

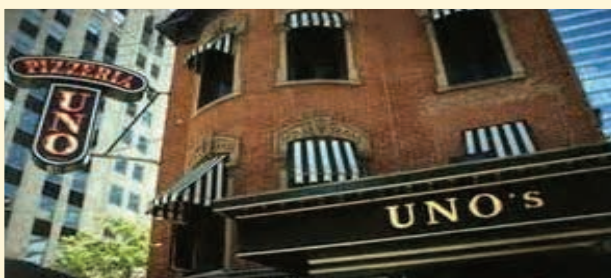


Volume 25 Issue 1

Spring 2015

IURPA – META – Joint Conference

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From the Chairperson

The one thing that has been constant...there is change everywhere.



Wayne Wohler
IURPA Chairperson

As I reflect over my 38 plus years working for my utility a LOT has changed. Back then all meters were mechanical, analog style which required every meter to be manually read by meter readers. In some circumstances certain accounts still were required to be manually billed. Reports of theft were almost entirely generated by the field personnel of the utility by reporting irregularities observed or abnormal consumption recorded.

As technology has advanced, the first change we saw was the implementation of a manually read meter that included some type of hard wire communication which transmitted the read to a disk mounted well away from the physical location of the meter itself. The next generation of meters started with radio frequency communications that generated read data only. Subsequent improvements included

Investigation practices have changed to a system where leads are generated more through analysis and less through direct investigation...

some exception reports being provided from the meter itself.

As time has gone by, meter technology has improved and more, and more sophisticated data is being generated.

Currently, the newest technology allows remote communication thru many methods (phone, radio, satellite, etc.). All these changes have resulted in fewer “eyes in the field “ and now require more data analysis to determine if tampering has occurred.

Many utilities have closed most if not all their public customer contact centers relying on only phone or internet communication with customers. This creates a greater chance of fraud with accounts.

Investigation practices have changed to a system where leads are generated more through analysis and less through direct investigation, and more changes with equipment occur seemingly daily. Also, customer awareness thru reading about metering (how to tamper) on the internet...is making our jobs more challenging.

The skill set of revenue protection personnel has also evolved to include the need for more data analysis skills and skills for providing customer service to a more internet savvy customers. Training throughout the industry has been (and continues to be) constant and ongoing.

Changes are continuing faster than ever. That is why the regional revenue protection associations and international groups needed a forum for communication. Since 1990 one of the benefits of being a member of IURPA is the ability to see, hear and read about both common problems and unique situations that occur from all utilities. From membership in IURPA one can seek information from others to find best solutions and possible assistance thru all the changes.

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WHAT IS THE TRUE COST OF UTILITY THEFT?

By Kevin Carney, SoCalGas Company WSUTA Advisory Board

When I talk with other professionals in the utility industry about revenue protection I hear a consistent message; energy theft is on the rise. Smart meters have given us more sophisticated methods of theft detection; but they have also resulted in more sophisticated methods of theft.



Kevin Carney
WSUTA Advisory Board

As we look around the world at the best practices of utilities in the water, gas and electric industries, there seem to be divergent thinking about how best to deal with this ever growing problem. The two camps are divided, each developing policies and practices to best address the theft of services.

On the one hand, some utilities have adopted a hands off approach, relying on higher utility rates to make up for theft. "Theft of service is not an issue in our service territory", Is the common position. The cost of lost, gas electricity and water are passed on to the ratepayers in a sure fire approach to eliminate losses for the utility.

In the other camp, companies have taken a "get tough approach", seeking to detect and eliminate theft, passing the savings on to the ratepayers. The "hands off" camp sites the high cost of maintaining a revenue protection department, safety concerns for employees investigating and correcting theft and low recovery rates for theft billed.

So which approach will stand the test of time? To answer this question, we have to take a closer look at the problem. What is the true cost of energy theft? If we're only talking dollars and cents for the service provided as it relates to the utilities day to day operating costs, it's hard to make an argument to take an aggressive approach against utility theft.

I would argue, however, that the costs are far more than the day to day balance sheet and has impact on the long term bottom line in ways many managers have not considered and with far greater power than the relatively limited and controllable cost of maintaining a revenue protection department.

There are costs in safety for customers, employees and the general public. On a daily basis, someone, somewhere, falls victim to the actions of an energy thief.

*Power theft carries deadly risks. Many thieves pay for the power they steal with their lives. Electricity theft is not just dangerous for those who steal. If you are on the same power line as someone who steals electricity, you could pay the cost for their theft too. The power line could become overloaded with electric energy, which could harm your electronics and appliances that are designed to receive a certain, steady amount of electricity. Electricity theft makes power service less reliable and lower quality for paying customers. **Energy Education Council, 2011***

In December of last year, 2 young girls lost their lives in a fire in this apartment in San Bernardino County, California, where both gas and electricity were being stolen.



"Explosion occurs at White Lake home where resident was stealing gas"

Was the headline in an Oakland Press article by Dave Phillips, back in 2011.

"Man Electrocuted Stealing Electricity to Power Meth Lab"



In Branch, Arkansas, a man who police suspect may have been trying to steal electricity was electrocuted and fell 30 feet from a power pole. In addition, when police arrived to investigate the incident, they found a methamphetamine lab in his home. ~ **Dave Wallace June 3, 2009, Dipnoid**

The list goes on. Maintaining utility delivery systems is no small task for the armies of trained professionals. When amateurs concoct improvised, illegal connections the results can be devastating.

Beyond the obvious safety issues, let's consider monetary costs. Not those costs borne by the utilities, rather the costs to average ratepayers. You and I, our friends and neighbors, pay monthly for stolen services.

In an **August 6, 2014 article in Forbes**, BC Hydro was quoted, "Legitimate customers bear the cost of electricity theft, which has grown significantly from approximately 500 GWh (gigawatt-hours) in 2006 to an estimate of at least 850 GWh today—that's enough power to supply 77,000 homes for a year and amounts to approximately \$100 million a year in energy cost."

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Forbes goes on to say, "But if you think the problem of electricity theft is limited to Canada, think again. Estimates are hard to come by, but it is believed that up to \$6 billion of electricity is pirated in the U.S., which would put electricity high on the list, as the third most stolen item, after credit card data and automobiles."

Utilities have a trust, more than that, a mandate to control these losses. Government agencies across the United States and Canada and in many parts of the world have put their confidence in utility companies to work to stem the tide of energy theft.

Behind this unbridled pilferage lurks a more insidious cost. The pressure utility theft puts on these scarce commodities threatens their ultimate availability to us all.

In another *Forbes*, **August 5, 2012** article, Ken Silverstein correctly identifies one of the biggest costs of energy theft,

"One of the problems that helped cause the blackout in India is relatively unknown: About a third of the people there get their electricity for free and many by stealing it. The same issue is occurring here in the United States — and is also costing untold sums."

The fact is, world-wide, energy theft is putting tremendous stress on utility infrastructure, especially the electric grid. Without clear, decisive action, consumption of power will outpace our ability to build new power generation facilities. The cost of building these facilities is near incalculable.

The pressure on finite commodities such as water and gas continues to be a grave concern, albeit not of the magnitude of that due to electricity theft. However, in recent months, the western United States has been gripped by a drought that has seen lakes dry up and whole towns' water supplies sputter to a stop. Illustrating, that no services are safe and making water a more attractive target than ever to utility thieves.



Possibly the most noteworthy and most obscure cost of utility theft to companies is the cost of liability. Traditionally, utilities have felt safely cloaked from liability in the argument that the acts of perpetrators are not only negligent but illegal. However, in a landmark case Centerpoint Energy was held liable in a ruling upheld by the 3rd Circuit Court for more than 12 million dollars, despite the illegal acts of the perpetrator.

For my money it's clear. An aggressive, comprehensive revenue protection program is the only course of action to combat energy theft. Anything less is fiscally and socially irresponsible.

If you've been inspired to get tough on utility theft, The **WSUTA**, Western States Utility Theft Association's 2015 conference will be at Arizona's Landmark and Historic **Wigwam Resort and Spa** in Phoenix, September 14th through 17th, and featuring "America's Toughest Sherriff", Maricopa county's own Sherriff Joe Arpaio.



Bryan Dezso, 2015 WSUTA president, has outdone himself and secured his old boss, the world famous, Sheriff Joe to speak on utility and law enforcement cooperation, in addition to WSUTA's usual hard-hitting agenda.

For more information on the conference visit the **WSUTA** website at:

<http://www.wsuta.org>

And the Wigwam at:

<http://wigwamarizona-px.rtrk.com>

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PASSING THE TORCH

By Dave Whidden, United Illuminating, Orange CT



Dave Whidden
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Orange CT

Well fellow investigators, here we are at one of those familiar old junctures that we've seen come and go so many times over the years. It seems like our ranks get thinner by the day and we're once again called upon to defend our worth to our companies. Our regional groups have been forced to cancel conferences because of lack of interest or rather failure to sell the importance of revenue protection to the higher management. Almost no other area of our industry is called upon to put a value in dollars on what they do. "Well Dave it's been a good year. You've brought in three dollars for every one that you spent (I wish! Those days are long gone.)" What the management often fails to understand is that each and every dollar we recoup for the company is a dollar that would have just been written off (line loss). Line loss is a legitimate write off but loss like this is something that our honest ratepayers shouldn't have to pay for in their rates. There was a time when tackling theft of service was like shooting fish in a barrel but as we tighten up (or to borrow a term "harden") our systems and roll out new metering, locks and analysis reporting features it's getting a little rough to get those big hits like we did in the past. I like

2015 NURPA FALL CONFERENCE & TRAINING SEMINAR

- Date: September 16, 17 &18
- Location: Queensbury Hotel
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Upon availability after July 17
- Registration: \$200 - Meal Package is included.

Registration will be on Wednesday, Sept. 16th from 9:00 – 12:00 pm
Conference begins at 1:00 on Wednesday.

Please note that we can no longer wait for last minute registrations. The hotel is reserving space that would otherwise be rented. To avoid penalty fees, we **MUST have conference registrations **AND** hotel registrations completed by July 17th.**

Please make room reservations directly to the Queensbury Hotel.

*****PLEASE MENTION "NURPA" AT THE TIME OF REGISTRATION TO ENSURE ROOM AVAILABILITY*****

A formal agenda and registration form will be available in the NURPA section of the IURPA website under the Conference tab.

Please go to <http://www.iurpa.org/announce.htm> for information

to think that this means we're being effective and doing a good job but it's not always viewed that way.

Take hope! I heard from a friend the other day that one of our fellow utilities in the region has begun to reverse the trend and is filling positions (analysts, investigators and supervision). This is great news but this is where I have to ask you to step up and get involved. You see, along with imparting your knowledge to these new green investigators, analysts and supervisors before the great "knowledge drain" expected from the exit of the baby boomers from the work force fully takes effect it's also important that you sell them on the importance of being a part of the revenue protection brotherhood. They need to know from us how they can benefit from attending our regional conferences and the great contacts they can make. It's important that we tell them about the training we received at these events and the wonderful resource available to them by joining IURPA and maintaining their membership each and every year. Yes. They may have to sell it to their management and they may even have to report on the conference to their upper management upon their return but what a great way to sell the cause. Your cause! It's also vital that you make sure to invite them along when you attend the regional or the international and hopefully they'll be willing to present. Presenting gives you a much better chance of attending the conference. If you're very lucky and you have a champion (a manager, supervisor, VP, etc.) who advocates for you then ask them to attend and present as well. If your boss is inspiring and knowledgeable then why not ask them to be a keynote speaker? Remember to tell the new members of your team how important it is to be a "participating" member as well. It's always good to get fresh ideas into the mix (especially when they're new to the field). Enforce upon them the importance of stepping up to leadership positions in the regional groups and maybe even submitting an article for the IURPA magazine. I can assure you. It's painless.

ADAPTING TO "CHANGE" AND ADDING VALUE

By Gil Degenhart, PPL Electric Utilities

We've heard it many times, "we must adapt to changes that are occurring". Change to Revenue Protection means: understanding advances to metering technology, developing methods for information gathering, developing analytics and creating new work flow processes.

This is an exciting time for Revenue Protection Professionals. We must take forward steps and embrace these changes with passion. Gone are the days of receiving a theft lead from a meter reader. Welcome to the future in which you are investigating leads from computerized queries that detect meter reading anomalies.

"Enjoying success requires the ability to adapt. Only by



Gil Degenhart
PPL Electric Utilities

being open to change will you have a true opportunity to get the most from your talent". - Nolan Ryan

Today, we need to be open to learning new ways of analyzing, investigating and correcting revenue losses. Partnerships need to be cultivated with computer professionals, AMI and Metering groups. These groups can share and educate us on information capabilities and help with ongoing development of computerized leads. Adapting to this challenging environment can also provide job security for Revenue Protection in a time when utilities may also be looking to down-size.

In addition to accepting change, we need to continue to voice our mission to all that we meet and cultivate teamwork in everything we do.

To survive and prosper, we must also provide added value to our company. We must provide customers with a feature or add-on that gives it a greater sense of value".

Here are a few examples of added value leads that can be detected through analytics:

- A query to review daily meter reading history for new service activations. After a new account is activated, the meter should show some registration. Investigate if there is zero registration after sixty days.
- An active account that did show daily consumption, but suddenly shows zero kwh or kw consumption for the past 30 days and the account remains active.
- If you are lucky enough to have a system that provides daily or hourly customer meter readings, look for periods of zero use.

The sky is limit in developing queries to show meter reading anomalies. In working new queries and investigations we must:

- Provide fast corrective measures
- Recommend changes to company work practices to prevent reoccurrence
- Develop a method to code accounts that have a valid reason for an unusual electric consumption pattern. Incorporate query logic that excludes valid reasons
- Exclude leads that were previously investigated.

Regardless of the new lead development that is undertaken, results need to be communicated to upper management. Upper management needs to know what you are doing. Remember, your continued efforts contribute to customer satisfaction and are viewed in a very positive manner by your Public Utility Commission.

In all of our investigations, we must also be willing to resolve any revenue loss caused by a human error, equipment failure or poor company practice. If we do this, we are truly adapting to change and adding value.

THEFT OF SERVICE & LAW ENFORCEMENT: THE RELATIONSHIP DETERMINES THE SUCCESS

By Tom Marshall

When examining utility theft of service and meter tampering, no company is immune to the small percentage of customers determined to try to save on a monthly bill. How utilities approach this issue varies across the country. Whether your company has a specific department dedicated to addressing these issues, or you cross-train your field services to identify meter tampering and theft, eventually you will run into an investigation that will require the assistance of law enforcement.



Tom Marshall
PECO Security

PECO Revenue Protection is a team of field technicians that specialize in theft and tampering investigations. Revenue Protection conducts field investigations, identifies hazardous conditions, determines the manner of theft and always makes the property safe. At PECO, our Corporate Security function plays an important role in assisting Revenue Protection with criminal investigations of theft of service. The security team consists of former law enforcement personnel and brings a unique perspective to the world of theft of service.

In 2008, I took a giant leap from more than a decade of law enforcement to join PECO's Corporate Security team. In the first few months, we were asked to create a program to assist Revenue Protection with select cases of theft of service and pursue potential criminal charges against the individuals responsible. I remember my first exposure in the field as we identified numerous types of theft attempts. After several days in the field and under the tutelage of seasoned utility veterans, I quickly began to grasp the concept of theft and tampering. Working at a utility, we often fail to understand that those outside the utility don't necessarily talk our language. Critical to the success of our new program was ensuring the language we used to be common across the utility and law enforcement channels.

In the first phase, our team wanted to mitigate theft and recover lost revenue with select cases through a simple but effective investigative process. The key to that success was getting law enforcement engaged in these cases. In 2009, our team created a process of field investigations, analytics and summary reports. Once our investigation was complete, we would engage law enforcement for their support. A summary of our findings is provided through a clear report with photographic evidence and calculated loss amounts. All acronyms and utility industry language is spelled out, helping to limit confusion. This allows for less leg work required of the assigned detective, thus increasing the chances of law enforcement agreeing to investigate PECO related matters. We always provide law enforcement with tax information on the location in question, a clear chronology of events and communicate availability to discuss details. Highlighting the dangers associated with theft and meter tampering goes a long way with law enforcement as well. As obvious as it is to you, many agencies are unaware of the inherent dangers that go along with meter tampering. Highlighting the risk associated with the occupants, neighboring properties and emergency responders is both effective and beneficial.

Our second phase was to become proactive. We focused on building relationships within our service

territory through a series of planned workshops that showcased real-life situations. We invited area law enforcement to participate and understand theft and tampering through training. We focused on real incidents and educated patrol officers, as well as officers with specialized backgrounds including narcotics, on signs of utility theft. In 2012, PECO Security and Revenue Protection partnered with Philadelphia's Gun Violence Task Force and their Focused Deterrence Program. PECO participates in proactive Safety assessments in select areas to proactively identify instances of meter tampering and to help discourage this activity. Removing these hazardous conditions helps keep these communities safe. All this exposure has laid a positive foundation for successful investigations. As a result, our team has benefited from a high conviction rate throughout our service territory with very little recidivism on the properties in question.

No matter how your company approaches theft, eventually you are going to need outside assistance to mitigate ongoing and egregious cases of theft. Remember to conduct the investigation method with a simple and effective process. Take time to create proactive programs with your local agencies to build the relationships- it can go a long way for the success of any theft of service program.

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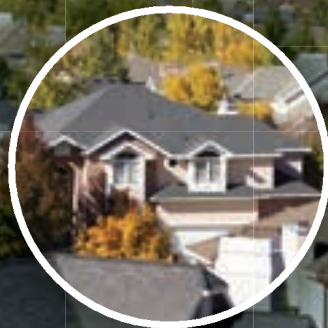
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HOW CAN WE GET AS WELL ORGANIZED AS OUR CRIMINAL COUNTERPARTS?

By Michael Rhode, President of SARPA

When we detected the first tampered electricity meters and the first theft of electricity infrastructure in South Africa around 1992, we could not have imagined where this journey would take us.

Our first reaction from utilities was to try and determine - why this has happened and for how long has this been going on. For the next five years we were on this fact finding mission to determine what has gone wrong, until we realised that we were on a road to nowhere, as everyone was doing the same thing. It is at this point that Eskom, the Associations AMEU (electricity engineers) and IMFO (utility financial officers) decided to join hands and start sharing information and that is how SARPA was born in 1997

Now seventeen years down the line, we find ourselves in a position where it is again “back to the drawing board”. The dilemma we are sitting with is the fact that the criminal minds are out-smarting us on every level. It seems their intelligence system is better than ours and every bit of technology we throw at them, they manage to circumvent in some or other way and therefore the term “tamper proof” is non existent. This has caused revenue protection professionals to refrain from using the well-used Security term namely “the prevention of losses”, to the more appropriate words namely “the minimizing or reduction of losses”.

Where the focus was before on auditing meters as far and as fast as possible, we have now learned to analyse data and focus on things like usage and buying patterns, in order to identify the illegal usage of utility services. Where At the time it was believed that urban electricity consumers were the main culprits causing these losses, we have learned over time that there is no category that can be excluded. The idea is therefore that we should not work harder but rather look at working smarter, as that is what those that steal our services, equipment and infrastructure are doing.

Over the years we have learned that this is not true and that there are many other factors that contribute to the losses and that the “big fishes” and not the “small fry” contribute most to the losses. This has resulted in SARPA having to engage with



Michael Rhode
President of SARPA

many different organizations and other role players to gain more information regarding the reasons for losses.

However, what we did not cater for was the fact that organized crime would see the opportunity to enter this field and make it their playing ground. Syndicates constantly find new ways of making us look the fool, and we are still to find the real solution to this challenge in Africa.

It is a well-known fact that the destructive operations of syndicates in Africa have become a huge problem with regard to poaching (abalone, rhino horn) as well as drugs. However, for the past few years Utilities are also feeling the brunt of the attack, as infrastructure and equipment are being tampered with, stolen or vandalised by these criminals. The main reason for this seems to be the fact that utility infrastructure are seen as soft targets and as soon as their operations are disturbed with regard to their other illegal activities, they move over to target Service Providers.

Although we have been pointing out this threat to the police for some time, we only recently managed to convince their Senior Management that it was indeed so. However, this did not result in a “quick fix” to our problems, as we found there were several hurdles we had to overcome, before we could achieve success.

We were faced with the mammoth task to get all role players to share information, as there are many different reasons for role players not doing this e.g.

- Role players not trusting each other
- Consultants and contracting companies keeping information to themselves
- No central data system available to record intelligence
- Police not willing to share their stats with “outsiders”
- Suspected “enemy within” in the law enforcement and Service Providers

In an effort to achieve more information sharing, SARPA has reached out to other Associations like IMFO (Finance) and SALGA (Local Government) and Government departments like Department of Water Affairs (DWS) and Department of Corporate Governance (COGTA). Other role players have also

decided to form groupings like the Infrastructure Crime Forum (ICF), in order to find ways of pooling information and effective investigation of the crimes related to Service providers in Africa.

We are planning in future to hold our Branch meetings in tandem with these other role players and organize events

As part of this initiative ICF in cooperation with SARPA are planning to host an International Conference in Pretoria from the 20-21 May 2015 dealing with the challenges regarding the theft and vandalism of Service Provider services, infrastructure and equipment.

The challenge is that due to the fact that syndicates information sharing systems are better than us and they read us like a book, that we should find new ways of getting organized in Africa to outsmart them. It must be noted that their expertise stems from the fact that there are ex and present employees of Utilities in their groups, who are supplying information or providing free access to our systems.

Therefore, the aim of events like this should be to make sure that those that attend learn more about "Best Practices" from a local as well as an international perspective. effective investigation techniques to outsmart organized crime, intelligence gathering processes, as well as crime scene management and forensic investigations.

The fact that many persons involved in combating these types of crimes have never had the chance to take part in field exercises; it was decided to simulate a crime scene during the Conference. Participants will be able to observe how syndicates plan operations and their modus operandi at crime scenes, as well as the Law Enforcement reaction to such actions (highlighting the "correct" and the "wrong way" to do it), Crime scene management, forensic investigations, the use of technology to detect / warn / gather evidence at the scene (manufacturers will be asked to set up their products in the crime scene to show their effectiveness), live demonstration of the use of helicopters, drones, dogs ex.

With syndicates targeting all categories of users we are constantly finding ourselves having to adjust our operations to combat each new threat that is identified. We have managed to apprehend a few of culprits who are selling "energy saving devices" to consumers. We jail them up for tampering and fraud, but when they are locked up they easily get bail and then again disappear and the fun starts all over again.

Syndicate members who tamper with LPU and farming meters, travel by plane around the country and charge huge amounts of money to tamper meters in a very sophisticated manner. Consumers refer them to their friends and therefore it is very difficult to apprehend them. The Organized Crime Unit of the police and the National Prosecuting Authority are however assisting Utilities to investigate the cases and successfully prosecute the culprits. We however have a lot more to learn and we think it will still take a few more years for us to overcome these threats, but in the meantime we are getting better organized and SARPA are providing training and sharing best practices wherever as far into Africa as we can.

Michael J Rhode
President of SARPA

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2015 SCRPA/SURPA TRAINING SEMINAR

Date: June 10 - 12, 2015

Location: The Crowne Plaza Atlanta Airport Hotel

Room Rate: Standard room \$102 plus applicable taxes

Reservations for the event will be made by individual attendees directly with The Crowne Plaza Atlanta Airport Hotel reservations at **1 (888) 233-9577**.

All reservations must be accompanied by a first night room deposit or guaranteed with a major credit card

Reservations by attendees must be received on or before 5pm, **Monday, May 18, 2015** (the "Cutoff Date").

1. Group sleeping room rate available 3 days pre & post event (based on availability)
2. \$6 parking for attendees



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METRA OFFICERS

SUPPLYING PHYSICAL SECURITY FOR REVENUE PROTECTION

By Daniel W. Stevens, Leader - Investigations Physical Security/Revenue protection, Peoples Gas

Springtime is finally here! The smell of freshly cut lawns and baseball is in the air! In Chicago, we have two baseball teams — how do you choose which team to support? If you are from Chicago, it's easy. If you grew up on the South Side, you are a White Sox fan; if you grew up on the North Side, you are a Cubs fan. True Chicagoans do not move to the other side of town and support the other team!



Daniel W. Stevens
Peoples Gas

For Peoples Gas, located in Chicago, springtime is also the season when we begin to Disconnect for Non-Payment (DNP). As allowed by governing law, we start disconnecting natural gas service to non-paying customers in early April and continue until early November – depending upon the weather.

Here at Peoples Gas, our Physical Security area is structured a little differently than at other utility companies. Other utilities are organized with Revenue Protection and Physical Security as separate departments. As the Leader of Investigations in Physical Security, I am also the Leader of Revenue Protection Investigations. I have a group of investigators reporting to me whose responsibilities are to investigate for natural gas theft, diversions from our service lines, and meter tampering. I also oversee the field security contractor that employs approximately 60 off-duty Chicago Police officers. These contract security officers receive daily reports indicating areas or neighborhoods where we will be performing disconnections. They patrol these areas and provide escorts and/or assistance to field employees as needed, and they accompany the Revenue Protection Investigators as ride-along security.

We prefer to be proactive and encourage field employees to arrange for an escort if they think there will be problems in an area where they are working. If they happen to be on-site and an altercation arises with a customer, for example, field employees contact Peoples Gas Citywide Dispatch for immediate security assistance. Our field security contractor will be sent to respond to incidents involving threats, assaults, batteries and robberies. If necessary, we may also call for the support of the Chicago Police Department.

In addition to providing security support through our security contractor to field employees who are disconnecting service, our Revenue Protection Investigators add another layer of support to field employees when they encounter complicated gas line diversions and metering issues. They work internally with the Revenue Billing Department and a third-party contractor to develop leads for investigations of possible fraud. We also receive tips on gas theft through a hotline number that is in place for the public's use. We work closely with other utility companies in our service area to determine if they are also experiencing theft with their service or equipment. Field Operations personnel provide support to our investigators when we need our equipment removed from a premise, securing the company's service or cutting the natural gas service at the main.

Our Revenue Protection Investigators are also actively involved, when requested, to serve as witnesses in proceedings filed by the City of Chicago, such as Heat Court calls. We assist the City when the Court orders that buildings are put into receivership by providing general utility usage information. Another responsibility is to work closely with the Cook County Sheriff's Department and provide necessary support from the assistance of field personnel to serve Writs of Replevin to recover possession of gas meters. As a group, we also provide expert testimony in Illinois Commerce Commission (ICC) cases.

As 2015 unfolds, it will be a year of challenges as we continue to provide physical security to all our field employees working in a metropolitan area. However, with our organizational structure, we are up for the challenge to continue to provide security and safety to our field employees and customers.

2015 IURPA/META CONFERENCE

The 2015 joint conference of the International Utilities Revenue Protection Association (IURPA) and the Midwest Energy Theft Association (META) will be held Tuesday, May 5th through Friday, May 8th, 2015 at the Chicago Marriott Hotel, 1401 W 22nd St., Oakbrook, Illinois. This location is close to Chicago's O'Hare and Midway Airports for your traveling convenience.

The Chicago Marriott, Oak Brook is located across the street from Oak Brook Mall, which contains many familiar stores and some unique shops too. Travel to downtown Chicago is a short ride away on METRA (commuter train system). The METRA station is five miles from the Marriott Hotel. The Chicago Marriott, Oak Brook shuttle will provide free transportation to and from the METRA station during hours that the shuttle is operating. After hours, the METRA station is served by local cab companies that will bring guests back to the hotel.

The IURPA and META Boards are planning an informative and productive conference that you will not want to miss.

Preliminary Topics include:

- o Successful Criminal Prosecution of Energy Theft
- o Energy Theft and Effective Media Relations
- o The use of Data Analytics to identify theft through your AMR/AMI systems
- o Verbal Defense and Influence - effective methods to diffuse potential volatile situations while in the field.
- o International Speakers on Revenue Protection issues.
- o And many more...

COMBATING TAMPERING IN THE AMI ERA

By Rick Woods, Orlando Utilities Commission

Electric meters have come a long way in the last few years; the day of the mechanical meter is over. Smart meters have taken their place and have also taken the meter readers out of the picture. The down side to that is no one is checking the cash registers every month out in the field and I think we all know what happens when you don't keep an eye on the cash register. You got it, you start coming up short.



Rick Woods
Orlando Utilities Commission

AMI meters will send you a tremendous amount of data as to their health and wellbeing and they will let you know if they have been removed from the base. So in some instance you catch a thief before large amounts of usage have been taken. One of the problems is the smart meter can't detect anything going on before the meter line side such as overhead or underground taps. The meters will not detect the meter base lid being opened; this opens the door to line to load jumpers. Don't forget our old friend the magnet it also works on the new meters if they have a CT inside. You will also start to see more jumpers in homes and businesses where the meter has been removed. These are just a few examples of what you will find out there.

Let's not forget the longer the meters are in the field the more savvy the thieves get. The manufacturers will tell your company these meters will stop most of your tampering; this is not true if anything it increases. Smart meters also make it much harder for the theft investigator to catch tampering, no more eyes in the field means no more leads from the field. So what does all this mean to a field investigator, it means you spend a lot more time on your lap top looking over meter data? You will need to get with the billing department as having them flag low usage will be very important. There are several companies that can do analytics on your customer usage information; this is a very valuable tool at some point your company will have to use. Make sure you meet with your line crews and your meter technicians to ensure they have a simple way to report any theft they see in the field. Make sure you have a way for your customers to report tampering. By doing all of this you are going to catch a lot of thieves as well as finding a lot of faulty meters. Smart meters don't have the shelf life of the mechanical meters. In closing gone is the day of the disk jammer, we will miss you.

KICKING IT UP A NOTCH

By Itzick Michaeli, Israel Electric Revenue Protection Manager

Usually, we are not really excited when the company's internal audit examines the work we perform, burrows the written procedures and manuals, checks compliance with targets and digs into performance reports. Many hours of work are invested in preparing an appropriate response, and endless meetings at various levels, including senior officials, are required to explain, rationalize and absorb sometimes unpleasant comments. There is very little pleasure in attending meetings that are dedicated to audit reports follow up, by the Audit Committee of the Board of Directors and the CEO. Those meetings include reporting on the results of the audit, and monitoring compliance with schedule of guidelines that were recommended by the internal audit, and confirmed in executive level.

However, sometimes we find out that audits also have a brighter and definitely helpful sides. The reports and follow up meetings, raise the level of the Board and CEO attention to diverse topics, that were neglected for a long time, and we, as Revenue Protection experts that are responsible for protecting the company's revenues, were not successful enough with pushing the issue up the service districts priorities scale.

Given the rising interest in Electricity Theft and Revenue Protection, we offered the



Itzick Michaeli
Israel Electric Revenue
Protection Manager

Audit Committee members of the Board of Directors and the company's internal auditors, a visit with our Revenue Protection inspectors for a day in the field. We offered them to witness from close, the reality of the Electricity Theft "Battling Fields", and watch practices and difficulties encountered by our teams. The visits were conducted in various neighborhoods, good, bad and ugly, and came out as a success story. There is nothing better than collecting firsthand impressions, and coming in close contact with challenging customers.

Later this year, we hosted a similar visit to Israel Electric's Regulator, the Public Utilities Administration – Electricity, managers..

On August 2014, Israel Electric CEO gathered the five districts Revenue Protection managers for a meeting. He was interested to learn directly from these field employees, what is actually disturbing their performance, and what extra resources are needed for trying to stop the spread of electricity theft. This discussion, and a series of CEO decisions that followed, elevated the Electricity Theft priority within the company, dramatically.

The CEO instructed to hold a monthly status meeting, with all management levels that are responsible for electricity theft prevention results. Another CEO decision, was to immediately stop the use of the term "Illegal use of electricity" that served the company for decades, and find a new definition that reflects the severity of the electricity theft crime. Soon enough, a decision was

made to shift into using the term "Electricity Theft Prevention" and "Electricity Theft", both in writing and orally.

The CEO also ordered to examine the need for organizational change, that will create a significant and concentrated force, by consolidating all RP personal that is scattered in the service area offices, and creating a RP unit under the supervision of the District Marketing manager.

One more CEO instruction was to further enhance the existing cooperation with the Israeli Police Force and the State Attorney's Office, that integrate our RP teams in special wide scale operations, aimed at difficult populations and particularly organized crime organizations.

Another important decision of the CEO was to expedite the development of Data

Mining system, which will significantly reduce reliance on electricity theft suspicion reports from meter readers and other field workers, since their electricity suspicion of theft reports credibility is not very high.

All those decisions and more, created a fresh wave of activity and a deep sense of commitment of all partners involved and responsible for the RP mission.

The monthly RP status meeting with the CEO and another with the Customers Division VP, indicates that Electricity Theft Prevention is no more "stepson" and should be kicked up a notch, or even better two. A significant sign for the change in attitude, is the CEO's recent decision, to allocate a \$2.5 million special budget, for increasing the activity in 2015, that was announced as Energy Theft Prevention Year.

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IURPA • 25 Years

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 twenty-four 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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