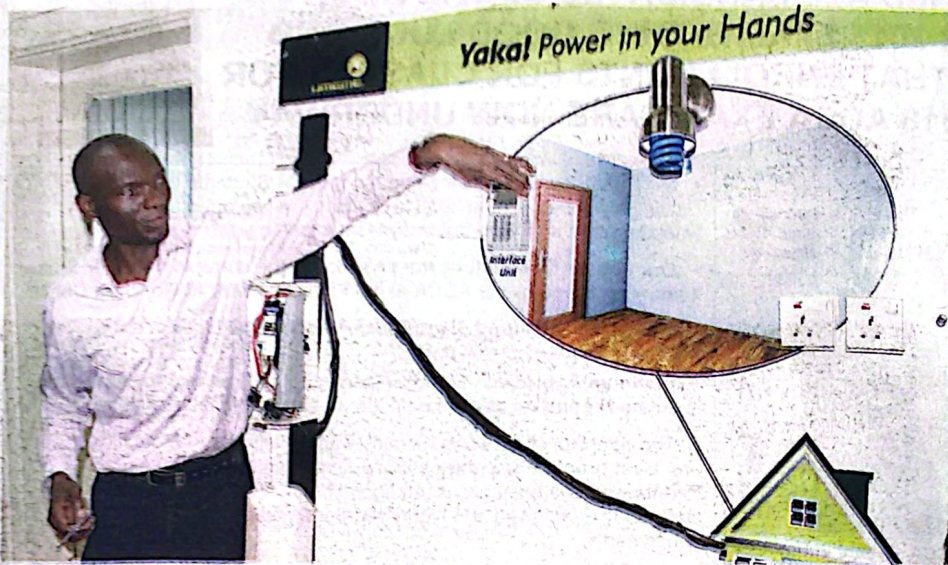


WITH YAKA, THE CUSTOMER TAKES CONTROL OF THEIR POWER CONSUMPTION



Joseph Atuhura, the Umeme prepayment project manager, explaining how Yaka works. Inset is a Yaka meter

Breakdown of Umeme's domestic tariff

The first 15 units each month are charged at sh150 each or a total of sh2,250. These first 15 units, also known as lifeline or discounted units only apply once each month and every Yaka customer benefits from their first purchase in the month.

Anyone making more than one purchase in 30 days will earn them only once. It should be noted that the discounted units are given only once a month.

The 16th unit and above each costs sh685 for any extra purchases in a month as per the fourth quarter 2017 approved end user tariff set by the Electricity Regulatory Authority.

A monthly service charge of sh3,360 is applicable on the amount tendered at the first purchase every month.

The 18% VAT statutory requirement is paid by each power user and is charged for each power purchase irrespective of when it happens in 30 days.

In the case of an account with postpaid arrears (debt transferred from the old account prior to conversion to Yaka), a percentage of the amount tendered is deducted to pay off part of the old debt until completion.

In the case of a new connection, the full or 100% cost of the preloaded units given to every customer during conversion from postpaid or old account billing system is recovered at the first purchase.

Demystifying Yaka metering system

By Faridah Kulabako

When Peter Asimwe (not real name) got a sh500,000 electricity bill last month, he was in shock.

"It is not possible. It cannot be," he said to himself.

He immediately demanded to be put on the prepaid metering system – Yaka, so that he could track electricity consumption in his home.

Asimwe is not alone; a high electricity bill surprise is never a welcome one. With the introduction of Yaka, however, the majority of electricity users in Uganda now have control over their daily usage and are enjoying the convenience of paying for electricity when they want.

Power distributor Umeme introduced Yaka in 2011 as a creative way to improve service delivery and lower operational costs.

To date, a total of 714,636 customers, representing 70.1%, are connected on pre-paid metering as at June 30, 2017 compared to 65% at December 3, 1 2016.

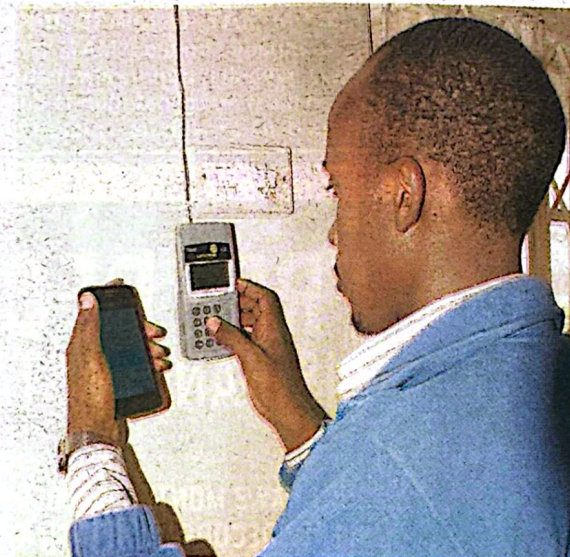
The plan is to convert all domestic and small commercial customers who are still on a postpaid metering system to Yaka by end of 2019. All new domestic and small commercial customers are being connected to the Yaka metering system.

Prepayment solutions, which are gaining momentum world over, require users to pay before getting the service, thereby enabling businesses to overcome bad debt and enhance customer satisfaction through improved efficiency and reduced losses accrued from non-compliance.

How Yaka works

The prepayment solution requires one to pay before retrieving the service and once one consumes all the pre-purchased units, power is disconnected automatically.

The system is based on a calendar month, thus consumers always enjoy



A customer loading Yaka. Umeme charges a monthly service fee of sh3,360

discounted units at the beginning of every month, costing sh150 per unit for the first 15 units and thereafter pay about sh685 per unit (depending on the current unit price) for any additional units purchased.

Yaka is an automated system, thus the bottom line is that the more units one consumes in a month, the more money they have to pay hence the need to regulate someone's monthly consumption.

Prepaid solutions present a better option for consumers with small and strict budgets and those looking for budget-focused cost management options.

To make prepaid solutions work for you, Umeme domestic energy services manager Joseph Atuhura explains that one needs to avoid wastage by switching off lights in unused rooms, ironing clothes at once and unplugging cables from sockets when not in use.

"Customers should embrace all the necessary and available energy-

savings tips to be able to enjoy prepayment metering system," he said.

Advantages of Yaka to users

The prepaid billing system enables consumers to take full control of the power they consume, thereby enabling them to be extra cautious and only use the amount of power they can afford instead of accumulating bills.

Thus, the solution presents a better option for consumers with small and strict budgets and those looking for budget-focused cost management options.

It also helps eliminate cases of inaccurate bills and abrupt disconnections caused by late bill delivery, enables customers to reduce their monthly expenditure on energy consumption by allowing them to monitor and manage their daily usage and eliminates the delay in reconnection once the debtor clears the balance.

Yaka also brought a lot of convenience as one can purchase the required units of electricity any time, using mobile money, unlike before where someone had to physically visit Umeme branch offices to make payments.

There is also no reconnection fee for the prepaid method of billing because you pay before you consume and you are immediately reconnected upon purchasing units.

The prepaid meter is fitted with an alarm that notifies one when the units are almost used up so that they can recharge in time.

Advantages to Umeme

Since the model requires one to pay before retrieving the service, it enables the firm overcome bad debts and enhance customer satisfaction through improved efficiency and reduced losses accrued from non-compliance.

And since it is connected direct to the pole, it becomes hard for one to bypass the meter as some consumers used to do under the postpaid arrangement, thereby curbing power theft.

It has also enabled Umeme recover sh57b, representing 70% of the sh81b debt transferred at the start of prepayment billing system in 2011, according to Atuhura.

The Yaka metering system works in a way that when the customer is converted on to the system with an old debt, the total accumulated debt up to the final reading on the postpaid meter is transferred to prepayment account.

The system is then triggered to deduct a percentage on each purchase to offset the old debt.

It should be noted that unpaid bills cause a significant financial burden for companies using postpaid systems.

The billing system also helps the firm reduce financial costs, as well as the costs of operation as it eliminates physical visits to sites to read meters, deliver bills, disconnect or reconnect consumers.

Atuhura says: "The implementation of the prepayment

metering system was identified as a business opportunity for Umeme. It resulted into cost reduction through the generation of business efficiencies in relation to meter reading, billing, bill delivery, disconnection and reconnection activities and the possibility of recovering arrears through installments."

How to make it work for you

Although prepayment metering works just like the mobile phone scratch card that allows consumers to use only units they have paid for, most people are yet to grasp how it works and how they can make it work for better.

However, Atuhura says for one to make the prepaid solution work for them, they must avoid wastage by switching off lights in unoccupied rooms and use energy saving bulbs.

It should also be noted that some people use gadgets indiscriminately without considering how much power they are consuming, while others use remotes to switch gadgets, which leaves appliances running on standby, leading to unnecessary but avoidable costs.

To save on electricity and money, one should switch off at the main power button or the socket.

It is also advisable to clean and defrost the fridge regularly, as frost makes the fridge work harder, which consumes a lot of electricity.