

6.0 DISCUSSION AND CONCLUSION

The Energy Dispensing System introduced in Malaysia 2 years ago is being put to test, technically and commercially, in order to determine its viability here. Although it has been a huge success in South Africa during the last 5 years, the Malaysian utilities especially Tenaga Nasional Berhad is very careful before committing themselves with the system. This is understandable because once the system is being adopted, it will be very costly to reverse that decision. The nature of EDS, which provide total solution for the “billing” system, make the setup cost relatively expensive. However, once established the system stands to benefit the utility in the long run.

The process of studying and analysing has been going on for quite sometime among the utility and local vendors in order to find the best implementation model for Malaysia. Until this report is written, TNB has yet to concretise on such model. Despite all that, the benefit of EDS cannot be ruled out and it is a matter of time before the system be implemented nationwide.

Based on the study being made, it is concluded that :

- i. The current Conventional Electricity Billing Method (CEBM) has a number of flaws which need to be addressed urgently. These include electricity thefts, bad debts, and labor intensive.
- ii. The Energy Dispensing System or Energy Prepaid System has the potential of minimizing if not eliminating problems associated with CEBM. The high technology nature of the system would minimizes electricity theft and prevent bad debts or defaulters. In additon, the

system provides for future value-added services to the electricity supply industry without having to revolutionise the “billing” system again.

- iii. The success in the implementation of EDS rests not only on the marketing aspect of the system but also more importantly on the implementation model of the system. This is because improper coordination as a result of poor operation model may result in failure during implementation stage.
- iv. TNB stands to benefit from EDS in terms of reduction in bad debts and number of defaulters, reduction in operation cost, reduction in electricity thefts, and more efficient accounting and reporting system. A financial analysis carried out shows a significant saving to TNB with the implementation of EDS.
- v. The customers also stand to benefit from EDS. The advance payment issue is quite comfortably addressed by the reimbursement of their deposits by TNB upon installation of EDS. Other concerns expressed by the customers are operational in nature and can be easily resolved. Two customer’s surveys conducted so far also shows an overwhelming support for EDS.
- vi. The financial analysis carried out for one of the local vendors that is Elektrokad Sdn. Bhd. shows the viability of the system. In addition, other intangible aspects including technology transfer should be also considered as part of the package.
- vii. Two possible implementation models are being discussed in this report. The first model involves making TNB responsible almost in all

aspects of implementation whereas the second model calls for greater participation from the local vendors. The financial analysis indicate the second model as more viable than the first.

Based on these findings, it is recommended that TNB to undertake the implementation of EDS immediately using the best operation model discussed in the report because all parties stand to benefit from this system.