

CENTLEC (SOC) LTD



**CENTLEC**

---

Credit Control and Debt Collection Policy

**2024/2025**

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

<b>CENTLEC (SOC) LTD</b>	
<b>Subject:</b> Credit Control & Debt Collection Policy	Policy No: POL 016
<b>Directorate:</b> Finance	Last Date of Review: <b>2024-2025</b>
<b>Sub-Directorate:</b> Revenue Management	Date Approved: <b>March 2025</b>
<b>Custodian:</b> GM: Revenue Management	Effective Date: <b>1 April 2025</b>

# Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

## TABLE OF CONTENT

SECTION 1: LEGISLATIVE BACKGROUND .....	3
SECTION 2: DEFINITIONS.....	4
SECTION 3: POLICY PRINCIPLES .....	10
SECTION 4: CODE OF ETHICS .....	10
SECTION 5: IMPLEMENTING AUTHORITY .....	10
SECTION 6: APPLICATION FOR THE PROVISION OF ELECTRICITY SERVICES.....	11
SECTION 7: DEPOSITS OF GAURANTIES .....	13
SECTION 8: ACCOUNTS & B ILLINGS.....	14
SECTION 9: SUNDRY CONSUMER ACCOUNTS .....	15
SECTION 10: FINAL ACCOUNTS .....	15
SECTION 11: METERING OF CONSUMPTION .....	15
SECTION 12: PAYMENTS OF ACCOUNTS .....	17
SECTION 13: INTEREST ON ARRERS DEBT .....	18
SECTION 14: ENQUIRIES & APPEALS .....	19
SECTION 15: LIMITATION, DISCONNECTION, DISCONTINUATION OF SUPPLY .....	19
SECTION 16: DEBTOR COLLECTIONS .....	21
SECTION 17: ARRANGEMENTS TO PAY ARREARS DEBTS.....	23
SECTION 18: ARRANGEMENTS TO PAY TEMPARING FINES.....	25
SECTION 19: AUXILARY PROCESS .....	26
SECTION 20: STAFF, DIRECTORS AND COUNCILLERS OF MANGAUNG METRO.....	26
SECTION 21: ADMINISTRATION ORDER-PAYMENT OF ARREARS .....	27
SECTION 22 ALLOCATION OF PART PAYMENT & APPROPRIATION OF DEPOSITS .....	27
SECTION 23: CETIFICATES REQUIRED FOR TENDERS.....	28
SECTION 24: POWERS OF ENTRY & INSPECTION.....	28
SECTION 25: NOTICES.....	28
SECTION 26: OFFENCES & PENALTIES .....	29
SECTION 27: REPORTING .....	29
SECTION 28: REVIEW PROCESS.....	30

# Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

## SECTION 1: LEGISLATIVE BACKGROUND

Section 96(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 (hereinafter referred to as the "Systems Act"), obliges the entity (in this case the entity) to collect all money that is due and payable to it, subject to the provisions of that Act and any other applicable legislation.

Section 96(b) on the other hand, requires the entity to adopt, maintain and implement a credit control and debt collection policy, which is consistent with its tariff policies and complies with the provisions of the Act.

Section 97 of the Municipal Finance Management Act, No. 56 of 2003 stipulates that the Accounting Officer of a municipal entity must take all reasonable steps to ensure:

- a) that the entity has and implements effective revenue collection systems to give effect to its budget;
- b) that all revenue due to the entity is collected;
- c) that any funds collected by the entity on behalf of a municipality:
  - (i) are transferred to that municipality strictly in accordance with the agreement between the entity and the municipality; and
  - (ii) are not used for the purposes of the entity;
- d) that the municipal entity has effective revenue collection systems consistent with those of the parent municipality;
- e) that revenue due to the entity is calculated on a monthly basis;
- f) that accounts for service charges are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
- g) that all money received is promptly deposited in accordance with this Act into the municipal entity's bank accounts;
- h) that the municipal entity has and maintains a management, accounting and information system which:
  - (i) recognises revenue when it is earned;
  - (ii) accounts for debtors; and
  - (iii) accounts for receipts of revenue;
- i) that the municipal entity has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed; and
- j) that all revenue received by the municipal entity, including revenue received by any collecting agent on its behalf is reconciled at least on a weekly basis.

# Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

## 1.1 Scope of the Policy

- (a) This Policy applies to all electricity customers within the defined boundaries of the area of operation of Centlec (SOC) Ltd.
- (b) The Credit Control and Debt Collection Policy, as approved by Council, has been aligned to the Mangaung Metro Municipality as enshrined in terms of the Systems Act and such Policy will be binding on the public and officials of Centlec (SOC) Ltd and no interference in the process will be permitted.
- (c) The Policy is applicable until such time as it is reviewed and any revisions to the Policy approved by the Board and Council.
- (d) All acts performed in terms of the above approved Policy, will not be validated due to the timing differences between approval and promulgation.
- (e) All acts performed as mentioned in the previous paragraph will be ratified with the promulgation of the Policy.

## 1.2 Objectives

- (a) To focus on all outstanding debt as raised on the consumers' account.
- (b) To provide for a uniform credit control and debt collection policy in relation to services rendered by the entity.
- (c) To promote a culture of good payment habits amongst consumers of electricity and instil a sense of responsibility towards the payment of electricity services and reduction of consumer debt.
- (d) To ensure that the board of directors of Centlec (SOC) Ltd uses innovative, cost effective, efficient, and appropriate methods to collect as much of the debt in the shortest possible time without any interference in the process.
- (e) To ensure that the entity effectively and efficiently deal with defaulters in accordance with the terms and conditions of this Policy.

## SECTION 2: DEFINITIONS

In this policy any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, No. 32 of 2000 and Municipal Finance Management Act, No. 56 of 2003 has that meaning, unless the context indicates otherwise:

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

**“Accommodation”** means accommodation in an accommodation establishment, a room, dwelling-house or second dwelling unit, self-catering room, self-catering apartment or free-standing building let to transient guests.

**“Accommodation Establishments”** – consists of one or more of the following to be let types of accommodation:

- a) “Camping” (informal temporary accommodation in a unique environment) is defined by a property used for erection of tents or other temporary structures for temporary accommodation for visitors or holiday-makers, which includes ablution, cooking and other facilities that are reasonably and ordinarily related to camping, for use of such visitors, and includes a caravan park, whether publicly or privately owned, but which excludes the alienation of land on the basis of time sharing, sectional title share blocks or individual subdivision; and excludes resort accommodation or mobile homes;
- b) “Bed and Breakfast” (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere, provided that the primary use of the dwelling-house concerned shall remain for the living accommodation of a single family;
- c) “Guest House” (accommodation in a dwelling-house or second dwelling unit for transient guests) is defined by a dwelling-house or second dwelling which is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment which exceeds the restrictions of a bed and breakfast establishment and may include business meetings or training sessions for resident guests;
- d) “Self-catering Accommodation” (accommodation for non-permanent residents and transient guests) is defined by a house, cottage, chalet, bungalow, flat, studio, apartment, villa, or similar accommodation where facilities and equipment are provided for guests to cater for themselves. The facilities should be adequate to cater for the maximum advertised number of residents the facility can accommodate;
- e) “Self-catering Apartments” (accommodation for non-permanent residents and transient guests) is defined by a building or group of buildings consisting of separate accommodation units, each incorporating a kitchen / -ette facility, and which may include other communal facilities for the use of transient guests, together with outbuildings as are normally used therewith; which are rented for residential purposes and may include holiday flats; but does not include a hotel, dwelling-house, second dwelling or group house;
- f) “Backpackers Accommodation” (accommodation and communal facilities in a building or free standing buildings for transient guests) is defined by a building where lodging is provided, and may incorporate cooking dining and communal facilities for the use of lodgers, together with such

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

outbuildings as are normally used therewith and includes a building in which dormitories/rooms/beds are rented for residential purposes, youth hostel, and backpackers' lodge; but does not include a hotel, dwelling house, second dwelling or group house;

- g) "Boarding House" a dwelling-house or second dwelling which is used for the purpose of supplying lodging with or without meals or self-catering to non-permanent/permanent residents for compensation, provided that the primary use of the dwelling-house shall remain for the living accommodation of a single family;

"**Account**" means an account rendered specifying charges for electricity services provided by the entity, or any authorised and contracted service provider, and which account may include other surcharges.

"**Accounting Officer**" means the Chief Executive Officer in terms of section 93 of Municipal Finance Management Act.

"**Acknowledgement of Debt**" means an admission of liability and written undertaking by a debtor to repay an amount owing to the entity, and includes a consent judgement and for the purpose of this policy includes any arrangement;

"**Agent**" means a person authorised by the Consumer to act on his or her behalf;

"**Annually**" means once every financial year;

"**Arrangement**" means a written agreement entered into between the entity and the consumer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act, Act No. 34 of 2005 (NCR) but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.

"**Arrears**" means those service charges that have not been paid by the due date, including overdue arrangements.

"**Authorised Representative**" means a person or instance legally appointed by the entity to act or to fulfil a duty on its behalf.

"**Basic electricity services**" shall mean a service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

**"Billing Date"** means the date upon which the monthly statement is generated and debited to the consumer's account.

**"Board"** means board of directors of Centlec (SOC) Ltd as appointed by the Council of Mangaung Metropolitan Municipality from time to time.

**"Business and Commercial Property"** means:

- a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- b) property on which the administration of the business of private or public entities take place.

**"By-law"** means a municipal legislation passed by the council of Mangaung Metropolitan Municipality, and which shall be binding on the entity and on the persons and institutions to which it applies.

**"Calendar year"** shall mean 12 consecutive months of a year.

**"Consumer Price Index"** shall mean the CPIX as determined and gazetted from time to time by the Statistics South Africa

**"Consolidated Account"** means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Centlec (SOC) Ltd.

**"Council"** means the Council of the Mangaung Metropolitan Municipality.

**"Credit Control"** means all the functions relating to the collection of monies owed by consumers of electricity within the area of supply of Centlec (SOC) Ltd.

**"Consumer"** means the occupier of any premises to which the Entity has agreed to supply or is actually supplying electricity services, or if no occupier can be identified or located, then the owner of the premises and includes any consumer of the Entity.

**"Day(s)"** means calendar days, inclusive of Saturdays, Sundays and public holidays.

**"Debt Collectors"** means an external person or entity appointed by the Entity to collect monies due and payable to the Entity, subject to the conditions contained herein.

**"Defaulter"** means any person who owes arrears to the Entity.



## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

**"Delivery Date"** shall mean the date on which the periodic account is delivered to the consumer or 3 days after the date the account was posted, whichever is the first.

**"Deposit"** means monetary amount raised by the entity in relation to the consumption of electricity service and mitigation of the credit risk to the entity, irrespective of the existence of an agreement;

**"Disconnection"** means a termination of services supplied

**"Due Date"** in relation to -

- a) service charges due in respect of any immovable property, means the date for payment indicated on the account, provided that the due date for any service charges means the twentieth (20th) day of September in the case where service charges are levied annually; and
- b) should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day.

**"Dwelling"** means a building, structure or place of shelter to live in.

**"Electricity Charges"** means service charges in respect of the provision of electricity.

**"Financial Year"** shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

**"Indigent Consumer"** means the head of an indigent household: -

- a) who applied for and has been declared indigent in terms of Mangaung Metropolitan Municipality's Indigent Support Policy for the provision of electricity services from the Entity; and
- b) who makes application for indigent support in terms of Mangaung Metropolitan Municipality's Indigent Support Policy on behalf of all members of his or her household;

**"Indigent Support Policy"** means the Indigent Support Policy adopted by the Council of Mangaung Metropolitan Municipality

**"Indigent Support Programme"** means a structured program for the provision of indigent support subsidies to qualifying indigent consumers in terms of Mangaung Metropolitan Municipality's Indigent Support Policy.

**"Industrial Property"** – means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

**"Interest"** means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Entity's primary bank account, plus one percent or such other percentage as may be determined by board from time to time.

**"Monthly Average Consumption"** means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding twelve months.

**"Owner"** in relation to immovable property means -

- a) the person in whom is vested the legal title thereto provided that: -
  - i. the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
  - ii. the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;
- b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curator ship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;
- c) if the owner is absent from the Republic or if his address is unknown to the Entity, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or if the Entity is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

**"Prescribed debt"** means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969.

**"Private Open Space"** means land that is privately owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area.

**"Privately Owned Townships Serviced by the Owner"** – means single properties, situated in an area not ordinarily being serviced by the Entity, divided through subdivision or township establishment in (ten or more) full-title stands and/or sectional units and where all rates-related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreation facilities, are installed at the full cost of the developer and are rendered and maintained by the residents, Home owners association or management companies/ bodies of such estate.

**"Service Charges"** means the fees levied by the Entity in terms of its tariff policy for any services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this policy.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

"**Tariff**" means the scale of charges or other fees which may be levied by the Entity in respect of services provided.

### SECTION 3: POLICY PRINCIPLES

- a) The administrative integrity of the entity must be maintained at all times.
- b) This policy must have the full support of the board of directors
- c) The board must have full knowledge of the implementation and enforcement of the policy.
- d) Consumers must apply for services from the entity by the completion of the prescribed application form.
- e) Consumers must receive regular and accurate accounts that indicate the basis for calculating the amounts due. The consumer is entitled to have the details of the account explained upon request.
- f) Consumers must pay their accounts regularly by the due date.
- g) Consumers are entitled to reasonable access to pay points and to a variety of reliable payment methods.
- h) Consumers are entitled to an efficient, effective and reasonable response to appeals and queries, and should not suffer any disadvantage during the processing of a reasonable appeal.
- i) Debt collection action will be instituted promptly, consistently, and effectively without exception and with the intention of proceeding until the debt, including the cost of collection, is recovered.
- j) It shall be the duty of all consumers to ensure that they have the correct information regarding all due amounts.
- k) Implementation and enforcement of this policy shall be done in line with the applicable service standards as outlined in the Customer Care Policy.

### SECTION 4: CODE OF ETHICS

All the officials of the entity who are responsible for the implementation of this policy shall embrace the spirit of **Batho Pele Principle** and treat all debtors with dignity and respect at all times. Employees shall execute their duties in a transparent, fair and honest manner whilst ensuring efficient implementation of this policy in order to realize its desired objectives.

### SECTION 5: IMPLEMENTING AUTHORITY

As the implementing authority of this policy, the Accounting Officer (CEO): -

- a) Implements and enforces the Credit Control and Debt Collection Policy.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- b) Is accountable to the board of directors for the enforcement of the policy and shall submit a report to the board of directors regarding the implementation and enforcement of the Credit Control and Debt Collection Policy at such intervals as may be determined by board of directors.
- c) Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the entity.
- d) Where necessary make recommendations to the board of directors with the aim of improving the efficiency of the Credit Control and Debt Collection mechanisms, processes and procedures.
- e) Establish effective communication between the entity and consumers with the aim of keeping account holders abreast of all decisions by board of directors and the council of Mangaung Metropolitan Municipality that may affect consumers.
- f) Establish consumer service centres, located in such communities as determined by the board of directors and Mangaung Metropolitan Municipality.

The Accounting Officer may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of this policy to the Chief Financial Officer.

### **SECTION 6: APPLICATION FOR THE PROVISION OF ELECTRICITY SERVICES**

A consumer who requires the provision of electricity services must apply for the service from the entity. The application must be made on the prescribed form.

**The application for the provision of services must be made by the registered owner of an immovable property only.**

The entity will not entertain an application for the provision of electricity services by a tenant of a property, or any other person who is not the owner of the property. The only exception will be: -

- a) Individuals and Businesses with lease agreements to lease properties from the entity itself or Mangaung Metropolitan Municipality;
- b) Government Departments;
- c) Body Corporates who take the responsibility for the payment of electricity services on behalf of the individual sectional title owners; and
- d) Approved Indigent Consumers for the purposes of registering and allocating the applicable subsidy to qualified indigent consumers whom will be allowed to open an account in the name of the lessee of the property.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

In the case of existing arrangements where tenants have existing accounts, written permission of the owner may be requested from the owner by the entity. If the tenant is guilty of non-payment, the owner, where permission has been granted, as a last resort is liable for the outstanding debt, except where the property concerned is owned by the entity itself.

An agent may with a proxy open an account in the name of the owner. By completing the prescribed application form for the provision of electricity services the consumer of services enters into an agreement with the entity. Such agreement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act (NCA) but shall be incidental credit as envisaged in terms of section 4(6)(b) of the NCA, to which the NCA will only apply to the extent as stipulated in section 5 of the NCA.

The agreement with the entity makes provision for the following: -

- a) An undertaking by the occupier that he or she will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on an attorney/ client basis;
- b) An acknowledgement by the occupier that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;
- c) That the onus will be on the occupier to ensure that he or she is in possession of an account before the due date; and
- d) An undertaking by the entity that it shall do everything in its power to deliver accounts timeously.

The application for the provision of electricity services shall be made at least fourteen (14) days prior to the date on which the services are required to be connected.

On receipt of the application for provision of electricity services, the entity will cause the reading of metered services linked to the property to be taken on the working day preceding the date of occupation.

The first account for services will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.

In case of new buildings being erected and a connection is made for the first time to the main service lines, the metering and levying of services actually consumed or received will take place as follows: -

- a) Basic electricity (in the case of builders' connections) charges are levied with effect from the date when the connection is made to the main service line.
- b) Basic electricity (if no builders' connection) charges are levied with effect from the date of the Occupancy Certificate issued by the Building Control Section of Mangaung Metropolitan Municipality.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- c) Any connection date between the 1st and 15th of the month will be levied for a full month whilst any connection date after the 15th of the month will only be levied from the 1st of the following month.

### SECTION 7: DEPOSITS AND GUARANTEES

On application for the provision of electricity services the consumer deposit prescribed by the board of directors in terms of the Tariff Policy shall be paid. **No interest will accrue and be paid on any deposit held by the entity.**

For the purposes of registering and allocating the applicable subsidy to qualified indigent consumers, accounts will be opened for these consumers without requiring any deposit. This is made possible through the fact that the value of services levied against these accounts is fully offset on a monthly basis against the applicable indigent subsidy. This arrangement will immediately terminate if the status of the indigent consumer changes.

The Chief Financial Officer may, in respect of business premises, accept an irrevocable bank guarantee in lieu of a deposit on application for the provision of electricity services by a business.

Existing consumers moving to a new address are required to pay the prescribed consumer deposit on application for the provision of electricity services at the new address. The minimum deposit payable is determined annually by the board of directors and shall be contained in the tariff schedule annually. All Government accounts are excluded from the payment of deposits with the exception of Public Entities for which deposits are payable.

The consumer deposit paid on application for the provision of electricity services must be reviewed annually and may be increased or decreased upon written notice to consumers. The deposit payable should be as per the tariff schedule as determined from time to time.

On termination of the supply of services the amount of the deposit less any payment due to the entity will be refunded to an account holder, provided that payments due are less than the deposit paid, and that the account holder has provided a forwarding address.

If the Chief Financial Officer intends increasing the minimum deposit payable by the consumer, then he or she shall, in the aforesaid notice, state full reasons for the increase, and allow the consumer an opportunity to make written representations in this regard. An aggrieved consumer may, within a period of twenty-one

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

(21) days of having been notified of an increase in the minimum deposit payable, lodge an appeal against the decision of the Chief Financial Officer with the Accounting Officer.

The Accounting Officer shall, in his or her capacity as the appeal authority, consider the appeal, and confirm, vary or revoke the decision of the Chief Financial Officer, within a reasonable period providing reasons for such decision.

### **SECTION 8: ACCOUNTS AND BILLING**

The entity shall provide all consumers with a monthly consolidated account for electricity services rendered, which account shall be generated on a monthly basis in cycles of approximately thirty (30) days.

All accounts rendered by the entity shall be payable on the due date. Account balances which remain unpaid after 30 days from the delivery date of the account shall attract interest on arrears, irrespective of the reasons for non-payment. Interest will be charged from the first working day of the month following the month in which the account becomes payable.

All accounts are payable as above regardless of the fact that the consumer has not received the account, the onus shall be on the consumer to obtain a copy of the account before the due date.

Accounts will be rendered using conventional postal services, hand delivery at the premises or by means of an email if so requested by the consumer.

The provisions of this policy, in respect of the supply of electricity to a consumer, shall constitute the payment conditions of the entity as licensee, contemplated in section 21(5) of the Electricity Regulation Act No. 4 of 2006.

Service charges in respect of electricity shall be determined in accordance with metered consumption. Monthly accounts shall be rendered for electricity consumption and the consumers shall effect payment thereof by the due date.

Availability charges for electricity, where applicable, are levied annually for a specific financial year but recovered in monthly instalments to assist its consumers. In the case of the consolidated account of a consumer being in arrear during a specific financial year the full amount becomes due and payable with immediate effect.

The tariffs to calculate the electricity charges are determined annually, approved by the board of directors and contained in the tariff schedule produced by the entity.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

### **SECTION 9: SUNDRY CONSUMER ACCOUNTS**

Sundry consumer accounts may be rendered by the entity from time to time. Any sundry consumer account shall be included in the monthly consolidated account produced by the entity.

### **SECTION 10: FINAL ACCOUNTS**

Upon receipt of a consumer's application for the termination of electricity services, the entity shall: -

- a) take final readings in respect of electricity consumption;
- b) prepare and render a final account;
- c) appropriate the consumer deposit for the reduction or settlement of any outstanding amount owed by the consumer; and
- d) return the consumer deposit to the consumer in the event that no amount is owed to the Centlec (SOC) Ltd or Mangaung Metropolitan Municipality.

### **SECTION 11: METERING OF CONSUMPTION**

The entity may introduce various metering equipment and may encourage consumers to convert to a system which is preferred by the entity when the board of directors considers this to be beneficial to the entity's functioning and operations.

Electricity is measured with credit and prepayment meters. Consumers may apply to entity for the installation of a prepayment electricity meter in place of a credit meter at the cost of the consumer.

Where a consumer has successfully applied for indigent support with Mangaung Metropolitan Municipality the credit meter for electricity will be changed to prepayment electricity at the cost of the entity.

The following applies in relation to reading of credit meters: -

- a) Credit electricity meters are read at in cycles of approximately 30 days.
- b) If for any reason the credit electricity meters cannot be read, the entity will render an account based on estimated consumption. The estimate will be based on the average of the previous 12 months' consumption.



## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- c) Where the estimates were being used for any reason, there should be an actual reading taken at least once per quarter within a financial year.
- d) The account based on estimated consumption will be adjusted in the subsequent account based on the actual consumption.
- e) The consumer is responsible to ensure access to metering equipment for the purpose of obtaining meter readings for billing purposes.
- f) Consumers can, for reasons of non-accessibility to their properties by meter readers, provide the entity with monthly meter readings for billing purposes, provided that an audit reading can be obtained by the entity once every six months and provided that a final reading can be obtained should the consumer vacate the property.
- g) If any calculation, reading or metering error is discovered in respect of any account rendered to a consumer: -
  - i. the error shall be corrected in the subsequent account;
  - ii. any such correction in favour of entity may apply in respect of an account from a date no more than three calendar years back from the date on which the error on the account was discovered;
  - iii. any such correction in favour of the consumer may apply in respect of an account from a date no more than three calendar years back from the date on which the error on the account was discovered; and
  - iv. the correction shall be based on the tariffs applicable during the period.
- h) When a consumer vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made by the entity and the final account rendered accordingly.

The following applies in relation to prepayment metering: -

- a) Prepayment electricity is purchased at prepayment vending points for consumption after the date of purchase.
- b) Amounts tendered for the purchase of prepayment electricity will not be refunded after the prepayment meter voucher has been produced.
- c) On request of the consumer, copies of the previous prepayment meter vouchers will be produced. Lost vouchers will not be replaced under any circumstances.
- d) Credits remaining in the prepayment meter will not be refunded when a premises is vacated by a consumer or in case of purchasing against a wrong account.
- e) The entity shall not be liable for the reinstatement of credit in a prepayment meter due to tampering with, or the incorrect use or abuse of prepayment meters.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- f) The board of directors may appoint vendors for the sale of prepaid electricity so as to ensure accessibility of the services to the consumers, but does not guarantee the continued operation of any vendor.
- g) The entity may apply all the debt collection functions available on the prepayment system to collect all arrear debt on any account of the consumer.

### **SECTION 12: PAYMENT OF ACCOUNTS**

All accounts rendered by the entity are due and payable on the due date as reflected on the statement of account. All payments, whether made by cash, stop order, electronic payments or payments made through duly authorized agents must be receipted by the entity by the close of business on the due date.

Only cash will be accepted as payment for prepaid electricity. Credit or debit cards may be used for pre-paid electricity only at merchants where services for credit card or debit card facilities are available.

Accounts rendered by the entity can be paid at any municipal cashier office and any other pay point available for payment of municipal services. The payment methods and facilities supported by the entity can be used to make payments on accounts.

Payments received in respect of service charges will be allocated by the entity entirely within its discretion, on the account of the consumer. Part payment received on an account shall be allocated firstly to reduce any penalty charges that may have accrued on the account.

An official receipt issued by the Centlec (SOC) Ltd, Mangaung Metropolitan Municipality or its duly authorized agent will be the only proof of payments made.

Although the entity must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay any amount due on account.

When payments of electricity accounts are made by means of electronic funds transfer (EFT), Debit Order or direct deposit at the bank, the account number of the account being paid must be used as a reference number so as to ensure timeous and accurate allocation of payment to the appropriate account by the entity. The account holder shall be responsible for the correctness and accuracy of the payment reference number (i.e. account number used) used. Where a payment is not timeously allocated to the account due to incorrect reference number being used or for any other reason, it is the responsibility of the account holder to furnish the entity with a valid proof of payment so as to facilitated tracing of the payment on the entity's records and subsequent allocation thereof to the appropriate account.

## SECTION 13: INTEREST ON ARREAR DEBT

### 1. INTEREST ON ARREAR DEBT

- (1) Account balances which remain unpaid 30 days after the delivery date of an account shall attract interest irrespective of the reason for non-payment.
- (2) Interest on arrear debt shall, subject to sub-clause (1) above, be calculated for each month, or part thereof, for which such payment remains unpaid.
- (3) Interest will be charged from the first working day of the month following the month in which the account becomes payable.
- (4) Interest may only be reversed in the following circumstances: -
  - Exemptions as determined by Council from time to time;
  - If the entity has made an administrative error on the account;
  - Where any debt has arisen as a result of a faulty meter of the entity or the entity has applied an incorrect charge, meter factor or tariff due to an administrative error;
  - Where indicated as such by any clause as part of this policy or another policy of the entity;
- (5) In case of outstanding debt owed by Residential Households, no further interest shall be charged on any outstanding amounts in respect of which an agreement had been concluded for the payment by way of instalment thereof, provided the instalments are paid in full by the due dates thereof and the client does not default on the arrangements.
- (6) Interest shall be charged on all overdue accounts (interest will be charged at prime +1% on all accounts older than 30 days calculated from the last transaction date). Interest shall be levied on all accounts and services except for the following categories:
  - All selected government accounts except for Public Entities where interest will be charged on outstanding accounts.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

### **SECTION 14: ENQUIRIES AND APPEALS**

Any aggrieved person may address a grievance or query regarding charges for electricity services to the Chief Financial Officer in writing or may visit any consumer care office provided by the entity.

Every consumer has the right to ask and to be provided with a clear explanation as to the services being charged and a breakdown of all amounts shown on their account.

The aggrieved person shall clearly state the basis of his or her dissatisfaction and the desired resolution.

The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle his or her account.

An interim payment similar to an average account must be paid by the due date pending finalisation of the enquiry.

The entity will respond to all inquiries from consumers in writing within twenty-eight days from the lodging of the enquiry.

The Chief Financial Officer will keep custody of all enquiries and appeals through the Collaborator Programme and report monthly to the board of directors on all enquiries and appeals yet to be resolved.

### **SECTION 15: LIMITATION, DISCONNECTION OR DISCONTINUATION OF SUPPLY**

An account rendered to a consumer by the entity in respect electricity shall be paid by the due date and if the consumer fails to pay any account within a period of fourteen (14) days after the expiry of the due date, then:

- a) without further notice, the entity may disconnect or discontinue the supply of electricity or the immovable property in question; and
- b) the Chief Financial Officer or any duly authorised person may instruct attorneys to recover the outstanding amounts owed.

The disconnection or discontinuation of the supply of electricity shall be effected in the manner that is customarily used or by taking such reasonable and lawful steps as may be necessary.

Any disbursements or charges incurred or raised in respect of the limitation, disconnection or discontinuation of the supply of electricity shall be paid by the consumer.

At the time of the disconnection, limitation or discontinuation of the supply of electricity the entity shall: -

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- a) provide the consumer with notice of disconnection, limitation or discontinuation, including: -
- i. the date of the limitation, disconnection or discontinuation;
  - ii. the reason for the disconnection or discontinuation;
  - iii. the place at which the consumer can challenge the basis of the disconnection or discontinuation; and
  - iv. allow the consumer fourteen days to challenge or make representations.

If a consumer unlawfully reconnects or attempts to reconnect a supply of electricity that has been limited, disconnected or discontinued, then –

- a) the entity may disconnect or discontinue the supply entirely by removing the service connection from the premises; and
- b) any disbursements, penalties or reconnection charges, together with any outstanding amounts owed, must be paid in full before a reconnection can be made.

Subject to the provisions of this policy, the Chief Financial Officer or any person duly authorised thereto may enter into an arrangement with a defaulter for the payment of an outstanding account, in which event:

- a) payment may be made by way of instalments; and
- b) the normal supply of electricity to the premises shall be resumed.

Any defaulter who enters into a *bona fide* arrangement with the entity for the settlement of arrears, and who fails to honour the terms of such arrangement, shall not be allowed to enter into any further arrangement with the entity.

The Chief Financial Officer can at his/her discretion revise the arrangement conditions in terms of the number of arrangements allowed, arrangement deposit amount payable or number of instalments, if it assists the entity to recover the outstanding amounts.

Any consumer already handed over to a debt collector or attorney is not allowed to make any arrangement with the entity for the payment of such an account and must be referred to the relevant debt collector or attorney attending to the account handed over.

In the case of a consumer where the supply of electricity been disconnected or discontinued at least twice during the preceding period of twelve (12) months, the entity may review the amount of the consumer deposit required from such consumer.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

The entity must provide an owner of a property in its area of supply with copies of accounts sent to the occupier of the property for services supplied to the property if the owner requests such accounts in writing from the entity.

The entity must provide an owner of a property in its area of supply with copies of any agreement entered into with the occupier of the property for the payment of an outstanding account if the owner requests such agreement in writing from the entity.

### SECTION 16: DEBT COLLECTION

#### 16.1 Handover of debt to debt collectors

Inactive debts which have been outstanding for more than 90 days from due date may be handed over to debt collectors appointed by the entity for the purposes of collecting such debt.

The relevant debt collectors must ensure that the stipulations contained in the NCA with respect to incidental credit are duly complied with. If the debt collectors are unsuccessful in collecting the debt within 90 days of being handed over, the debt may be handed over to attorneys for legal action.

Only the Chief Financial Officer may hand over debts to attorneys for collection, and the Chief Financial Officer shall hand such debts over to attorneys for collection if they have not been collected by debt collectors within the aforementioned period of ninety (90) days, unless the Chief Financial Officer is of the opinion that it shall not be cost effective to do so.

If the Chief Financial Officer is of the opinion that it is appropriate to do so (such as in cases of urgency), he or she may hand over debts for collection to attorneys at any time prior to the expiration of any of the periods referred to above and without first handing them to debt collectors.

The following types of debt will not be handed over to debt collectors:

- i. Debts of indigent consumers that are registered as indigent at the date of handover.
- ii. Government debt.
- iii. Debt that is being paid off as per an arrangement with the consumer.
- iv. Debt that has not been subject to internal credit control actions for at least two months.

The process of collecting debt by debt collectors includes:

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- i. The phoning of consumers.
- ii. Sending demands for payment by SMS (short message service) to consumers.
- iii. Sending out demand letters.
- iv. Making arrangements with consumers to pay off debt in terms of the entity's credit control and debt collection policy.
- v. Making follow-up contact with consumers on unpaid arrangements.

### **16.2 Handover of debt to Attorneys for legal collection**

Inactive Debt that could not be collected by the debt collectors and debt that requires urgent legal attention will be handed over to attorneys for legal collection.

The following types of debt will not be handed over to attorneys:

- i. Debt of approved indigent consumers that has not yet been written off by the board.
- ii. Debt that is being paid off as per an arrangement with the consumer.
- iii. Debt that has not been subject to internal credit control actions for at least two months.

The process of legal collection includes: -

- i. Final demands for payment to consumers.
- ii. Emolument attachment orders on consumer's salaries.
- iii. Summons issued for debt to be paid.
- iv. Default judgment to be obtained against the consumer.
- v. The attachment of moveable properties and sale in execution of moveable property
- vi. The attachment of immoveable property and the sale in execution of immoveable property.

### **16.3 Debt of approved indigent consumers written off**

Upon registration as an indigent household, the arrears on the account of the applicant will be written off.

Where restriction of consumption applies to an electricity service, applicants may not refuse to be restricted. Where restrictions are not possible the account holder will be responsible for the consumption in excess of the approved subsidy.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

The writing off of any arrears is strictly subject to the provision that the property may not be sold within a period of three years from the date that the owner qualifies as a registered indigent. In the case of the property being sold within a period of three years the arrear debt, excluding any further accumulated interest, will be recovered before a clearance certificate is issued.

This will only be implemented if the registered indigent complies with the approved MMM indigent policy requirements, namely a prepaid meter must be installed

### 16.4 Other debt collection methods

The debt collection methods mentioned in the paragraphs above are not an exhaustive list of methods that can be applied to collect debts and any other methods that can be initiated will be implemented with the approval of board.

## SECTION 17: ARRANGEMENTS TO PAY ARREAR DEBT

Arrangements to pay outstanding and due amounts in consecutive instalments: -

### 17.1 Residential Households

One of the key objectives of debt collection is to encourage consumers to start paying their monthly accounts in full. The growing average balances on consumer accounts necessitate that innovative ideas be implemented to encourage consumers to pay off their arrears. At the same time, it is also of utmost importance that regular payers not be discouraged through the implementation of any possible incentives.

The main aim of an arrangement agreement will be to promote full payment of the current account and to address the arrears on a consistent basis.

A consumer may enter into a written payment agreement with the entity to repay any outstanding and due amount to the entity under the following conditions: -

- i. The outstanding balance, costs and any interest thereon shall be paid in regular and consecutive monthly instalments;
- ii. All debt less than 90 days must be paid in full;
- iii. A deposit of 30% on debt older than 90 days; and
- iv. The written agreement has to be signed on behalf of the entity by a duly authorised officer.

The agreement will be compliant with the requirements of the National Credit Act where applicable.



## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

In order to determine monthly instalments a comprehensive statement of assets and liabilities as well as the statement of income and expenditure of the consumer must be compiled and submitted by the consumer on application. To ensure the continuous payment of such arrangement the amount determined must be affordable to the consumer, taking into account that payment of the monthly current account is a prerequisite for concluding an arrangement.

The entity may from time to time introduce incentive schemes to improve the debt collection rate.

During the time of the debt collection process, but before the debt is handed over to the attorneys a consumer may enter into an arrangement to pay off arrear debt, which will be made an order of court by agreement in terms of the Rules of the Court. A consumer who cannot pay their arrear debt may enter into an arrangement to pay the account over an extended period of time.

No arrangements will be entertained by the entity on a debt that has been handed over for legal collection. The Entity will entertain only one arrangement with a consumer to pay off arrear debt. Failure to abide by the arrangement will result in:

- i. the arrangement being terminated with immediate effect; and
- ii. the outstanding balance being immediately become due and payable;

The consumer by signing the arrangement agreement to pay off arrear debt acknowledges the following:

- i. The debt is owed to the Entity.
- ii. That on default of the arrangement agreement, interest on arrears will be charged on the amount due, electricity supply will be disconnected to the property of the consumer or the consumer will be blocked from the purchase of electricity on the prepayment system, and legal proceedings will be instituted to collect the debt.
- iii. That the consumer will be liable for all costs, which includes legal costs on an attorney client basis incurred to collect the debt.

### **17.2 Arrangements by businesses**

At the date of the arrangement the following is payable:

- i. All debt that is less than 90 days must be paid in full;
- ii. A deposit of 50% on debt older than 90 days; and

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

- iii. The written agreement has to be signed on behalf of the entity by a duly authorised officer.

The balance of the debt which includes the capital amount and interest must be paid over a 6 to 12 month period provided payments are made monthly by the due date. Only the Chief Financial Officer may approve any extension on this arrangement.

The total monthly instalment must include the current monthly charges plus the amount to pay off arrear debt.

Arrangement by businesses to pay off arrear debt will only be entertained for debt on which debt collection actions have been taken and which actions are in an advanced stage.

During the time of the debt collection process, but before the debt is handed over to the attorneys a consumer may enter into an arrangement to pay off arrear debt, which will be made an order of court by agreement in terms of the Rules of the Court.

No arrangements will be entertained by the entity on a debt that has been handed over for legal collection. Failure to maintain the arrangement will result in interest being reversed and full debt collection being implemented, with no possibility of reprieve.

Any arrangement outside of the foregoing must be approved by the Accounting Officer (CEO). This function cannot be delegated.

\*NB! The principal debt on all arrangement shall be the amount outstanding as at the date of the arrangement excluding the current amount due less the deposit paid for the arrangement. The principal amount owing after the deposit payable on the acknowledgement of debt form shall be the principal amount captured in the system.

At his/her discretion, the Chief Financial Officer can revise the arrangement conditions based on 17.1 and 17.2 listed above in terms of the number of arrangements allowed, arrangement deposit amount payable, or the number of instalments if it assists the entity in recovering the outstanding amounts.

### **SECTION 18: ARRANGEMENTS TO PAY TAMPERING FINES**

Arrangements to pay outstanding tampering fines will be made as follows.

The total amount of the penalty for tampering fines comprises of two parts:

- i. Cost of the fine
- ii. Cost of the installation normalisation

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

The cost of the fine should be paid by the customer in full as an upfront deposit before an arrangement can be made and the electricity is restored. The remaining part which is the cost of installation normalisation will be deducted from the customer's prepaid purchases every time the customer buys electricity. A minimum deduction of 30% of the customer's purchases will be used to recover the cost of reconnecting until the reconnection cost is settled in full.

The tampering fine may be waived if the CFO has sufficient evidence that the tampering was the result of carelessness rather than malice. The cost of installation normalisation will remain.

The Chief Financial Officer can, at his/her discretion, revise the arrangement conditions listed above in terms of the arrangement deposit amount payable or the number of instalments if it assists the entity in recovering the outstanding amounts.

### **SECTION 19: AUXILIARY PROCESS**

Loading of auxiliary on prepaid meters to recover outstanding balances.

An auxiliary will be loaded in the following situations:

- i. Tampering/ illegal connection occurred at meter
- ii. Faulty meters – Client consumes electricity at no charge
- iii. Prepaid meter running in negative – Meter counter running in negative due to being faulty
- iv. Debt owed to Mangaung Metro Municipality for services provided

A minimum of 30% of the customer's purchases will be deducted until these costs are paid in full in order to cover the cost of reconnecting with regard to electricity or debt outstanding for past-due services provided by Mangaung Metro Municipality.

Mangaung Metro Municipality must notify the prepaid customer that an auxiliary will be loaded as a result of non-payment (as part of their disconnection process). The information Mangaung Metro Municipality provides the entity to start this process must be accurate and able to be defended in court of law.

### **SECTION 20: STAFF, DIRECTORS AND EMPLOYEES & COUNCILLORS OF MANGAUNG METROPOLITAN MUNICIPALITY - PAYMENT OF ARREARS**

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

All current staff, directors, employees, and councilors of Mangaung Metropolitan Municipality who are in arrears with any service provided by the entity or the parent municipality and have not entered into a payment agreement must do so immediately once their accounts become overdue. Failure to do so will result in debt collection actions being initiated in accordance with this policy.

All staff joining the entity or the parent municipality must within thirty days sign an agreement to pay arrears.

- i. The repayment period for staff, directors and employees and councilors of Mangaung Metropolitan Municipality shall not exceed twelve months.
- ii. All agreements with Directors, Councilors and other employees of term contracts must not exceed the expiry date of their term of office.
- iii. The entity may load an auxiliary for these outstanding debts as per the auxiliary section above.

### SECTION 21: ADMINISTRATION ORDERS - PAYMENT OF ARREARS

On notification that an order for administration in terms of section 74 of the Magistrates Court Act, 1944 order has been granted, entity will manage the debt that is part of the administration order separately to the current account.

The consumer concerned will be responsible for the payment of the current monthly account and if the consumer defaults on the payment of the account, debt collection action will be implemented.

### SECTION 22: ALLOCATION OF PART PAYMENTS AND APPROPRIATION OF DEPOSITS

If an accountholder pays only part of an overdue account, the payment shall be allocated such follows to in relation to that account:

- **firstly**, to any additional charges levied by the entity in respect of legal expenses, disconnection or reconnections of services in respect of the account or property concerned;
- **secondly**, to any unpaid interest raised on the account;
- **thirdly**, to the arrear electricity account
- **fourthly**, to the current electricity account;

This sequence of allocation shall be followed despite any instructions to the contrary given by the accountholder.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

### **SECTION 23: CERTIFICATES REQUIRED FOR TENDERS**

A person or an institution reacting to a tender published by Centlec (SOC) Ltd and / or Mangaung Metropolitan Municipality or wishing to enter into a contract to either provide services or goods to Centlec (SOC) Ltd and / or Mangaung Metropolitan Municipality must produce a certificate, on the prescribed form, which states that regular payment of rates and services accounts are maintained and that the accounts are currently up to date.

A person who fails to provide such a certificate shall be disqualified from the tendering process. A person who has an existing arrangement with the entity and / or Mangaung Metropolitan Municipality for the payment of arrears shall be exempted from the foregoing provisions to the extent of the arrears.

### **SECTION 24 POWER OF ENTRY AND INSPECTION**

For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorised representative of the entity may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary: -

- a) with regard to the installation or repair of any meter or service connection or reticulation; or
- b) so as to limit, discontinue, disconnect or reconnect the provision of electricity service.

If the entity considers it necessary that work be performed to enable the foretasted authorised representative to perform a function referred to in preceding paragraph properly and effectively, then it may:

- a) by written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period; or
- b) if, in its reasonable opinion, the situation is a matter of urgency, then the entity may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.

If the work referred to above is carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the entity shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

### **SECTION 25: NOTICES**

A notice or document issued by the entity in terms of this policy shall be deemed to be duly issued if signed by a duly authorised representative of the entity.

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

If a notice is to be served on a person in terms of this policy, then such service shall be effected by:

- a) delivering the notice to him or her personally, or to his or her duly authorised agent or by postage to the official address as noted on the system;
- b) delivering the notice at his or her residence or place of employment, to a person apparently not less than 16 (sixteen) years of age, and apparently residing or employed there;
- c) if he or she has nominated an address for legal purposes, delivering the notice to such an address;
- d) Postage addressed to his or her last known address;
- e) in the case of a body corporate, delivering it to the registered office or the business premises of such a body corporate; or
- f) if service cannot be effected in terms of the foregoing subsections, by affixing it to the principal door of entry to the premises or displaying it in a conspicuous place on the property to which it relates.

### **SECTION 26: OFFENCES AND PENALTIES**

Any person who commits any of the following acts, shall be guilty of an offence: -

- a) fails to give the access required by a duly authorised representative of the entity in terms of this policy;
- a) obstructs or hinders a duly authorised representative of the entity in the exercise of his or her powers or performance of functions or duties in terms of this policy;
- b) unlawfully uses or interferes with entity's equipment or the consumption of services supplied to any consumer;
- c) tampers with or breaks any seal on a meter or on any equipment belonging to the entity, or causes a meter not to register properly the service used;
- d) illegally connects and / or reconnects electricity;
- e) fails, or refuses, to give a duly authorised representative of the entity such information as he or she may reasonably require for the purpose of exercising or performing his or her powers or functions in terms of this policy, or gives such representative false or misleading information, knowing it to be false or misleading; or
- f) contravenes or fails to comply with a provision of this policy.

### **SECTION 27: REPORTING**

## Centlec (SoC) Ltd - Credit Control & Debt Collection Policy

---

The Chief Financial Officer shall report monthly to the Accounting Officer (CEO) in a suitable format to enable the CEO to report to the board of directors.

The board shall, quarterly every financial year, report to the Mangaung Metropolitan Municipality the implementation and enforcement of the entity's Credit Control and Debt Collection policy.

This report shall contain particulars on cash collection statistics, showing high-level debt recovery information including amongst others numbers of customers, enquiries, arrangements, default arrangements, growth or reduction of arrear debt.

Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, state, institutional and other such divisions.

### **SECTION 28: REVIEW PROCESS**

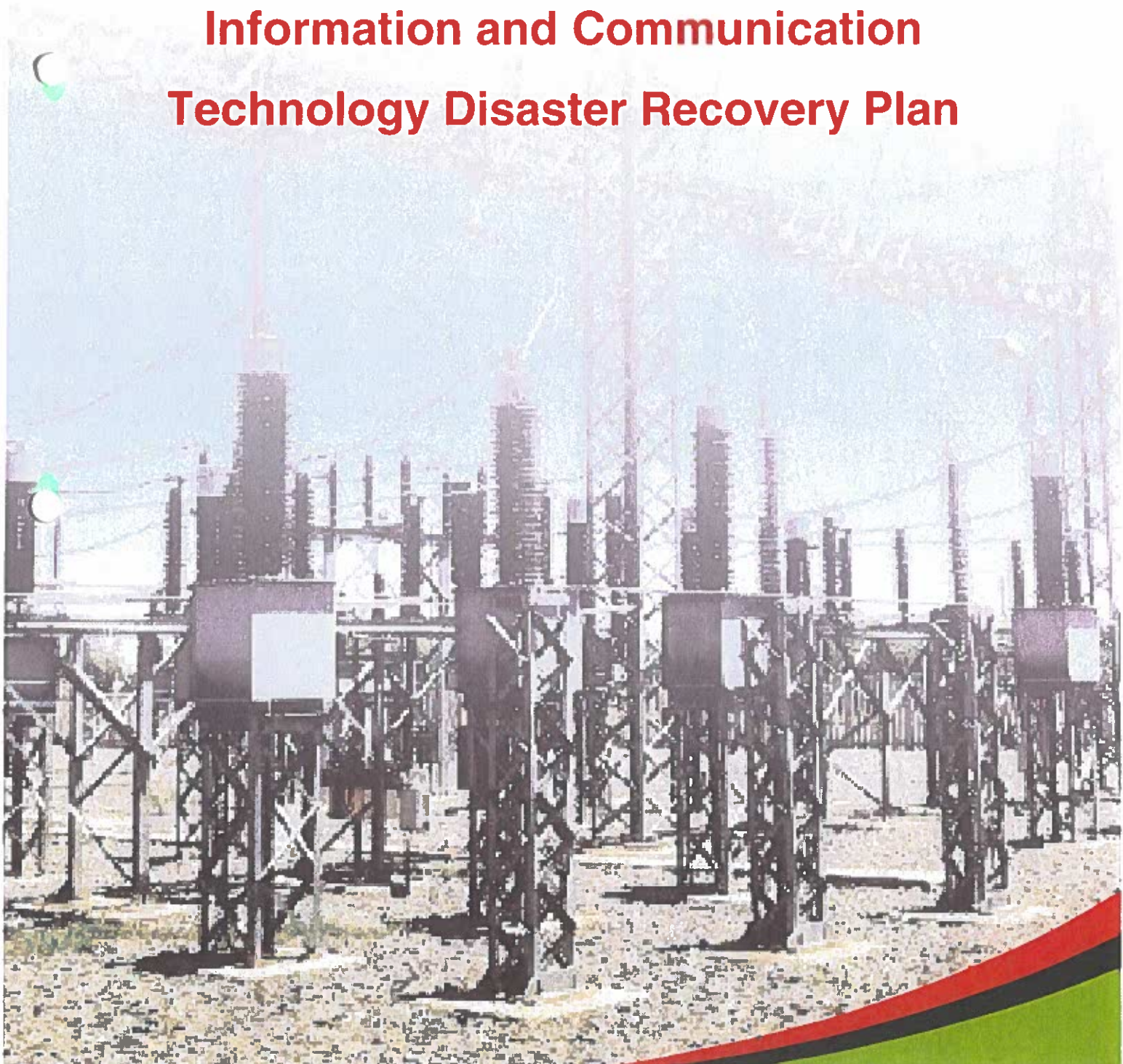
This policy and underlying strategies will be reviewed at least annually, or as necessary, to ensure its continued application and relevance.

**INFORMATION & COMMUNICATION:  
DISASTER RECOVERY PLAN**





# Information and Communication Technology Disaster Recovery Plan





CENTLEC (SOC) LTD	
Subject: Information And Communication Technology Disaster Recovery Plan	Policy No:
Directorate: Office Of The CEO	Last Date of Review: 2024-2025
Sub-Directorate: Information Management	Date Approved : <b>March 2025</b>
	Effective Date: <b>1 April 2025</b>

# TABLE OF CONTENTS

<b>ABBREVIATIONS</b> .....	<b>4</b>
<b>TERMINOLOGIES</b> .....	<b>4</b>
<b>1. INTRODUCTION</b> .....	<b>6</b>
<b>2. RELATED DOCUMENTS</b> .....	<b>6</b>
<b>3. PURPOSE</b> .....	<b>6</b>
<b>4. SCOPE</b> .....	<b>6</b>
<b>5. EXPECTATIONS</b> .....	<b>7</b>
<b>6. THREATS IMPACT ANALYSIS</b> .....	<b>8</b>
<b>7. BUSINESS IMPACT ANALYSIS</b> .....	<b>9</b>
<b>8. DISASTER RECOVERY TIME</b> .....	<b>10</b>
<b>8.1 Infrastructure downtime</b> .....	<b>10</b>
<b>8.2 Critical Application downtime</b> .....	<b>11</b>
<b>9. DISASTER RECOVERY TEAMS &amp; RESPONSIBILITIES</b> .....	<b>13</b>
<b>10. ASSESSMENT OF CURRENT AND PREVENTION OF FURTHER DAMAGE</b> .....	<b>23</b>
<b>11. STANDBY FACILITY ACTIVATION</b> .....	<b>24</b>
<b>12. RESTORING IT FUNCTIONALITY</b> .....	<b>25</b>
<b>13. MAINTENANCE</b> .....	<b>26</b>
<b>14. TESTING</b> .....	<b>27</b>
<b>15. DR SITE TEST</b> .....	<b>27</b>
<b>16. DISASTER AND RECOVERY NETWORK TOPOLOGY</b> .....	<b>28</b>
<b>17. REVIEW AND APPROVAL</b> .....	<b>29</b>

## ABBREVIATIONS

ABBREVIATION	DEFINITION
BCP	Business Continuity Plan
DR	Disaster Recovery
DRP	Disaster Recovery Plan
DRT	Disaster Recovery Team
ICT	Information and Communication Technology
LAN	Local Area Network
PC	Personal Computer
SLA	Service Level Agreement
WAN	Wide Area Network

## TERMINOLOGIES

TERMINOLOGY	DEFINITION
<b>Backups</b>	To make a copy of the data held on the system in case the original data is lost or damaged. Backups should be stored either in the secure storage servers, secure cloud or software platform and ensure that original data files could then be restored from the backups.
<b>Business Continuity Plan</b>	A business continuity plan (BCP) is a document that outlines how a business will continue operating during an unplanned disruption in service. Plans may provide detailed strategies on how business operations can be maintained for both short-term and long-term outages.
<b>Disaster</b>	A significant or unusual incident that has long implications.
<b>Disaster Recovery</b>	It is the process of recovering systems following a major disruption. The likelihood of a major disaster or significant disruption is generally low, often remote. Still, the consequences of a system failure that cannot be restored could be significant or even catastrophic.
<b>Hardware</b>	It is the most visible part of any information system: the equipment such as computers, scanners and printers that is used to capture data, transform it and present it to the user as output.
<b>Service Level Agreement</b>	Service Level Agreement (or SLA) is the part of a contract that defines exactly what services a service provider will provide and the required level or standard for those services.

**Windows integrated security authentication -**

(often referred to as Windows authentication) is the easiest security mechanism to implement. The basic vision is beautiful in its simplicity: if the user has already logged on to Windows, the browser can silently pass the user's credentials to ASP.NET.

## **1. INTRODUCTION**

CENTLEC relies on Information and Communications Technology to execute its business effectively and efficiently. Consequently, information has become as valuable an asset to CENTLEC as its physical assets and intellectual property. Many operations are time-sensitive, and even a brief disruption in production can impact CENTLEC in various ways.

It is thus important to have an Information and Communication Technology (ICT) Disaster Recovery Plan to ensure business continuity in the event of a disaster. This document describes the nature and location of CENTLEC ICT systems and the necessary actions required to ensure that CENTLEC is able to resume normal business functions in the event of a disaster. The CENTLEC's Information and Communication Technology Sub-directorate focuses on ensuring that the vital ICT components are restored to working order as per the overall Business Continuity Plan (BCP). It is, therefore, the CENTLEC's overall BCP to migrate towards being compliant with industry best practices, international standards, corporate governance and regulatory requirements.

This document forms the base for recovering all CENTLEC's business essential applications and services in the event of a disaster.

## **2. RELATED DOCUMENTS**

This policy is related to the standard operational procedure that deals with Incident Management Plans, Backup Procedures and Change control procedures and may be useful in the event of an emergency.

## **3. PURPOSE**

This Plan is to assist in recovering the business-critical systems/operations that were identified in the business impact analysis in case of a disaster. The specified ICT systems are essential for the business; without them, operations cannot continue. A disaster would significantly affect CENTLEC if these systems are compromised.

## **4. SCOPE**

The CENTLEC Disaster Recovery Plan takes all of the following areas into consideration:

- 4.1 Network Infrastructure
- 4.2 Server infrastructure
- 4.3 Telephone systems
- 4.4 Backup systems
- 4.5 End-User computers
- 4.6 Database systems
- 4.7 Application systems
- 4.8 Website
- 4.9 Document management system.

## 5. EXPECTATIONS

The following assumptions have been made in compiling this Plan.

- 5.1 All data, systems and applications have been backed up and need to be stored initially internally and eventually externally to the ICT offices.
- 5.2 A worst-case scenario disaster being experienced at the CENTLEC is assumed in the planning process but not initially catered for.
- 5.3 Key CENTLEC ICT critical systems personnel shall be trained in their emergency response and recovery roles, and they are available to activate the CENTLEC critical systems ICT DRP.
- 5.4 Preventative controls (e.g., generators, environmental controls, waterproof tarps, sprinkler systems, fire extinguishers etc.) shall be installed and will be fully operational as the finances become available to supply these. An "Enviro-rack" solution has already been installed at the first identified DR site. Data center equipment, including components supporting the CENTLEC-critical systems, is connected to a UPS that provides 4Hrs of electricity during a power failure. Service level agreements are maintained with service providers for systems hardware, software and communication providers to support the CENTLEC systems.
- 5.5 All production data will be restorable at an alternative site via replication of data to and from the different DR sites. This DR approach applies to CENTLEC servers' hardware and software and, therefore, excludes items such as the WAN, PCs, and transversal systems.
- 5.6 Disaster Recovery situations may result in degraded performance of certain services.

5.7 A complete copy of this DR Plan is available in the Recovery Kit. This copy of the ICT DRP shall become the default copy for use in the event of a disaster.

5.8 CENTLEC General Manager / Executive: ICT coordinates the maintenance of the ICT DRP as contained in the Recovery Kit.

## 6. THREATS IMPACT ANALYSIS

Table 1: Threats

Possible Threats	Vulnerability				Likelihood				Severity Level
	H	M	L	N/A	H	M	L	N/A	
Elements	H	M	L	N/A	H	M	L	N/A	
Earthquake		√					√		3
Tornado / heavy winds			√				√		2
Flooding	√					√			4
Fire	√					√			4
Explosion	√					√			4
Water pipe break	√					√			4
Severe thunderstorm	√				√				5
Hazardous material			√				√		3
Hail damage		√				√			3
Lightning	√				√				5
Drought		√				√			3

People	H	M	L	N/A	H	M	L	N/A	
Civil unrest	√				√				5
Industrial action / strikes	√				√				5
Denial of access	√				√				5
Computer crime	√					√			4
Industrial sabotage		√				√			4
Bomb threat / blast		√				√			4
Transportation accident	√				√				5
Unauthorised access	√					√			4



Individuals undocumented knowledge	√				√					5
------------------------------------	---	--	--	--	---	--	--	--	--	---

Technology	H	M	L	N/A	H	M	L	N/A		
Telecommunications failure										
Telephone line failure	√					√				4
Network failure	√					√				4
Power shortage/failure	√				√					5
UPS failure	√				√					5
Computer hardware failure										
Workstation failure		√				√				3
Server failure	√					√				5
Printer failure		√				√				3
Computer software failure										
Upgrade compatibility	√					√				4
Over customisation	√					√				4
Unlicensed software		√				√				3
Email retention and deletion		√				√				4
Email content		√				√				4
Document loss or destruction										
Legal documents	√					√				4
Employee records	√					√				4
Service level agreements	√					√				3
Data backups & restores	√				√					5
Hacking		√				√				4
Air-conditioning failure	√					√				4
Computer virus attack	√					√				4

## 7. BUSINESS IMPACT ANALYSIS

Four main scenarios are addressed with this DR Plan, namely for impact analysis.

**7.1 Loss of premises/facilities:** CENTLEC ICT is in the process of establishing an offsite cold Disaster Recovery Site. In the above instance, the worst-case scenario, the

main WAN connectivity will be switched to the cold DR site. This would allow primary systems to be functional as soon as they have been recovered.

**7.2 Loss of people:** In the above instance, full processes and procedures will be developed, allowing any suitably qualified person with technical skills and knowledge to be in a position to support the infrastructure in place in the CENTLEC or at the future recovery premises.

**7.3 Loss of systems:** Depending on the severity of the system failure, primary servers should be virtualized as well as replicated. This will enable redundancy in terms of CENTLEC business systems within two minutes of failure. This is a dynamic process.

**7.4 Loss of Hardware:** Depending on the severity of the hardware failure, primary servers should be virtualized or imaged for physical servers as well as replicated. This will enable redundancy in terms of CENTLEC business systems within two minutes of failure. This is a dynamic process.

## 8. DISASTER RECOVERY TIME

The recovery time to start and maintain operations is vital to the financial needs of CENTLEC. The following recovery point time of objectives in the event of the disaster. These times are defined as the following in tears based on the criticality:

Table 2: Recovery Time

Disaster recovery Categories	Recovery Time
Infrastructure Services	0-8 Hours
Critical applications-Tier One	8-24 hours
Business essential operations-Tier Two	48-72 hours

### 8.1 Infrastructure downtime

These are the services, including the hardware, such as switches, servers, and network connectivity.

This technology is essential for the organization for communication and operations.

8.1.1 Recovery time: 0-8 Hours

8.1.2 Equipment strategy: equipment spares on site for immediate technology requirements or faster delivery procurement.

Table 3: Server downtime

Services	Description
Company Servers	VMware for all the Servers
Company network	Switches in all the department
Company network	Firewalls in the server rooms
Company network	Microwaves and Cables for APN

## 8.2 Critical Application downtime

These are the services including the software such as financial software, Human resource software and telemetry software.

These applications are very essential for the organization for user access and operations.

8.2.1 Recovery time: 8-24 Hours

8.2.2 Software strategy: regular check-up on the licensing expiry dates

Table 4: Critical application down time

Services	Description
Exchange mails	Communication operations for internal and external
Internet	Operational connectivity through APN
Financial	SCOA for Financial transaction
Human resource	PAY day for Leaves and payroll
Vending	Prepaid electricity purchase
Telemetry	Scada systems for switching
Active Directory	Authentications

## 8.3 Business essential operation services downtime

These are the services, including the communications such as telephones, digital radios and Websites

These applications are very essential for the organization for user access and operations.

8.3.1 Recovery time: 48-72 Hours.

8.3.2 Software strategy: regular check-up on the licensing expiry dates.

Table 5: Business essential downtime

Services	Description
Website	Communication operations
Telephone system	Communication operations
Digital Radio	Communication operations
Service Desk	Communication operations
Call Centre	Communication operations

#### 8.4 Services recovery points and priorities

Following is the priority sequence in which systems need to be recovered.

Table 6: Priority 1 Server Sequence

Priority	System/Application	Server Name	Service Provider	Contact
PRY 1	Active Directory	Domain Controller	CENTLEC	051 412 2634
PRY 1	Exchange Server	Mail Exchange	CENTLEC	051 412 2634
PRY 1	Firewall	Firewall	CENTLEC	051 412 2634
PRY 1	Solar Systems	Financial Systems	CENTLEC	051 412 2634
PRY 1	Vending Systems	Powernet Systems	CENTLEC	051 412 2634
PRY 1	Scada	Scada	CENTLEC	051 412 2634
PRY 1	Mimic	Mimic	CENTLEC	051 412 2634
PRY 1	Pay Day	Payday	CENTLEC	051 412 2634
PRY 1	ESS	ESS	CENTLEC	051 412 2634
PRY 1	Website	Webserver	CENTLEC	051 412 2634
PRY 1	Intranet Server	Webserver	CENTLEC	051 412 2634

Table 7: Priority Server Network

Priority				
PRY 2	Vol 1	File Server	CENTLEC	051 412 2634
PRY 2	Vol2	File Server	CENTLEC	051 412 2634

Table 8: Server Start Sequence

Priority				
PRY 1	VMware 1	Host Server	CENTLEC	051 412 2634
PRY 2	VMware 2	Host Server	CENTLEC	051 412 2634
PRY 3	VMware 3	Host Server	CENTLEC	051 412 2634
PRY 4	Active Directory	Mail Exchange	CENTLEC	051 412 2634
PRY 5	Exchange Server	Firewall	CENTLEC	051 412 2634
PRY 6	Solar Systems	Financial Systems	CENTLEC	051 412 2634
PRY 7	Vending Systems	Powernet Systems	CENTLEC	051 412 2634

With above sequence, it must be noted that many of the recoveries can be done simultaneously.

## 9. DISASTER RECOVERY TEAMS & RESPONSIBILITIES

At the time of the disaster, emergency notifications and alerts should be triggered or escalated to relevant personnel or external contractors responsible for the systems or application. This notification can be in the form of an email alert or any form of communication. The Person responsible for Backups and Business Continuity should engage the responsible Person. The relevant ICT service providers' SLAs should provide for the replacement of ICT skills when CENTLEC ICT employees are not available. The ICT section should ensure that skills are evenly spread in the unit.

Usually, systems fail due to hardware, software, configuration and/or network failures. The CENTLEC IT support staff addresses these and falls more within problem management procedures.

The CENTLEC ICT currently makes use of the Veeam solution to back up systems and data. Business critical systems have been identified, and arrangements are being implemented to replicate all backups made to the secondary DR sites as offsite backups. Critical hardware systems must be placed under a warranty for 5 years.

In the event of a disaster, different groups will be required to assist the IT department in their effort to restore normal functionality to the employees of CENTLEC. The different teams and their responsibilities are as follows:

### 9.1 Disaster Recovery Lead

The Disaster Recovery Lead is responsible for making all decisions related to the Disaster Recovery efforts. This Person's primary role will be to guide the disaster recovery process, and all other individuals involved in the disaster recovery process will report to this Person in the event that a disaster occurs at CENTLEC, regardless of their department and existing managers. All efforts will be made to ensure that this Person be separate from the rest of the disaster management teams to keep their decisions unbiased; the Disaster Recovery Lead will not be a member of other Disaster Recovery groups in CENTLEC.

#### Role and Responsibilities

9.1.1 Determine that a disaster has occurred and trigger the DRP and related processes.

9.1.2 Initiate the DR Call Tree.

9.1.3 Be the single point of contact for and oversee all of the DR Teams.

9.1.4 Organize and chair regular meetings of the DR Team leads throughout the disaster.

9.1.5 Present to the Management Team the state of the disaster and the decisions that need to be made.

9.1.6 Organize, supervise and manage all DRP tests and author all DRP updates.

Table 9: Disaster recovery leads

Leads Name	Designation	Phone Number	Email
Daniel Malokase	IT Manager	051 412 2634	<a href="mailto:Daniel.malokase@centlec.co.za">Daniel.malokase@centlec.co.za</a>

<b>Boitumelo Motshwene</b>	Executive Manager	051 412 2729	<a href="mailto:Boitumelo.Motshwene@centlec.co.za">Boitumelo.Motshwene@centlec.co.za</a>
----------------------------	-------------------	--------------	--

## 9.2 Disaster Management Team

The Disaster Management Team will oversee the entire disaster recovery process. They will be the first team that will need to take action in the event of a disaster. This team will evaluate the disaster and will determine what steps need to be taken to get the organization back to business as usual.

### Role & Responsibilities

- 9.2.1 Set the DRP into motion after the Disaster Recovery Lead has declared a disaster.
- 9.2.2 Determine the magnitude and class of the disaster
- 9.2.3 Determine what systems and processes have been affected by the disaster
- 9.2.4 Communicate the disaster to the other disaster recovery teams
- 9.2.5 Determine what first steps need to be taken by the disaster recovery teams
- 9.2.6 Keep the disaster recovery teams on track with pre-determined expectations and goals
- 9.2.7 Ensure that all decisions made abide by the DRP and policies set by CENTLEC
- 9.2.8 Get the secondary site ready to restore business operations
- 9.2.9 Ensure that the secondary site is fully functional and secure
- 9.2.10 Create a detailed report of all the steps undertaken in the disaster recovery process
- 9.2.11 Notify the relevant parties once the disaster is over and normal business functionality has been restored
- 9.2.12 After CENTLEC is back to business as usual, this team will be required to summarize any costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster

Table 10: Disaster Management team

Leads Name	Designation	Phone Number	Email
<b>Nico Moeketsi</b>	Health and Safety	051 412 2360	<a href="mailto:Nicolas.Moeketsi@centlec.co.za">Nicolas.Moeketsi@centlec.co.za</a>

<b>Brian Leserwane</b>	GM Facility and Security Management	051 412 2384	<a href="mailto:Brian.Leserwane@centlec.co.za">Brian.Leserwane@centlec.co.za</a>
<b>Daniel Malokase</b>	IT Manager	051 412 2634	<a href="mailto:Daniel.malokase@centlec.co.za">Daniel.malokase@centlec.co.za</a>
<b>Boitumelo Motshwene</b>	Executive Manager	051 412 2729	<a href="mailto:Boitumelo.Motshwene@centlec.co.za">Boitumelo.Motshwene@centlec.co.za</a>

### 9.3 Facilities Team

The Facilities Team will be responsible for all issues related to the physical facilities that house IT systems. They are the team that will be responsible for ensuring that the standby facilities are maintained appropriately and for assessing the damage, too and overseeing the repairs to the primary location in the event of the primary location's destruction damage.

#### Role & Responsibilities

9.3.1 Ensure that the standby facility is maintained in working order

9.3.2 Ensure that transportation is provided for all employees working out of the standby facility

9.3.3 Ensure that hotels or other sleeping are arranged for all employees working out of the standby facility

9.3.4 Ensure that sufficient food, drink, and other supplies are provided for all employees working out of the standby facility

9.3.5 Assess or participate in the assessment of any physical damage to the primary facility

9.3.6 Ensure that measures are taken to prevent further damage to the primary facility

9.3.7 Work with an insurance company in the event of damage, destruction or losses to any assets owned by CENTLEC

9.3.8 Ensure that appropriate resources are provisioned to rebuild or repair the main facilities in the event that they are destroyed or damaged

9.3.9 After CENTLEC is back to business as usual, this team will be required to summarize any costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster



Table 11: Facility Team

Leads Name	Designation	Phone Number	Email
<b>Motsilisi Makhaba</b>	Asst Manager Facility	051 412 2235	<a href="mailto:Motsilisi.Makhaba@centlec.co.za">Motsilisi.Makhaba@centlec.co.za</a>
<b>Brian Leserwane</b>	GM Facility and Security Management	051 412 2384	<a href="mailto:Brian.Leserwane@centlec.co.za">Brian.Leserwane@centlec.co.za</a>

#### 9.4 Network Team

The Network Team will be responsible for assessing damage specific to any network infrastructure and for provisioning data and voice network connectivity, including WAN, LAN, and telephony connections internally within the enterprise, as well as telephony and data connections with the outside world. They will be primarily responsible for providing baseline network functionality and may assist other IT DR Teams as required.

#### Role & Responsibilities

- 9.4.1 In the event of a disaster that does not require migration to standby facilities, the team will determine which network services are not functioning at the primary facility.
- 9.4.2 If multiple network services are impacted, the team will prioritize the recovery of services in the manner and order that has the least business impact.
- 9.4.3 If third parties provide network services, the team will communicate and coordinate with these third parties to ensure recovery of connectivity.
- 9.4.4 In the event of a disaster that does require migration to standby facilities, the team will ensure that all network services are brought online at the secondary facility.
- 9.4.5 Install and implement any tools, hardware, software and systems required in the standby facility.
- 9.4.6 Install and implement any tools, hardware, software and systems required in the primary facility.
- 9.4.7 After CENTLEC is back to business as usual, this team will summarize any costs. It will provide a report to the Disaster Recovery Lead summarizing their

activities during the disaster.

Table 12: Network team

Leads Name	Designation	Phone Number	Email
Sipho Twala	IT Support	051 412 2605	<a href="mailto:Sipho.Twala@centlec.co.za">Sipho.Twala@centlec.co.za</a>
Piet Mohlapoli	Security Specialist	051 412 2305	<a href="mailto:Piet.Mohlapoli@centlec.co.za">Piet.Mohlapoli@centlec.co.za</a>

## 9.5 Server Team

The Server Team will be responsible for providing the physical server infrastructure required for the enterprise to run its IT operations and applications in the event of and during a disaster. They will be primarily responsible for providing baseline server functionality and may assist other IT DR Teams as required.

### Role & Responsibilities

9.5.1 In the event of a disaster that does not require migration to standby facilities, the team will determine which servers are not functioning at the primary facility

9.5.2 If multiple servers are impacted, the team will prioritize the recovery of servers in the manner and order that has the least business impact. Recovery will include the following tasks:

- 9.5.2.1 Assess the damage to any servers.
- 9.5.2.2 Restart and refresh servers if necessary.
- 9.5.2.3 Ensure that secondary servers located in standby facilities are kept up to date with system patches.
- 9.5.2.4 Ensure that secondary servers located in standby facilities are kept up to date with application patches.
- 9.5.2.5 Ensure that secondary servers located in standby facilities are kept up to date with data copies.
- 9.5.2.6 Ensure that secondary servers located in the standby facility are backed up appropriately.
- 9.5.2.7 Ensure that all the servers in the standby facility abide by CENTLEC's server policy.

- 9.5.2.8 Install and implement any tools, hardware, and systems required in the standby facility.
- 9.5.2.9 Install and implement any tools, hardware, and systems required in the primary facility.
- 9.5.2.10 After CENTLEC is back to business as usual, this team will summarize any costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster.

Table 13: Server Team

Leads Name	Designation	Phone Number	Email
<b>Molly Josane</b>	Azure Specialist	051 412 2378	<a href="mailto:Molly.Josane@centlec.co.za">Molly.Josane@centlec.co.za</a>
<b>Ambeswa Ngetu</b>	Hardware Server Specialist	051 409 2438	<a href="mailto:Ambeswa.Ngetu@centlec.co.za">Ambeswa.Ngetu@centlec.co.za</a>
<b>Godfrey Matshai</b>	BC Specialist	051 412 2319	<a href="mailto:Godfrey.Matshai@centlec.co.za">Godfrey.Matshai@centlec.co.za</a>

## 9.6 Applications Team

The Applications team will be responsible for ensuring that all enterprise applications operate as required to meet business objectives in the event of and during a disaster. They will be primarily responsible for ensuring and validating appropriate application performance and may assist other IT DR Teams as required.

### Role & Responsibilities

- 9.6.1 In the event of a disaster that does not require migration to standby facilities, the team will determine which applications are not functioning at the primary facility
- 9.6.2 If multiple applications are impacted, the team will prioritize the recovery of applications in the manner and order that has the least business impact.  
Recovery will include the following tasks:
  - 9.6.3 Assess the impact on application processes
  - 9.6.4 Restart applications as required
  - 9.6.5 Patch recode or rewrite applications as required
  - 9.6.6 Ensure that secondary servers located in standby facilities are kept up to date with application patches
  - 9.6.7 Ensure that secondary servers located in standby facilities are kept up to date with data copies

9.6.8 Install and implement any tools, software and patches required in the standby facility

9.6.9 Install and implement any tools, software and patches required in the primary facility

9.6.10 After CENTLEC is back to business as usual, this team will be summarize any costs and will provide a report to the Disaster Recovery Lead summarizing their activities.

Table 14: Application Team

Leads Name	Designation	Phone Number	Email
Neo Ramohlokoane	Programmer	051 409 2222	<a href="mailto:Neo.Ramohlokoane@centlec.co.za">Neo.Ramohlokoane@centlec.co.za</a>
Ntshepase Sepalo	IT Support	051 412 2318	<a href="mailto:Ntshepase.Sepalo@centlec.co.za">Ntshepase.Sepalo@centlec.co.za</a>
Thulo Mophethe	Application and DB developer	051 412 2443	<a href="mailto:Thulo.Mophethe@centlec.co.za">Thulo.Mophethe@centlec.co.za</a>
Ongezwa Nkomana	Application and DB developer	051 412 2460	<a href="mailto:Ongezwa.Nkomana@centlec.co.za">Ongezwa.Nkomana@centlec.co.za</a>

## 9.7 Communication Team

This will be the team responsible for all communication during a disaster. Specifically, they will communicate with CENTLEC's employees, clients, vendors and suppliers, banks, and even the media if required.

### Role & Responsibilities

9.7.1 Communicate the occurrence of a disaster and the impact of that disaster to all CENTLEC employees.

9.7.2 Communicate the occurrence of a disaster and the impact of that disaster to authorities as required.

9.7.3 Communicate the occurrence of a disaster and the impact of that disaster to all CENTLEC's partners.

9.7.4 Communicate the occurrence of a disaster and the impact of that disaster to all CENTLEC's clients.

9.7.5 Communicate the occurrence of a disaster and the impact of that disaster to all CENTLEC's vendors.

9.7.6 Communicate the occurrence of a disaster and the impact of that disaster to media contacts, as required.

9.7.7 After CENTLEC is back to business as usual, this team will be required to summarize any costs and will provide a report to the Disaster Recovery Lead summarizing their activities during the disaster

Table 15: Communication team

Leads Name	Designation	Phone Number	Email
Lele Mamatu	GM: Strategic support	051 409 2718	<a href="mailto:Lele.Mamatu@centlec.co.za">Lele.Mamatu@centlec.co.za</a>
Tseliso Leba	Communications Officer	051 409 2228	<a href="mailto:Tseliso.Leba@centlec.co.za">Tseliso.Leba@centlec.co.za</a>

## 9.8 Recovery Facilities

In order to ensure that CENTLEC is able to withstand a significant outage caused by a disaster, it has provisioned separate dedicated standby facilities. This section of this document describes those facilities and includes operational information should those facilities have to be used.

### Description of Recovery Facilities

The Disaster Command and Control Centre or Standby facility will be used after the Disaster Recovery Lead has declared that a disaster has occurred. This location is a separate location from the primary facility.

The IT department and the Disaster Recovery teams will use the standby facility; it will function as a central location where all decisions during the disaster will be made. It will also function as a communications hub for CENTLEC.

The standby facility must always have the following resources available:

- 9.8.1 Copies of this DRP document
- 9.8.2 Fully redundant server room
- 9.8.3 Sufficient servers and storage infrastructure to support enterprise business operations
- 9.8.4 Office space for DR teams and IT to use in the event of a disaster
- 9.8.5 External data and voice connectivity
- 9.8.6 Sleeping quarters for employees who may need to work multiple shifts
- 9.8.7 Kitchen facilities (Including food, kitchen supplies and appliances)
- 9.8.8 Bathroom facilities (including toilets, showers, sinks and appropriate supplies)

### 9.8.9 Parking spaces for employee vehicles

## 9.9 Communicating During Disaster

In the event of a disaster, CENTLEC will need to communicate with various parties to inform them of the effects on the business, surrounding areas and timelines. The Communications Team will be responsible for contacting all of CENTLEC's stakeholders.

### Communicating with the Contractors

The Communications Team's priority will be to ensure that the appropriate authorities have been notified of the disaster, providing the following information:

- 9.9.1 The location of the disaster
- 9.9.2 The nature of the disaster
- 9.9.3 The magnitude of the disaster
- 9.9.4 The impact of the disaster
- 9.9.5 Assistance required in overcoming the disaster
- 9.9.6 Anticipated timelines

Table 16: Contractor team

Contractors	Services	Responsible Person	Phone Number	Email
Vodacom	Firewall	Mothibi	084 966 6976	<a href="mailto:Moithibi.Hlaheng@vcontractor.co.za">Moithibi.Hlaheng@vcontractor.co.za</a>
Telkom	VoIP PBX	Lloyd	065 883 6859	<a href="mailto:Lloyd.Vanqa@bcx.co.za">Lloyd.Vanqa@bcx.co.za</a>
BCX	Solar System	Amanda	072 214 2148	<a href="mailto:amanda.els@bcx.co.za">amanda.els@bcx.co.za</a>
Payday	Payday	Magda	012 803 7730	<a href="mailto:magda@payday.co.za">magda@payday.co.za</a>
Thasita	ICT Support	Mogan	082 476 5567	<a href="mailto:morgan@thasitha.co.za">morgan@thasitha.co.za</a>

## **9.10      DRP Activation**

Once the Disaster Recovery Lead has formally declared that a disaster has occurred s/he will initiate the activation of the DRP by triggering the Disaster Recovery Call Tree. The following information will be provided in the calls that the Disaster Recovery Lead makes and should be passed during subsequent calls:

- 9.10.1 That a disaster has occurred
- 9.10.2 The nature of the disaster (if known)
- 9.10.3 The initial estimation of the magnitude of the disaster (if known)
- 9.10.4 The initial estimation of the impact of the disaster (if known)
- 9.10.5 The initial estimation of the expected duration of the disaster (if known)
- 9.10.6 Actions that have been taken to this point
- 9.10.7 Actions that are to be taken prior to the meeting of Disaster Recovery Team Leads
- 9.10.8 Scheduled meeting place for the meeting for Disaster Recovery Team Leads
- 9.10.9 Scheduled meeting time for the meeting of Disaster Recovery Team Leads
- 9.10.10 Any other pertinent information

If the Disaster Recovery Lead is unavailable to trigger the Disaster Recovery Call Tree, that responsibility shall fall to the Disaster Management Team Lead

## **10. ASSESSMENT OF CURRENT AND PREVENTION OF FURTHER DAMAGE**

Before any employees from CENTLEC can enter the primary facility after a disaster, appropriate authorities must first ensure that the premises are safe to enter.

The first team that will be allowed to examine the primary facilities once it has been deemed safe to do so will be the Facilities Team. Once the Facilities Team has completed an examination of the building and submitted its report to the Disaster Recovery Lead, the Disaster Management, Networks, Servers, and Operations Teams will be allowed to examine the building. All teams will be required to create an initial report on the damage and provide this to the Disaster Recovery Lead within 3 days of the initial disaster.

During each team's review of their relevant areas, they must assess any areas where further damage can be prevented and take the necessary means to protect CENTLEC's assets.

Any necessary repairs or preventative measures must be taken to protect the facilities; the Disaster Recovery Team Lead must first approve these costs.

## **11. STANDBY FACILITY ACTIVATION**

The Standby Facility will be formally activated when the Disaster Recovery Lead determines that the nature of the disaster is such that the primary facility is no longer sufficiently functional or operational to sustain normal business operations.

Once this determination has been made, the Facilities Team will be commissioned to bring the Standby Facility to functional status, after which the Disaster Recovery Lead will convene a meeting of the various Disaster Recovery Team Leads at the Standby Facility to assess the next steps. These next steps will include:

- 11.1** Determination of impacted systems
- 11.2** Criticality ranking of impacted systems
- 11.3** Recovery measures required for high-criticality systems
- 11.4** Assignment of responsibilities for high-criticality systems
- 11.5** Schedule for recovery of high-criticality systems
- 11.6** Recovery measures required for medium criticality systems
- 11.7** Assignment of responsibilities for medium criticality systems
- 11.8** Schedule for recovery of medium criticality systems
- 11.9** Recovery measures required for low criticality systems
- 11.10** Assignment of responsibilities for recovery of low criticality systems
- 11.11** Schedule for recovery of low criticality systems
- 11.12** Determination of facilities tasks outstanding/required at Standby Facility
- 11.13** Determination of operations tasks outstanding/required at Standby Facility
- 11.14** Determination of communications tasks outstanding/required at Standby Facility
- 11.15** Determination of facilities tasks outstanding/required at the Primary Facility
- 11.16** Determination of other tasks outstanding/required at the Primary Facility
- 11.17** Determination of further actions to be taken
- 11.18** During Standby Facility activation, the Facilities, Networks, Servers, Applications, and Operations teams will need to ensure that their responsibilities, as described in the "Disaster Recovery Teams and



Responsibilities" section of this document, are carried out quickly and efficiently so as not to impact the other teams negatively.

## **12. RESTORING IT FUNCTIONALITY**

Should a disaster actually occur and CENTLEC need to exercise this Plan, this section will be referred to frequently, as it will contain all of the information that describes the manner in which CENTLEC's information system will be recovered.

### **12.1 Repair & Rebuilding of Primary Facility**

Before the enterprise can return operations to Primary Facilities, those facilities must be returned to an operable condition. The tasks required to achieve that will be variable depending on the magnitude and severity of the damage. Specific tasks will be determined and assigned only after the damage to Primary Facilities has been assessed.

### **12.2 Primary**

Site Procedure and Business Site Recovery procedure: Person identifying the disaster should immediately contact the DR Leaders. Define any other protocols you may find necessary for this Person after identifying a disaster. Once the disaster recovery team gets to work, this team should be notified by the contact stated in the service provider contacts. The disaster team will also notify the employee by means of a telephone broadcast message. The ICT team should decide which business processes are required to provide an emergency level of service to your customer meaning which type of service and impact for each system identified. Services should be restored from the main site within 1HR. The switchover transition from the main site to DR should be the failover of a split second so as not to lose data.

### **12.3 Recovery Level Objective (RLO):**

This allows the operations for non-operation. Readiness preparations should be done in terms of emergency level. Which key business process will be launch during the disaster? CENTLEC should ensure that tools of trade for the users and other environments is working. This includes the network and other communication systems.

#### **12.4 Recovery Time Objective (RTO):**

A level of services such as Email other than the full exchange server is better to recover a bit of data at a point in time. The systems should be able to cater for such incidents.

#### **12.5 Recovery Point Objective (RPO):**

The recovery point objective is the point back in time to which you wish to restore from. The most recent backup is the main priority to return to normal operations that is to say the most recent backups. If ICT want to look at an hour before the disaster, then you should be backup data every hour. The way you set your RPO will dictate how often you should perform backups. However, this could be different for each file system; those, which are mission critical, should be backed up continuously or very often. Less important, or on-mission critical, files can be backed up less frequently.

### **13. MAINTENANCE**

The DRP will be updated frequently to affect the upgrade or any time a major system update or upgrade is performed, whichever is more often. The Disaster Recovery Lead will be responsible for updating the entire document and so is permitted to request information and updates from other employees and departments within the organization in order to complete this task.

Maintenance of the Plan will include (but is not limited to) the following:

**13.1** Ensuring that call trees are up to date

**13.2** Ensuring that all team lists are up to date

**13.3** Reviewing the Plan to ensure that all of the instructions are still relevant to the organization

**13.4** Making any major changes and revisions in the Plan to reflect organizational shifts, changes and goals

**13.5** Ensuring that the Plan meets any requirements specified in new laws

**13.6** Other organisational-specific maintenance goals

During the Maintenance periods, any changes to the Disaster Recovery Teams must be accounted for. If any member of a Disaster Recovery Team no longer works with the company, it is the responsibility of the Disaster Recovery Lead to appoint a new team member.

## 14. TESTING

CENTLEC is committed to ensuring that this DRP is functional. The DRP should be tested Quarterly for partial failover and yearly as full in order to ensure that it is still effective. Testing the Plan will be carried out as follows:

**14.1 Simulations** - A disaster is simulated so normal operations will not be fully interrupted. The test can be done in the form of a failover test, which includes critical systems and other systems. The failover can be done by testing with a minimum number of servers. The purpose is to ensure that the backup is the true reflection and is ready to be used at any time. This test should be performed quarterly for the backups and restores.

**14.2 Full-Interruption Testing-** A full-interruption test activates the total DRP. The test is to perform the total switch of all systems and applications to the RD site as a simulation to mimic the disaster. The full test will allow all the users to resume the connection at the DR site. The rollback to the main should be activated after a week. The process should also accommodate backup and replications to allow a smooth rollback to the main. This process should happen once towards the financial year-end.

## 15. DR SITE TEST

**15.1 Failover Plan:** The Plan to ensure state the process will unfold during the failover test or full test disruption. The process should state the systems and applications for the backup test as a failover.

### 15.2 Items available at the Disaster Recovery Site

15.2.1 Servers, LAN connectivity

15.2.2 Telephones

15.2.3 Air-conditioning

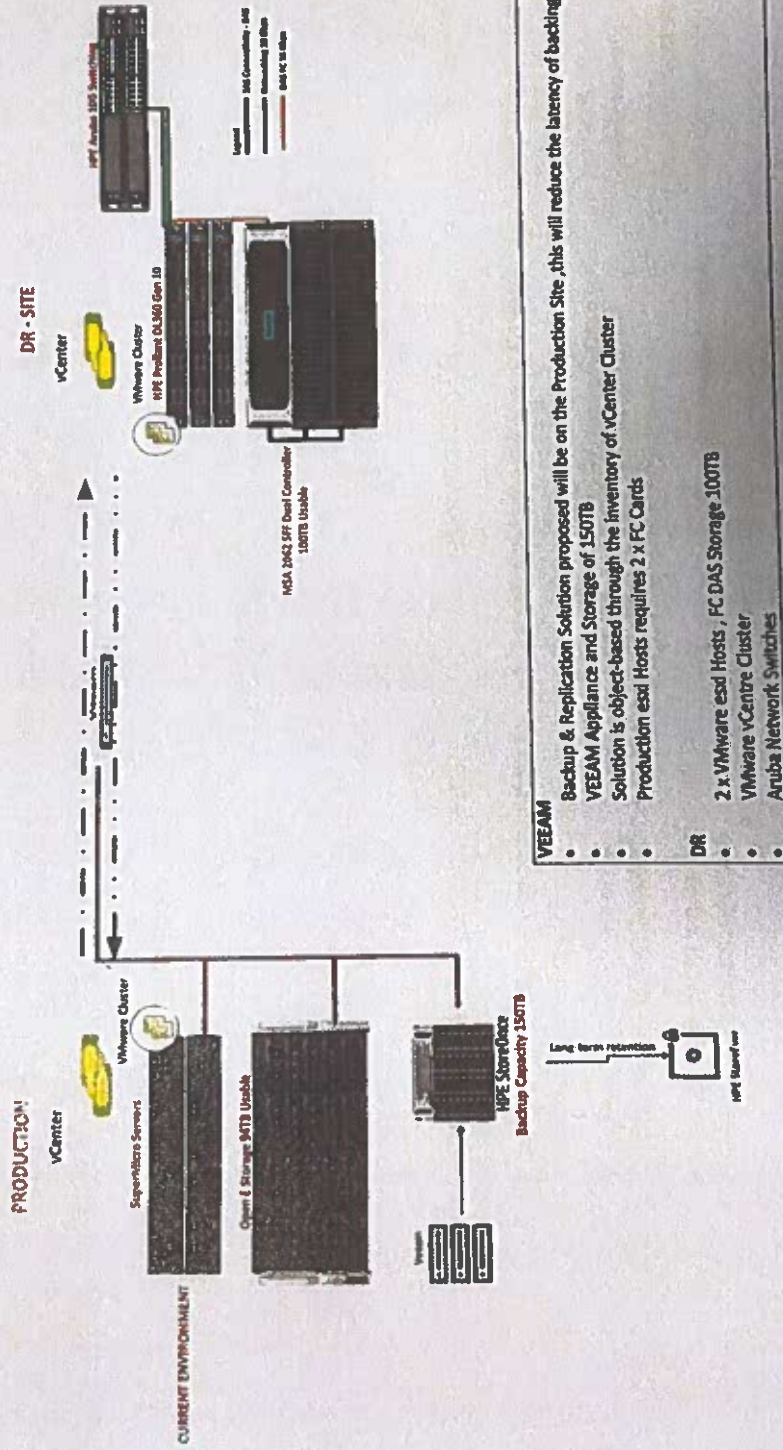
15.2.4 Heat detectors

15.2.5 Fire suppressors

15.2.6 Batteries and UPS

# 16. DISASTER AND RECOVERY NETWORK TOPOLOGY

## DR & VEEAM BACKUP & REPLICATION SOLUTION PROPOSAL



**17. REVIEW AND APPROVAL**

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

**Prepared by:**

BR Motshwene  
Executive Manager: Engineering Retail

Signature: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Supported by:**

MS Sekoboto  
Chief Executive Officer

Signature: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Recommended by:**

MB Mfanta  
Chairperson of the ICT & Engineering Committee

Signature: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Approved by:**

MC Mokitlane  
Chairperson of the Board

Signature: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_