.
For the purpose of assessing fixed or minimum charges 'one month' shall be regarded as 30 days.

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- g) A meter will be tested at the request and payment of a prescribed fee by the consumer, and when any such test is carried out at the request of the consumer, the fee paid by consumer shall be refunded if the meter is found to be at least 2,5% inaccurate.
- h) If the meter is faulty by more than 2,5% the consumer account will be adjusted to reflect the results.
- i) If the meter is not faulty, the electricity consumed between meters readings will be deemed to be consumed evenly during such meter reading dates.
- j) An account for a provisional sum for electricity will be rendered in months in which meters are not read. The provisional sum shall be assessed with due regard, wherever possible, to the average monthly value of fixed or minimum charges and electricity consumed upon the premises served by the meter and to any tariff changes that may have occurred.
- k) Where there has been no previous consumption retail department will investigate, the Chief Financial Officer may determine the amount of the said provisional sum by reference to such consumption on other similar premises as he considers would constitute a reasonable guide.
- l) Meter readings shall be received from the service provider appointed to perform meter readings of both residential and business consumers.
- m) Monthly accounts must be rendered to the consumer which should be paid on the date stipulated on the account statement.
- n) The consumer monthly account must be paid within a specified period.
- o) Once the payment is made, a receipt must be issued to the customer by the debt collection personnel.

SECTION 5: ELECTRICITY SUPPLY DISCONNECTION

- a) The Chief Engineer Assistant [Centlec] may without notice, interrupt the supply of electricity to any premises for the purpose of carrying out emergency repairs to the supply or service mains.

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- b) In certain instances, unless an application for the continuance of the supply to such premises has been lodged with the Chief Financial Officer or the Energy and Network Control division, the Chief Engineer Assistant shall be entitled to disconnect the supply to the premises when he is permitted to do so.
- c) Centlec may disconnect the electricity due to the following reasons:
- Non-payment of electricity account;
 - On request by the consumer;
 - Safety and reliability issues; and
 - Unauthorised use of electricity.

(i) Disconnection due to non-payment of electricity account

- If the payment is not made within the specified period, the electrical service to the customer must be terminated.
- A disconnection notice will be issued in writing not less than seven days after the date specified on the account statement as the due date. Notice will be given by email or any other electronic method. Both the customer and tenants of the customer will receive seven days' notice before cut-off.
- The electricity service will not be disconnected by reason of the non-payment of electricity account until seven days after a disconnection notice has been given to the customer.
- Centlec reserves the right to physically disconnect or limit the amount of electricity that a customer can consume.

(ii) Disconnection on consumer's request

- Centlec has established a process for the disconnection of an electrical service and may require a written request from the consumer. Within 30 days from the date of the service requisition, the customer may apply for a refund of the consumer deposit he paid to Centlec.
- Centlec shall respond to a customer's request for a disconnection of an electrical service in a prompt and efficient manner.

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- A consumer who has given notice of termination of supply may claim a refund of the amount deposited by him, or the residual amount after the deduction of any amount owing by him for electricity supplied or services rendered.
- The Chief Financial Officer shall make payment of the amount due within 30 days from the date of the receipt of any such claim.
- The deposit shall be forfeited to Centlec where no claim for a refund of the amount deposited is made within 30 days of the date of the termination of the supply, and no interest shall accrue after the expiration of such period; or
- If a claim is made after the expiration of 30 days from the date of termination of supply, the Chief Financial Officer may in his absolute discretion, refund such amount.
- Temporary disconnection of supply is allowed to a consumer on his request, subject to the following terms and conditions:
 - that the consumer has paid the final bill up to the day immediately preceding the intended date of request for temporary disconnection, and
 - that no disconnection charges or reconnection fees shall be charged if the consumer gets the connection restored immediately after the expiry of the period of disconnection allowed to him/her;

(iii) Disconnection Methods

- The disconnection of meters may be done in many different ways by implementing different specific methods. In order for personnel who conduct disconnections to distinguish between the methods in use, the methods utilized can be grouped under following three categories, i.e.

Soft disconnection:

This is when the electricity supply to a premise is disconnected by switching off the circuit breaker on the side of the house, or in the meter box, or up on the pole. The switch should be sealed in the off position in order to prevent the consumer from freely switching on the supply.

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Hard disconnection:

This when the electricity supply to a premise is disconnected by removing a wire from the supply side of the meter, removing the jumpers, cutting off the metal inner of a wire and screwing it back, cutting the supply cable, disconnecting the supply cable and burying it in the ground. At this point, a criminal case will be opened at the South African Police Services

Service removal:

This method is applicable when the entity decides to remove the entire electricity service of a consumer. In this case, the supply cable, the circuit-breaker, the backing board (prepaid meter) and the meter must be removed at the same time

b. The different disconnection methods shall be used as follows:

- **Soft disconnection** in the case of non-payment and first tamper in non-volatile areas;
- **Hard disconnection** in the case of second tampers and non-payment consumers who have reconnected themselves after a soft disconnection;
- **Removal of service** in the case of third tampers, malicious damage to the installation, access to the property refused by the consumer, even after he or she had been notified in accordance with local by-laws to provide access for the inspection of metering devices,

c. When a supply is being disconnected, the following shall be applicable:

- the disconnection shall be done in accordance with NRS 047-1;
- notice of disconnection shall have been given before the disconnection is done (according to flow chart to management of Disconnection); and
- account shall be taken of any extenuating circumstances

(iv) Safety and reliability

- a. Centlec has established a process for ensuring the safety and reliability of the distribution system.
- b. Centlec shall respond to and take reasonable steps to investigate all consumer power quality complaints and report to the consumer on the results of the investigation.

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- c. Centlec may direct a consumer connected to its distribution system to take corrective or preventive action on the consumer's electric system when there is a direct hazard to the public or the consumer is causing or could cause adverse effects on the reliability of Centlec distribution system.
- d. Centlec may require that any consumer conditions that adversely affect the distribution system be corrected immediately by the consumer and at the consumer's expense.

(v) Unauthorised use of electricity

- a. Centlec has established a process that management and staff can follow if it is discovered that there is unauthorized use of electricity.
- b. Centlec shall use its discretion in taking action to mitigate unauthorized energy use.
- c. Centlec shall use its discretion in taking action to mitigate unauthorized energy use. Upon identification of possible unauthorized energy use, Centlec shall notify, if appropriate, the SAPS, and other legal authorities/ entities.
- d. Centlec shall monitor losses and unaccounted for energy use on an annual basis to detect any upward trends.
- e. Centlec may recover from the parties responsible for the unauthorized energy use all energy and other applicable charges incurred by the distributor arising from the unauthorized energy use, including inspection, administration fees and repair costs.
- f. The amount of unauthorised use of electricity shall be determined and disclose such usage in the Financial Statements on annual basis as a distribution loss.

(vi) Access to the metering equipment

- a. If access to the meter is intentionally prohibited by the occupants of the premises, the entity will regard this as a tampered meter and will initiate the appropriate tampered meter procedure.

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- b. If a Centlec authorised representative is unable to reach a meter located on a customer's premises to complete their duties, the representative will leave a formal notice at the premises. The notice will instruct the residents to make arrangements for access to the meter within seven (7) days. Failure to do so will result in the disconnect of the power supply.

(vii) Disconnection due to non-payment of other municipal services

Electricity supply may be disconnected if there are outstanding payments for other municipal services. This action will be taken in accordance with the municipality's payment policies and will apply to all accounts with unpaid balances for services such as water, waste management, or rates. To avoid disconnection, residents must ensure that all municipal accounts are paid in full or arrange payment agreements for any outstanding amounts.

SECTION 6: ELECTRICITY SUPPLY RECONNECTION

- a) The following are vital components when a supply is being reconnected:
 - The consumer must pay the prescribed reconnection fee and outstanding amount in full or make arrangements for payment. Where the electricity service has been disconnected in order to collect the account and then reconnected, a reconnection of service charge may be applied to the customer's account.
 - If the consumer is unable to pay prescribed reconnection fee, Centlec shall refer to debt collection procedures. This is done to effectively manage the risk of bad debts.
 - Centlec shall have the right to refuse the reconnection of an electrical service if there is an outstanding amount of money owed by the consumer or if the connection is found to have an adverse effect on the safety and/or reliability of the distribution system.
- b) In case of indigent customers, arrangements can be made to convert the credit electricity meters to prepaid electricity meters. The arrangement for payment of debt will be determined for the payment of arrears on the prepayment system. Arrears in respect of electricity will be placed on a non-interest bearing debtors account, no legal action or disconnection will be taken until sufficient funds are available to write off the respective debts.
- c) Centlec shall insist that a responsible representative of the property be present when electrical service is energized or reconnected.

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- d) Centlec Reserves the right to reconnect any disconnected electrical services with an alternative metering system applicable to the connection size,
- e) All consumers who have been disconnected for a period beyond three years from the date of disconnection shall have the option to apply for new connection in the same premises subject to clearance of all dues outstanding against previously disconnected connection. In such cases nothing on account of fixed charges/minimum charges for disconnected period shall be debited against the premises previously disconnected, if new connection is sought instead of "Reconnection". For this purpose the security amount originally deposited by the consumer shall be adjusted against the arrears of the previous account number and the arrear bill of balance amount to be served to the consumer. Upon payment of the balance amount, the consumer can apply for a new connection in terms of this policy. However no relief shall be given to the consumer on account of his/her removed material of the previous account.
- f) Where required by Centlec, a certificate of compliance shall be issued to at the cost of the consumer.

SECTION 7: REPLACEMENT OF FAULTY METERS AND METERS REGISTERING NEGATIVE

If the metering equipment fails and must be replaced, the malfunctioning meter will be removed. To recover the loss of consumption during the period when the meter was malfunctioning, charges will be applied up to the current date in accordance with applicable legislation. A new prepaid meter will not be installed until the consumer has signed the proper debt acknowledgment form. The outstanding charges will be added as an auxiliary charge to the new meter in accordance with organizational procedures. Conventional or Time of Use meter rates will be deducted from the client's account.

SECTION 8: REVIEW PROCESS

This policy and underlying strategies will be reviewed at least annually, or as necessary, to ensure its continued application and relevance.