

**No. 279**

**KOUGA MUNICIPALITY  
CUSTOMER CARE AND REVENUE MANAGEMENT BY-LAW**

Under section 156 of the Constitution of the Republic of South Africa, 1996, section 6 of the Property Rates Act, 2004 (Act 6 of 2004), and section 75 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the Kouga Municipality, enacts as follows:-

**TABLE OF CONTENTS**

1. Definitions

**CHAPTER 1: CUSTOMER CARE PRINCIPLES, OBJECTIVES AND IMPLEMENTATION, AND DIFFERENTIATION**

2. Customer care principles, and objectives

3. Municipal manager responsible officer

4. Differentiation between customers and exemption

**CHAPTER 2: SUPPLY OF MUNICIPAL SERVICES**

*Part 1: Application for supply and service agreements, deposits, billing and payment, and termination of service agreements*

5. Application for supply of municipal services and service agreements

6. Deposits

7. Billing and payment

8. Termination of service agreement

*Part 2: Non-payment of municipal accounts*

9. Arrangements for payments

10. Interest on overdue municipal accounts

11. Debt collection mechanisms

*Part 3: Metering equipment and metering of services*

12. General provisions

13. Metering equipment and measuring of consumption

14. Resale of water or electricity

*Part 4: Indigence relief measures*

15. Requirements for indigence relief

16. Credit given

**CHAPTER 3: TARIFFS**

*Part 1: General principles, calculation of tariffs for major services*

17. General principles

18. Calculation of tariffs for major services

*Part 2: Structure of tariffs for major services, minor tariffs*

19. Structure of tariffs

20. Electricity

21. Water

22. Refuse removal

23. Sewerage

24. Minor tariffs

**CHAPTER 4: RATES**

25. Imposition of rates

26. Rebates on rates

27. Adjustment of rates

28. Frequency of valuations

CHAPTER 5: ENFORCEMENT

29. Municipality's powers to restrict or disconnect supply of services
30. Tampering, unauthorised connections and reconnections, and improper use
31. Clearance certificate
32. Tenders and grants-in-aid
33. Power of council to recover costs
34. Prima facie evidence
35. Abandonment of bad debts, and full and final settlement of account
36. Power of entry and inspection
37. Authentication and service of orders, notices and other documents

CHAPTER 6: MISCELLANEOUS PROVISIONS

38. Right of appeal
39. Offences and penalties
40. Repeal of by-laws
41. Short title and commencement

**1. Definitions**

For the purposes of this by-law, unless the context otherwise indicates –

“**account holder**” means any person who is due to receive a municipal account, which includes a user of pre-paid electricity or water;

“**annual budget**” means the budget approved by the municipal council for any particular financial year, and includes any adjustments to such budget;

“**applicant**” means a person who applies for the supply of municipal services;

“**availability charge**” means a fixed monthly or annual charge levied against the account holder which is based on the cost for providing a municipal service to the premises of the account holder;

“**billing**” means invoicing on a municipal account to an account holder of an amount or amounts payable for rates, metered services, other municipal charges, levies, fees, fines, taxes, or any other amount or amounts payable arising from any other liability or obligation;

“**consumer**” means the occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the municipality for the supply of municipal services to such premises, or, if there be no such person, then the owner of the premises, and “**domestic consumer**” or “**domestic user**” of municipal services means the person or household to which municipal services are rendered in respect of residential property;

“**consumer price index**” means the consumer price index (CPIX) as determined and gazetted by the South Bureau of Statistics;

“**Council**” means the Council of the Kouga Municipality (or any service provider to the municipality);

“**credit control**” means all the functions relating to the collection of revenue;

“**customer management**” means the focusing on the account holder's needs in a responsive and proactive way to encourage payment and thereby limiting the need for enforcement;

“**customer service centre**” means and serves as –

- (a) an office where an applicant may apply for services and enter into a service agreement with the municipality;
- (b) an office where an account holder may settle an account or may make pre-payment for services;

- (c) a credit screening point where the credit assessment of an applicant can be processed; or
  - (d) an office where an account holder may query or verify accounts and metered consumption, and may communicate grievances, inquiries, recommendations and other relevant issues to the municipality and from where the response from the municipality can be conveyed to the account holder;
- “**due date**” means the date specified as such on a municipal account for any charges payable and which is the last day allowed for the payment of such charges;
- “**interest**” means an amount calculated at a rate determined by the municipality on a municipal account in arrears;
- “**land reform beneficiary**”, in relation to a property, means a person who –
- (a) acquired the property through the provision of the Land and Assistance Act, 1993 (Act 126 of 1993);
  - (b) acquired the property through the provision of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);
  - (c) holds the property subject to the Communal Property Associations Act, 1996 (Act 29 of 1996); or
  - (d) holds or acquires the property in terms of such other land tenure reform legislation as may be enacted;
- “**local community**” or “**community**”, in relation to the municipality, means that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic, non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality;
- “**major services**” means those services contemplated in section 17(5);
- “**market value**” in relation to a property means the value of the property as determined in accordance with section 46 of the Property Rates Act, 2004 (Act 6 of 2004);
- “**minor tariffs**” means all tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of services, other than major services provided, and includes services incidental to the provision of the major services.
- “**month**” means one of 12 months of a calendar year;
- “**municipal account**” means an account rendered on which is billed an amount or amounts payable to the municipality for rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation;
- “**municipal entity**” means-
- (a) a private company referred to in section 86B (1) (a) of the Municipal systems Act, Act 32 of 2000;
  - (b) a service utility; or
  - (c) a multi-jurisdictional service utility;
- “**municipality**” means the Municipality of Kouga, and includes any political structure, political office bearer, councillor, duly authorised agent thereof or any employee thereof acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, municipality or, agent or employee;

**“municipal manager”** is the person appointed by the municipality in terms of Section 82 of the Municipal Structures Act, 1998 and includes any person:

- (a) acting in such position; and
- (b) to whom the municipal manager has delegated any power, function or responsibility in as far as it concerns the execution of those powers, functions or duties.

**“municipal property”** includes a property owned by a municipal entity;

**“multiple purposes”**, in relation to a property, means the use of a property for more than one purpose;

**“municipal service”** means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether-

- (a) such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 of the Municipal Systems Act, 2000 or by engaging an external mechanism contemplated in the said section 76; and
- (b) fees, charges or tariffs are levied in respect of such a service or not;

**“municipal tariff”** means a tariff for services which the municipality sets for the provision of a service to the local community, such as a tariff set for major services or a minor tariff, and includes a surcharge on such service;

**“occupier”** means any person who occupies any premises or part thereof without regard to the title under which the person occupies, and includes –

- (a) any person in actual occupation of those premises;
- (b) any person legally entitled to occupy those premises;
- (c) in the case of those premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on the person's own account or as agent for any person entitled thereto or interested therein;
- (d) any person having the charge or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his or her whereabouts are unknown; and
- (e) the owner of those premises;

**“officer”** means an employee of the municipality or any other person who is specifically authorised thereto by the municipality to perform any act, function or duty in terms of, or exercise any power under this by-law;

**“organ of state”** means an organ of state as defined in section 239 of the Constitution;

**“owner”** means –

- (a) a person in whom the legal title to a premises is vested;
- (b) in a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (c) in the case where the municipality is unable to determine the identity of the person in whom the legal title is vested, the person who is entitled to the benefit of such premises or a building thereon;
- (d) in the case of premises for which a lease of 30 years or more has been entered into, 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 95 of 1986), and without restricting the above, the developer or the body corporate in respect of the common property; or
  - (ii) a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
  - (f) any legal person including, but not limited to –
    - (i) a company registered in terms of the Companies Act, 1973 (Act 61 of 1973), Trust inter vivos, Trust mortis causa, a Closed Corporation registered in terms of the Closed Corporation's Act, 1984 (Act 69 of 1984), a voluntary association;
    - (ii) any Department of State;
    - (iii) any council or Board established in terms of any legislation applicable to the Republic of South Africa; and
    - (iv) any Embassy or other foreign entity; and
  - (g) a lessee of municipal property who is deemed to be the owner for the purposes of rendering a municipal account;
- “owner”**, in relation to –
- (a) a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
  - (b) a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
  - (c) a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; and
  - (d) public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, however, the municipality may, for the purposes of the Property Rates Act, 2004 (Act 6 of 2004), regard as the owner of a property –
    - (i) in the case of a property in a trust, but excluding state trust land, a trustee;
    - (ii) in the case of a property in a deceased estate, an executor or administrator;
    - (iii) in the case of a property in an insolvent estate or in liquidation, a trustee or liquidator;
    - (iv) in the case of a property in the estate of a person under judicial management, a judicial manager;
    - (v) in the case of a property in the estate of a person under curatorship, a curator;
    - (vi) in the case of a property that is subject to a usufruct or other personal servitude, a person in whose name a usufruct or other personal servitude is registered;
    - (vii) in the case of a property that is registered in the name of the municipality and is leased by it, a lessee; and
    - (viii) in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer, a buyer;
- “permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of any restrictions imposed by a condition of title, a provision of the municipality's town planning or land use scheme, or any legislation applicable to any specific property or properties, or any alleviation of any such restrictions;
- “person”** includes a legal person and an organ of state;

“**preferred customer**” means a person who may be granted special concessions by the municipality;

“**premises**” means any piece of land, the external surface boundaries of which are delineated on –

- (a) a general plan or diagram registered in terms of Land Survey, Act of 1927 (Act 9 of 1927), or in terms of the Deeds Registry, Act of 1937 (Act 47 of 1937); or
- (b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 93 of 1986), which is situated within the area of jurisdiction of the municipality;
- (c) and includes any other land and any building or structure above or below the surface of any land;

“**property**” means –

- (a) immovable property registered in the name of a person, including in the case of a sectional title scheme a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of the person, but excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation, such as a “land reform beneficiary”; and
- (d) public service infrastructure;

“**publicly controlled**” means owned by or otherwise under the control of an organ of state, including a public entity listed in the Public Finance Management Act, 1999 (Act 1 of 1999), a municipality, or a municipal entity;

“**public service infrastructure**” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme servicing the public;
- (c) power stations, power sub-stations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuel forming part of the scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges and lines forming part of a communication system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, seawalls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed by as law; and
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

“**rate**” means a municipal rate on property as envisaged in section 229(1)(a) of the Constitution;

“**rateable property**” means property on which the municipality may in terms of section 2 of the Property Rates Act, 2004, levy a rate, but excludes property fully excluded from the levying of rates in terms of section 17 of that Act, but includes any rights registered against such property, with the exception of a mortgage bond;

“**ratepayer**” means a person who is liable to the municipality for the payment of rates on property in the municipality, any other tax, duty or levy imposed by the municipality, or fees for services provided either by the municipality or in terms of a service delivery agreement, or a combination of the above;

“**rebate**”, in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Property Rates Act, 2004 on the amount of the rate payable on the property;

“**residential property**” means a property included in the valuation roll as residential in terms of section 48(2)(b) of the Property Rates Act, 2004;

“**revenue**” means all monies due to the municipality and to which the municipality has the right to exact and to enforce payment of, irrespective of the reason for or the origin of its factuality;

“**sectional title scheme**” means a scheme as defined in section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986);

“**sectional title unit**” means a unit as defined in section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986);

“**state trust land**” means land owned by the state and held in trust for persons communally inhabiting the land in terms of a traditional system of land tenure, over which land tenure rights have been registered or granted, or which is earmarked for disposal in terms of the Restitution of Land Rights, 1994 (Act 22 of 1994);

“**tampering**” means any unauthorised interference with the municipality’s supply, seals and metering equipment and “tamper” has a corresponding meaning;

“**target**” means realistic targets which may be set by the municipality ; and

“**tariffs for major services**” means tariffs set for the supply and consumption or usage of major services;

“**unreliable customer**” includes an account holder, who according to his or her payment record fails to settle his or her municipal account by the due date or who is in arrears with payments due to council or who tampers or interferes with metering equipment, seals or the supply of municipal services.

## CHAPTER 1 CUSTOMER CARE PRINCIPLES, OBJECTIVES AND IMPLEMENTATION, AND DIFFERENTIATION

### 2. Customer care principles, and objectives

- (1) The municipality aims –
  - (a) to move progressively towards the social and economic upliftment of the community in harmony with its natural environment;
  - (b) to provide basic services that are affordable to all its people, and specifically to the poor and disadvantaged, provided that, where applicable, service fees, rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable, arising from any other liability or obligation, are paid for;
  - (c) to engage the active participation of the community in the municipality’s affairs, in particular in planning, service delivery and performance management;
  - (d) to provide efficient, effective and transparent administration that conforms to constitutional principles;

- (e) to ensure that the municipality is financially and economically viable; and
  - (f) to create a harmonious relationship between the municipality and the community through the acknowledgement of reciprocal rights and duties;
- (2) The municipality by this by-law, designs, regulates on and implements a customer care and management system as contemplated in section 95 of the Municipal Systems Act.

### 3. **Municipal manager responsible officer**

The Municipal Manager –

- (a) is responsible to the Executive Mayor for the implementation and enforcement of the provisions of this by-law;
- (b) must, for the purposes of paragraph (a) take the necessary steps to implement and enforce the provisions of this by-law;
- (c) is accountable to the Executive Mayor for the agreed performance targets as approved by the municipality and the Executive Mayor, and for these purposes must –
  - (i) report to the Executive Mayor on matters relating to this by-law, including but not limited to –
    - (aa) the effectiveness of administrative mechanisms, resources processes and procedures to collect money that is due and payable to the municipality;
    - (bb) billing information, including the number of account holders, accruals, cash-flow, and customer management;
    - (cc) the satisfaction levels of account holders regarding services rendered; and
    - (dd) the effectiveness of the municipality's indigence relief measures; and
  - (ii) encourage and bear on account holders, where needed, to settle outstanding accounts within the ambit of this by-law; and
  - (iii) with the consent of an account holder, enter into an agreement with the account holder's employer to deduct from the salary or wages of the account holder –
    - (aa) any outstanding amounts as may be agreed; or
    - (bb) such regular monthly amounts as may be agreed, and may provide special incentives for employers to enter into such agreements, and employees to consent to such agreements.

### 4. **Differentiation between customers and exemption**

- (1) In accordance with the principles embodied in the Constitution and the provisions of sections 6 and 8 of the Property Rates Act, 2004, and sections 74(3) and 75 of the Local Government: Municipal Systems Act, 2000, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies, categories of ratepayers, account holders, customers, debtors, taxes, services, service standards and other matters, however, such differentiation must at all times be reasonable, and must be fully disclosed in each annual budget.
- (2) The municipality may, in writing exempt an account holder, category of account holders, or other persons from complying with a provision of this by-law, subject to any conditions it may impose, if the application or operation of that



provision would be unreasonable, however the municipality or its authorised agent may not grant exemption from any section of this by-law that may result in –

- (a) the wastage or excessive consumption of water or electricity;
  - (b) the evasion or avoidance of water or electricity restrictions;
  - (c) significant negative effects on public health, safety or the environment;
  - (d) the non-payment for services;
  - (e) the installation of pipes and fittings which are not acceptable in terms of the municipality's prescribed standard; or
  - (f) any Act, or any regulation made under it, not being complied with.
- (3) The municipality or its authorised agent may at any time after giving written notice of at least 30 days, withdraw any exemption given under subsection (2).

## CHAPTER 2 SUPPLY OF MUNICIPAL SERVICES

### *Part 1*

#### *Application for supply and service agreements, credit screening, deposits, billing and payment, and termination of service agreements*

#### **5. Application for supply of municipal services and service agreements**

(1) Any application for any supply of services to any premises must be made at the municipal offices at least four working days, or such lesser period as may be accepted by the municipality, prior to the service being required and must comply with the conditions determined by the Municipal Manager.

(2) After the commencement of this by-law only the owner of a property or his or her duly authorised agent on his or her behalf may apply for municipal services to be supplied to a property.

(3) No services shall be supplied unless and until application has been made by the owner and a service agreement in the format prescribed by the municipality has been entered into and a deposit provided for in section 6 has been paid.

#### **6. Deposits**

(1) On approval of the application and before the service is made available, the municipality may require the applicant –

- (a) to deposit for municipal services with the municipality a sum of money;
- (b) to provide any other form of security; or
- (c) to agree to special conditions regarding payment of the municipal account,

and monies so deposited with the municipality serve as security.

(2) The Municipal Manager reserves the right to review the sum of money deposited or the amount for which additional security is required.

(3) The Municipal Manager may, in respect of preferred customers, consider relaxation of the conditions pertaining to deposits as set out in subsections (1) and (2).

(4) On termination of the supply of services, the amount of such deposit, less any payments due to the municipality, must be refunded to an account holder.

**7. Billing and payment**

- (1) The account holder must pay all amounts due to the municipality as reflected in the municipal account, and the onus is on the account holder to verify the accuracy of such account.
- (2) An account holder must pay for metered services, and must pay the rates, other municipal charges, levies, fees, fines, interest, taxes or any other liability or obligation from the date of origin of such municipal charges until the written termination of the services.
- (3) An account holder –
  - (a) must, where possible, be rendered one account, on which the due date for settlement of the total amount owing is reflected, subject to the provisions of subsection (14); and
  - (b) must be billed monthly in cycles of approximately 30 days.
- (4) Payment must be received on or before the close of business on the due date.
- (5) Payment made via electronic media or any of the service providers appointed by the municipality to receive payments on its behalf, should be made at least four working days before the due date to enable the payment to be processed, and interest accrues should the municipality receive payment after the due date.
- (6) Where the account holder effects payment of an account via a service provider four working days or more before the due date and such service provider fails to furnish the municipality with the relevant payment details, such service provider may be held liable for all charges incurred by the municipality to recover an arrear amount erroneously reflected on the account of the account holder, as well as for interest charges.
- (7) The municipality may estimate the quantity of metered services supplied in respect of a period or periods within the interval between actual successive readings of the meters, which intervals may not exceed 4 months, and may render an account to an account holder for the quantity of metered services so estimated.
- (8) If an account holder is dissatisfied with an account rendered for metered services supplied by the municipality, such account holder may, prior to the due date stipulated therein object to the account, setting out reasons for such dissatisfaction.
- (9) Should any dispute arise as to the amount owing by an account holder, and subject to the provisions of section 102 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the account holder must notwithstanding such dispute proceed to make regular payments by the due date based on the calculation of the average municipal account for the preceding three months prior to the arising of the dispute and taking into account interest as well as the annual amendments of tariffs of the municipality.
- (10) An error or omission in any account or failure to render an account does not relieve the account holder of the obligation to pay by the due date.
- (11) If an account holder uses water or electricity for a category of use other than that for which it is supplied by the municipality and is in consequence not charged for water or electricity so used, or is charged for the water or electricity at a rate lower than that at which the account holder should be charged, the account holder is liable for the amount due to the municipality in accordance with the prescribed charges in respect of –
  - (a) the quantity of water or electricity which the account holder has used and for which the account holder has not been charged; or
  - (b) the difference between the cost of the water or electricity used by the

account holder at the rate at which the account holder has been charged and the cost of the water or electricity at the rate at which the account holder should have been charged.

- (12) An account holder is not entitled to a reduction of the amount payable for metered services which are lost due to a fault in the meter, until such time as the provisions of section 13(8)(c) have been met.
- (13) The municipality may –
  - (a) consolidate any separate accounts of an account holder liable for payment to the Municipality; and
  - (b) credit any payment by an account holder against any debt of that account holder.
- (14) The owner of property may enter into an agreement with the municipality in terms of which payment for rates is made annually, in which case payment must be made on or before the date determined by the municipality.

#### **8. Termination of service agreement**

- (1) Termination of the service agreement must be in writing to the other party of the intention to do so.
- (2) Where a property is sold, an owner may terminate a service agreement by giving the municipality not less than four working days' notice in writing.
- (3) The municipality may, by notice in writing of not less than 14 working days, advise an account holder of the termination of the agreement for a supply of municipal services if –
  - (a) the account holder has committed a breach of this by-law and has failed to rectify such breach; or
  - (b) the municipality cannot continue to supply the account holder with municipal services, as in terms of an arrangement with another authority supplying municipal services such authority must in future supply municipal services to the account holder.

### ***Part 2***

#### ***Non-payment of municipal accounts***

#### **9. Arrangements for payments**

- (1) Should an account holder, before any of the steps have been taken in terms of section 11, not be able to pay the municipal account in full, the account holder may approach the municipality with the aim of making short-term arrangements to settle the account.
- (2) Should an account holder, after any of the steps have been taken in terms of section 13, experience difficulties in paying the municipal account, the account holder may approach the municipality with the aim of making arrangements to settle the account, and the account holder must enter into a written agreement with the municipality to repay to the municipality the outstanding and due amount under the conditions and on a basis determined, by the Municipal Manager,.
- (3) The written agreement must be signed on behalf of the municipality by a duly authorised officer.

- (4) In the instance where arrangements for payment have been made the municipality may –
- (a) review the deposit;
  - (b) require of an account holder to pay by means of a stop order or debit order;
  - (c) require of an account holder to convert to a pre-paid metering system; or
  - (d) require any other form of security, including personal suretyship by the directors or members of a company, closed corporation, trust or body corporate.

**10. Interest on overdue municipal accounts**

- (1) The municipality may, charge or recover interest at a rate determined by it in respect of any arrear amounts due and payable.
- (2) Irrespective of the reason for non-payment, or where an arrangement has been made in terms of section 9, interest accrues if an account is unpaid.
- (3) Interest is calculated monthly according to the interest rate approved by the municipality, and a portion of a month is regarded as a month.
- (4) Interest is payable if payment is not received at an office of the municipality or to the credit of the bank account of the municipality at the close of business on the due date.

**11. Debt collection mechanisms**

- (1) Where appropriate, the Municipality must at all times attempt to advise an account holder of an impending disconnection or restriction of a supply, and the following mechanisms may be applied should an account holder fail to settle a municipal account by the due date:
- (a) delivering or mailing of a final demand and explaining to the account holder the status of the account and the consequences of not paying or concluding an arrangement;
  - (b) informing the account holder verbally, in writing, telephonically, or by electronic means of the overdue amount and the impending disconnection or restriction of services
  - (c) disconnecting or restricting the supply of municipal services to the premises and the serving of a disconnection or restriction notice on the account holder; or
  - (d) debiting the municipal account of the account holder with all relevant fees or penalties approved by the municipality.
- (2) Where the metered supply had been disconnected or restricted, and should the account holder still fail to pay the account, the premises may be revisited at regular intervals to ensure that the metered supply remains disconnected or restricted, and if it is found that the supply which had been disconnected or restricted previously has been restored –
- (a) the municipality has the right to take whatever action is required in terms of section 30, and the account holder is responsible for the relevant fees or charges or damages caused;
  - (b) the municipality may refuse to supply services for a period determined by the municipality ; and
  - (c) in the instance of the use of a pre-paid meter, the municipality may cease further vending of pre-paid services.

(3) Where a duly authorised officer of the municipality has visited the premises for the purpose of disconnecting or restricting the supply and was obstructed or prevented from effecting such disconnection or restriction, an amount equal to the prescribed fee for a reconnection becomes payable for each visit necessary for the purpose of such disconnection or restriction, subject to a maximum of two such visits during which disconnection or restriction could not be effected.

(4) The municipality may use any one or more of the following mechanisms to secure full payment of any amounts owing to it:

- (a) requiring of the account holder to convert to another metering system;
- (b) allocating a portion of any pre-paid payment to other debts;
- (c) publishing a list of account holders who remain in default;
- (d) withholding payment of a grant-in-aid and subject to the provisions of section 32, excluding the account holder from the tender process;
- (e) withholding payment on contracts for settlement of the municipal account;
- (f) reviewing and altering the conditions of the service agreement;
- (g) instituting legal proceedings for the recovery of the debt;
- (h) classifying the account holder as an unreliable customer;
- (i) using the services of external debt collection specialists or agencies;
- (j) insisting on conversion to pre-paid metering at the cost of the account holder; or
- (k) employing any other methods authorised by the municipality from time to time to recover arrear amounts.

(5) The cost of collection, where applicable, is for the account holder's account.

(6) Subject to the provisions of sections 28 and 29 of the Property Rates Act, 2004 Act 6 of 2004), the right to deny, restrict, disconnect or terminate services due to the non-payment for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation prevails notwithstanding the fact that –

- (a) payment was intended for any specific service; or
- (b) the person who entered into a service agreement for supply of services with the municipality and the owner are different entities or persons, as the case may be.

### ***Part 3***

#### ***Metering equipment and metering of services***

##### **12. General provisions**

The municipality may introduce various metering equipment and may encourage an account holder to convert to a system which will benefit the municipality and account holders.

##### **13. Metering equipment and measuring of consumption**

(1) The municipality must, at the consumer's cost in the form of a direct charge or prescribed fee, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring metered services.

(2) The municipality reserves the right to meter the supply to a block of shops, flats, tenement-houses and similar buildings for the building as a whole, or for an individual unit, or for a group of units.

- (3) Where any building referred to in subsection (2) is metered by the municipality as a whole -
- (a) the owner may, at own cost, provide and install appropriate sub-metering equipment for each shop, flat and tenement; or
  - (b) the municipality may require the installation, at the account holder's expense, of a meter for each unit of any premises in separate occupation for the purpose of determining the quantity of metered services supplied to each such unit.
- (4) Where the electricity used by consumers is charged at different tariffs, the consumption must be metered separately for each tariff.
- (5) Where sub-metering equipment is installed, accommodation separate from the municipality's metering equipment must be provided where appropriate.
- (6) Except in the case of pre-payment meters, the quantity of metered services used by a consumer during any metering period is ascertained by reading the appropriate meter or meters supplied and installed by the municipality at the beginning and end of such metering period, except where the metering equipment is found to be defective.
- (7) For the purpose of calculating the amount due and payable for the quantity of metered services consumed, the same amount of metered services is deemed to be consumed during every period of 24 hours between readings.
- (8) The following apply to the accuracy of metering:
- (a) a meter is conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in subsection (13), is found to be within the limits of error as provided for in the applicable standard specifications;
  - (b) the municipality has the right to test its metering equipment, and if it is established by test or otherwise that such metering equipment is defective, the Municipality must -
    - (i) in case of a credit meter, adjust the account rendered; or
    - (ii) in the case of prepayment meters:
      - (aa) render an account where the meter has been under-registering; or
      - (bb) issue a free token where the meter has been over-registering; and
  - (c) the consumer is entitled to have the metering equipment tested by the municipality on payment of the prescribed fee, and if the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of paragraph (b) and subsection (7) must be made and the aforesaid fee must be refunded.
- (9) No alterations, repairs, additions or connections of any description may be made on the supply side of the point of metering unless specifically approved in writing by the Municipal Manager.
- (10) Prior to the municipality making any upward adjustment to an account in terms of subsection (8)(b), the municipality must -
- (a) notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefor;
  - (b) in such notification provide sufficient particulars to enable the consumer to submit representations thereon; and

- (c) call upon the consumer in such notice to present it with reasons in writing, if any, within 21 days or such longer period as the municipality may permit, why the account should not be adjusted as notified, and should the consumer fail to provide any representation during the period the municipality is entitled to adjust the account as notified in paragraph (a).
- (11) The Municipality must consider any representation provided by the consumer in terms of subsection (10) and may adjust the account appropriately.
- (12) If the Municipal Manager decides that such representation does not establish a case warranting an amendment to the monetary value established in terms of subsection (15), the municipality is entitled to adjust the account as notified in terms of subsection (10)(a), and the consumer has the right to appeal the decision of the official in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (13) Meters are tested in the manner provided for in the applicable standard specifications.
- (14) When an adjustment is made to the consumption registered on a meter in terms of subsection (8)(b) or (8)(c), such adjustment is based either on the percentage error of the meter as determined by the test referred to in subsection (13), or upon a calculation by the Municipality from consumption data in its possession, and where applicable, due allowance must be made, where possible, for seasonal or other variations which may affect consumption.
- (15) When an adjustment is made as contemplated in subsection (14), the adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate, however the application of this subsection does not bar a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.
- (16) The municipality may dispense with the use of a meter in case of –
  - (a) an automatic sprinkler fire installation; or
  - (b) special circumstances that may justify such dispensation.
- (17) The municipality may by notice –
  - (a) prohibit or restrict the consumption of metered services –
    - (i) for specified or non-specified purposes;
    - (ii) during specified hours of the day or on specified days or otherwise than during specified hours of the day or on specified days; and
    - (iii) in a specified or non-specified manner; and
  - (b) determine and impose –
    - (i) limits on the quantity of metered services which may be consumed over a specified period;
    - (ii) charges additional to those prescribed in respect of the supply of metered services in excess of a limit contemplated in subparagraph (i); and
    - (iii) a general surcharge on the prescribed charges in respect of the supply of metered services; and
  - (c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which metered services is used or consumed, or on the connection of such appliance.