Prepayment system curbs power theft

Advantage. Yaka gives consumers control, convenience and enables one to manage his or her electricity costs better

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KAMPALA. In 2011, electricity distributor Umeme launched the prepayment system, commonly known as Yaka, to allow customers conveniently manage and control their electricity costs better.

Before launching it countrywide, a pilot study about prepayment metering solution was conducted in the areas of Kitintale, Mbuya, Mutungo, Luzira and surrounding areas to assess the impact of the system on Umeme's business operations, power loss reduction and customer service delivery.

After a successful trial, a roll-out programme was developed with the target to have all Umeme's domestic and small commercial customers converted to prepayment metering.

Convincing people to join prepayment system from post-paid system, according to Umeme energy metering services manager, Joseph Atuhurra was not easy at all as the project faced resistance from customers who by that time had not been trained about how it works.

Mr Atuhurra says in order to change the people's perception towards Yaka, the power distribution firm did a lot of sensitisation countrywide through workshops and trainings.

"The training involved explaining to customers how the entire system works as well as the breakdown of the billing. Later, customers understood how the new technology works and embraced the new arrangement," he says.

Mr Samuel Tabu, a resident of Kireka, a Kampala suburb, says after receiving training about the prepayment system, adapting to the new technology was not a big challenge.

Ms Amelia Aketch, a resident of Kira, says with prepaid system, she no longer experiences power disconnections from Umeme because of bills as she is now able to know how much she can spend on electricity.

To drive convenience in vending, Umeme introduced an open payment systems platform (TouchPay) that seemingly integrates with mobile money and various bank platforms.

Mr Atuhurra says the prepaid system has enabled Umeme to reduce the number of debtors as well as increase revenues of the firm.

"The pre-paid system is more efficient and reliable unlike the old system where customers accumulated big debts. The less debts accumulated by the customers has helped Umeme clean its image, something that has brought about compliance. This is not the case when the post-paid system was in use," he says.

According to Mr Atuhurra, the prepayment system allows customers to control and monitor their electricity consumption.

"The service has been made convenient by extending it to the customer. The customer is offered many vending options 24 hours, seven days a week. The customer is able to buy electricity units in affordable quantities before use," he adds.

Mr Danstun Kimbowa, an engineer with Umeme Uganda Ltd, says the introduction of pre-paid system has helped to narrow down the billing cycle that was big in the previous years when the post-paid system was still in use.

Umeme no longer reads meters, deliver bills and then follow up on payments. He says this has reduced the costs of production since less personnel is needed for billing.



Benefits. Yaka allows a customer to conveniently manage and control electricity bills. PHOTO BY ALEX ESAGALA

STEPS FOR GETTING YAKA

1. Once the Yaka roll out team is in a given area, scouting teams will come to your residence.
2. You can also visit your nearest Umeme offices and ask for Yaka to be installed.
3. The team will give you a conversion schedule/ notification letter, a contract of supply agreement form and a prepaid information pack.
4. After signing the documents, the Yaka! meter is installed with 30 pre-loaded units and you will be notified by SMS.

How does prepayment metering work?

According to the Umeme website, upon conversion from a post-paid meter to the Yaka system, a customer is issued a metre card, which also has a metre number.

A customer purchases Yaka units by paying the amount he/she wants by using the given specific metre number. After paying, one receives a 20-digit token, load the token onto Yaka metre and watch to see if the purchased units have been added.

Once the units are added, one is able to use electricity. When the units are running low, the metre makes a continuous beeping noise to warn you.

Computing Yaka

The computation of Yaka is impacted by three things; the discounted units, service fee, and the VAT. Discounted units (15 units each at Shs150) are earned once in 30 days.

Service fee of Shs3,360 is charged once in 30 days. VAT is charged on every transaction.

"Therefore, if one makes multiple transactions during 30 days, he earns discounted units once, and service fee is levied once. These affect the units you get in each transaction," the Umeme website reads in part.

Converting from post-paid to Yaka

Before being put on prepaid system, the Umeme team serves the client with a conversion schedule/ notification letter, contract of supply agreement form and a prepaid information pack.

After signing the documents, the Yaka meter is installed with 30 pre-loaded units and a client is notified by SMS.

Arrears on my Post Paid bill

According to Umeme website, the customer has the option to clear the arrears outright but if he or she is unable to, the arrears are transferred onto the new Yaka account and gradually deducted at a rate of 30 per cent of the subsequent token purchases until the debt is cleared.

TALKING POINTS

Purchasing units: A customer can pay for your Yaka using TouchPay, which is an electronic payment system with a wide network of channels such as mobile money, banks, major super markets and other third party payment channels.

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Efficient: The prepaid system is more efficient and reliable unlike the old system where customers accumulated big debts. The less debts accumulated by the customers has helped Umeme boost revenue collections, clean its image something that has brought about compliance. This is not the case when the post-paid system was in use.

Launched: Launched in 2011, Yaka enables a customer make upfront payment for their electricity consumption. In its early days, the system faced criticism with some customers saying it was expensive compared to the traditional post-paid system.

Benefits: To the consumers, Yaka is convenient and hustle free, open to many payment channels and creates less interaction with Umeme staff or agents. It also enables the consumer to manage his or her power bills and conserve electricity usage and promotes transparency.

This special report has been supported by Umeme Ltd

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