

INTERNATIONAL UTILITIES REVENUE PROTECTION ASSOCIATION

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INC.

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April, 2009

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## REVENUE PROTECTION UP IN THE WAKE OF DOWN ECONOMY

BY GARY SIGNORELLI • PROGRESS ENERGY, FL

Even though some indications of an economic slowdown may have been felt sometime in 2003, a recent article in Financial Times.com revealed that the world's financial crisis truly began in August, 2007. During this time, the price of gasoline at the pump began to constantly rise and finally reached a peak of just over \$4.00 (US) per gallon for gas in July, 2008. Worldwide, stock market losses began to mount and while the price of every com-

*...theft of service effects the rates and bills of our dependable paying customers as well as the shareholder's value in the company.*

modity increased, many workers lost their jobs, money, and homes. Also lost was the value in Retirement Fund "nest eggs", savings accounts, and relaxing vacations in far away resorts. Confidence affected the unemployed and lower paid person. These same people now experience periods of depression, low self esteem, and worthlessness. "Living day to day", seems to be the standard response when tough times come along.

As Revenue Protection professionals, we most likely have witnessed this first hand. Many of us work for utility companies that have had to resort to layoffs, payroll and hiring freezes, and many other various forms of budget reductions. Travel to important training seminars to keep the employee up to date with technology and current practices has been eliminated or limited at best, quite unusual from years past. "Do more with less", is the language uttered by Management to the general workforce, if the Company is to stay afloat. Has everyone heard the same?

Then, Progress Energy Management had a different thought. Many people in our service territories (over 3 million customers in North and South Carolina and Florida) were struggling, so customers have been forced to cut corners to make ends meet. With the economic downturn and an increase in unemployment, Progress Energy recognized a perfect stage for an alarming trend. It doesn't matter whether we're talk-

ing electric, gas, water, telephone, or cable. The Company recognized that there were those that conserved to manage their bills. However, they also knew that increasingly, lower bills were the result of illegal and dangerous acts of tampering. Realizing the inevitable, Progress Energy added three more Investigators (we now have 15) to the mix in early 2008, proving solid results and increased revenue. While some departments were forced to reduce in size, we grew. Why, with such a poor economy?

Empathy for those in difficult situations, through no fault of their own, is natural for the investigator charged with the task of looking into the crime. However, that empathy should be short lived, especially when one realizes that theft of service effects the rates and bills of our dependable paying customers as well as the shareholder's value in the company. It's nearly impossible for any business to prosper if revenue is ignored and losses are swept under the carpet. In other words, proceed with business as usual. Stop the theft and follow through with the investigation all the way until payment in full is realized. Otherwise, costs will continue to rise while budgets will continue to be slashed.

At Progress Energy, we've always been proud of our accomplishments in the Revenue Protection arena and again, this past year was no different. With a terribly down economy, the team recorded several significant milestones. Having the extra Investigators, recoveries amounted to \$7.7 Million. Management had expressed to the financial and executive level, "If we spend a little, we'll get a lot back in return." That initiated a very successful strategy. More Investigators meant more dollars returned. We have never achieved that amount in a one year period, ever. This was a monumental achievement that changed the department for the better.

The Department is now recognized as a Profit and Loss Center. It is very apparent that we now hold value for the work we do and as a result, our success is measured and gauged and is now tied into our company goals. Our return



Gary Signorelli

*continued on page 16*

## Electricity Theft A Growing Problem



Greg Lee  
IURPA Chairman

With the age of technology around us we in the Revenue Protection Industry find our number of cases of theft of service growing. Metering systems of today report more events faster. Even though we have all of the event reports, all of the information does not turn out to be valid cases. In any case we still must spend man hours to determine if a field trip is needed.

Our Companies depend on us as Revenue Protection professionals to protect the product we provide to our customers. Electricity theft can be in the form of meter tampering, stealing by way of illegal connections ahead of the meter, fraudulent applications for service, billing irregularities, and unpaid bills. The evidence shows that theft is increasing in most regions of the world. The financial impacts of theft are reduced income from the sale of electricity which results in the necessity to charge more to consumers.

We also have the problem of a depressed economy. The Revenue Protection Business is one which deals with people; some are customers some are not. In any case we must deal with

the situation we are handed. We in the South notice a great amount of repeat offenders which often leads to an arrest. Along with our regulars which I am sure

everyone has, we are seeing a large number of cases which we might not see in a thriving economy. With jobs being lost and families trying to make ends meet and in several cases paying the electric bill is put on the back burner. In any case our companies cannot survive without revenue.

There are a lot of companies trying to do more with less. The utility industry is not exempt. As we are doing more with less our task is more important than ever before with the growing number of cases we face. We find ourselves working smarter, leveraging the technology we are given, but at the end of the day it takes the Revenue Protection Professionals dedication to the job and the willingness to go the extra mile to make us successful.

In a lot of cases we are the last line of defense between revenue being collected or just walking out the door. The amount of money identified and collected due to theft in this industry is staggering. Most utilities see the need and the impact that our Revenue Protection professionals provide.

Safety is still the number one priority with any job. There are many hazards left behind as a result of tampering with meter sockets and illegal wiring which makes our job more difficult. There are also more incidents of electrical contacts and flashes occurring with the growing number of cases we have.

The dangers of electricity theft are larger than ever. The criminals are getting smarter and the techniques hard to detect, it is very important for our safety and the success of our departments that we stay one step ahead of those trying to steal our product.

We as Revenue Protection Professionals have a difficult task ahead. We must manage our time, efforts and knowledge to insure the success and safety of the individuals charged with the ever longing battle with those trying to steal our product. Our companies have placed a great responsibility on us to do a job very few know anything about except the name Revenue Protection.

### ON THE INSIDE

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## RED FLAG RULES ARE YOU READY? ARE YOU COMPLIANT? YOU HAD BETTER BE....

By Kurt Roussell, Manager, Revenue Protection • WE ENERGIES, MILWAUKEE, WISCONSIN

*Effective November 1, 2008, a new set of rules went into effect in the nation's battle against identity theft. This legislation – which in my opinion was definitely needed – is to combat the onslaught of identity theft on consumers.*

These laws, as part of the Fair and Accurate Credit Transaction Act (FACTA) are affectionately referred to as the “Red Flag Rules.” These rules are based upon easily identifiable patterns of potential fraud, which any business should have easily recognized and acted on appropriately. However, this was not being done, so now the Federal Trade Commission (FTC) mandates compliance.

These Red Flag Rules impact some 11 million businesses nationwide. In essence, the law says that any “creditor” who issues a recurring bill (covered account) to a customer, must know who their customer is. Simply put, businesses must perform a verification of the identity of any customer. The flags are broken down into 5 categories:

- Alerts from a Consumer Reporting Agency
- Presentation of suspicious documents
- Suspicious identifying information
- Unusual or suspicious activity
- Notification from customers, law enforcement agencies, and other sources

Companies are expected to perform proper due diligence at the time of opening any new account and while managing existing accounts.

As identity theft prevention has been a primary function of my Revenue Protection Group since day one, over the years, we have established protocols and programs for resolving identity theft complaints, identifying and investigating new suspected frauds. We also have ownership of the Positive ID process where we perform customer verification and validation at the time of account initiation, and these functions have been in existence for the last decade.

It was the summer of 2008 that “someone” in the utility industry read the rule and discovered the vastness of this law... that and the fact the word “utilities” exists at least 20 times. Some emails started bouncing around from the EEI

which simply said “has anyone heard of this.” I received such an email from my Vice President, and my response was “we have it covered.” A survey performed at that time revealed that only 3% of the reporting utilities “had it covered.”

The industry began scrambling attempting to get into compliance by the drop dead date of November 1, 2008. At the 11th hour, the FTC gave a reprieve to “certain industries” (read: utilities) to be in compliance. The law went into effect November 1st, however the FTC has delayed compliance enforcement (read: fines) until May 1st, 2009.

The key ingredient of a successful Red Flags Compliance Program is the existence of a “written” identity theft policy and plan. This plan must be signed off by the Board of Directors, and a high ranking executive is required to be the program monitor. Should there be an FTC related issue/investigation, they will contact the program monitor.

In essence, it is my belief the FTC will not be reviewing or auditing for compliance, but should a complaint be filed with them by an identity theft victim, they will want to review your plan, policies, and practices. If you are not compliant, the fines start in excess of \$2500 per occurrence and an additional \$11K penalty, and your company is open to civil liability by the identity theft victim. Most industry experts believe the FTC is “laying in wait” for the first complaint to investigate and to make whatever company that is, an “example” for everyone else.

Your written plan is to be effective against what type of fraud you’ve experienced in your industry, location, customer demographics, and personal experience. This way, your plan should address the issues that your specific business is confronted with.

As this rule is new, no one has any experience with what the FTC will really be looking for if/when they audit your program. There has been no boilerplate template provided, so it is incumbent upon you to identify your own Key Performance Indicators (KPI) to demonstrate your plans effectiveness.

The law also requires periodic review of the results of your identity theft plan. Merely having a bunch of statistics regarding your plan will not work to satisfy the requirements. You have to show how your plan worked,



Kurt Roussell

*continued on page 6*

**RED FLAG RULES**  
**(CONTINUED FROM PAGE 5)**

what failures you've found, how you have changed your processes, and then trained the new processes to your staff. All of this information is to be provided to your Board of Directors. Current best practices indicate that your program and its effectiveness are audited annually by a 3rd party, just as any other financial audit.

Lastly, your Company needs to have a responsible plan for handling data breaches of confidential customer information. While a lot of our companies utilize the services of 3rd party vendors, it is your responsibility they are compliant with all of the best technology and data encryption. If your 3rd party vendor's system is broken into (hacked) and your customer information is compromised, the responsibility lies with you and NOT your 3rd party vendor. It was your information and you should have ensured their practices and policies were appropriate.

As a consumer, I want to know that businesses are acting responsibly with my personal (and financial) data. While it is causing a new body of work, regulation, and requirements, it is in my best interest that companies comply.



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## REVENUE PROTECTION PROGRAMS PROVEN TO BE A DETERRENT

By ED HOLMES & HOHANNA SULLIVAN • ARNETT CONSULTING SERVICES

The depressed economic climate we are experiencing today has adversely affected most areas of business, government and individuals. Historically, during these periods, utilities non-technical losses increase dramatically.

*In an effort to keep utilities from being the next industry to experience huge revenue losses, now is the time for a proactive approach to revenue recovery efforts.*

### **Our diminished role:**

During the utility deregulation craze that occurred during the 1990's, many utilities diminished the role of their Revenue Protection programs and focused on restructuring to operate in a competitive market. In retrospect, the continued operation of these Revenue Protection programs would have helped to mitigate the current increases in lost revenues due to theft of service.

In an effort to keep utilities from being the next industry to experience huge revenue losses, now is the time for a proactive approach to revenue recovery efforts. Revenue Protection programs should be evaluated not only on the amount of revenue recovered but also on future expected revenues that will be realized by the utility as the result of the conditions being uncovered and corrected.

Even with the best theft deterrent programs, we know that theft of service will never be completely eliminated. One way some utilities have approached a "theft-free" environment is by saying the problem does not exist. But as professional in Revenue Protection, we all know that this approach is not in our company's best interest.

We know that aggressive Revenue Protection programs have proven to be a deterrent. The goal of Revenue Protection programs should be to promote a concentrated effort toward:

- Detection
- Investigation
- Revenue Recovery
- Prosecution (when warranted)
- Prevention

### **Update your Policy & Procedures:**

In evaluating a proactive program, the review of Revenue Protection Policies & Procedures is a first step utilities should take. This will ensure they are effectively addressing the changes in technology and economic times. One area of changing technology is the implementation of AMR and AMI metering systems. This will significantly diminish the role of meter readers, thus eliminating the routine meter installation inspections at the customers' premises. This will make it easier for theft conditions to go undetected for extended periods of time. A policy for meter inspection needs to be implemented. Another area of concern is "economic cases" of theft of service. Many middle to upper income families are also falling on hard times and have over-extended themselves resulting in an increase in diversion of service and loss of revenues. Should your utility be hard line and prosecute every case or soft line them with payment schedules or help programs? If the current policy and procedures do not address these changes, then the programs leave holes that can cause future problems.

### **Don't forget the safety issues with energy theft:**

A major area of concern, in addition to the revenues being lost, is the unsafe conditions that are created by customers attempting to steal utility service. Not only do they expose themselves and their families to potential dangers but also utility personnel. The devastating possibilities range from bodily injuries and/or death to the damage and destruction of individual premises as well as whole neighborhoods. Utility employees should be thoroughly aware of company safety policies & procedures and be adequately trained in the use of the safety equipment provided to them, especially in cases of suspected theft of service.

### **Conclusion:**

Theft of utility service is not a victimless crime. All revenue monies lost to theft are paid for by all utility customers. Safety is paramount for utility employees and customers. Every utility has a responsibility to see that their good customers only pay for what they use and not for what someone else steals.

## WSUTA/IURPA JOINT CONFERENCE

SEPT 1ST – 3RD, 2009

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**W**estern States Utility Theft Association is very happy to announce that the WSUTA/IURPA joint conference is ready to go Sept 1st – 3rd, 2009, at the Desert Diamond Casino/Hotel in Tucson, Arizona.

With the recent economic downturn, utilities may experience an increase in theft and other related activities as some customers might choose to take illegal and desperate measures to get more for less. It's with strong efforts and knowledgeable staff working towards catching and eliminating theft, that the revenue stream from utility sales can remain stable and on track with production, ensuring that rates stay as low as possible for as long as possible.

It's our responsibility to succeed in this effort by providing informative, relevant, and useful presentations and discussions to our membership. We're working hard to bring in presenters covering a wide range of topics of concern for all utilities. And this year, IURPA is co-hosting with us to cover information on an international scale, revealing the dilemmas that other countries are facing along with their solutions.

The board is pleased to say that the early bird registration cost will remain at the same low rate of \$200.00 which includes the Vendor Reception registration night, two days of conference topics and lunch both days. We are offering a cost effective site for the program as well. The Desert Diamond Casino / Hotel is supplying us with the group guest room rate of \$99.00 per night, tax free! The hotel/conference center is just minutes away from the airport, free parking, free high speed wireless internet access, and food and beverages sales are also tax free.

We're excited about bringing you this conference and look forward to our current members, new attendees, all the many vendors, and our international associates joining us. The registration form is available on the website and an agenda will be posted when it's finalized. Attendance registrations are now being taken and the Desert Diamond is waiting for your call!

If you have any questions, feel free to contact any one of the board members. See you there!

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STREET JOURNAL

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Nationwide Average

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THE NEWS

signal

New York Times

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## THE LAST ATTEMPT

By LUIZ ARRUDA

**B**razilian Utilities have strived to minimize non-technical (NT) losses for years. Nowadays, many utilities have improved their revenue with the use of better equipment and with the help of specific computer systems. These tools help to detect inconsistencies on the customer usage and also to manage the whole process.

However, in slums areas or areas with major economic and social problems, the values of losses are very high and the tools we have are very limited, including the weakness of the field teams to face violence often found in these sectors of the cities.

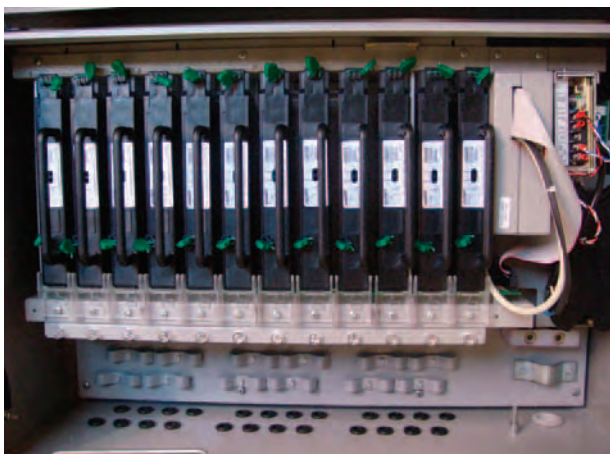
Many solutions have been tried; initially with regular meters inside metering boxes installed on the poles; those boxes allow the meter reading from the ground through special lens (see picture 1). Besides that, some utilities used to "protect" those metering installing them over the medium voltage line.



Anyway, it was clear that these actions were not enough, as frequent visits of inspection teams to read the meters and to disconnect customer installations - in case of lack of payment, were still demanded.

Currently, having more affordable and reliable electronic meters and communication, we are implementing a new metering system - not without a huge resistance from fixers (often represented by politicians interested in their vote) with these main features:

- The meters are plug in slots installed inside the metering boxes. We can have up to 12 meters per metering box (see picture 02);



- The utility provides a display (integrated with the external metering box by PLC or RF) that allows the client to read the meter inside customer installation;



Luiz Arruda

- The metering boxes are installed on line poles (see picture 3);
- Each meter has a small switch, which is able to cut the supply by a remote command;
- Each distribution transformer has a meter that is compared to the total consumption of customers' installation (energy balance that can report any illegal connection). In average we have 50 customers' installations connected with each transformer;
- Low voltage line cables are replaced by concentric cables (see picture 4), which make unauthorized connections more difficult to be done;
- Metering boxes are able to communicate with utilities office through RF, PLC or GPRS and there is an alarm in case of an unauthorized opening with the disconnection of all customers.
- There is specific software designed to integrate this system to the corporate system (billing and others)



Nowadays we have more than 400.000 customers' installations in Brazil with this new metering system (provided for more than three suppliers) and since we solve some legal problems we believe we can apply this solution in all areas with non-technical losses above 15% (we have some areas where NT losses are around

60%!). In doing so, it would result a very attractive return to the investment because NT losses will drop dramatically (to almost zero).



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## Too Good To Be True:

By WSUTA

A local business owner receives free electricity for years until a broken main at the shopping center changed his fortune.

A Southern California Edison Meter Technician was called to a commercial strip mall in Santa Ana California to check on a “no lights situation” for one of the units. The technician found the problem was a bad main switch. In an effort to provide good customer service and exceed customer expectations, the technician offered to check other unused panels for a main switch that could be used in the interim until the property management company scheduled an electrician to make the necessary repairs.

The technician came across a blank meter socket (no meter). Figuring it would have a main switch; he took a closer look and discovered there was no switch at all. To the technicians surprise what was discovered were two wires attached to two other wires that went into the conduit. An amp reading was taken and found 10 and 20 amps of un-metered load in use per phase. Next, the technician removed the test block cover and saw that someone removed the line side wiring from the test blocks that go up to the meter socket. Two jumper wires were attached from the line side test blocks, to the load side wires that fed power into one of the units.

The technician continued searching for a main switch for the customer with the service problem. He also notified our Revenue Protection Investigator by issuing an energy theft tip card.

A Revenue Protection Investigator went to the site the next day to verify the bypass and was able to determine that all of the units had meters except one. The investigator spoke to the business owner about this condition. The owner said he moved into this unit a few years ago and the power was already on. The owner explained SCE told him that his unit number did not exist for the address he had provided, so he was unable to complete an application for electric service. The owner asked for proof that the un-metered panel discovered did actually serve his unit. Our investigator obliged the owners wish and turned the service off at the test blocks and low and behold power was shut off at his business.

The investigator contacted the property management company to advise them of the situation. The management company also provided evidence that the same customer had been in the unit since at least 2001 when they took over management of the complex. The investigator instructed the management company to contact the SCE planning department to request a new service setup or service to the unit in question would be turned off.

The new service was setup after a city inspection. The business owner was re-billed for 72,120 kilo watt hours, totaling \$12,370 for service beginning in 2001, when records of his occupancy started. The technician received a \$500 bonus for submitting this energy theft tip card.



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*The picture below shows that someone removed the line side wiring from the test blocks that go up to the meter socket and attached two jumper wires from the line side test blocks, to the load side wires.*



**AROUND THE GLOBE****Two Men Indicted  
in Electricity Theft**

*Article from: HonoluluStar – Bulletin*

**A**n Oahu grand jury has indicted two men on charges of stealing electricity from Hawaiian Electric Co. by allegedly diverting power to a Kalihi business whose power had been shut off.

They were charged with theft of utility services in the first degree, a Class C felony punishable by a maximum of five years in prison. Deputy Prosecutor Vickie Kapp told the court yesterday that power to the business had been disconnected for nonpayment and that they "admitted to knowing about it." One of the men allegedly admitted to connecting cables to the Hawaiian Electric power lines, she said.

**Durban to Crack Down on  
Electricity Theft**

**E**lectricity-related crimes have cost Durban more than R50-million in the past financial year. This was revealed by Bongani Mbuyisa, manager of protection revenue for the eThekweni Electricity Department. Mbuyisa said that in the Uganda informal settlement in Isipingo and surrounding areas more than R3,2-million of electricity has been stolen in the past five years.

"The high incidence of illegal electricity connections has also impacted negatively on the tariff hike for eThekweni residents," Mbuyisa said. The city's electricity department has now issued a stern warning to electricity thieves to stop making illegal connections or face the might of the law. This week a number of illegal connections were discovered in the Uganda informal settlement in Pardy Road, Isipingo. Electricity department employees were dispatched to dismantle the illegal connections.

Area councillor Bhekokuhle Mkhize said he was not aware of the problem until residents of a nearby suburb complained to him about informal residents making their own connections to electricity poles along the roads.

**Electricity Theft Costs Eskom Billions**

**S**outh Africa's energy crisis is exacerbated by electricity theft, which is also robbing Eskom of revenue. It was difficult for Eskom to state how much electricity theft was costing it, but nontechnical losses - such as billing and metering errors - amounted to R1-billion in the 2006/07 financial year, said Eskom spokesperson Tony Scott on Wednesday.

Of this amount, R16-million was lost through conductor theft - there were 449 known incidents of conductor theft in which 144 kilometres of line was stolen. "Utilities worldwide are battling with energy losses and Eskom is not immune to that.

"The problem of electricity theft is big, as utilities lose potential revenue and accidents sometimes occur that result in the loss of life," said Scott.

Scott said that to a certain extent, Eskom's customers paid for a portion of electricity theft losses as the electricity rates approved by the National Energy Regulator of SA had an "allowance" built in to cover theft and commercial losses. "The regulator approves electricity tariffs within which a fair allocation for system and commercial losses are included."

The most common ways in which electricity was being stolen included illegal connections to the electricity grid. This posed a danger as such connections could result in electrocution. Illegal connections could also result in the system overloading and instability, and higher electricity costs.

## THE OPERATION OF THE "HOT-LINE" FOR ILLEGAL USE OF ELECTRICITY

BY ITZICK MICHAELI, REVENUE PROTECTION MANAGER, ISRAEL ELECTRIC CORPORATION

For many years, IEC has strictly prevented advertising of anything related to the illegal use of electricity to the general public.

The conventional thinking was that bringing this information to the public, in newspaper articles or on television which reported customers stealing electricity would provoke the interest of customers who have never been exposed to the possibility of "saving" on the ever-increasing cost of a product as basic as electricity.

*... most utility companies provide the public with a phone line and fax ... to report electricity theft and/or gas ...*

Decision-makers in the IEC feared that some of the customers would start getting interested in ways of stealing electricity, and would try independently or by hiring professional electricians, to find a quick means of minimizing their electricity bills.

In the last two years, a number of events related to electricity theft appeared in newspaper headlines and even reached prime-time television. An eager reporter in a leading economy newspaper even prepared a long and detailed article dealing with the subject and after it was published, the "sky didn't fall down". No special interest arose from the public and we didn't even succeed in identifying signs of increase in the scope of incidents of electricity theft due to the exposure in the media.

Once in a while, our offices receive reports from citizens regarding mishandling of our meters or equipment. The reports are received directly to our call centers and sometimes in writing. In most cases, the information is anonymous, not always accurate and sometimes it is quite clear that we are dealing with these denouncements as a wish for revenge.

The notion to create an orderly method about electricity-theft reporting was laid on the discussion table a few times before, and the "red line" operated successfully by the tax authorities for many years was always brought as an example.

The decision was postponed from year to year and was never dealt with thoroughly. When I was appointed to the position of Revenue Protection Manager of the company, I again raised the idea with the company's Head of the Marketing Division, after researching the subject throughout the world.

I collected information from twenty electricity and energy companies in different states in the US, as well as the UK, Canada, South Africa, Hong-Kong and even as far as Kazakhstan.

I discovered that most utility companies provide the public with a phone line and fax especially to report electricity theft and/or gas, as well as an email address to pass on information via the website.

It was clear that in most of these countries, it was not customary to reward information received from its informants. Indeed, most of the countries noted that in those cases that information was received from "reliable citizens", rewards were never requested.

Some of the companies reported that they considered rewarding informers, but were deterred by the fear of a flood of false reports that would interfere with routine operation and effective activity.

It is customary to say that "the work of the righteous is done by others", and that is exactly the case in Israel Electric. A serious incident of large-scale electricity theft in the electricity facility of a commercial customer was confirmed by one of the company's districts. This was a result of information provided by an employee who was fired from his job immediately. At a certain stage, while dealing with the affair, the informant's lawyer demanded that his client be rewarded for the information that he provided. The matter was directed to the attention of the company's general counsel, who advised, after careful consideration, examining the incentives policy for informants as customary in the tax authority. The general counsel supported the idea of providing information about electricity theft via a "hot line".

In a meeting with the Head of the Tax Authority Information Division, he expanded on their system regarding the issue and advised that we should first attempt using the "hot line" as a means of receiving information from citizens, and not hasten to pay incentives to those informants, unless the information was found to be accurate, reliable and rewarding.

As a consequence of the information gathered, I advised the company's Head of Marketing Division to operate the "hot line", gradually.

At first, the "hot line" would be run as a pilot for one year; it would be advertised in the company website which would



Itzick Michaeli

*continued on page 14*

**OPERATION OF THE "HOT-LINE"**  
**(CONTINUED FROM PAGE 13)**

include a phone and fax number, and an email address, and be accessed by anyone with information on unauthorized handling of electricity use, company equipment or meters. The call scope and the quality of information would be evaluated during the pilot stage.

As we assume that most citizens who have this kind of information do not have access to the internet, we would examine the need to widen the advertising scope of the "hot line" and include details enclosed in electricity bills. As things progress, we would consider additional avenues to encourage the public to send information while the subject of granting incentives for reliable information would be examined subject to findings and development.

*In February 2009, Israel Electric joined the many utility companies in Israel and the world, in encouraging citizens to report electricity, equipment and cable theft via the internet "hot line".*

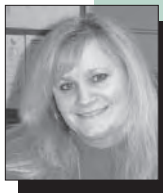
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## REVENUE PROTECTION UP IN THE WAKE OF DOWN ECONOMY

(CONTINUED FROM PAGE 13)

on investment amounted to \$4.88 for every dollar spent. That essentially means keeping costs low while working tirelessly to encourage our customers to pay for the electricity they stole in addition to the investigation costs.

Marijuana grow houses, commercial account, high end metering losses, and AMR reports have proven to be the drivers that put us over the top in 2008. Yes, we will always have the nickel and dime theft cases to deal with, and they can't be ignored, but large dollar recoveries are being realized through the intense hard work on the MGH, CA, and AMR cases. Technology advancements and working closely with Law Enforcement in certain instances, is better and necessary, now, more than ever before.

So, what do you think could add value to your department at a time like this? Do you see the poor economy? Are you seeing an increase in theft? I would suggest that your Management Team take a good look at the precedent Progress Energy set this past year. Why not spend a little to gain a lot more revenue? Increasing department size may help. Success is not guaranteed, but certainly very achievable!



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## THE OL' WATERING HOLE

BY JEFF HARRIS • MISSOURI GAS ENERGY



Jeff Harris

It's really good to see everyone back here. You know, I was thinking about this place the other day. At first glance, The Ol' Watering Hole could remind you of one of those places your mother warned you about – "Hanging out in a place like that is just going to get you in trouble!" and "You know, those people are going to be a bad influence on you". I mean, let's be honest, we do get our share of "shady-looking characters" here (Don't worry Kurt; I'm not going to mention any names). But, I would submit that occasionally, places like this are sometimes the source of great information and ideas. Case in point, check out the exchange of information that occurs at the closest local "watering hole" during the next IURPA or regional group's conference. It's pretty much a guarantee that you will not only learn something, but you're definitely going to laugh and be entertained as well.

I think that you're going to be really glad that you stopped in today, 'cause we've got a major announcement that's being made exclusively here at The Ol' Watering Hole (Mom will be proud!)

The IURPA Board will be introducing a brand new annual Award at the 2009 WSUTA/IURPA Joint Conference in Tucson this September. The IURPA Revenue Protection Professional of the Year Award will be presented to a member of the regional group each year at its joint Conference. The Award is meant to recognize members for their service and contributions to the Revenue Protection field. The Board of the regional group hosting each year's joint conference will be responsible for submitting a Nominee to the IURPA Board, who will retain the right of final approval. The main, and one of the few, restrictions on the Nominees is that they are not current Board members of the regional group or IURPA. By doing it this way, we should be able to ensure that the Award is spread out equally amongst the IURPA membership.

I believe that this Award will prove to be a very positive addition to IURPA, and could also be an incentive for each regional group to look at the possibility of developing their own type of recognition program or award. I would love to get some feedback from everyone out there on this new Award, and I will ensure that it gets forwarded to the IURPA Board



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Now, as for that nasty little rumor floating around in back that the whole IURPA Award idea would have been implemented a few years ago had it not been for "that one hold-out" who wanted to call it "The George Balsamo Award for Excellence", all I can say is...No Comment.

As always, I'd love to have some of you out there submit your thoughts, ideas, and/or stories to share with everyone. Just send them to me at jeff.harris@sug.com. I'm sure that our "regulars" would love to have a Guest Host for a change instead of listening to me "serve it up" again.

On a couple of personal notes, I'd like to thank the IURPA Board for allowing me to announce the new Award here at The Ol' Watering Hole. You have definitely brought some legitimacy to this joint. And, to Kurt and George; I only kid you guys because I know you can take it – and deserve it! Until next time, stay safe!

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The International Utilities Revenue Protection Association was founded in 1990 to protect member utility companies worldwide from revenue losses associated with unauthorized use of service. In fifteen years, the organization has grown from a small regional group into an association that includes representatives of more than 400 utility companies around the world.

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