

Utilities cut costs using telematics

By [Justin Manson](#)

8 Jul 2019

Utilities around the world are facing a stressful period of change, with policymakers pushing towards renewable energy sources. This change will come at a huge cost through re-engineering (and rebuilding) of electricity generation facilities and most likely take longer than expected.



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In the meantime, erratic commodity prices, particularly fossil fuels, is forcing power producers to pass their rising costs on to customers, as is reflected in ballooning electricity and fuel prices in South Africa.

For instance, crude oil spiked from \$17 per barrel in 1999 all the way up to over \$140 per barrel in 2008, then back down to \$31 in 2016. The price was around \$55 at the end of May 2019.

The South African coal export price has made a swing from \$58 per metric tonne in 2009 to a high of \$124 in 2011, before crashing down to \$48 in 2015. By April 2019, it had settled at around \$72.49.

In addition to their power generation, transmission and distribution demands, utilities typically have hundreds of vehicles, ferrying an array of equipment, resources and people, sometimes across hundreds of kilometres on a daily basis. Inefficiency through bad driving and fuel wastage can easily lead to compounded losses that place a heavy burden on the public purse and can even put a privately-owned operator in a competitive market out of business.

Improving overall efficiency

While inputs such as diesel and coal are hard to control, utilities can go a long way in managing variable costs by improving overall efficiency in their logistics networks by rolling out smart telematics systems for their enormous fleets of light/heavy commercial and passenger vehicles.

Manual, paper-based tracking is no longer an adequate management system and now presents a growing business risk. Modern fleet management and vehicle tracking systems enable utilities to operate a much more comprehensive, modern transport service driven by smart data.

Even when some employees use their own vehicles for business in what is called “grey” fleets” (a combination of staff owned and company-owned vehicles), smart monitoring software provides centralised tools and sub-systems for accurately managing all aspects of business driving hours and out-of-hours driving.

A central fleet management dashboard with a seamless job dispatch functionality, coupled with driver communication and navigation devices across all vehicles helps improve driver behaviour, speed management and limit the kilometres travelled.

A fully integrated fuel management system yields substantial cost savings, updating every 20 second and an accurate tracking system offers live location updates. A reliable driver identification system will then offer greater flexibility when a sudden change in plans is needed.

The overall improvement in driving behaviour yields a sense of ease for employees, as drivers know they are adhering to clearly defined time, route and distance parameters without guesswork. This detailed information easily feeds into compliance documentation, health and safety plans, road traffic management system (RTMS), operations strategy and maintenance schedules. Detailed reporting features provide valuable input towards employee incentive schemes, further contributing towards morale, productivity and safety.

Utilities have greater certainty in the logistics function

The overall result is that utilities have greater certainty in their logistics functions and much more detailed communication, which gives them comfort and empowers them to make better decisions.

While the system might not bring about a sudden drop in monthly costs, it helps manage and prevent unnecessary expenses, ensuring that maintenance is up to date and that every possible problem is detected much earlier.

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