

## Draft Electricity Supply By-law for RED Environment

### Revenue Protection Issues

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#### Electricity Supply By-law - What does it do?

The aim of the Draft National Electricity Supply By-law is to have a common by-law applicable in each of the six RED areas in South Africa.

The Electricity Supply By-law sets the condition under which the supply of electricity is provided to the electricity consumer. It is the “contract conditions” for the supply of electricity. It governs the relationship between the Service Provider and the Consumer.

It spells out the rights of the Service Provider and those of the Consumer

It describes physical requirements for the accommodation of supply equipment, such as substation requirements – transformers, switchgear and metering equipment.

#### How does the Electricity Supply By-law provide for Revenue Protection operations?

The following issues must be in place to be able to ensure that revenue is received for electricity that is consumed:

**The consumer must be clearly defined** so the Service Provider can identify who is responsible for the cost of electricity consumed.

*Consumer is defined as:*

**"consumer"** in relation to premises means:

- (i) *any occupier thereof or any other person with whom the Service Provider has contracted to supply or is actually supplying electricity thereat; or*
- (ii) *if such premises are not occupied, any person who has a valid existing agreement with the Service Provider for the supply of electricity to such premises; or*
- (iii) *if there is no such person or occupier, the owner of the premises;*

**There must be a Supply Agreement** in place which is signed by the Consumer and refers to the Electricity Supply By-law as the conditions under which the supply of electricity to the premises is provided. *This is stated in Section 5 of the By-law.*

#### 5. **Supply by agreement –**

- (1) *No person shall use or be entitled to use an electricity supply from the Service Provider unless or until such person shall have entered into an agreement in writing with the Service Provider for such supply, and such agreement together with the provisions of this by-law shall in all respects*

*govern such supply. If a person uses an electricity supply without entering into an agreement he/she shall be liable for the cost of electricity used as stated in section 44 of this bylaw.*

If new consumer moves in to any premises, the person occupying those premises must apply for a supply of electricity and sign a supply agreement – failing which they become liable for the cost of the electricity they consume.

*Section 44 states:*

**44. Change of occupier -**

- (1) A consumer vacating any premises shall give the Service Provider not less than two full working days' notice in writing of his intention to discontinue using the electricity supply, failing which he/she shall remain liable for such supply.*
- (2) If the person taking over occupation of the premises desires to continue using the electricity supply, he/she shall make application in accordance with the provisions of section 5 of this by-law, and if he/she fails to make application for an electricity supply within ten working days of taking occupation of the premises, the supply of electricity shall be disconnected, and he/she shall be liable to the Service Provider for the electricity supply from the date of occupation until such time as the supply is so disconnected.*
- (3) Where premises are fitted with pre-payment meters any person occupying the premises at that time shall be deemed to be the consumer. Until such time as an application is made by this person for a supply of electricity, in terms of section 5 of this by-law, he/she shall be liable for all charges and fees owed to the Service Provider for that metering point as well as any outstanding charges and fees whether accrued by that person or not.*

**The right of access** for the inspection of metering equipment must be assured to ensure that the provisions of the By-law are being complied with and to enforce compliance with the By-law if this is required. *Section 12 states:*

**12. Right of admittance to inspect, test and/or do maintenance work**

- (1) The Service Provider shall, through its employees, contractors and their assistants and advisers, have access to or over any property for the purposes of-*
  - (a) doing anything authorised or required to be done by the Service Provider under this by-law or any other law;*
  - (b) inspecting and examining any service mains and anything connected therewith;*
  - (c) enquiring into and investigating any possible source of electricity supply or the suitability of immovable property for any work, scheme or undertaking of the Service Provider and making any necessary survey in connection therewith;*
  - (d) ascertaining whether there is or has been a contravention of the provisions of this by-law or any other law, and*
  - (e) enforcing compliance with the provisions of this by-law or any other law*

**Refusal of admittance.** It is an offence to wilfully hinder or refuse access to any premises for purposes of carrying out duties under the By-law. It is normal practice for the official requiring access to the premises to carry identification to safeguard the consumer. *Section 14 deals with this:*

- 14. Refusal of admittance** - No person shall wilfully hinder, obstruct, interfere with or refuse admittance to any duly authorised official of the Service Provider in the performance of his duty under this by-law or of any duty connected therewith or relating thereto.

**Payment of charges.** Section 18(1) endorses the fact that the consumer must pay for electricity consumed and services provided:

**18. Payment of charges -**

- (1) *The consumer shall be liable for all charges listed in the prescribed tariff for the electricity service as approved by the Service Authority. The consumer may also be required to pay all charges of other services supplied by the Service Authority to ensure a continued supply of electricity.*

**The right to disconnect the supply.** The supply can be disconnected without notice where:

- a) The account for supply of electricity is overdue – it is normal practice however to include a notice on the account which state that the supply may be disconnected if payment is made after the due date.
- b) Any provisions of By-law are being contravened
- c) Where tampering or bypassing of metering equipment has taken place

For any other contraventions of the By-law, 7 days notice to remedy the default must be given prior to the supply being disconnected.

*The above are covered in Section 21(1) & (2):*

**21. Right to disconnect supply –**

- (1) *The Service Provider shall have the right to disconnect the supply of electricity to any premises without notice under the following circumstances:*
- (a) *where the person liable to pay for such supply fails to pay any charge due to the Service Provider in connection with any supply of electricity which he/she may at any time have received from the Service Provider in respect of such premises; or*
  - (b) *where the Service Authority has requested the Service Provider to disconnect the supply of electricity where there are outstanding municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties; or*
  - (c) *where any of the provisions of this by-law and/or the Regulations are being contravened; or*
  - (d) *where in the opinion of the Service Provider there is a case of grave risk to person or property; or*
  - (e) *where tampering with the service connection or supply mains has occurred; or*
  - (f) *where the Service Authority has requested the Service Provider to disconnect the supply of electricity for reasons of community safety.*
- (2) *Where any of the provisions of this by-law and/or the Regulations are being contravened, the Service Provider should give the person 7 (seven) days notice to remedy his/her default prior to disconnection.*

**Removal of electricity supply.** Physical removal of connection cable can be done in cases where illegal reconnection has taken place after the supply was disconnected, or

where tampering or bypassing has prevented full registration of consumption by the meter. *Section 21(4) states:*

*21(4) In the case where an installation has been illegally reconnected on a consumer's premises after having been previously legally disconnected by the Service Provider, or in the case where the Service Provider's electrical equipment has been tampered with to prevent the full registration of consumption by the meter, the electricity supply may be physically removed from those premises.*

**Meter seals.** Meters and metering equipment are fitted with seals to prevent unauthorised access to the equipment. Seals carry unique numbers which can be used to identify the official who fitted the seal. A broken seal is an indication that tampering has taken place and can be used as evidence against the person who tampered. It is an offence to remove any seal from metering equipment. *Section 25 states:*

**25. *Seals of the Service Provider - The meter, service protective devices and all apparatus belonging to the Service Provider shall be sealed or locked by a duly authorised official of the Service Provider, and no person not being an official of the Service Provider duly authorised thereto shall in any manner or for any reason whatsoever remove, break, deface, or tamper or interfere with such seals or locks.***

**Tampering with connection or mains.** Tampering with a service connection or supply mains is an offence in terms of the By-law. Where evidence of tampering exists, the supply of electricity can be disconnected without giving notice to the consumer. The consumer will be liable to payment of any fees relating to the disconnection and reinstatement of the supply and metering equipment. Where tampering has taken place, the full cost of electricity used but not paid for will be claimed from the consumer. Note that there is no time limit applied! The adjustment for the electricity not paid for is taken back to the date the evidence indicates that the tampering or bypassing took place. *This is stated in Section 26:*

**26. *Tampering with service connection or supply mains -***

- (1) No person shall in any manner or for any reason whatsoever tamper with, interfere with, vandalize, fix advertising medium to, or deface any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the Service Provider or illegally connect into the electricity wiring of any other consumer.*
- (2) Where prima facie evidence exists of a consumer and/or any person having contravened sub-section(1), the Service Provider shall have the right to disconnect the supply of electricity immediately without prior notice to the consumer. The person shall be liable for all fees and charges levied by the Service Provider for such disconnection. Where interference or damage is caused by any individual other than a registered consumer, legal action may be instituted against such individual.*
- (3) Where a consumer and/or any person has contravened sub-section(1) and such contravention has resulted in the meter recording less than the true consumption, the Service Provider shall have the right to recover from the consumer the full cost of his estimated consumption.*

**Actions to prevent tampering.** The consumer may be directed to take special measures to prevent future tampering with the meter or supply connection. These may take the form of relocating the meter to an outside position, rerouting the sub-service main so that

it goes directly into the meter, or the provision of accommodation for the installation of a split type prepayment meter. The consumer shall have such measures done at his own expense or pay the Service Provider for them to be done. *Section 28 states:*

- 28. Prevention of tampering with service connection or supply mains** - *If the Service Provider decides that it is necessary or desirable to take special precautions in order to prevent tampering with any portion of the supply mains, service connection or service protective device or meter or metering equipment, the consumer shall either supply and install the necessary protection or pay the costs involved where such protection is supplied by the Service Provider.*

**Accuracy of metering.** A meter is deemed to be accurate when tested and is found to be within the tolerance band specified in SA Standards specifications. The consumer may request to have a meter tested to determine its accuracy – a fee payable for such test. The fee is refunded if the meter is found to be inaccurate. Any tolerance error outside the band is used to determine the adjustment to the account. *Section 55 states:*

**55. Accuracy of metering -**

- (1) *A meter shall be conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in sub-section (5) hereof, is found to be within the limits of error as provided for in the applicable standard specifications.*
- (2) *The Service Provider shall have the right to test its metering equipment. If it is established by test or otherwise that such metering equipment is defective, the Service Provider shall -*
  - (i) *in the case of a credit meter, adjust the account rendered;*
  - (ii) *in the case of prepayment meters, (a) render an account where the meter has been under-registering, or (b) issue a free token where the meter has been over-registering;*

*in accordance with the provisions of sub-section (6).*
- (3) *The consumer shall be entitled to have the metering equipment tested by the Service Provider on payment of the prescribed fee. If the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of sub-sections (2) and (6) shall be made and the aforesaid fee shall be refunded.*

**Adjustments to accounts.** Any adjustments made to accounts must be based on the percentage error as determined when the meter was tested, or from calculations from consumption data taken during a subsequent test period – this period is normally 30 days. Variations are applied to the adjustment figures to take account of the differing consumption patterns in summer and winter. These seasonal variation factors are built into the adjustment programme.

The period of adjustment due to a metering error may not exceed 3 year prior to discovery of error. However, the consumer may claim a longer period if the adjustment is in his favour as long as the claim is proven in the normal legal process.

*Section 55 further states:*

- 55(6)** *When an adjustment is made to the electricity consumption registered on a meter in terms of sub-section (2) or (3), such adjustment shall either be based on the percentage error of the meter as determined by the test referred to in sub-section (5) or upon a calculation by the Service Provider from consumption data in its possession. Where applicable, due allowance*

*shall be made, where possible, for seasonal or other variations which may affect the consumption of electricity.*

- (7) *When an adjustment is made as contemplated in sub-section (6), the adjustment may not exceed a period of three years preceding the date on which the metering equipment was found to be inaccurate. The application of this section does not bar a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.*

**Procedure when making adjustment.** The procedure to be followed when adjusting a consumers account is as follows:

1. The consumer must be notified in writing of the monetary value of an upward adjustment to be made to his account
2. Sufficient particulars must be given to enable the consumer to submit representations as to the correctness or otherwise of the proposed adjustment.
3. The consumer must be advised that he has 21 days to submit any representations
4. Failing the receipt of a response the account is adjusted.

The consumer has the right of appeal in terms of section 62 of Municipal Systems Act – this states that the consumer has the right to appeal to the Municipal Manager, and Municipal Manager must hear and decide on the appeal within a period of 6 weeks.

*Section 55 further states:*

- 55(9) (a) *Prior to the Service Provider making any upward adjustment to an account in terms of sub-section (6), the Service Provider shall -*
- (i) *notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefore;*
  - (ii) *in such notification provide sufficient particulars to enable the consumer to submit representations thereon, and*
  - (iii) *call upon the consumer in such notice to provide it with reasons in writing, if any, within 21 days or such longer period as the Service Provider may permit why his/her account should not be adjusted as notified.*
- (b) *Should the consumer fail to make any representations during the period referred to in sub-section 9(a)(iii) the Service Provider shall be entitled to adjust the account as notified in sub-section 9(a)(i).*
- (c) *The Service Provider shall consider any reasons provided by the consumer in terms of sub-section (9)(a) and shall, if satisfied that a case has been made out therefor, adjust the account appropriately.*
- (d) *If a duly authorized official of the Service Provider decides after having considered the representation made by the consumer that such representations do not establish a case warranting an amendment to the monetary value established in terms of sub-section (6), the Service Provider shall be entitled to adjust the account as notified in terms of sub-section 9(a)(i), subject to the consumer's right to appeal the decision of the official in terms of section 62 of the Municipal Systems Act, 2000.*

The full text of the Draft National Electricity Supply By-law can be downloaded from the South African Revenue Protection website – [www.sarpa.co.za](http://www.sarpa.co.za) .