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BYLAWS RELATING TO
**Credit Control and Debt
Collection**

KWADUKUZA MUNICIPALITY**BYLAWS RELATING TO CREDIT CONTROL AND DEBT COLLECTION**

The KwaDukuza Municipality, acting under the authority of section 156 (2) of the Constitution of the Republic of South Africa Act 1996 (Act 108 of 1996) read with section 11 and section 98 of the Local Government: Municipal System Act, 2000 (Act No.32 of 2000), hereby publishes Credit Control and Debt Collection Bylaws which bylaws come into effect on date of promulgation as of/from the issue of this gazette.

CHAPTER 1**DEFINITIONS**

For the purpose of these bylaws, any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in these bylaws and unless the context indicates otherwise: -

“account”	means any account rendered for municipal services, sundry charges, housing services and rates.
“Act”	means the Local Government: Municipal System Act, 2000 (Act No. 32 of 2000, as amended from time to time;
“actual consumption”	means the measured consumption of any customer.
“administration charges”	A fee charged on the capital rates then in arrears as determined by council from time to time;
“agreement”	means the contractual relationship between the municipality or its authorized agent and a customer, whether written or deemed;

“applicable charges”	means the rate, charge, tariff, flat rate, or subsidy determined by the council;
“area of supply”	means any area within or partly within the area of jurisdiction of the municipality or such other areas where the service is requested;
“arrangement”	means written agreement entered into between the Council and the debtor where specific repayment parameters are agreed;
“arrears”	means any amount due, owing and payable by a customer to the Municipality in respect of municipal services, sundry charges, housing service and rates not paid by due date;
“applicable charges”	means the rate, charge, tariff, flat rate, or subsidy determined by the Municipality;
“authorized agent”	means: - <ul style="list-style-type: none"> (a) any person authorized by the municipality to perform any act, function or duty in terms of, or exercise any power under these bylaws, and/or (b) any person to whom the municipality has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or (c) any person appointed by the municipality in terms of a written contract or a service provider to provide revenue services to customers on its behalf, to the extent authorized in such contract;

“average consumption”	means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the customer’s total measured consumption of that municipal service over the preceding six months by six;
“credit control and debt collection policy”	means the policy as adopted by the Municipality for the credit control and debt collections of the municipality as amended from time by the municipality.
Credit control:	means all functions and processes relating to the collection of monies due to the municipality
“Chief Financial Officer”	means a person employed by the Municipality as its Chief Financial Officer;
“Commercial customer”	means any customer other than household and indigent customers, including without limitation, business, government and institutional customers;
“Connection”	means the point at which a customer gains access to municipal services;
“Consolidated Bill”	A monthly bill reflecting all monies due to the Municipality in terms of Section 102 of the Act for electricity, refuse rates, vat and sundry charges;
“councillor”	means a person as defined in terms of the Act;
“customer”	means a person or owner with whom the municipality or its authorized agent has concluded an agreement or has an account with the Municipality;

“Debtor”	means any person indebted to the Municipality.
“Defaulter”	means any customer or ratepayer in arrears.
“Deposit”	means an amount required as security to be determined by the Municipality.
“Due date”	<p>means:</p> <p>(i) <u>Monthly</u></p> <p>The monthly date on which all accounts become due and payable which date shall be within 30 days after the date of the account during normal cashier hours.</p> <p>(ii) <u>Annual</u></p> <p>Where the owner has entered into an agreement with the Municipality to pay property rates annually, the due date shall be a date to be determined by the Municipality.</p>
“emergency situation”	means any situation that if allowed to continue poses a risk or potential risk to the financial viability or sustainability of the municipality or a specific municipal service;
“estimated consumption”	means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of service during a specific period in the area of supply of the municipality or its authorised agent;
“household customer”	means a customer that occupies or owns a dwelling, structure or property primarily for residential purposes;

"household"	means a traditional family unit consisting of a combination of persons over the age of eighteen and persons eighteen years and younger) living together as a family unit;
"housing services"	means any rental (rates if applicable), instalment, administration charges, insurance premiums and housing interest.
"illegal connection"	means a connection to any system through which municipal services are provided which is not authorised or approved by the municipality or its authorised agent;
"indigent customer"	means a household customer qualifying and registered with the municipality as an indigent;
"interest/penalties" fees	means a charge with the same legal authority as service and calculated at a rate determined by Council from time to time on all arrear accounts (capital only);
"MFMA" 2003;	means the Municipal Finance Management Act No 56 of 2003;
"municipal area"	means the geographical area of the KwaDukuza Municipality as determined by the demarcation board in terms of the Demarcation Act No ;
"Municipality or Council"	means the KwaDukuza Municipal Council and includes the Mayor, Political Office Bearers, Political Structures, Municipal Manager and any Official who has delegated powers in terms of Section 59 of the Local Government Municipal Systems Act (Act 32 of 2000);

“Municipal Manager”	<p>Means the person appointed by the municipality as the manager of the municipality in terms of section 55, section 56 and section 57 of the Municipal Systems Act read with Section 82 of the Local Government Municipal Structures Act 1998 (Act No. 117 of 1998) and includes any person:</p> <ul style="list-style-type: none"> (a) acting in such position; and (b) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
“municipal service”	<p>means services provided by the municipality or its authorised agent, including refuse removal and electricity services;</p>
“Municipal Clearance Certificate”	<p>Means a certificate issued by the Municipality in terms of Section 118 of the Municipal Systems Act, which certifies that all amounts that became due in connection with the property for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid. The certificate issued will be valid for a period of 60 days from date of issue.</p>
“occupier”	<p>includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and, in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein.</p>

“owner”

means: -

- (a) the person in whom from time to time is vested the legal title to immovable property.
- (b) in a case where the person in whom the legal title to immoveable property is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (c) in any case where the municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such immovable property or buildings thereon
- (d) in the case of premises for which a lease agreement of 30 years or longer has been entered into with the lessee thereof;
- (e) in relation to: -
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property; or
 - (ii) a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered

under a sectional title deed and includes the lawfully appointed agent of such a person;
or

(iii) a 'Home Owners Association', which includes all members of the Association;

(f) the Ingonyama Trust, where the land is vested in the Trust by virtue of the provisions of the Ingonyama Trust Act No 3 of 1994 and the Ingonyama Trust Amendment Act, 9 of 1997

(g) any legal person including but not limited to:

(i) a company registered in terms of the Companies Act, (Act 61 of 1973), a trust, a close corporation registered in terms of Close Corporation Act, (Act 69 of 1984) a voluntary association and any department of State.

(ii) any Council or Board established in terms of any legislation applicable to the Republic of South Africa;

(iii) any Embassy or other foreign entity.

“person”

means any natural person, local government body or like authority, a company or close corporation incorporated under any law, body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

“public notice”	means publication in an appropriate medium that may include one or more of the following: -
	<ul style="list-style-type: none"><li data-bbox="609 388 1395 892">(a) publication of a notice, in an official language determined by the Municipality in the local newspaper or newspapers in the area of the municipality; or in the newspaper or newspapers circulating in the area of the municipality determined by the Municipality as a newspaper on record; or by means of radio broadcast covering the area of the municipality; or displaying a notice at appropriate offices and pay-points of the municipality or its authorised agent, or
	<ul style="list-style-type: none"><li data-bbox="609 945 1395 1081">(b) communication with customers through public meetings, on municipal website, electronic communication and ward committee meetings;
“Rates”	means : municipal tax levied on the valuation of property. The rate is expressed as cents in the rand.
“Rates Act”	means Municipal Property Rates Act 6 of 2004.
“Ratepayer”	means a person who is liable to the Municipality for the payment of:
	<ul style="list-style-type: none"><li data-bbox="609 1543 1395 1585">(a) Rates on the property within the Municipal area
	<ul style="list-style-type: none"><li data-bbox="609 1648 1395 1778">(b) Any other tax, duty, or levy imposed by the Municipality and/or

(c) Fees for the services provided either by the Municipality or in terms of a service delivery agreement,

“Resident” means a person who ordinarily resides in the Municipal area.

“Service Authority” means the power of a Municipality to regulate the provision of a municipal service by a service provider.

“Service Delivery Agreement” means an agreement between a Municipality and an institution or person mentioned in Section 76(b) of the Act, in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality.

“Service provider” means a person or institution or any combination of persons and institutions which provide a municipal service;

“Service Utility” means a municipal entity established in terms of Section 86B of the Act

“social housing tenant” means any person letting / leasing any residential premises from any public legal body for less than a full rack rental or letting / leasing residential premises from a private person and receiving from the National / Provincial Government a subsidy or other amount to empower the tenant to pay the full rack rental.

“Staff” means the employees of the municipality, including the municipal manager.

“Sundry charges” means any charge excluding a municipal service, housing service and rates.

“supply zone” means an area, determined by the municipality or its authorized agent, within which all customers are provided with service from the same bulk supply connection;

“Tampering” Means the unauthorised reconnection of a supply that has been disconnected for non-payment, the interference with the supply mains or bypassing of the metering equipment to obtain an unmetered service;

“unauthorised services” means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorised approval by the municipality or its authorised agent.

“Vat” means a charge legislated in terms of the Vat Act No. 89 of 1991 as amended.

CHAPTER 2

PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS

PART 1: APPLICATION FOR MUNICIPAL SERVICES

2.1. APPLICATION AND REGISTRATION FOR SERVICES

2.1.1 No person shall be entitled to a municipal service unless such person has made application on the prescribed form, annexed hereto, and such application has been approved by the Municipality.

- 2.1.2. If, at the commencement of these bylaws or at any other time, municipal services are provided and received and no written agreement exist in respect of such services, it shall be deemed that: -
- (a) An agreement exists; and
 - (b) The level of services provided to that customer are the level of services elected, until such time as the customer enters into an agreement.
- 2.1.3. The applicant shall be obliged to furnish all documents required by the Municipality in terms of the credit control policy in order to register such person on the municipality's data base as a customer.
- 2.1.4. Persons who fail to register for services and who illegally benefits from services shall be subjected to punitive measures or such civil or criminal sanction as the municipality deems appropriate in terms of Section 53 of the Bylaws.
- 2.1.5. The municipality or its authorised agent shall only be obliged to provide a specific level of service requested if such service is currently being provided, provided that the municipality or its authorised agent has the resources and capacity to provide such level of service.
- 2.1.6. A customer may at any time apply to alter the level of services as elected in terms of the agreement entered into, provided that such level of service is available and that any costs and expenditure associated with altering the level of services is paid by the customer.
- 2.1.7. An application for services submitted by a customer and approved by the municipality or its authorised agent shall constitute an agreement between the municipality or its authorised agent and the customer, and such agreement shall take effect on the date referred to or stipulated in such agreement.

2.1.8. In completing an application form for municipal services the municipality or its authorised agent will ensure that the document and the process of interaction with the owner, customer or any other person making such an application are understood by that owner, customer or other person and advise him or her of the option to register as an indigent customer.

2.1.9. In the case of illiterate or similarly disadvantaged persons, the municipality or its authorised agent must take reasonable steps to ensure that the person is aware of and understands the contents of the application form and shall assist him or her in completing such form.

2.1.10. Municipal services rendered to a customer is subject to the provisions of these bylaws, any other applicable bylaws and or related policies of the municipality and conditions contained in the agreement signed by such person.

2.1.11. If the municipality or its authorised agent: -

- (a) refuse an application for the provision of municipal services or a specific service or level of service.
- (b) is unable to render such municipal services or a specific service or level on the date requested for such provision to commence; or
- (c) is unable to render such municipal services or a specific service or level of services,

the municipality or its authorised agent shall, within fourteen (14) days, inform the customer of such refusal and/or inability, the reasons therefore and, if applicable, when the municipality or its authorised agent will be able to provide such municipal services or a specific service or level of service.

2.2.. APPLICATION FOR ELECTRICITY SERVICES (CONVENTIONAL METERS)

- 2.2.1 The Municipality shall whenever possible, combine any separate accounts of persons, who are owners and consumers that are liable for payment to the municipality, into one consolidated account.
- 2.2.2 All new application for services will only be accepted from the owner and will be linked to the rates accounts or name of the owner and not deemed a separate account, except for a block of flats where separate individual units accounts shall be opened under the name of the owner.
- 2.2.3 No application or amendment to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer or in his absence the Director Revenue has been produced in each instance;
- 2.2.4. With respect to a residential application, the owner of the property shall submit the following documents:
- i. Certified copy of identity document or passport;
 - ii. A letter from the transferring attorney confirming ownership or a copy of the Title Deed; and
 - iii. Ratable details or rate number of the property, if available.
 - iv. Proof of salary/income/bank statement
- 2.2.5 With respect to a commercial application the following documents must be produced:
- i. The Certificate of Registration or incorporation of the Company, CC, Trust, or Partnership or Sectional Title (Body Corporate).

- ii Certified copy of the identity document or passport of one of the directors, members, trustees or owner in the case of a sole proprietor, who would open an account.
- lii The names, identity number, cellphone numbers, physical and postal addresses, email addresses and any other particulars of all the Directors or members or Trustees or Proprietors or Partners, as may be prescribed.
- iii Letters of authority in the case of a partnership or sole proprietor.
- iv. Personal sureties from one or more of the Directors / Members of a Company / CC / Trust or Partnership
- v. VAT registration numbers if applicable
- vi. Landlords consent / lease agreement / agents mandate between landlord / agent
- vii. In the event of the company leasing the property a letter from the owner giving consent to the tenant to apply for Municipal services.'
- v. All information furnished shall be verified by the municipality at any or all data information institutions, credit information, bureaus and any financial institutions as may be deemed necessary by the municipality in determining a person's creditworthiness or for any other reason as determined by the CFO.
- vi. The Municipality has a right to conduct a full credit check of any person who is or will become subject to this policy or any other policy of the municipality.

- 2.2.6. Customers who fail to apply and who illegally consume services will be subjected to punitive measures or such civil or criminal action as the Municipality deems appropriate in terms of Section 53 of the KwaDukuza Municipality Bylaws relating to Credit Control and Debt Collection.
- 2.2.7 Outstanding debt on the property, must be settled in full or before the new customer is registered.
- 2.2.8 New applications for services from customers who are in arrears with any other municipal accounts shall not be approved unless the arrears have been settled in full.
- 2.2.9 Any application for any supply of services to any premises must be made at least four working days prior to the service being required, in the prescribed format, and must comply with the conditions as determined by the Municipal Manager or his or her delegate from time to time.
- 2.2.10 No services shall be supplied unless and until application has been made by the owner and a service agreement in the prescribed format has been entered into and the deposit has been paid.
- 2.2.11 The municipality may require of an applicant to submit information and documentary proof so as to enable it to bring its records up to date and to assess the creditworthiness of the applicant and may require such information to be provided on oath.
- 2.2.12 The Chief Financial Officer or in his absence the Director Revenue or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall be authorized to vary the requirements of the application for a prepaid and conventional electricity meter, at his discretion.

2.2.. APPLICATION FOR ELECTRICITY SERVICES (CONVENTIONAL METERS)

2.2.1 The Municipality shall whenever possible, combine any separate accounts of persons, who are owners and consumers that are liable for payment to the municipality, into one consolidated account.

2.2.2 All new application for services will only be accepted from the owner and will be linked to the rates accounts or name of the owner and not deemed a separate account, except for a block of flats where separate individual units accounts shall be opened under the name of the owner.

2.2.3 No application or amendment to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer or in his absence the Director Revenue has been produced in each instance;

2.2.4. With respect to a residential application, the owner of the property shall submit the following documents:

- i. Certified copy of identity document or passport;
- ii. A letter from the transferring attorney confirming ownership or a copy of the Title Deed; and
- vii. Ratable details or rate number of the property, if available.
- viii. Proof of salary/income/bank statement

2.2.5 With respect to a commercial application the following documents must be produced:

- i. The Certificate of Registration or incorporation of the Company, CC, Trust, or Partnership or Sectional Title (Body Corporate).

- ii Certified copy of the identity document or passport of one of the directors, members, trustees or owner in the case of a sole proprietor, who would open an account.
- lii The names, identity number, cellphone numbers, physical and postal addresses, email addresses and any other particulars of all the Directors or members or Trustees or Proprietors or Partners, as may be prescribed.
- iii Letters of authority in the case of a partnership or sole proprietor.
- iv. Personal sureties from one or more of the Directors / Members of a Company / CC / Trust or Partnership
- v. VAT registration numbers if applicable
- vi. Landlords consent / lease agreement / agents mandate between landlord / agent
- vii. In the event of the company leasing the property a letter from the owner giving consent to the tenant to apply for Municipal services.'
- ix. All information furnished shall be verified by the municipality at any or all data information institutions, credit information, bureaus and any financial institutions as may be deemed necessary by the municipality in determining a person's creditworthiness or for any other reason as determined by the CFO.
- x. The Municipality has a right to conduct a full credit check of any person who is or will become subject to this policy or any other policy of the municipality.

- 2.2.6. Customers who fail to apply and who illegally consume services will be subjected to punitive measures or such civil or criminal action as the Municipality deems appropriate in terms of Section 53 of the KwaDukuza Municipality Bylaws relating to Credit Control and Debt Collection.
- 2.2.7 Outstanding debt on the property, must be settled in full or before the new customer is registered.
- 2.2.8 New applications for services from customers who are in arrears with any other municipal accounts shall not be approved unless the arrears have been settled in full.
- 2.2.9 Any application for any supply of services to any premises must be made at least four working days prior to the service being required, in the prescribed format, and must comply with the conditions as determined by the Municipal Manager or his or her delegate from time to time.
- 2.2.10 No services shall be supplied unless and until application has been made by the owner and a service agreement in the prescribed format has been entered into and the deposit has been paid.
- 2.2.11 The municipality may require of an applicant to submit information and documentary proof so as to enable it to bring its records up to date and to assess the creditworthiness of the applicant and may require such information to be provided on oath.

3. SPECIAL AGREEMENTS FOR MUNICIPAL SERVICES

The municipality or its authorized agent may enter into a special agreement for the provision of municipal services with an applicant: -

- 3.1. within the area of supply; if the services applied for necessitates the imposition of conditions not contained in the prescribed form or these bylaws;
- 3.2. receiving subsidized services ; and
- 3.3. if the premises to receive such services is situated outside the area of supply, provided that the municipality having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the municipality having jurisdiction of such special agreement.

4. CHANGE IN PURPOSE FOR WHICH MUNICIPAL SERVICES ARE USED

Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the municipality or its authorized agent of such change and to enter into a new agreement with the municipality or its authorized agent.

PART 2 APPLICABLE CHARGES

5. APPLICABLE CHARGES FOR MUNICIPAL SERVICES

- 5.1. All applicable charges in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the Municipality in accordance with: -
 - (a) Its tariff of charges;
 - (b) Its credit control and debt collection policy and any other applicable policy;

- (c) Any bylaws in respect thereof; and
- (d) Any regulations in terms of national or provincial legislation.

5.2. Applicable charges may differ between different categories of customers, users of services, types and levels of service, quantities of service, infrastructure requirements and geographical areas.

6. AVAILABILITY CHARGES FOR MUNICIPAL SERVICES

The Municipality shall as prescribed in the tariff of charges, for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not consumed.

7. SUBSIDISED SERVICES

7.1. The Municipality may, from time to time, and in accordance with National Policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.

7.2. The Municipality may, in implementing subsidies, differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.

7.3. Public notice in terms of subsection (1) must contain at least the following details applicable to a specific subsidy;

- (a) Household customers who will benefit from the subsidy.
- (b) The type, level and quantity of municipal service that will be subsidized.
- (c) The area within which the subsidy will apply.

- (d) The rate (indicating the level of subsidy).
- (e) The method of implementing the subsidy.
- (f) Any special terms and conditions which will apply to the subsidy.

7.4. If a household customer's consumption or use of a municipal service is: -

- (a) Less than the subsidized service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
- (b) In excess of the subsidized service, the customer will be obliged to pay for such excess consumption at the applicable rate.

7.5. A subsidy implemented in terms of subsection (1) may at any time, be withdrawn or altered in the sole discretion of the Municipality, after: -

- (a) Service of notice as contemplated in Section 115 of the Act on the person affected by the Municipality's intention to consider such withdrawal or alteration; and
- (b) Consideration by the Municipality of any comments or request received from the person affected.

7.6. Commercial customers shall not qualify for subsidized services.

7.7. Subsidized services shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.

8. AUTHORITY TO RECOVER ADDITIONAL COSTS AND FEES

The municipality or its authorized agent has the authority to, in consultation with the Municipality's authorized officials, notwithstanding the provisions of any other sections contained in these bylaws, to recover any additional costs incurred in respect of implementing these bylaws against the account of the customer, including but not limited to: -

- 8.1 All legal costs based on the prescribed fees as set out in the Schedule of the Magistrate Court Act (32 of 1944) and the Rules of the Supreme Court are the maximum fees that COUNCIL will pay an attorney/authorized agent for his/her services. The Municipality's authorized agent will not demand rates exceeding the prescribed rates.
- 8.2 In the event of legal services being rendered which falls outside the scope of tariff, the Municipality's authorized agent dealing with the matter shall negotiate a reasonable fee with the Municipality.
- 8.3 All collections due and payable by the debtor shall be paid directly into the Municipal Account as directed by the Municipal authorized agent/ attorney and no Municipal agent/ attorney is authorized to collect any monies on behalf of the Municipality.

PART 3: PAYMENT**9. PAYMENT OF DEPOSIT**

- 9.1. The municipality may from time to time, determine different deposits for different categories of customers uses of services, debtors, and different standards of services, which different deposits, shall be recorded and

amended from time to time in the Credit Control and Debt Collection Policy of the municipality.

- 9.2. A customer shall on application for the provision of municipal services and before the municipality or its authorized agent may provide such services, pay a deposit, if the Municipality has determined a deposit in terms of its Credit Control and Debt Collection Policy and Tariff of Charges.
- 9.3. If a customer is in arrears, the municipality or its authorized agent may require that the customer: -
 - (a) pay a deposit if that customer was not previously required to pay a deposit, and
 - (b) pay an additional deposit where the deposit paid by that customer is less than the most recent deposit.
 - (c) The value of the original deposit paid or a guarantee held will be reviewed on a regular basis if an irregular and unacceptable payment pattern is identified.
- 9.4. Subject to subsection 9.6 below, the deposit shall not be regarded as being a payment or part payment of an account.
- 9.5. No interest shall be payable by the municipality or its authorized agent on any deposit held.
- 9.6. The deposit, if any, is refundable to the customer on termination of the agreement, provided the customer is not in arrears.
- 9.7. Deposits as prescribed in the tariff of charges will be due and payable on application of new customers and subject to review upon the movement of existing customers to a new address.

- 9.8 At the time of registration for a municipal service, a cash deposit, a bank cheque, an electronic fund transfer will be required based on the following criteria:

9.9.1 Property Owners

- a) Owners are requested to pay a consumption deposit as per the tariff of charges as approved by Council.

9.9.2 Tenants

Commercial tenants who wish to register for electricity consumption will be required to pay a deposit as per the tariff of charges as approved by Council and will **not** be able to reduce this amount by committing to direct debit payments. They may provide a guarantee from a Bank in lieu of a cash deposit but no application will be processed until either the required payment or a guarantee is provided.

9.9.3 Increase in Deposits

9.9.3a The value of the original deposit paid or a guarantee held will be reviewed, on a regular basis, if an irregular and unacceptable payment plan is identified. The customer shall be notified in writing of the revised deposit.

9.9.3b The deposit held shall utilized to settle the arrear account after final account has been rendered.

9.9.4.c where the account is in arrears for more than 60 days the deposit shall be increased by three months average consumption.

9.9.5d Where the customer poses a credit risk.

9.9.6e where payment by a negotiable instrument or direct debit is dishonored more than two times.

9.9.7f Where there is an application for an upgrade to electricity supply.

10. METHOD FOR DETERMINING AMOUNTS DUE AND PAYABLE

10.1. The municipality or its authorized agent shall in respect of municipal services that are metered, endeavor to, within available financial and human resources, read all customer connections, on a regular basis, subject to subsection (10.2).

10.2. If a service is not measured, a municipality or its authorized agent may, notwithstanding subsection (10.1), determine the amount due and payable by a customer, for municipal services supplied to such a customer by calculating: -

- (a) The shared consumption, and, if not possible;
- (b) The estimated consumption

10.3. If services are metered, but it cannot be read due to financial and human resources constraints or circumstances out of the control of the municipality or its authorized agent, and the customer is charged for an average consumption the account following the reading of the metered consumption must specify the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustment.

10.4. Where in the opinion of the municipality or its authorized agent it is not reasonably possible or cost effective to meter all customer connections and/or read all a metered customer connections within a determined area, the Municipality may, on the reconnection of the municipality or its

authorized agent, determine a basic tariff (flat rate) to be paid by all the customers within that area, irrespective of actual consumption.

- 10.5. The municipality or its authorized agent must inform customers of the method for determining amounts due and payable in respect of municipal services provide which will apply in respect of their consumption or supply zones.

11. PAYMENT FOR MUNICIPAL SERVICES PROVIDED

- 11.1. A customer shall be responsible for payment of all municipal services consumed by him/her or it from the commencement date of the agreement until his/her or its account has been settled in full and the municipality or its authorized agent must recover all applicable charges due to the municipality.
- 11.2. If a customer uses municipal services for a use other than which it is provided by the municipality or its authorized agent in terms of an agreement and as a consequence is charged at a rate lower than the applicable rate the municipality or its authorized agent may make an adjustment of the amount charged and recover the balance from the customer.
- 11.3. If amendments to the applicable charge become operative on a date between measurements for the purpose of rendering an account in respect of the applicable charges and the date of payment,:-
- (a) It shall be deemed that the same quantity of municipal services was provided in each period of twenty-four hours during the interval between the measurements; and
 - (b) Any fixed charge shall be calculated on a pro rata basis in accordance with the charge that applied immediately before such amendment and such amended applicable charge.

12. FULL AND FINAL SETTLEMENT OF AN ACCOUNT

- 12.1. Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account.
- 12.2. Subsection (12.1) shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full and final settlement, unless the municipal manager or the manager of the municipality's authorized agent made such acceptance in writing.

13. RESPONSIBILITY FOR AMOUNTS DUE AND PAYABLE

- 13.1. Any amount due to the municipality for municipal service fee, surcharge on fees and any other municipal taxes and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 13.2. Accordingly, all such municipal debts shall be a charge upon the property and shall be payable by the owner of the property, notwithstanding the provisions of any other sections of the bylaws.
- 13.3. Any person who purchases or otherwise acquires or leases immovable property from the Municipality shall be deemed to be the owner thereof from the date of such purchase or other acquisition by him or from the commencement of such lease, as the case may be.
- 13.4. Where the property is owned by more than one person, each such person shall be liable jointly and severally for all Municipal debts charged on the property.
- 13.5. Owners shall be held jointly and severally liable, with their tenants who are registered as customers for municipal services.

- 13.6. Tenants and/or agents shall be held liable for arrear rates restricted to the rental in terms of Section 28 of the Municipal Property Rates Act No 6 of 2004.,
- 13.7. When electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised the relevant charges shall be raised against the registered owner.
- 13.8. When a customer terminates a consumption account and no new customer registers, a property is deemed to be unoccupied.. The owner shall be responsible for the account.
- 13.9. When the property is owned by Company or Close co-operation, **Trust in terms of the Trust Property Control Act No 57 of 1988, Home Owners Association or a Body Corporate in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986),** each member, director **or Trustees shall** be liable jointly and severally for all Municipal debts charged on the property.
- 13.10. Where the company has been deregistered and there are amounts due to the municipality, the municipality or its authorised agent shall apply to the Companies and Intellectual Property Commission to re-register a deregistered company or close corporation or apply to court for an order of restoration or the voiding of the deregistration for the purposes of recovering the amounts owed by that company or close corporation for all municipal debts which have accrued and shall recover the costs of reregistration from the directors or members accordingly.
- 13.11. The Municipality shall attach the rental or any other payments due to lessors where they are also a debtor who are in arrears with their municipal accounts. This includes the legal principle of set-off.

13.11 **DECEASED ESTATES**

13.11.1 The Executor of a deceased estate, in his capacity as such, shall be liable for payments of all debts on the property.

13.11.2. The occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be required to sign the rates and services agreement for the property. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account as per the services agreement.

13.11.3. Deemed ownership does not confer any rights to the occupants other than the liability to pay the accounts.

13.11.4 failure to inform the Municipality that the property forms part of the deceased estate may result in the disconnection of services, until an executor has been appointed.

13.11.5. Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys preference as a creditor for the application of section 118 (1) of the MSA. Accordingly, no revenue clearance certificate will be issued until all amounts assessed for the prescribed 2-year period, have been paid. The balance of the debt will be dealt with as guided by the law on the administration of deceased estates.

14. **DISHONOURED PAYMENTS**

Where any payment made to the Municipality or its authorized agent by negotiable instrument, is later dishonored by the bank, the municipality or its authorized agent:

- (a) Will recover all applicable charges
- (b) Shall regard such an event as a default on payment and shall disconnect services without notice and/or reserves the right to take legal action
- (c) shall require all future payments to be made by cash or electronic fund transfer in an event where more than two cheque or debit order payments from the debtor have been dishonored by the bank.

15. INCENTIVE SCHEME

The Municipality may institute incentive schemes to encourage prompt payment.

16. PAYPOINTS AND APPROVED AGENT

- 16.1. A customer must pay his/her or its account at pay-points, designated by the municipality or its authorized agent from time to time, or at approved agents of the municipality or its authorized agent.
- 16.2 The municipality or its authorized agent shall inform a customer of the location of the designated pay-points and approved agents for payment of accounts.

PART 4: ACCOUNTS

17. ACCOUNTS

- 17.1. Accounts shall be rendered monthly to customers at the address last recorded with the municipality or its authorised agent. The customer may receive more than one account for different municipal services if they are

accounted for separately. In the case of multiple ownership, the account will be delivered to any one of the owners.

- 17.2. An error or omission or failure to receive or accept an account does not relieve a customer of the obligation to pay an amount due and payable.
- 17.3. Accounts must be paid by no later than the last date of payment specified in such account.
- 17.4
 - a) Assessment rates shall be billed on a monthly basis in terms of Section 64 (2) (b) of MFMA.
 - b) annually, as may be agreed to with the owner of the property on or before a date as determined by the Municipality.
 - c) The Municipality shall recover a rate annually for National and Provincial Government owned properties.
- 17.5 Monthly rates shall be levied in eleven equal installments, and subject to change as determined by the Council from time to time.
- 17.6 The Municipality will undertake to have the accounts mailed to all customers. However, failure to receive or accept accounts does not relieve a customer of the obligation to pay any amount due and payable. The onus is on the customer to make every effort to obtain a copy account for payment.
- 17.7 The Municipality or its authorized agent must, if administratively possible, issue a duplicate account to a customer on request. Landlords may request copies of their tenant's accounts.
- 17.8 The Accounts shall reflect at least:
 - a. The services rendered

- b. The consumption of metered services or average, or estimated consumption.
- c. The applicable charges
- d. The amount due
- e. property rates payable
- d. Surcharges
- g. Value Added Tax
- h. Any rebates
- i. The adjustments, if any, to metered consumption that has been previously estimated.
- j. The arrears
- k. The interest payable on arrears
- l. The final date of payment
- m. The methods, places and approved agents where payment may be made.
- n. Administration charges
- o. Payments received.
- p. Period stipulated in the account.
- q. Any subsidies.
- r. any other adjustments

17.9. The Municipality shall post or email the rates assessment.

17.10 READING OF CREDIT METERS

- 17.10.1 Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed of minimum charges due in terms of the tariff shall be assessed accordingly. The Municipality shall not be obliged to affect any adjustments to such charges.

- 17.10.2 If for any reasons the credit meter cannot be read, the Municipality can render an estimated account. The electricity energy consumed shall be adjusted in a subsequent account in accordance with the electricity actually consumed.
- 17.10.3 When a consumer vacates a property and a final reading of the meter is not possible, estimation may be made and the final account rendered accordingly.
- 17.10.4 If special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee.

18. **PAYMENT OPTIONS**

18.1 The Municipality must endeavor to establish a payment network to ensure that, wherever practically possible, customers in receipt of accounts have access to a payment site.

18.2. Customers must ensure that payments made through third party agents are made at least 3 working days prior to the due date. The Municipality will not accept responsibility for delays in receipt of payments.

18.3 The following payment methods are also available:

- (i) Cash
- (ii) EFT
- (iii) Internet Transfers.
- (iv) Third party collectors appointed from time to time by the Municipality.
- (v) Direct Debit (ACB)
- (vi) Credit card or debit card
- (vii) Debit Order payments
- (viii) Cheque not exceeding the value of R50 000 (Fifty thousand rands)

18.4 The following shall apply for all payments from debtors:

- (i) Proof of payment from debtors shall be required if payment is not yet receipted on the debtor account.
- (ii) Proof of payment from the customers will be verified, where applicable, for authenticity.

18.5 Where a Customer signs an application for services with the Municipality, payment shall, as far as possible be accepted via a direct debit procedure.

19. **CASH ALLOCATION PRIORITIES**

19.1 When part payments are received against a Consolidated Account, the Municipality shall allocate such payments first to any due or unpaid interest charges; secondly, to satisfy any due or unpaid fees or charges; and thirdly, to reduce the amount of the principal debt in terms of the table of priorities as determined from time to time and as set out in the Credit Control and Debt Collection Policy

PRIORITY NO.	STATUS	SERVICE
1	Arrears	All other Municipal charges including administration charges and penalties.
2	Arrears	Additional Deposits
3	Arrears	Sundry Charges
4	Arrears	Housing Charges
5	Arrears	Refuse Charges
6	Arrears	Rates
7	Arrears	Electricity Charges
8	Current	All other Municipal charges including interest, collection charges and penalties.
9	Current	Additional Deposits
10	Current	Sundry Charges

11	Current	Housing Charges
12	Current	Refuse Charges
13	Current	Rates
14	Current	Electricity Charges
15	Vat	Will be allocated in terms of the Vat Act of 1991

20. **PROPERTY RATES AND CONSOLIDATED BILLING**

- 20.1. If one account is rendered for more than one municipal service and rates provided, the amount due and payable by a customer constitutes a consolidated debt, and any payment made by customer of an amount less than the total amount due, will be allocated at the discretion of the municipality between service debts.
- 20.2. Property rates shall form part of the Consolidated Bill
- 20.3. Arrear rates or any other consolidated debt may result in disconnection of services.
- 20.4. The Municipality may, in terms of Section 28 of the Municipal Property Rates Act, recover arrear rates from tenants / managing agents in occupation of the relevant property but only to the extent of the rent payable or amount due by the tenant but not yet paid to the owner of the property. This does not preclude further legal action against the owner.
- 20.5. The Municipality may make application to court for judgment, costs and the summary sale of the property in appropriate circumstances. Legal costs and collection commission if applicable shall be debited to the relevant debtor's accounts. In the event of the Municipality through its internal collection procedure recovering the debt from the customer, the customer shall be liable for any disbursements and any other charges as reflected in the tariff of charges. and collection commission if applicable.

- 20.6** Once judgment is obtained the properties will be advertised and sold through public auction, **unless appropriate settlement has been made to the satisfaction of the Municipality, however, proceeds of Sale in Execution shall be appropriate to any of the debtor's accounts in arrears.**
- 20.7 The municipality shall follow the legal process to recover any portion of the debt outstanding for more than sixty (60) days.
- 20.8 If account is rendered for only one municipal service provided, any payment made by a customer of an amount less than the total amount due, will be allocated at the discretion of the municipality.
- 20.9 A customer may not elect how an account is to be settled if it is not settled in full or if there are arrears.

21. **LEGAL ACTION**

- 21.1 Where an account rendered to a customer remains outstanding for more than sixty (60) days the Chief Financial Officer or in his absence the Director Revenue or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall:
- a) Hand the customer's account over to a debt collector or an attorney for collection.
 - b) Institute legal proceedings through its authorised agents or attorney against a customer for the arrears; or
- 21.1.1 If the Chief Financial Officer is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost effective the Chief Financial Officer may recommend the Council that such action not be commenced or discontinued or terminated.

21.1.2. Legal steps shall be taken to collect arrears such as in the following cases.

- a) Where cut-off action yielded no satisfactory result.
- b) Where no cut off action is possible due to the nature of the services for which the account has been rendered
- c) Where the arrears are older than 60 days.

21.1.3 A pre-investigation into the account and debtor details is carried out before the preparation of a summons. The data of an appointed Credit Bureau is utilized. Telephonic or other forms of contact may be made with the debtor, at the municipality's discretion, prior to the issue of summons and / or other legal proceedings;

21.1.4 The following table shall be utilized to show the thresholds in respect of the debt value and the recovery action therein:

DEBT VALUE RAND	RECOVERY ACTION
Up to R500	Letter of Demand and/or Summons at the discretion of the C.F.O.
from R501 to R1000	Letter of Demand - Proceed to the issue of summons should the debtor appear to be of sufficient financial stature. Any further legal action is at the discretion of the Chief Financial Officer or the Director Revenue in his absence.

From R1000 onwards	Letter of Demand – Proceed to the issue of summons. Assess the likely financial stature of the debtor, incur tracing costs where appropriate and proceed along the legal route reviewing at each stage whether it is viable to continue incurring costs.
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21.1.5 If the Chief Financial Officer or in his absence the Director Revenue is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost-effective, the Chief Financial Officer may recommend to the Council that such action be not commenced or be discontinued or terminated.

21.1.6 The council shall then approve the write-off of such arrears, if it is satisfied with the reasons provided.

21.2 All Offers of Compromise, out of court settlement offers and/ or settlement offers for full and final payment received are to be approved by the Council.

21.3 The Municipality may enforce any other rights or exercise any power conferred on it by any other legislation.

21.4 The Municipality may through its own internal policy proceed to recover all outstanding debt and charge disbursements and administration and collection charges.

21.5 The Chief Financial Officer shall be authorized to approve the writes off, of all Irrecoverable debts on accounts not exceeding R5,000, only on condition that satisfactory reasons have been provided by the Director Revenue to the CFO. The following shall guide the Chief Financial Officer in approving such a request:

a) A debt may only be written-off against the municipality's provision for doubtful debts, being a funded reserve established pursuant to the municipality's Funds and Reserves Policy section 7.2 which states, "The provision for revenue that will not

be collected are budgeted as an expense and is based on the projected annual non-payment rate for each service"

b) The submission to the Chief Financial Officer must include:

- Particulars of Debtor i.e., Name, Account number,
- Outstanding amounts split into Capital and interest by service
- Steps taken to recover the debt
- An indication if the debtor is liquidated or sequestered
- Whether the debtor can be traced

c) The following considerations will be taken into account for write-off:

- Where a debt is deemed irrecoverable
- Where the debt has prescribed in terms of the Prescription Act, No. 68 of 1969
- If the debtor has been sequestered or liquidated and the proceeds of the sequestration or the liquidation are insufficient to satisfy the debt
- Where the cost of recovery of the debt is likely to exceed the amount outstanding.
- A debt may be considered irrecoverable if all reasonable attempts to trace the whereabouts of the debtor have been unsuccessful and there are no assets that can be declared executable.
- no other reasonably possible and practical means of recovering the debt exists.
- Assistance for the poor as contemplated in Section 27 of this policy, where registered indigent debtors who have been successfully validated.

21.6 COMPLIANCE AND ENFORCEMENT

21.6.1 Violation of or non-compliance with this policy will give a just cause of disciplinary steps to being taken.

21.6.2 It will be the responsibility of Accounting Officer to enforce compliance with this policy.

22. TERMINATION / TRANSFER OF ELECTRICITY ACCOUNTS

22.1. A customer who intends to terminate or transfer a municipal service shall notify the Municipality in writing on the prescribed form within 14 days prior to the date of termination or transfer and shall also furnish the Municipality with the forwarding address.

- 22.2 A final reading shall be recorded on the termination date and the customer will be billed for the consumption.
- 22.3 If a current tenant terminates his/her account, the meter and the outstanding debt on that property automatically reverts back to the owner account and no further applications for tenants will be accepted.
- 22.3. The deposit shall be appropriated against the account. Should a credit balance remain on the account, after appropriation of the deposit, such credit balance may be refunded to the customer or transferred to the new municipal service.
- 22.4. A final account that remains unpaid for a period of 30 days shall be:-
- (a) transferred to that owner current account.
 - (b) recovered through our debt collection procedure.
- 22.5 No application for services shall be processed until arrear debt is settled or an arrangement has been made.
- 22.6 The Municipality may exercise its right where a tenant on a property is in breach of his or her contract with the Municipality and link the debt to the owners' account. The tenant shall forfeit his or her deposit to the owner where the outstanding debt is paid by the owner.**
- 22.7 Where a property has been transferred, the new owner(s) will be liable for all consumption and basic charges on the property from date of registration.**

22A. REFUNDS

- 22 A (1).1 Refunds shall only be issued, provided that all the customers' accounts are paid in full, credits on accounts shall be refunded, on application, as follows:
- a) To the account holder, for rates and services account;
 - b) To the owner, where the owner pays the tenants account;
 - c) To the conveyancer to pay the buyer or seller, on transfer of a property, this includes any credits that may arise from an objection appeal outcome or an over payment of the account.

23. AGREEMENT WITH EMPLOYERS

The Municipality in terms of section 103 of the Act may with the consent of a person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with that person's employer to deduct from the salary or wages of the person-

- 23.1. Any outstanding amounts due by that person to the Municipality; or
- 23.2 Such regular monthly amounts as may be agreed.
- 23.3 The onus to introduce such arrangements remains with each employer/ employee

24. STAFF IN ARREARS

- 24.1 Item 10 of Schedule 2 to the Act states: - "A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period.
- 24.2. The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction

where appropriate, in terms of the Provisions of the Basic Conditions of Employment Act and other legislation.

24.3 No special treatment shall be afforded to staff member whose accounts are in arrears.

24.4 Once the arrears or debt is settled in full, the account will automatically revert to staff group account.

25. COUNCILLORS IN ARREARS

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

25.1 The Municipality, upon consultation with the Councillor, shall make appropriate arrangements to have the arrears paid.

25.2 The Municipality shall liaise with the relevant Councillor and the Speaker, in order to issue the necessary salary deduction instruction where appropriate.

25.3 No special treatment shall be afforded to the Councillor whose accounts are in arrears.

25.4 Once the arrears or debt is settled in full, the account will automatically revert to the group account.

PART B – DEBT COLLECTION PROCEDURES

B1. Municipal accounts shall be paid on the due date as indicated on the account and non-payment of accounts will result in debt collection action.

PART 5: QUERIES, COMPLAINTS AND APPEALS

26. ARREAR MESSAGE ON ACCOUNTS

26.1 When a monthly account is in arrears, the next account will clearly highlight an appropriate reminder message.

27.1 CONVENTIONAL ELECTRICITY METERS

27.1.1 Disconnection orders are issued after final payment date. Where arrears are brought forward, the above may not apply.

27.1.2 If an occupier account appears on the disconnection list twice, the account is automatically transferred to the owner account iro S118(3), S102(1) (a) of MSA and S3.1 of the credit control policy.

27.1.3 Re-connection instructions are issued as soon as:

- a) payment is received at an on-line facility:
- b) proof of payment at an off-line facility is received; or
- (c) satisfactory credit arrangements have been entered into and we are accordingly advised of such payment (refer to section 31.)
- (d) Payment of 40% of the arrears together with the current account is received irrespective of the final payment date of the current account which must include the disconnection and reconnection fee. Thereafter payment of the arrear balance plus the current installment shall be paid over a maximum period of 6 months. No further arrangements will be entertained unless such period may be extended at the discretion of the Chief Financial Officer .
Re-connection of the electricity services is not guaranteed to be effected within the same day of payment.

27.1.4. Follow-up meter readings within one month are taken for all customers who fail to respond to the physical disconnection to ensure that the supply has, in fact, been disconnected and no payment received.

27.1.5 Where instances of illegal reconnection of supplies are detected by KwaDukuza Municipality, the supply is again disconnected by a more stringent method. Reconnection thereafter will only be effected if the relevant penalty tariff charges / disconnection fees together with any arrears are paid in full together with the current account.

27.1.6 Further instances of tampering will result in the disconnection of the electricity supply and the removal of the relevant metering and connection equipment. Customers in such instances will then need to pay for the full costs of the new connection of a prepaid meter and all outstanding arrear charges before installation of the prepaid meter.

27.1.7. Electricity metering and connection equipment remain the property of the Municipality at all times and anyone involved in instances of tampering, damaging or theft thereof is committing a criminal offence and will be liable for prosecution and or civil claims/penalties by the Municipality.

27.1.8 The owner of the property shall be notified if the tenant has been disconnected for the second time.

27.2 APPLICATION FOR CONNECTION OF PREPAID AND CONVENTIONAL ELECTRICITY METER

27.2.1 Applications for prepaid electricity and conventional meter shall only be accepted from the Owner of the property

27.2.2 The owner shall ensure that:

- a) All applications are processed at the electricity department at KwaDukuza Municipality.

- b) The applicant is to obtain from the enquiry clerk at the Finance Department the full balance of any amount due, owing and payable in respect of any municipal account
- c) The applicant shall pay the outstanding municipal account in full
- d) Once payment has been made, the enquiries clerk at the Finance department shall issue a certificate to the customer reflecting that outstanding rates and services account has been paid
- e) The consumer shall only be able to proceed with the prepaid or conventional electricity meter application with the municipality after the certificate has been handed to the electrical department.
- f) Arrear debt of consumers with prepayment electricity meters can be dealt with in terms of debt collection facilities available on the prepayment electricity system.

27.3 **CREDIT AGREEMENTS**

- 27.3.1 The Municipality may, at its discretion, enter into a Credit Agreement with customers in arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges.
- 27.3.2 The owner of a property must consent in writing to a Credit Agreement with the municipality and his tenant, whereby he acknowledges that he is jointly and severally liable for all arrears should his tenant default.
- 27.3.3 Re-connection and disconnection fees, where applicable, must be paid in full before any Credit Agreement can be entered into.

- 27.3.4 By entering into a Credit Agreement the customer acknowledges that failure to meet any installment will result in prompt disconnection action being taken. This does not preclude any legal action that the Municipality may take.
- 27.3.5 Credit Agreements negotiated on business accounts shall require the agreement to be signed by a duly authorized Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company and or close corporation's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.
- 27.3.6 Credit agreements negotiated with Trusts shall require such agreement to be signed by a duly authorized trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trusts liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.
- 27.3.7 Details of the original amount of the Credit Agreement, the monthly instalments, and the current balance outstanding thereon, are included on each subsequent account until such time as the Credit Agreement is liquidated by full payment of the debt.
- 27.3.8 Credit Agreements may **not** be granted where:
- a. Arrears have arisen due to dishonored cheques, direct debit reversals etc;

- b. Instances of repeat meter tampering have been identified,
or
- c. The services have been removed.

27.3.9 Telephonic and other electronic request for payment. Council shall authorize credit control to:-

- a) Telephone customers between the hours of 18h00 to 20h00 to advise of the arrear account and request payment
- b) To engage the services of a service provider to forward SMS messages to all customers in arrears

PART 6: ARREARS

28. INTEREST /PENALTIES/ ADMINISTRATION CHARGES ON OUTSTANDING ACCOUNTS

The Municipality may in terms of Section 97(1)(e) read with Section 75A (as amended by G.G. No. 24149 dated 05/12/2002) of the Act shall:

- 28.1 Charge interest and or penalties as specified in the tariff of charges from time to time.
- 28.2 Charge 10% administration charges raised on the outstanding rates for the current year.:
 - (a) On annual rates payers:
 - 60 days succeeding the final due date.

- (b) Monthly rate payers:
 - administration charges shall be raised on the 1st of July on all outstanding rates not paid as at the 30th June each year
- (c) On monthly rates accounts that have been changed to annual billing as a result of arrears, a 10% administration charge will be raised 60 days after that change.

28.3 Charge all legal costs incurred for debt collection commission (if applicable) once the debt has been handed over for collection.

28.4 The general power to levy and recover administration charges and interest on any outstanding amount shall be determined by the municipality by resolution passed by the Municipal Council from time to time.

29. DEBT COLLECTION

29.1. Municipal accounts must be paid on the due date as indicated on the account and non-payment of accounts will result in debt collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorized agent may: -

- (a) Institute legal proceedings against a customer for the arrears; or
- (b) Hand the customer's account over to a debt collector or an attorney for collection.

29.2. A customer will be liable for any legal fees, cheque costs, postal charges, short message services (sms) charges, administration fees, costs incurred in taking action for the recovery of arrears and any interest, including the payment of a higher deposit, as may be determined by the Municipality from time to time.

29.3 In the event of an occupier account being in arrears for more than 30 days, the registered owner will be informed of the arrears on the account

and Council's intention of terminating the account and services and linking the meter to the owner's account. The debt will revert to the owner's account.

- 29.4. In the event of occupier final account being in arrears for more than 30 days, the registered owner will be informed of the arrears on the account and Council's intention of terminating the account and linking the meter to the owner's account. The debt will thereafter revert to the owner's account.

29.5 The following procedure shall be adhered to when undertaking the consolidation of accounts by the Credit Control Section of the Finance Department of the municipality

- (a) Consolidation shall be done immediately if owner and occupier accounts are the same and arrears emanates from the occupier account.
- (b) Notify the owner in writing about the consolidation, in order to ensure that the owner is aware of the meter being disconnected due to arrears if not settled by a specific date.
- (c) Accounts where the owner and the occupier are different and occupier account is in arrears: first formally inform the owner about the arrears and intentions to merge or consolidate the accounts by a specific date,
- (d) Merge only when after the said date has passed and if there are no queries or payment received.
- (e) Inform the owner in writing that should the arrears indicated on the letter be settled prior to the specific date, should the account subsequently fall in arrears, the account will be merged immediately without further notice to the owner or occupier.
- f) In the event the owner account is in arrears, irrespective the occupier account is up to date, the municipality shall at its

discretion consolidate the occupier account into the owner account and shall credit all payments received from such occupier account in order of preference as determined by the Municipality from time in its Credit Control and Debt Collection Policy.

29.6. DISCONNECTION AND RECONNECTION OF ELECTRICITY OR SERVICES ON ARREAR ACCOUNTS

29.6.1 Arrears that are 30 days and older emanating on rates, services or any other consolidated debt shall result in disconnection and blocking of electricity meter or discontinuing of any services or in a restriction of use of municipal facilities.

29.6.2. A disconnection, reconnection fee as determined by the Municipal Council, from time to time, shall be raised on all accounts that are disconnected.

29.6.3. Any municipal official or contractor appointed by the Municipality for the purposes set out herein, may, at all reasonable times enter any premises to which services are supplied by the Municipality, in order to inspect the electricity meter, wires or any apparatus used for the supply of services and belonging to the Municipality, for the purpose of ascertaining the quantity of services supplied or consumed, or to disconnect or terminate such supply or remove any apparatus belonging to the Municipality.

29.6.4 Should the owner fail to allow access to the premises on the property to which services are supplied by the Municipality on three consecutive occasions, the electricity shall be hard disconnected without any given notice.

29.6.5 The owner of the property remains liable and responsible for all instances of unauthorised reconnections and disconnections, Illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Furthermore, the onus is upon the owner to ensure that tenants/occupiers on the premises of the property refrain from such acts. Nothing precludes the Municipality from recovering charges from the previous owner where tampering is proven by the Municipality or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows, from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

29.6.6 An unauthorised reconnection or illegal connection of or tampering with a service supply is prohibited and shall constitute a criminal offence which shall result in legal action being taken against the owner and disconnection

of Municipal services or removal of the entire services supply being effected.

- 29.6.7 The Municipality shall refuse the supply of electricity to a consumer who is found guilty of fraud, theft or any other criminal offence related to Municipal services, or, where it is evident that such criminal offence has occurred, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Municipality have been paid in full.
- 29.6.8 Reconnections or unblocking of electricity meter or municipal services in respect of arrear debtors or customers that have tampered or illegal connect with the municipal services, shall only be allowed when all applicable penalties and fees have been paid and the debt has been settled in full.
- 29.6.9 Reconnections or unblocking of electricity meter or municipal services in respect of arrear debtors that have not tampered or illegal connect with the municipal services, shall only be allowed when all applicable fees have been paid and the debt has been settled in full or an acknowledgement of debt have been concluded as per Council Policy.
- 29.6.10 The services of Customers on pre-paid meters, who tamper with their services, shall be disconnected and any amounts due to the Municipality will become payable immediately including the applicable penalties.
- 29.6.11 Where a Municipal service is to be disconnected or restricted, as contemplated in subsection 29.6.1, due notice of intention to disconnect or restrict such Municipal service will be given not only to the debtor but also to the owner of the property, or the tenant/occupier,.

29..7 COLLECTION OF DEBTS IN RESPECT OF HOUSING RENTALS

- 29.7.1 Rental installment is payable before or on the due date.
- 29.7.2 If payment is not received on the due date, the electricity meter shall be blocked or disconnected.
- 29.7.3 A final letter of demand shall be issued requesting payment and offering the debtor an opportunity to make arrangement within 14 (fourteen) days of receipt of the letter of demand.
- 29.7.4 Failure to respond within 14 days of receipt of the final letter of demand shall result in Council proceeding with legal action and summons shall be issued.

- 29.7.5 If there is no response to the summons, it will result in a house visit from an official of Council's Property department, followed by default judgement and the ultimate sanction of eviction on the property.

PART 7: ARRANGEMENT FOR THE PAYMENT OF ARREARS

30. ARRANGEMENT

30.1. A customer may enter into an arrangement with the Municipality for the repayment of an arrear account by concluding:

- (a) An acknowledgement of debt duly signed by both parties.
- (b) A consent to judgment.
- (c) An emolument attachment order.
- (d) Acknowledge that interest will be charged at the prescribed rate.
- (e) Acknowledge that if the arrangements being negotiated later are defaulted on, disconnection of electricity or blocked from buying electricity on the Prepayment System will follow immediately, as will legal proceedings. Acknowledge liability of all legal costs incurred.
- (f) Only account holders with positive proof of identity or an authorised agent with a power of attorney will be allowed to enter into an arrangement for the payment of arrear accounts in instalments.
- (g) Failure to honour the agreement will lead to immediate blocking or restriction from purchasing prepaid electricity, disconnection of electricity, as well as legal action.

- (h) Prior concluding the agreement the owner shall be compelled to produce the prepaid electricity card and or conventional meter number.
- 30.2. A customer shall be charged interest on an arrear account at the prescribed rate of interest.
- 30.3. Customers with electricity service accounts in arrears shall consent to the conversion of the electrical meter to a prepaid meter should the deposit held be less than the cost of conversion. The cost of such prepaid meter shall be paid in full before reconnection.
- 30.4. The municipality or its authorised agent shall require a customer to first pay its current account before entering into an agreement to pay the arrears and shall pay every current municipal account in full and on time during the period over which such arrangement extends.
- 30.5. The municipality reserves the right to:
 - 30.5.1. Raise the security deposit requirement of such customer who enters into an agreement in terms of clause 30.1. above, and
 - 30.5.2. Demand that a Deed of Suretyship be completed.
- 30.6. Electricity/Consolidated Bill: Each defaulting account holder will be allowed to make a first Payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months.

- 30.6.1 The Chief Financial Officer or in his absence the Director Revenue shall be authorized to vary the arrangement as stipulated in clause 18.6 above, at his discretion.
- 30.7 Reconnection of the electricity services is not guaranteed to be affected on the same day of payment.

31. Arrangement for Payment of Arrear Accounts

- 31.1 The Municipality may, at its discretion, enter into a Credit Arrangement with customers in arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges.
- 31.2 All services must be consolidated into one account before an acknowledgement of debt is entered into.
- 31.3 The owner of a property must consent in writing to a Credit Agreement with the municipality and his tenant, whereby he acknowledges that he is jointly and severally liable for all arrears should his tenant default and that:
 - 31.3.1 Re-connection and disconnection fees, where applicable, must be paid in full before any Credit Agreement can be entered into.
 - 31.3.2 By entering into an Arrangement to Pay the customer acknowledges that failure to meet any instalment will result in prompt disconnection action being taken or will be blocked from buying electricity on the Prepayment System and the balance of the arrear account together with current account and interest raised on such account will immediately become due and payable to the Municipality. This does not preclude any legal action that the Municipality may take.
 - 31.3.3 Arrangement to Pay negotiated on business accounts shall require the agreement to be signed by a duly authorized Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company

and or close corporation's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.

31.3.4 Arrangement to Pay negotiated with Trusts shall require such agreement to be signed by a duly authorized trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trust's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties.

31.3.5 Details of the original amount of the Credit Agreement, the monthly installments and the current balance outstanding thereon are included on each subsequent account until such time as the Credit Agreement is liquidated by full payment of the debt.

31.7 Arrangement to Pay may not be granted where:

- a. Arrears have arisen due to dishonored cheques, direct debit reversals more than two times
- b. Instances of repeat meter tampering have been identified, or
- c. The services have been removed.
- d. Where arrears do not emanate as stipulated in clause 31.7 above, the Municipality may, at its discretion, enter into an arrangement with the registered owner of the property in respect of the arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges. where arrears do not emanate as stipulated

- e. All services must be consolidated into one account before an Acknowledgement of Debt is entered into.
- f. Electricity/Consolidated bill/ Sundry Debtors each defaulting account holder will be allowed to make a first payment of 40% of the arrears, together with the current account irrespective of the final payment date of the current account, plus the disconnection /reconnection fees, blocking/unblocking fees, Thereafter, payment of the balance plus current instalment shall be paid over a period of six months.
- (g). The Chief Financial Officer or in his absence the Director Revenue or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall be authorized to vary the arrangement as stipulated in clause 18.4 above at his/ her discretion.
- (2). The registered owner of the property shall enter into an arrangement with the Municipality for the repayment of the arrear account by concluding
- (3) An acknowledgement of Debt duly signed by both parties together with an emolument order and
- (4) The owner of the property must consent in writing to an Arrangement with the municipality and his tenant, whereby he acknowledges that he is jointly and severally liable for all arrears should the tenant default
- (5) Acknowledge that interest will be charged at the prescribed rate.
- (6) Acknowledge that if the arrangements being negotiated later are defaulted on, disconnection of electricity or blocked from buying electricity on the Prepayment System will follow immediately, as will legal proceedings. Acknowledge liability of all legal costs incurred.
- (7) Only the registered owner of the property with positive proof of identity or an authorised agent with a power of attorney will be

allowed to enter into an arrangement for the payment of arrear accounts in instalments.

- (8) By entering into an arrangement to pay the customer acknowledges that failure to meet any instalment will result in prompt disconnection action being taken or the customer will be blocked from purchasing prepaid electricity and the balance of the arrear account together with the current account, interest raised on such account will immediately become due and payable to the municipality. This does not preclude any legal action the Municipality may take.
- (9) Prior concluding the agreement the owner shall be compelled to produce the prepaid electricity card and or conventional meter number.
- (h) Arrangements negotiated on business accounts shall require the arrangement to be signed by a duly authorised Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company and or close corporation's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties
- (i) Arrangements negotiated with Trusts shall require such arrangement to be signed by a duly authorised trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trust's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties
- (j) Details of the original amount of the Arrangement, the monthly instalments, and the current balance outstanding thereon, are included on each subsequent account until such time as the arrangement is liquidated by full payment of the debt
- (k) A customer shall be charged interest on arrear account at the prescribed rate of interest.

- (l) The Municipality or its authorised agent shall require a customer to first pay its current account before entering into an agreement to pay the arrears as set out in clause 18.4 above
- (m) The Municipality reserves the right to:
 - (1) Raise the security deposit requirement of such customer who enters into an agreement in terms of clause 9.2.3 above
 - (2) Demand that a Deed of Suretyship be completed.
- (n) Re-connection or unblocking of electricity meter will be affected within 48 hours of payment after the arrangement has been concluded.

31.8 Telephonic and SMS request for payment. Council shall authorize credit control to: -

- a) Telephone customers between the hours of 18h00 to 20h00 to advise of the arrear account and request payment
- b To engage the services of a service provider to forward SMS messages to all customers in arrears

32. **DEBT ARRANGEMENT**

Customers have been categorised into the following income categories: -

- Indigent (Gross household income of less than the monthly amount determined by Council)
- Non-Indigent (Gross household income of more than the monthly amount determined by Council for indigent)
- Non-domestic (excludes Government Departments)
- Government Departments.

- 32.1 The principle of limited vending to encourage customers with arrears to buy a pre-determined amount of electricity per month, will apply.
- 32.2 The principle that the monthly account must be paid, will apply.
- 32.3 Debt Arrangement by Indigent Customers who utilises prepaid electricity meter
- (a) Indigent consumers will be required to pay 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus the administration fee in respect of blocking and unblocking. Thereafter, payment of the balance plus current instalment shall be paid over a maximum of 36 months. plus payment of the balance of the arrears shall be paid over a maximum period of 36 months.
 - (b) The total block can only be removed after the necessary payment arrangements have been made with Council
 - (c) The Chief Financial Officer or in his absence the Director Revenue or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall be authorised to vary the arrangement as stipulated in clause 37 above, at his discretion
 - (d) Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtor's arrear balance and debtors

are also blocked from buying electricity for monthly charges.

- e) Indigent customers will be allowed to purchase average monthly electricity consumption of such consumer with the maximum amount of electricity as determined from time to time.

32.4 Arrangements by indigent customers Conventional Electricity Meter who utilises conventional electricity

- (a) Arrangement for the payment of debt shall be payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and reconnection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 36 months.
- b) The Chief Financial Officer or in his absence the Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue** shall be authorised to vary the arrangement as stipulated in clause 18.4 above, at his discretion

32.5. Debt Arrangement by Non-Indigent Customers who utilises prepaid electricity meter

- a) Payment of 40% of the arrears, together with current monthly installment, irrespective of the final payment date of the current account, plus the administration fee in respect of blocking and unblocking. Thereafter payment of the balance plus current instalment shall be paid over a maximum period of 6 months or at the discretion of the CFO or in his absence, the Director Revenue.

- b) The Chief Financial Officer or in his absence the Director Revenue **or** the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall be authorised to vary the arrangement as stipulated in clause 18.4 above, at his discretion.

33. Debt arrangement – Prepayment system

- 33.1 The prepayment electricity system implemented by Council has a debt management facility.

The Debt Management facility provides various blocking types, which can be utilised to collect arrear debt.

- 33.2 The various blocking types can be described as follows:

Total Block

The consumer shall be blocked from buying electricity due to arrear debt and can be unblocked when:-

The arrear debt plus current instalment and the administration fee in respect of blocking and unblocking must be paid in full, or arrangements have been made to pay off the arrear debt and the arrangements have been captured on the system.

- 33.3 Minimum monthly instalment with monthly vend limit

The consumer arranges to pay a minimum monthly instalment and to purchase a limited amount of electricity to be purchased is to prevent consumer's from purchasing more than one month's electricity to avoid arrear payments. The minimum monthly instalment includes the consumer's monthly account plus a

payment to arrears. If the consumer pays less than the minimum instalment the system will not allow purchase of electricity. If the consumer pays more, the additional amount is taken off the outstanding arrears, but the monthly instalment stays the same until his arrears are paid off.

33.4 Minimum weekly instalment with weekly vend limit

Same as 33.3 above but weekly instalments are arrangements with weekly limits on the amount of electricity to be purchased.

33.5 Percentage Blocking

Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtor's arrear balance and debtors are also blocked from buying electricity for monthly charges.

34. **BAD AND DOUBTFUL DEBT PROVISION**

Bad and Doubtful provisions should be calculated and provided in the accounting records as follows: -

- 34.1. The provision for bad and doubtful debt will be calculated in terms of the relevant generally recognised accounting practices.

34A. **DEBT RELIEF PROGRAMME**

- 34.(A)(1) Council shall promote assistance to the poor by embarking on a debt relief programme. The indigent customer who cannot conclude an

Acknowledgement of debt as per Council Credit Control and debt collection policy, shall adhere and comply with the following procedures:

- a) The indigent Customer shall be required to complete the income and expenditure form, in order to determine the minimum amount payable upfront when concluding the Acknowledgement of debt. All supporting documents shall be produced by an applicant, in order for Finance to conduct thorough system verification.
- b) The acknowledgement of debt shall be approved only on condition that the system verification shall prove to be correct.
- c) Upon approval of Acknowledgement of debt, the outstanding debt owed by indigent customer, shall not attract any interest and penalties, only on condition that the customer pays or maintains the current account

34(A(2). In the event that the registered owner is deceased and the property is being occupied by the minor or children of the deceased whom are all unemployed or their gross income household does not exceed R4000.00 per month, as set out in Council indigent policy, the following criteria shall apply in order to apply for the debt relief on refuse charges:

- (a) The submission to the Chief Financial Officer or in his absence the Director Revenue of a comprehensive report written by a Ward Councilor and approved by the Speaker and the Mayor of the municipality.
- (b) The submission to the to the Chief Financial Officer or in his absence the Director Revenue of a written report by a municipal social worker containing a finding that the Customer qualifies for debt relief, based on a site visit and assessment of the family's circumstances.
- (c) The Chief Financial Officer or in his absence the Director Revenue shall grant a written approval for debt relief in regard to refuse charge.

34(A)(3) Upon approval of the Customer's eligibility for debt relief, the Manager Income shall write off the outstanding debt that emanates from refuse and interest that has accumulated on services, thereafter the customer shall automatically receive a subsidy on refuse charges.

34(A)(4) The debt relief shall lapse:

- (a) At the end of the municipal financial year in which it was granted; or
- (b) Where the Customer ceases to meet all the relevant qualifying criteria; or
- (c) Where the customer does not apply for the renewal of debt relief in terms of section 34(A)(2) above.

34(A)(5) The customer who has been granted a debt relief must apply on an annual basis, for such debt relief to be renewed. The customer must make application for the renewal of debt relief in terms of section 34(A)(2) above no later than 30 April preceding the new municipal financial year for which the debt relief is sought.

34(A)(6) Eligibility for renewal of the debt relief shall be based on the same criteria as contemplated in section 34(A)(2) above.

35. COPY OF AGREEMENT TO CUSTOMER

A copy of the agreement shall be made available to the customer.

36. FAILURE TO HONOUR ARRANGEMENT

In the event of a customer failing to comply with an agreement for the payment of arrears in installments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, (including legal costs) costs and penalties, including payment of a higher deposit will immediately become due and payable, without further notice and the municipality or its authorised agent may: -

- 36.1. Disconnect the customers electricity service, subject to the provisions of section 4.3.7 of nersa. 047-1-1999 issued by the National Electricity regulator as amended from time to time.
- 36.2. Legal action for the recovery of the arrears; and
- 36.3. Hand the customer's account over a debt collector or an attorney for collection.

37. RE-CONNECTION OF SERVICES

An agreement for the payment of an arrear amount in installments, entered into after the electricity services has been discontinued shall not result in the services being restored until:

37.1. The arrears, any interest thereon, administration fees, legal costs and any other costs and any penalties, including payment of higher deposit, are paid in full; or

37.2. In addition to any payments referred to in subsection 30.1. the customer shall pay the standard re-connection fee as determined by the municipality from time to time, prior to the reconnection.

38. RECOVERY THROUGH PREPAID METERS

If a customer is in arrears for any outstanding debt to the Municipality the customer shall be blocked from buying electricity until such time that the customer has made an arrangement to pay the arrear debt.

CHAPTER 3**RATES ASSESSMENT****39. AMOUNT DUE FOR ASSESSMENT RATES**

39.1. The provisions of Chapter 3 shall apply in respect of the recovery of assessment rates.

39.2. All assessment rates due by owners are payable by fixed date as determined by the municipality in its credit control and debt collection policy.

39.3. Joint owners of property shall be jointly and severally liable for payment of assessment rates.

39.4. Assessment rates shall be levied in equal monthly instalments. When levied in equal monthly instalments the amount payable shall be included in the municipal account.

39.5. A property owner remains liable for the payment of assessment rates included in municipal accounts, notwithstanding the fact that: -

- (a) The property is not occupied by the owner thereof; and/or
- (b) The municipal account is registered in the name of a person other than the owner of the property.
- (c) The furnishing of an incorrect address.

40. **MUNICIPAL CLEARANCE CERTIFICATES**

Subject to Sections 118(1) and (1A) of the Act, the following shall apply to the issue of a Municipal Clearance Certificate for the purpose of effecting transfer of a property to a new owner.

40.1 Assessments

40.1.1 Application shall be made by the Conveyancing Attorney, in the prescribed format by providing the following information in respect of the property in question:

40.1.1 Present owner of the property.

40.1.2 Property description.

40.1.3 Physical address.

40.1.4 Rates Account No's.

40.1.5. Electricity account numbers as well as number of meters on the property and all electricity meter numbers to be provided for conventional/prepaid/bulk meters.. If the relevant information is not provided, the application will be returned to the Conveyancer.

40.1.6 Purchasers details; identity numbers and postal address and Purchasers domicilium citandi et executandi.

40.1.7 With respect to Vacant Land, an Affidavit from the seller that the property does not have a electricity supply connection and an undertaking from the purchaser that should a electricity supply connection be discovered on the property and such account is in arrears, then the purchaser accepts liability for such arrears.

Copies of all the accounts must accompany the application. If the relevant information is not provided, the application will be returned to the conveyancer.

40.1.8 Where a Trust is the transferee, Letter of Authority as well as Acceptance of Trust.

40.1.9. Copy of the Sale Agreement

40.1.2 Every effort will be made to issue an assessment within five working_days of receipt of application. Certain delays may be experienced in respect of:

- i. New sub-divisions;
- ii. Pending building plans;
- iii. Special investigations.

With respect to the aforesaid, the following is required to be submitted to the consultant valuers:

- a. a copy of the survey diagrams/general plans;
- b. a copy of the sale agreements;
- c. a copy of the relevant proclamation notices;
- d. seller contact details; and
- e. building plans on request.

Conveyancers will be notified of possible delays.

40.1.3. The assessment shall include the following:

- i. Rates: 3 months advance payment notwithstanding payment shall include payment up until date of transfer to the new owner.
- ii. Refuse removal charges: 3 months advance payment
- iii. Electricity charges - 3 months advance payment based on the average of 3 months prior billing Other - Actual balance outstanding at date of application.
- iv. Municipal Certificate Fee - as per the prescribed tariff.

40.1.4 Period of validity

The assessment shall remain valid for a period of 30 days. If payment has not been received within this period, a re-assessment may be required and payment of a further municipal clearance fee will apply.

40.1.5 The onus rests with the seller to ensure:

- i that all buildings on the property are in accordance with the building plans approved by the Municipality;

- ii the premises in question are being utilized in accordance with its zoning;
- iii that all outstanding accounts accruing to the Municipality in respect of the property is fully paid.

40.1.6 Any discrepancies in respect of the above may result in delays in issuing of a clearance certificate, and in addition may result in levying of additional backdated rates and / or penalties and / or service charges.

40.1.7 Any amounts paid shall be appropriated to the oldest debt first.

40.1.8 Municipal Clearance Certificates

- i Every effort will be made to issue a Municipal Clearance Certificate within five days of receiving payment;
- ii Payment on the assessment must be made in cash or by bank guarantee cheque;
- iii An unconditional letter of undertaking maybe accepted in lieu of a cash payment in fully motivated exceptional circumstances, and subject to the written approval of the Chief Financial Officer or in his absence the Director Revenue of the Municipality.

- iv The letter of undertaking must be:

Issued by the Conveyancing Attorney, in the prescribed format;

Unconditional;

For the full amount outstanding; and

For a specified period of time acceptable to the Municipality

- 40.1.8.1 Bank Guarantees shall not be accepted.
- 40.1.8.2 An Attorney's Trust cheque may be accepted in lieu of cash payment.
- 40.1.8.3 There shall be no refunds on the cancellation of a sale.
- 40.1.8.4 The Certificate shall be valid for a period of 60 days from date of issue.
- 40.1.8.5 No certificate, in terms of Section 118 of the Systems Act shall be issued where the property owner has not complied with any relevant legislation, policy or agreement relating to the property in question.
- 40.1.8.6 The Municipality reserves the right to follow any of the legal mechanisms available to it in order to recover the balance of the debt, including, lodging an urgent application to interdict the sale of the property until the debt is paid in full.
- 40.1.8.7 Notwithstanding that the debt remains a charge on the property, the seller shall furnish to the Municipality new contact details, in writing, comprising a postal and physical address and such further information as may be determined by the CFO from time to time, prior to the Municipality issuing the rates clearance certificate. The seller shall continue to keep the Municipality informed of

any change in contact details until such time as the Municipality has confirmed in writing that all amounts that became due whilst the property was in the ownership of the seller (whether or not raised at the time of the rates clearance certificate) have been paid up. Non-compliance with this clause will be regarded as an offence.

40.1.8.8 Liability for consumption or electricity shall pass to the new owner on date of registration of transfer as contemplated in 15.6 of this policy. The onus is on the owner of the property to ensure that an application for services is done timeously.

41. DEFAULT IN PAYMENT OF MONTHLY INSTALMENTS

In the event of the ratepayer failing to pay any three-monthly instalments during the financial year in which the rates are raised then the ratepayer shall be liable to pay the full outstanding rates.

42. PROPERTY RATES

42.1 All properties within the boundary of the KwaDukuza Municipality are to be valued in terms of the legislation applicable to the valuation of properties for the purposes of levying property rates.

42.2 Rebates on rates may be granted by Municipality in terms of the Municipality's rating policy.

42.3 Owners must pay the property rates in eleven equal monthly installments or over a period as determined by Council. Regular monthly instalments payments must be maintained.

43. PAYMENT OF CURRENT RATES

43.1. In terms of Section 26 of the Municipal Property Rates Act:

- i) A municipality may recover a rate –
 - (a) on a monthly basis or less often as may be prescribed in terms of the Municipal Finance Management Act; or
 - (b) annually, as may be agreed to with the owner of the property.
- ii)
 - (a) If a rate is payable in a single amount annually it must be paid on or before a date determined by the municipality.
 - (b) If a rate is payable in instalments it must be paid on or before a date in each period determined by the municipality.

43.2 In the event of the ratepayer failing to pay any three-monthly instalments during the financial year in which the rates are raised then the ratepayer shall be liable to pay the full outstanding rates.

44. **UNALLOCATED CONSUMPTION**

- a) When electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised the relevant charges shall be raised against the registered owner.
- b) When a customer terminates a consumption account and no new customer registers, a property is deemed to be vacant. The account shall be forwarded to the owner until he advises the Municipality to the contrary: --
 - i) **for business premises** - instructions to disconnect the electricity supplies to the property must be issued immediately and auctioned;

- ii) **for residential premises** - a courtesy letter is forwarded to the new occupier or owner within 7 days advising of the need to register as a customer and indicating the application procedures that need to be followed. Failure to respond to that letter within a 7 day period will result in the issue of supply disconnection instructions.

45. ILLEGAL ELECTRICITY CONNECTION

45.1 In the event of it being found that any electricity connection had been made illegally by any person than then the following shall take place:

- a) the electricity shall be disconnected with immediate effect.
- b) The occupier/owner/developer jointly and severally shall pay a penalty as per the tariff of charges.
- c) The occupier/owner/developer shall be jointly and severally liable for consumption charges.
- d) The occupier/owner/developer shall be jointly and severally pay interest on the consumption Charges at the rate as determined by Council in the tariff of charges from time to time, from the date of disconnection to date of payment.
- e) The applicant shall pay the outstanding municipal account in full, including current instalment, interest and penalty fees, payment of unauthorized consumption, disconnection and reconnection fees, and increased in a deposits as determined by Council in the tariff of charges, shall become due and payable before any reconnection can be sanctioned.
- f) 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 Municipality shall have the right to recover the full

cost of his estimated consumption, retrospective to the determined date of tempering /interruption to the electricity.

- g) Application for new services shall only be accepted from the owner of the property.
- h) Application for new services shall only be accepted from the owner of the property.
- i) Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.
- j) No acknowledgement of debt shall be entertained.
- k) Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer.
- l) The owner of the property remains liable and responsible in all instances of unauthorized reconnections and disconnections, illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts. Nothing precludes the Municipality from recovering charges from a previous owner where tampering is proven by the Municipality, or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

45.2 TAMPERING AND/OR THEFT OF SERVICES ON PREPAID AND CONVENTIONAL ELECTRICITY METER

- (a) Any person found to be illegally connected to municipal services, tampering with prepaid or conventional electricity meters, will be prosecuted and shall be liable for:
- (b) The total outstanding debt, including the current instalment, interest and penalty fees (tamper fee), assessment of unauthorized consumption, will become due and payable before any application for new connection of electricity service can be sanctioned
- (c) The registered owner of the property shall be obliged to make application for new accepted from the registered owner of the property.
- (d) All applications shall be made and processed at the Electrical department of KwaDukuza Municipality.
- (e) The registered owner of the property shall obtain from the Enquiries Clerk at the Finance department, the full balance of any amount due, owing and payable in respect of any municipal account
- (f) The registered owner of the property shall pay the outstanding municipal account in full including the current instalment, interest and tamper fee before any application of new services is sanctioned.
- (g) Where a consumer and/or any person has contravened sub-section (1) and such contravention has resulted in the meter reading less than the true consumption, the Municipality is entitled to recover the full cost for the estimated consumption to the determined date of tampering interruption to the electricity. Once the new meter has been installed and the consumption be monitored over a period of time.
- (h) Once the payment has been made, the enquires clerk at finance department shall issue a clearance certificate to the customer reflecting that the outstanding municipal services and rates have been paid in full (no arrangement with be entertained). Reconnection of electricity services shall be undertaken by Electrical Department upon receipt for the clearance certificate from Finance Department.
- (i) Further instances of tampering will result in the disconnection of the electricity supply and the removal of the relevant metering and connection equipment, Customers in such instance will then need to pay for the full cost of the new connection of a conventional electricity meter and all the outstanding charges before installation of the conventional meter.

- (j) Electricity metering and connection equipment remain on the property of the Municipality at all times, and anyone involved in instances of tampering, damaging or theft thereof is committing a criminal offence and shall be liable for prosecution and/or civil claims/penalties by the Municipality and Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or consumer
- (k) No arrangement of debt shall be entertained.
- l) The owner of the property remains liable and responsible in all instances of unauthorized reconnections and disconnections, illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts. Nothing precludes the Municipality from recovering charges from a previous owner where tampering is proven by the Municipality, or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

CHAPTER 4

PROVISION OF MUNICIPAL SERVICES TO INDIGENT CUSTOMERS

46. QUALIFICATION FOR REGISTRATION AS INDIGENT CUSTOMER

- 46.1 Customers shall qualify to be registered as an indigent if the combined gross income of all occupants of the household over the age of 18 years is less than that amount determined by the municipality from time to time.
- 46.2 Indigent subsidy shall apply to a household and not an individual as the underlying principle of the Municipality in the provision of a service is that the service is provided to a property.

46.3 A household shall not be entitled to a subsidy where the aggregate income of the members of the household exceeds the applicable subsidized levels.

47. INDIGENT POLICY

The provisions of municipal services to indigent customers is subject to the policy guidelines as set out in the Indigent Policy of the municipality.

48. APPLICATION FOR REGISTRATION

48.1. A household who qualifies as an indigent customer must complete the application form entitled "Application for Registration as Indigent Customer" attached as Annexure B to these bylaws.

48.2 Any application in terms of subsection (1) must be accompanied by: -

- (a) Documentary proof of income, such as a letter from the customer employer, a salary advice, a pension card, unemployment fund card; or
- (b) An affidavit declaring unemployment or income; and
- (c) The customer's latest municipal account in his/her possession; and
- (d) A certified copy of the customer's identity document; and
- (e) The names and identity numbers of all occupants and their dependents over the age of 18 years who are resident at the property.

48.3. A customer applying for registration as an indigent customer shall be required to declare that all information provided in the application form and other documentation and information provided in connection with the application is true and correct.

48.4. The municipality or its authorized agent shall counter-sign the application form and certify that the consequences and conditions of such an

application for the customer were explained to the customer and that the customer indicated that the content of the declaration was understood.

49. APPROVAL OF APPLICATION

49.1. The municipality or its authorized agent may send authorized representatives to premises or households applying for registration as indigent customers to conduct an on-site audit of information provided prior to approval of an application.

49.2. An application shall be approved for a period of 12 months only. Subsidies will be forfeited if the applicant fails to submit proof of income or re-apply for the subsidy.

50. CONDITIONS

50.1 The municipality or its authorized agent may upon approval of an application, or any time thereafter install a pre-payment electricity meter for the indigent customer where electricity is provided by the municipality or its authorized agent when implemented.

50.2. A private residential property can only be registered as indigent under the following conditions:

- The municipal value of the land and buildings must not exceed an amount as determined by council.
- The member of a private household who is responsible for the payment of the service account must apply for the household to be registered as indigent.
- The total gross monthly income of all members of the household must not exceed the limit set by Council from time to time.

- The applicant as well as any other member of the household shall not own other fixed property other than the one on which they reside.
- The onus is on the recipient to inform the Municipality of any change in his/her financial status or personal household circumstances.

(i) All existing indigent applicants shall be reviewed /entertained after a period of 9 months from the date of application to assess the provision of continued basic service for the ensuing financial year.

50.3. The Municipality shall apply the following indigent policies:

50.3.1 Electricity consumers will receive a number of kWh free as determined by council.

50.3.2 Refuse consumers living in low-cost housing provided by Local, Provincial or Central Government will be charged a refuse tariff at a special rate covered by equitable share.

5.3.3. Rates residential properties with a land value as determined by the municipality from time to time is subject to a rebate.

51. APPLICATION EVERY 12 MONTHS

51.1. An indigent customer must re-apply for indigent support every 12 months, failing which the assistance will cease automatically.

51.2. The provisions of section 40 and 41 of these bylaws shall apply to any application in terms of subsection (1)

51.3. The municipality or its authorised agent cannot guarantee a renewal for indigent support.

52. SUBSIDISED SERVICES FOR INDIGENT CUSTOMERS

- 52.1. The Municipality may annually, as part of its budgetary process, determine the municipal services and levels thereof which will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
- 52.2. The Municipality will in the determination of municipal services which will be subsidized for indigent customers give preference to subsidizing at least the following services:
- (a) Refuse removal services to a maximum of one removal per household per week.
 - (b) All rates levied on properties of which the municipal value as determined in the rates policy provided that if, in the case of any property or category of properties, it is not feasible to value or measure such, property, the basis on which the property rates thereof shall be determined, shall be as prescribed by the Municipality.
- 52.3. The municipality must, when making a determination in terms of subsection (1) give public notice of such determination.
- 52.4. Public notice in terms of subsection (3) must contain at least the following:
- (a) The level or quantity of municipal service which will be subsidised
 - (b) The level of subsidy.
 - (c) The method of calculating the subsidy.
 - (d) Any special terms and conditions which will apply to the subsidy, not provided for in these bylaws.

52.5. Any other municipal services rendered by the municipality or municipal services consumed in excess of the levels or quantities determined in subsection (1) shall be charged for and the indigent customer shall be liable for the payment of such charges levied on the excess consumption.

52.6. The provisions of Chapter 3 shall *mutatis mutandis* apply to the amounts due and payable in terms of subsection (5).

53. FUNDING OF SUBSIDISED SERVICES

The subsidised services referred to in section 7 shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.

54. EXISTING ARREARS OF INDIGENT CUSTOMERS

Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will be either: -

54.1. Written off;

54.2. Applied as a surcharge to prepaid electricity coupons; or

54.3. Be attempted to be recovered through legal proceedings and/or extended term arrangements.

55. AUDITS

The municipality may undertake regular random audits carried out by the municipality or its authorised agent to: -

55.1. Verify the information provided by indigent customer;

55.2. Record any changes in the circumstances of indigent customers; and

55.3. Make recommendations on the de-registration of the indigent customer.

56. DE-REGISTRATION

- 56.1. Any customer who provides or provided false information in the application form and/or any other documentation and information in connection with the application shall automatically, without notice, be de-registered as an indigent customer from the date on which the municipality or its authorised agent became aware that such information is false.
- 56.2. An indigent customer must immediately request de-registration by the municipality or its authorised agent if his/her circumstances has changed to the extent that he/she no longer meet the qualifications.
- 56.3. An indigent customer shall automatically be de-registered if he does not meet the criteria as set out in the Debt and Credit Control Policy.
- 56.4. An indigent customer shall automatically be de-registered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he/she no longer meet the qualifications.
- 56.5.** Indigent support shall be withdrawn by the Municipality in the event of the recipient misusing the system or providing incorrect information. In this regard the Municipality shall:
- i. Recover from the recipient the amount of relief furnished by debiting his account.
 - ii Apply the normal credit control in accordance with the Credit Control and Debt Control policy.

- iii Institute a criminal charge of fraud against the recipient.

CHAPTER 5

BUSINESSES WHO TENDER TO THE MUNICIPALITY

57. PROCUREMENT POLICY AND TENDER CONDITIONS

- 57.1 When inviting tenders for the provision of services or delivery of goods, potential contractors **shall** submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipality accounts owing by the tenderer or its directors, owners or partners have been paid or that, **an acknowledgement of debts has been concluded as per Council policy**(which include the right to set off in the event of noncompliance) have been made for the payments of arrears. To this end, copies of all municipal accounts and the identity documents of all directors, members or partners must be submitted together with the bid document.
- 57.2 No tender shall be allocated to a person / contractor **until an acknowledgement of debts for the repayment of arrears has been concluded as per Council policy**. The tenderer must maintain the arrangements and pay current installments as provided for in any contract with the Municipality.
- 57.3 Where payments are due to a contractor in respect of goods or services provided to the Council, any arrear amount owing to the Council shall be offset as a first charge against such payments as provided for in the contract with the Municipality.

57.4 All tender documents and contracts relating thereto shall contain a condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments and this must be written into the agreements

57.5. DEBTORS PLACED UNDER BUSINESS RESCUE OR LIQUIDATION

57.5.1 When a debtor is placed under “Business Rescue” or in Liquidation, Council will disconnect the electricity to the business immediately without any notice being served.

57.5.2 In the event the Business Rescue Practitioner or Liquidator requires any services to continue with operation, a security deposit equal to three (3) times the average account shall be required to be paid in cash or electronic fund transfer that must be cleared on the same day.

57.5.3 A new consumer’s agreement as prescribed in terms of this policy shall be completed in respect of the administration period while the company is under business rescue, inclusive of the provision as stipulated in 19.6.4 below.

57.5.4 In the event the Business Rescue Practitioner warrant that in concluding the new consumer’s agreement, he acts under and in accordance with the provisions of Section 135(2) of the Companies Act and that other than as the debt may be secured in terms of Section 118(3) of the MSA, the amounts due by the company in business rescue / the Business rescue practitioner for electricity supplied during the business rescue period, shall enjoy the preference afforded by Section 135(3)(b) of the Companies Act, as post commencement finance.

57.5.5 Council should take part in the business rescue proceedings. In this regard, the Chief Financial Officer or his absence the Director Revenue shall attend the meetings of the Creditors.

57.5.6 Notwithstanding that a juristic entity may be under business rescue, the Municipality has the right to cancel a Service Agreement if the juristic entity is in breach of the agreement, or invoke any other mechanism contemplated in this Policy (other than legal proceedings) where debt remains unpaid.

UNAUTHORISED AND ILLEGAL SERVICES

58. UNAUTHORISED SERVICES

58.1. No person may gain access to municipal services unless it is in terms of an agreement entered into with the municipality or its authorised agent for the rendering of those services.

58.2. The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of these bylaws by written notice order a person who is using unauthorized services to: -

- (a) Apply for such services in terms of Chapter 2 Part 1 of the Bylaws;
- b) Pay the demand based component and tampering fees as prescribed in the tariff of charges.
- (c) Undertake such work, as may be necessary to ensure that the unauthorized customer installation complies with provisions of these or any other relevant bylaws.

58.3. Any agreement, entered into before the date of coming into effect of these bylaws, and which is in full force and effect, shall be deemed to have been entered into in terms of these bylaws and shall remain in force and effect until cancelled.

59. ILLEGAL SERVICES

In the event of it being found that any electricity connection had been made illegally by any person then the following shall take place:

59.1. The electricity shall with immediate effect be disconnected.

59.2. The occupier/owner/developer jointly and severally shall pay a penalty as per the tariff of charges.

59.3. The occupier/owner/developer jointly and severally shall pay consumption charges.

59.4. The occupier/owner/developer jointly and severally shall pay interest on the consumption charges at the rate as determined by Council in the tariff of charges from time to time, from the date of disconnection to date of payment.

60. INTERFERENCE WITH INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES

60.1. No person other than the municipality or its authorised agent shall manage, operate or maintain infrastructure through which municipal services are provided.

60.2. No person other than the municipality or its authorised agent shall affect a connection to infrastructure through which municipal services provided.

61. OBSTRUCTION OF ACCESS TO INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES

61.1. No person shall prevent or restrict physical access to an infrastructure through which municipal services are provided.

61.2. If a person contravenes subsection (1), the municipality or its authorised agent may: -

- (a) By written notice require such person to restore access at his/her own expense within a specified period, or
- (b) If it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

62. ILLEGAL RE-CONNECTION

- 62.1. A person who illegally reconnects to a service, interferes with the infrastructure through which municipal services are provided, after such customers access to municipal services have been disconnected, such customers supply of electricity shall be immediately removed.
- 62.2. A person who re-connects to municipal services in the circumstances referred to in subsection 59.1 shall be liable for the cost associated with any consumption, notwithstanding any other actions which may be taken against such a person.
- 62.3 In the event that there is an electricity connection where the demand-based component was not paid or in the absence of formal payment arrangement, the tampering fee shall be applicable.
- 62.4 The owner of the property remains liable and responsible in all instances of unauthorized reconnections and disconnections, Illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts. Nothing precludes the Municipality from recovering charges from a previous owner where tampering is proven by the Municipality, or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

63. IMMEDIATE DISCONNECTION

- 63.1. Immediate disconnection for failure to give information or supply of false information.

- 63.2. The provision of municipal services may immediately be disconnected if any person fails to provide information or provide false information reasonably requested by the municipality or its authorised agent.

CHAPTER 7

CUSTOMER CARE MANAGEMENT

64. CUSTOMER CARE MANAGEMENT

The Municipality's customer care and management is as set out in both Chapter 9 of the Act and the Credit Control and Debt Collection Policy.

The municipality shall, for the levying of rates and taxes for the municipal charges, within its final and administrative capacity, have the following principles pertaining to customer care and management:

- 64.1 Establish a sound management system between the customer and the municipality, to create a harmonious relationship between the customer and the municipality so that customer are treated with respect and dignity.
- 64.2 To establish a customer call centre, with a shared call facility to attend to the following:
- 64.3 Council shall authorize Credit Control to embark on telephonic, short message system and email follow ups between 8h00 and 20h00, in order to remind consumers about the arrear debt and encourage them to make payments.
- 64.4 to send short notices to all consumers in arrears
- 64.5. To receive communication from customers regarding the quality of service, performance of the municipality and the accuracy of the accounts.
- 64.6. To enable customer to query and verify their accounts (metered electricity accounts, rates and refuse, sundry and housing) and to promptly resolve the query and rectify the inaccurate account. The queries or complaints in respect of account may be dealt with as follows:
 - 64.6.1 A customer may lodge a query or complaint in respect of any accuracy of an amount due and payable in respect of

a specific municipal service as reflected on the account rendered.

64.6.2 A query or complaint must be lodged with the municipality or its authorized agent before the due date for payment of the account.

64.6.3 A query or complaint must be accompanied by the payment of the average of the last three month's accounts where history of the account is available or an estimated amount provided by the municipality before payment due date until the matter is resolved.

64.6.4 The municipality or its authorized agent will register the query or complaint and provide the customer with a reference number.

64.6.5 The municipality or its authorized agent:-

- (a) shall investigate or cause the query or complaint to be investigate and
- (b) must inform the customer, in writing, of its finding within fourteen (14) days after the query or complaint was registered.

64.6.6 Failure to make such agreed interim payment or payments will render the customer liable for disconnection.

64..7.. To inform the customer that if they are dissatisfied with the manner in which their query was handled to follow a stipulated procedure of appeal to the Chief Financial Officer who shall promptly attend to the complaint. The

customer may appeal against finding of a municipality in respect of queries or complaints as follows:

64.7.1 . A customer may appeal in writing against a finding of the municipality or its authorized agent in terms of Section 62 of the Act.

64.7.2 An appeal and request in terms of subsection (1) must be made in writing and lodged with the municipality within 21 days after the customer became aware of the finding referred to in section 64.4.5. above and must:

- (a) set out the reason for the appeal; and
- (b) be accompanied by any security determined for the testing of a measuring device, if applicable.

64.8. To ensure that the Assistant Director Credit Control receives daily reports on such queries and monitors the response time and the efficiency in dealing with the query.

64.9. To take reasonable steps to inform customers of the costs involved in the service, the changes to tariffs and policies, reasons for payment of the service fees and how their payments are utilized to provide the service.

64.10. To provide an accurate and verifiable metering system for electricity.

64.11. To provide regular and accurate accounts to the customer with details reflecting the basis for the calculation of the amount due in order to ensure that the consumer pays the account with satisfaction that the account is correct.

64.12. To provide:

64.12.1 An electronic facility for the payment of accounts to the municipality's bank account.

64.12.2 Adequate and accessible pay points within the jurisdiction of the municipality for the payment of accounts and the purchase of pre-paid electricity.

The municipality shall, for the levying of rates and taxes for the municipal charges, within its final and administrative capacity, have the following principles pertaining to customer care and management:

64.13. Establish a sound management system between the customer and the municipality, to create a harmonious relationship between the customer and the municipality so that customers are treated with respect and dignity.

64.14. To establish a customer call centre, with a shared call facility to attend to the following:

64.14.1 To receive communication from customers regarding the quality of service, performance of the municipality and the accuracy of the accounts.

64.14.2 To enable customers to query and verify their accounts (metered electricity accounts, rates and refuse, sundry and housing) and to promptly resolve the query and rectify the inaccurate account. The queries or complaints in respect of account may be dealt with as follows:

- A customer may lodge a query or complaint in respect of any accuracy of an amount due and payable in respect of a

specific municipal service as reflected on the account rendered.

- A query or complaint must be lodged with the municipality or its authorized agent before the due date for payment of the account.
- A query or complaint must be accompanied by the payment of the average of the last three month's accounts where history of the account is available or an estimated amount provided by the municipality before payment due date until the matter is resolved.

The municipality or its authorized agent will register the query or complaint and provide the customer with a reference number.

- The municipality or its authorized agent:-
 - (a) shall investigate or cause the query or complaint to be investigate; and
 - (b) must inform the customer, in writing, of its finding within one month after the query or complaint was registered.

64.14.3 Failure to make such agreed interim payment or payments will render the customer liable for disconnection.

CHAPTER 8

OFFENCES

65. OFFENCES AND PENALTIES

Any person who: -

- 65.1. Fails to register and give information required by the municipality or its authorised agent in terms of these bylaws.
- 65.2. Assist any person in providing false or fraudulent information or assist in willfully concealing information;
- 65.3. Uses, tampers or interferes with municipal equipment, service supply equipment, reticulation network or consumption of services rendered;
- 65.4. Fails or refuses to give the municipality or its authorised agent such information as may reasonably be required for the purpose of exercising the powers or functions under these bylaws or gives such the municipality or its authorised agent false or misleading information, knowing it to be false or misleading;
- 65.4. Contravenes or fails to comply with a provision of these bylaws;
- 65.5. Fails to comply with the terms of a notice served upon him/her in terms of these bylaws, shall be guilty of an offence and liable upon conviction to the fines determined by a Chief Magistrate of the Magistrate's Court with jurisdiction in the area in which the offence has been committed or imprisonment as determined by a competent court.

CHAPTER 9

DOCUMENTATION

66. SIGNING OF NOTICES AND DOCUMENTS

A notice or document issued by the municipality in terms of these bylaws and signed by a staff member of the municipality or its authorised agent shall be deemed to be duly issued and must on its mere production be accepted by a court of law as evidence of that fact.

67. NOTICES AND DOCUMENTS

67.1. A notice or document issued by the municipality or its authorised agent in terms of these bylaws shall be deemed to duly authorised if an authorised agent signs it;

67.2. Any notice or other document that is served on an owner, customer or any other person in terms of these bylaws is regarded as having been served:

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- (a) If it has been delivered to that person personally;
- (b) When it has been left at that person's place of residence, business or employment in the Republic with a person over the age of sixteen years;
- (c) When it has been posted by registered or certified mail to that person's last known residential address or business in the Republic and an acknowledgement of posting thereof from the postal service is obtained;
- (d) If that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided in sub-sections (c); or
- (e) It has been posted in a conspicuous place on the property or premises, if any, to which it relates.

67.3. When any notice or other document must be authorised or served on the owner, occupier or holder of any property it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question and is not necessarily the name of that person.

67.4. In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

67.5. When such notice is reflected on the face of an account such notice shall be deemed as adequate written notice for the supply to be disconnected when payment is not received on the due date stated on the statements.

68. **AUTHENTICATION OF DOCUMENTS**

Every order, notice or other document requiring authentication by the municipality shall be sufficiently authenticated. If signed by the municipal manager or by a duly authorised officer of the municipality or the authorised agent of the municipality; such authority being conferred by resolution of the municipality, written agreement or by a bylaw.

69. **PRIMA FACIE EVIDENCE**

In legal proceedings by or on behalf of the municipality or its authorised agent, a certificate reflecting the amount due and payable to the municipality or its authorised agent, under the hand of the municipal manager, or suitably qualified municipal staff member authorised by the municipal manager or the manager of the municipality's authorised agent, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness.

70. **DEBT COLLECTION PROCEDURE**

The municipality has by resolution established a Credit Control and Debt Collection Policy only which regulates the debt collection procedure of the municipality. All debt collection is subjected to both the Bylaw and the Policy.

CHAPTER 10

GENERAL PROVISIONS

71. IRRECOVERABLE DEBT

71.1 Debt will only be considered as irrecoverable if it complies with the following criteria and the write off thereof has been approved by Council:

- a. All reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or
- c. The cost to recover the debt does not warrant further action; or
- d. The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or
- e. When the liquidator advised in writing that there is a danger of a contribution; or
- f. The liquidator advised in writing that there is no dividend that will accrue to creditors; or
- g. A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or
- h. Where the estate has not been reported to the Master and there are no moveable assets of value to attach; or
- i. It has been proven that the debt has prescribed; or
- j. The debtor is untraceable or cannot be identified so as to proceed with further action; or
- k. The debtor has emigrated leaving no assets of value to cost effectively recover Councils claim; or
- l. A court has ruled that the claim is not recoverable; or
- m. Arrears owed by previous Administrations, amongst themselves, that now form part of KwaDukuza municipality; or

- n. Old dormant account balances of debtors, inherited from the previous municipalities which now form part of KwaDukuza municipality, and where reasonable steps have been taken to recover these debts; or
- o. All debtors who are registered as indigent as more fully set out in Council's Indigent Policy will have all arrears written off; or
- p. All arrears may be written off to bad debts where Council expropriates any property.
- q. Upon closure of an active account and after the security deposit is released, any outstanding balance of thirty rand (R30.00) or less after three months cannot be transferred to another account belonging to the accountholder should be written off by the Manager Income and reported to the Director Revenue or Chief Financial Officer.

72. **POWER OF ENTRY AND INSPECTION**

Subject to the Provisions of Section 101 of the Act, the municipality or its authorised agent may enter and inspect any premises for any purpose connected with the implementation or enforcement of these bylaws, at all reasonable times, after having given reasonable written notice to the occupier of the premises of the intention to do so.

73. **EXEMPTION**

73.1. The municipality may, in written, exempt an owner, customer, any other person or category of owners, customers, ratepayers, users of services from complying with a provision of these bylaws, subject to any conditions it may impose, if it is of the opinion that the application of operation of that provision would be unreasonable, provided that the municipality or its authorised agent shall not grant exemption from any section of these bylaws that may result in: -

- (a) The wastage or excessive consumption of municipal services;

- (b) Significant negative effects on public health, safety or the environment.
- (c) The non-payment for services;
- (d) The Act, or any regulations made in terms thereof, is not complied with.

73.2. The municipality at any time after giving written notice of at least 30 days, withdraws any exemption given in terms of subsection (1).

74. ELECTRONIC SUBMISSIONS

- 74.1 Where this Policy requires that a prescribed document must be signed or initialled, the signing or initialling may be affected in any manner recognised by law, including the use of an electronic signature, as defined in the Electronic Communications and Transactions Act (ECTA), if such document or the revenue management system specifically allows the use of an electronic signature.
- 74.2 The provisions of the ECTA apply to any electronic communication made in terms of or arising out of, this Policy.
- 74.3 Subject to the ECTA and any other law, a document incorporated into the revenue management system of the Municipality by electronic means shall be deemed to be the original and valid record.
- 74.4 The final letter of demand or any notice issued by way of e-mail or cell phone text message shall be considered as a proper demand or notice sent in terms of this policy.

75. AVAILABILITY OF BYLAWS

- 75.1. A copy of these bylaws shall be included in the Municipality Municipal Code as required in terms of legislation.

- 75.2. The municipality or its authorised agent shall take reasonable steps to inform customers of the contents of the credit control and debt collection bylaws.
- 75.3. A copy of these bylaws shall be available for inspection at the municipal offices or at the offices of its authorised agent at all reasonable time.
- 75.4. A copy of the bylaws be obtained against payment of a fee as prescribed in the Municipality's tariff of charges from the municipality or its authorised agent.

76. CONFLICT OF LAWS

- 76.1. When interpreting a provision of these bylaws, any reasonable interpretation which is consistent with the purpose of the Act as set out in Chapter 9 on Credit Control and Debt Collection, must be preferred over any alternative interpretation which is inconsistent with that purpose.
- 76.2. If there is any conflict between these bylaws and any other bylaws of the Municipality, these bylaws will prevail.

77. SHORT TITLE AND COMMENCEMENT

- 77.1. These bylaws are called the Credit Control and Debt Collection bylaws of the KwaDukuza Municipality and which bylaws come into effect on date of promulgation as of/from the issue of the this gazette.
- 77.2. The municipality may, by a resolution, determine that provisions of these bylaws, listed in the resolution, shall not apply in certain areas within its area of jurisdiction from a date specified in the notice.
- 77.3. Until any decision contemplated subsection (2) is taken, these bylaws are binding within the area of jurisdiction of the Municipality.

78. REPEAL OF BYLAWS

All previous Municipal Bylaws, and amendments thereto, relating to Credit control and Debt collection as promulgated by the KwaDukuza Municipality is hereby repealed.