

4.0 CASH COLLECTION PROCESS IN TENAGA NASIONAL

The Licensee Supply Regulations 1990 which was issued by the *Minster of Energy, Telecoms and Post* stipulates that the consumers can be billed for electrical consumption on a monthly basis and that the bill must be paid within fifteen days of presentation by Tenaga Nasional. The credit policy adopted by Tenaga Nasional is thus as follows :-

Table 4 Credit Terms

TYPE OF CUSTOMER	No. OF DAYS CREDIT ALLOWED
Domestic	15
Commercial	15 / 28
Industrial	15 / 28
Mining	15 / 28
Government	90

The credit policy given to **LPCs** and government is quite liberal and had been in effect from the very early days of Lembaga Letrik Negara and had not changed since. Further, Tenaga Nasional also allows consumers to pay their bills anywhere within Peninsular Malaysia, although payment at its own collection centres is very much encouraged. For government ministries, departments and agencies and **LPCs** payment can only be made at Tenaga Nasional's collection centres and payment by mail only.

4.1 Banking And Collection Accounts

Tenaga Nasional's principal bankers are Bank Bumiputera Malaysia Berhad (BBMB) and Maybank Banking Berhad (MBB). As a rule, all Tenaga Nasional District Offices are required to open an account at any one of the branches of these principal banks. Where there are no branches available, the District Office is allowed to open an account at any bank.

In principle, each District Office must have three accounts. These accounts are **Clearance**, **Collection** and **Payment** accounts. The first two accounts are for the purpose of collection and must be at the same bank. The latter is for the day to day operation of the local office. Cheques are normally remitted and cleared in the Clearance Account before being transferred to the Collection Account. Every evening all monies in the Clearance Accounts are swept into a Main Account. No minimum balance is required in both the Clearance and Collections Accounts.

The clearance of local cheques are normally done within one business day . For outstation cheques and with the exception of Maybank, clearance would take approximately 3 to 5 business days.

With Maybank, Tenaga Nasional has an agreement called **OCP** or **Outport Cheque Purchase**. For a fee of 0.06% of the value of the cheque, Maybank undertakes to buy all cheques immediately. Hence, Tenaga Nasional would receive money almost instantaneously. Where accounts are opened at a non-principal bank branch, an Overdraft (**OD**) facility must be subscribed. The bank guarantees immediate clearance and payment of all cheques -- both local and outstation.

4.2 Forms of Payment

Generally the forms of payment acceptable by Tenaga Nasional include cash, cheques, money order, postal order, bank draft and credit card.

4.3 Collection Process

For the purpose of collecting revenue, Tenaga Nasional has set-up the following collection centres and mechanisms:-

- 1) Banks
- 2) Credit Cards
- 3) One-Stop Agencies
- 4) Payment by Post
- 5) Tenaga Nasional Collection Centers
- 6) *Wakil Kutipan*, and
- 7) Other modes of payment

4.3.1 Banks

Payment of electricity bill can also be made at branches of approved banks. The approved banks include Maybank Group, Great Network Group, UOB Group, BBMB Group, Public Bank Group, Bank Simpanan Nasional and Perwira Affin Bank Berhad. The details of the banking group and the amount of revenue collected for Financial Year 1994/95 is as per Table 5. Except for Perwira Affin Bank Berhad which charged 2.0% per transaction, the rest of the banks does not get any commission for providing the collection service for Tenaga Nasional as such a service is considered **value added** to their customers. As of June 1995, Tenaga Nasional has withdrawn the facility from Perwira Affin Bank Berhad.

Table 5

**List of Banks involved in Collection up to August 1995
(Financial Year 1994/1995)**

BANKING GROUP	AMOUNT COLLECTED in RM UP TO AUG. 95	BANKS INVOLVED
Maybank Group	3,201,703.30 <i>2,478,802.13</i>	\$ Maybank Banking Berhad \$ Kwong Yik Bank Berhad \$ Mayban Finance Berhad \$ Kwong Yik Finance Berhad
BBMB Group	886,923.47 <i>724,572.12</i>	\$ Bank Bumiputera (M) Berhad \$ BBMB Kewangan Berhad
Public Bank Group	919,588.01 <i>483,485.12</i>	\$ Public Bank Berhad \$ Public Finance Berhad
UOB Group	182,250.33 <i>183,780.29</i>	\$ Chung Khiaw Bank Berhad \$ Lee Wah Bank Berhad
GREAT Network	21,792,390.24 <i>9,432,485.12</i>	\$ Arab-Malaysian Bank Berhad \$ Arab-Malaysian Finance Berhad \$ Asia Commercial Finance (M) Bhd \$ Ban Hin Lee Bank Berhad \$ Bank Buruh (M) Berhad \$ Hong Leong Bank Berhad \$ Hong Leong Finance Berhad \$ MBF Finance Berhad \$ Oriental Bank Berhad \$ Oriental Finance Berhad \$ Sabah Bank Berhad \$ United Merchant Finance Berhad
BSN Group	5,879,956.47 <i>4,840,830.74</i>	\$ Bank Simpanan Nasional
Perwira Affin	588,387.91 <i>751,629.56</i>	\$ Perwira Affin Bank Berhad
TOTAL	33,421,199.73 <i>18,895,585.08</i>	

Note : Bold and Italic - FY93/94 Figures

Under the bank collection scheme, payments can be made through the ATM, Auto Phone and/or Auto Debit. In some banks like BSN, over-the-counter payments are allowed but limited to its account holders only. Information to Tenaga Nasional is transmitted on a weekly basis.

GIROS. In addition to the above banking facility, payment can also be made through BSN's GIRO system. As in the MBF case, Billing Tapes are forwarded to BSN at the end of each week. BSN will process and debit the necessary amount due from its customers account. At the end of seven business days, BSN would return a Payment Tape plus a cheque for the total amount collected.

4.3.2 Credit Cards

To date, only MBF has been allowed to collect payment on Tenaga Nasional's behalf from consenting MBF Mastercard holders. For further convenience, MBF has also opened the facility to other non-MBF Mastercard holders.

Under this scheme, MBF will periodically update Tenaga Nasional on the number of its customers requiring the facility. At the end of each week, Tenaga Nasional would forward to MBF a Billing Tape. This tape consists of the names of the customers and their monthly electricity bill. Within seven business days, MBF would return a Payment Tape plus a cheque with the amount equal to that on the Billing Tape. For

Financial Years 1993/94 and 1994/95, MBF had collected approximately RM 1 million and RM 0.69 million respectively. In return for providing the service, Tenaga Nasional is charged 1.8% of the total value of the bills.

4.3.3 One-Stop Agencies

One-Stop Agencies or Payment Partners as they are called, are other utilities and agencies collection centres that also collect payment of electricity bill on behalf of Tenaga Nasional. Started in 1992, these agencies now consist of Pos Malaysia, Telekom Malaysia (STM), Jabatan Bekalan Air, (JBA) Dewan Bandaraya Kuala Lumpur (DBKL), Majlis Perbandaran Petaling Jaya (MPPJ) and other Local Authorities. For the Financial year 1994/95, these One-Stop-Agencies collected RM 848 million in revenue (see Table 6).

Table 6: Collection by One-Stop Agencies for Financial Year 1994/95

MONTH	POS MALAYSIA	OTHER AGENCIES	TOTAL
September	62,692,925.10	1,031,127.68	63,724,052.78
October	65,573,704.60	1,157,207.20	66,730,911.80
November	63,900,113.92	946,177.32	64,846,291.24
December	70,655,975.36	1,029,028.76	71,685,004.12
January	66,037,408.46	972,671.12	67,010,079.58
February	66,486,949.19	969,387.55	67,456,336.74
March	67,199,047.37	933,118.38	68,132,165.75
April	70,071,101.67	976,342.58	71,047,444.25
May	75,400,589.83	887,160.17	76,287,750.00
June	77,437,785.58	919,777.85	78,357,563.43
July	75,096,244.98	844,032.96	75,940,277.94
August	75,962,198.44	737,482.92	76,699,681.36
TOTAL	836,514,044.50	11,403,514.49	847,917,558.99

Of the one-stop agencies, Pos Malaysia with about 800 branches and mini Post Offices all over the country, collected the most amount i.e. **RM 837 million** in financial year 1994/95 (See Table 7).

Table 7: Collection and Commission collected by Pos Malaysia for Financial Year 1994/95

MONTH	AMOUNT COLLECTED	COMMISSION PAID
September	62,692,925.10	639,872.40
October	63,573,704.60	653,457.60
November	63,900,113.92	597,962.80
December	70,655,975.36	663,972.00
January	66,037,408.46	612,216.80
February	66,486,949.19	622,126.80
March	67,199,047.37	592,926.80
April	70,071,101.67	615,819.60
May	75,400,589.83	641,256.40
June	77,437,796.58	646,273.20
July	75,096,244.98	656,501.60
August	75,962,198.44	641,178.00
TOTAL	836,541,055.50	7,583,564.00

However for providing such a service, Pos Malaysia charges RM 0.40 for each bill received and processed. Furthermore, under the agreement with Pos Malaysia, Pos Malaysia is required to transfer a fixed amount of money to Tenaga Nasional on a periodic basis. The agreed amount of RM 13 million (to be revised to RM 15 million) is paid by Telegraphic Transfer on a weekly basis (See Figure 4). In addition, RM 22 million is to be transferred to Tenaga Nasional

on the fifteenth day of every month. The final payment will then be made at the end of the second month. This reconciled payment will include the outstanding amount for the previous month less commission and dishonored cheques. As for the commission due to Pos Malaysia, the amount is automatically deducted from the final total by Pos Malaysia.

Figure 4 Collection and Disbursement by Pos Malaysia : January 1996

Total Amount Collected for January 1996	RM	77,000,000.00
Weekly Transfer		
Week #1	RM	13,000,000.00
Week #2	RM	13,000,000.00
First Final Payment Fifteenth Day	RM	22,000,000.00
Week#3	RM	13,000,000.00
Week #4	RM	13,000,000.00
Balance		3,000,000.00
Final Payment		less than RM 3,000,000
		<u><less commission></u>
		<u><less 'bounced' cheques></u>

Information on the consumers whose bills are paid at Pos Malaysia are sent to Tenaga Nasional on a daily basis. This is true for mini post offices and branches which are on line. The data collected at the respective offices are sent to Pos Malaysia’s Electronic Data Processing (EDP) Department. The collected information are then sent to Tenaga Nasional’s EDP, where the information is downloaded. At present, the process of updating the consumers’ account at Tenaga takes about **two**

weeks and more if the particular consumer's account is not computerized.

As for the other One-Stop-Agencies, funds would be automatically transferred on the day of collection/banking. Normally this would normally take about one business day.

4.3.5 Payment By Post

The "Payment of Electricity" handbook published by Tenaga Nasional in October 1995 states that payment of electricity bills can be made by mail with cheques, money order and/or postal order payable to Tenaga Nasional. As such, only Tenaga Nasional's Head Office would receive such payments. Statistics and information on payment by mail are available but not comprehensive nor detailed. However, for January 1996, the amount collected for Wilayah Persekutuan was **RM 14.8 million**.

Mail payments received are manually recorded separately for each different stations. These payments are then sent to the Collection Counter at Tenaga Nasional Head

Office where they are processed and receipted. The process of receipting and transferring to Tenaga Nasional's banks ranges from three to fourteen days.

4.3.6 Tenaga Nasional's Collection Centres

Apart from the above mentioned mode of payments, Tenaga Nasional also have set-up their own Collection Centres. These centres, which are in the form of small offices or drive-in counters, are located in strategic places like housing estates and shopping complexes. The advantage of paying at these collection centres is that the consumers account can be automatically updated and in some centres, queries on their accounts can also be made. For the period between September 1994 to August 1995, a total of **RM 5,591 million** has been collected at these centres, with the majority of the payments are made by LPC and government ministries, departments and agencies.

4.3.7 '*Wakil Kutipan*'

In some remote places, Tenaga Nasional has also appointed agents called *Wakil Kutipan*, to collect payment on its behalf. These agents whose appointment is recommended by the local Tenaga Nasional Office are paid a commission of 5% for the first RM 5,000 collected and 2% on subsequent amount.

The process of collection, transferring of money collected and the subsequent recording and updating of information on this mode of payment cannot be ascertained as not much data on it is available.

4.3.8 Other Modes of Payments

Of the almost four million consumers, only two consumers are currently paying by Telegraphic Transfer (*TT*). These mega customers are Pewaja Steel and Kedah Cement whose loads are taken at 275kV. One major problem with payment by *TT* is that the consumers do not follow Tenaga Nasional's billing format. When *TT* is made, the consumers do not immediately notify Tenaga Nasional and they never indicate which bills are being paid. Although *TT* by nature

would tend to be beneficial to both parties i.e. no availability float for Tenaga Nasional and maximizing their cash disbursement for the consumers -- in reality it does not! The consumers always pay late sometimes up to six months and not all outstanding bills are paid.

4.4 Collection in Wilayah Persekutuan

Wilayah Persekutuan consists of four zones similar to the district and each zone in turn has three or four collection centres. All its collection centres are on-line and they are connected together through the **CIBS**.

The receipting machine at each collection Centre is computerized but on a stand-alone basis. There is no provision to connect to the **CIBS**. On receiving of payment of bills, the machine automatically divides and grouped the amount received into the various utilities and agencies -- STM, JBA, DBKL, MPPJ, etc. (See Appendix 9). At the end of each business day, the data is downloaded via modem to the respective Zone Stations. At the respective Zone Stations, all data are processed and the accounts of respective consumers are then updated.

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In Wilayah Persekutuan all collection centers are required to use Maybank for their collection accounts. There is no clearing account for stations in Wilayah Persekutuan. At the collection centres, all monies received are periodically transferred to the nearest branch of Maybank. In addition to the transfer of daily collection and other relevant data, the managers of the various collection centres would manually prepare a Collection Summary Report (**CSR**) and this is faxed to the Zone Station. The monthly summary of daily collection is similarly prepared.

The processes involved are described as follows :

- ❶ The Cash Register Machines (CRM) at the collection centres Puchong, Sungai Besi and Taman Midah collect their bills and automatically sorts as according to the various collection codes
- ❷ Money is then deposited at the nearest Maybank Branch. Collection Accounts are cleared within one business day at the at the local Branch
- ❸ At 1200 midnight all monies are swept into the Master Account at Maybank Bangsar Baru.

- ④ The **Daily Collection Control Card** is kept and the Cash Summary Report is manually transferred to a reporting form and transmitted via modem to INDUK every end of business day
- ⑥ The Zone Head Office collates all its collection centers CSR and send a report summary to the Wilayah Persekutuan Marketing Office in Bangsar. Here the total Wilayah Persekutuan's daily sales are recorded and kept.
- ⑦ The Zone Head Office also instructs Maybank to pay other agencies / utilities their portion of the monies collected
- ⑧ Maybank pays these other agencies from Zone 4 Head Office Collection Account (See Figure 5)

Figure 5 Process of Collection for Zone 4 J Walter Gerenier Collection Centre -
Wilayah Persekutuan

