
Ref No: 14/4/P/1

Mayors,
Speakers,
Municipal Managers,
Chief Financial Officers,
Technical Services Managers

JOINT CIRCULAR ON THE STANDARD TRANSFER SPECIFICATION (STS) AND TOKEN IDENTIFIERS (TID) ROLLOVER PREPAYMENT METER RESET BY 24 NOVEMBER 2024

The objective of this circular is to request the Honourable Mayors, Speakers and the municipal administration to urgently prioritise the reset of the prepayment meters ahead of the 24 November 2024 deadline. This is to avert the looming crisis of consumers or citizens not able to purchase services if the prepayment meters reset shall not have been done. The suffering of consumers or citizens must be prevented at all costs.

Prioritising the municipal budget to accommodate Standard Transfer Specification (STS) Prepayment Token Identifier (TID) and related transversal tender

As highlighted by the National Treasury in MFMA Circulars No. 112, 115, 123 and 126 (dated 06 December 2021, 04 March 2022, 03 March 2023 and 07 December 2023 respectively) municipalities are alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers on 24 November 2024, at which point all Standard Transfer Specification (STS) meters will stop accepting credit tokens. The remedy is to enter a special set of key change tokens to reset the meter memory. It is important that municipalities re-prioritise their proposed budget to accommodate the roll out of the STS TID conversion considering that municipalities are in the process of developing and finalising their 2024/25 MTREF budgets.

Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), has issued a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.

In this respect the development of the transversal contract for smart prepaid meters (RT29-2024) as per NRS 049 (per latest approved version) has been finalised. Municipalities are cautioned against issuing their own tender to address the STS TID rollover and a smart solution for electricity and water meters as the RT29-2024 contract is available for municipalities to participate.

Municipalities wishing to participate in the RT29-2024 transversal contract must make their interest known to the Office of the Chief Procurement Officer (OCPO) on the email TCcontract1@treasury.gov.za. These municipalities must show evidence of a budget allocation in the current budget as well as future budgets for participation. More information

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regarding the transversal contract (RT29-2024) can be accessed on the National Treasury website on the following link from 13 May 2024:

Link: <https://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx>

Reporting on Progress on the STS TID rollover

Should the municipality fail to re-prioritise their proposed budget to accommodate the roll out of the STS TID conversion and meaningful implementation progress with regard to this urgent deliverable national government would seriously consider invoking section 216(2) of the Constitution and the implication is that the 2024/25 Local Government Equitable Share (LGES), starting with the July 2024 tranche, will be withheld.

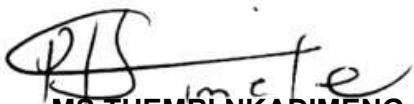
Municipalities are required to report their progress on the STS TID rollover to SALGA for SALGA to update the SALGA dashboard. National government is using the SALGA dashboard to track progress as well as to take any necessary decisions. Municipalities should provide **weekly updates** to Dr. Silas K. Mulaudzi email smulaudzi@salga.org.za (at Tel No: 012 369 8000) at the South African Local Government Association (SALGA) and SALGA officials in the provinces.

Training Workshop on Standard Transfer Specification (STS) Prepayment Token Identifier (TID) Rollover Meter Reset

The South African Local Government Association (SALGA) is providing a training workshop on Standard Transfer Specification (STS) Prepayment Token Identifier (TID) Rollover Meter Reset for selected municipalities and holding provincial workshops bringing together all relevant parties (SALGA and municipalities, Provincial CoGTA, Provincial Treasury, Eskom). Kindly contact Dr. Silas K. Mulaudzi at Tel No. 012 369 8000 or email smulaudzi@salga.org.za SALGA regarding the training workshops on STS TID.

For any other matter aside National Treasury procurement related matters, you can contact Dr. Kevin Naidoo at the national Department of Cooperative Governance (DCoG) at Tel No. 012 395 4617 and email kevin@cogta.gov.za.

Thanking you in anticipation. Your assistance in proactively ensuring that the municipality and/or its entities are not adversely affected by the STS TID deadline of 24 November 2024 will be appreciated.



MS THEMBI NKADIMENG
MINISTER OF COGTA
DATE: 13/05/2024



MR. ENOCH GODONGWANA, MP
MINISTER OF FINANCE
DATE: 17/05/2024