

2016/2017

# KGATELOPELE LOCAL MUNICIPALITY

DISTRIBUTION LOSSES POLICY



KGATELOPELE LOCAL MUNICIPALITY

## **TABLE OF CONTENTS**

- **SCOPE**
- **OBJECTIVE**
- **TYPES OF LOSSES**
- **CONTROLE AND MONITORING**
- **REPORTING 3**

## Electricity Losses

## **Scope**

The scope of this policy is to identify and describe electrical losses that are experienced on a distribution system and to find ways to keep these losses to a minimum.

## **Objective**

The objective of the municipality must be to minimize these losses that occur to a minimum, as these losses can have a huge financial impact as the municipality have to pay for electricity that cannot be billed to consumers

## **Types of Losses**

The Municipality have two types of losses that can occur in the distribution of electricity.

### **Technical Losses**

These losses occur due to heat dissipation when electricity flows through the system conductors which consists of either copper or aluminium. The municipality will work on an estimation of 10% technical losses.

### **Non-Technical Losses**

These losses occur due to theft (illegal connections, meter tampering) and incorrect metering. This losses will be calculated by assessing the outflow and inflow of electricity units measured in KWH and KVA.

## **Control and Monitoring**

The municipality must have the intention to keep the losses of electricity below a certain percentage of the total electricity purchased from Eskom.

To keep the technical losses to a minimum a computer program monitor the control of the distribution system to keep an even flow of electricity through the system.

To keep the non-technical losses to a minimum the metering of electricity must be monitored sufficiently. The billing system must be used to detect possible cases of illegal connections.

If theft is detected the electricity supply to the premises will be disconnected and a maintenance and repair fee will be charges. An attempt will also be made to determine the units stolen and to recover the cost from the consumer.

## **Reporting**

The total losses that a municipality may incur for electricity must be made public in the annual financial statements of the municipality.

## **Water Losses**

### **Scope**

Kgatelopele local municipality generates its water from bore holes, to distribute to community. During the distribution of water the municipality may occur some distribution losses.

### **Objective**

The objective of the municipality must be to minimize these losses that occur to a minimum, as these losses.

### **Types of Losses**

The most common losses the Municipality have face are”

Unmetered water connections at residents (new developments).

Open spaces and sport fields that is unmetered.

Undetected underground water leaks.

Pipe bursts.

**Technical Losses:** Water losses at the point of origin (boreholes) will be measured at 10% of the total water losses of the municipality.

**Non-Technical Losses:** as described under types of losses will be calculated at KL generated at point of origin.

### **Control and Monitoring**

The municipality must have the intention to keep the losses of water to below a certain percentage of the total water generation.

To keep the losses to a minimum the metering of water must be monitored sufficiently. The billing system must be used to detect possible cases of illegal connections.

If theft is detected the water supply to the premises will be disconnected and a fine will be given.

## **Reporting**

The total losses that a municipality may incur for water must be made public in the annual financial statements of the municipality.

## **REVIEW AND IMPLEMENTATION PROCESS**

This policy will stay into effect from 1 July 2016;

This policy will be reviewed at least annually or when required by way of a Council resolution.

<b>POLICY SECTION:</b>	<b>MANAGER: INCOME</b>
<b>APPROVAL BY COUNCIL:</b>	31 May 2016

