

## 5. Project Progress (Delays/Deviations/Disputes/Overrun/Issues)

No	Project Name	Region	Value RO'000	As per Contractor		Extension Date	Planned Progress	% of work done	Status
				Start Date	End Date				
<b>Electrification Program Projects</b>									
1	Construction of Al Duqum P/S Phase 1	Al Wusta	5,743	03/11/08	02/11/09	-	57%	24%	●
2	EPC of 11/33kv system for power plant at Al Duqum Area	Al Wusta	2,256	11/03/09	09/02/10	-	28%	13%	●
3	Construction of Al Mazyouna New P/S	Dhofar	805	14/02/09	14/10/09	-	15%	10%	●
4	Construction of Andat New Power Station	Dhofar	489	14/02/09	14/10/09	-	11%	9%	●
<b>Price Controls Projects</b>									
1	Extension of LT Network to feed power supply (3) locations at Ras Al Jabal area at Adam.	Al Dakhilyah	21	16/03/09	29/04/09	-	100%	50%	●
<b>Sponsored Projects</b>									
1	Construction of Al Duqm Desl. Plant	Al Wusta	7,973	09/03/08	07/07/09	07/01/10	99%	60%	●
2	Extension of Saih Al Kirat Power Station	Dhofar	1,230	19/10/08	30/08/09	-	41%	38%	●
3	Improvement of water supply & power generation at Al Hallaniyat Power Plant	Dhofar	580	19/01/08	02/09/08	-	100%	97%	●
4	Water transmission line & distribution network at Al Hallaniyat	Dhofar	390	12/04/08	26/11/08	-	100%	65%	●
5	Improvement of water supply & power generation at Al Hallaniyat-Civil works	Dhofar	344	19/01/08	02/09/08	-	100%	95%	●

- Considerable delay/overrun - action being taken noted
- Potential delays or cost overrun or project disputes
- On time/budget & no issue or disputes park

## 6. Preventive & Corrective Actions

### a. No. of interruption for June 09

Region	No. of Interruptions
Dhofar	17
Musandam	8
Al Wusta	14
<b>Total</b>	<b>39</b>

### b. Customer Complaints June 2009

Date	Address	Complaint Details	RAEC Procedures
23/6/09	Hij-Mahout	Incorrect meter reading	checked and replaced
20/6/09	Hij-Mahout	Incorrect meter reading	checked and replaced

## 8. Recommendations for Improvement & Highlights

### - Health & Safety Audit:

The Authority for Electricity Regulation has formally informed RAEC about the Health & Safety Audit. The Audit is scheduled in the first week of July 2009. Auditors will visit power stations and networks in Musandam, Dhofar and Al Wusta. Audit results will be provided to RAEC through full report at the end of Audit process.

### - Implementation of ISO 9001:2008:

RAEC has initiated a process to adopt ISO 9001:2008 in Quality Management System with the purpose of providing world class quality certified services to its customer and satisfying the top level management and other stakeholders. RAEC is expecting the certification by Q3 2009. Training workshop has been provided to RAEC managers about ISO 9001:2008. Another workshop will be also given to some selected staff in July 2009.

## 7. Changes affecting Quality Management System

**Policies:** The Quality & HSE policies are established, displayed & communicated.  
**Manual & Procedures:** Quality manual, SOP, HR Manual, Purchase Manual and OM procedures are established.

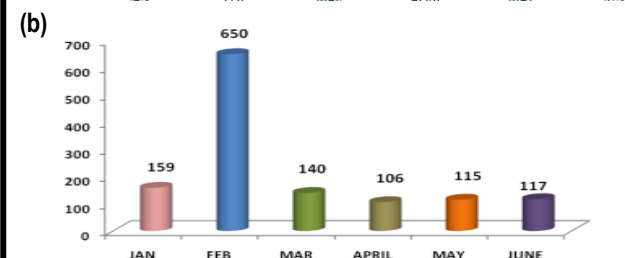
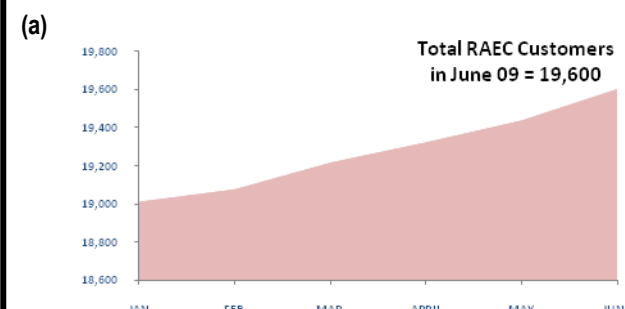
**Forms/Formats:** The New forms & records (quality & operational forms) established as per QMS and issued.



### 1. Review of Outstanding Actions from Last MMR:

- a. Projects Progress Reviewed.
- b. Duqum Projects status discussed.
- c. ISO 9001:2008 status discussed.
- d. Six month ended Financial Statements are expected by end of this month

### 2. (a) No. of Customers & (b) New Connections



### 3. Process Performance (Business Plan/Other KPI)

Indicators	Actual June 09
Power (Kwh) Generated (net)	39,942,744
Power (Kwh) PDO Interconnection	5,296,470
Power (Kwh) Supplied	41,146,543
Water (m3) Desalinated	76,361
Water (m3) sent out	70,981

### 3. Process Performance (Business Plan/Other KPI) Cont...

	Key Performance Indicator (KPI)	2007	2008 <sup>f</sup>	Monthly Actual (09)	Annual Target (09)
<b>Finance</b>					
1	Profitability ' millions RO (YTD Jan 09-June 09)	(1.4)	(2.3)	(0.226)	-
2	Debt Collection – Government Accounts 'day	436	300	196	200
3	Inventory Obsolescence 'thousands RO	9.4	8.2	0	7.0
<b>Operations</b>					
1	Fuel Efficiency (Kwh per litre)	3.3	3.3	3.5	3.5
2	System Losses (technical + non technical)	17%	14%	21%	15%
3	Compliance with License Condition	50%	67%	81%	90%
<b>Customer</b>					
1	Customer Average Interruption Duration 'min (CAIDI)	106	106	53.2	90
2	System Average Interruption Duration 'mins (SAIDI)	1.6	1.06	0.12	1.0
3	System Average Interruption Frequency (SAIFI)	0.015	0.015	0.002	0.014
<b>Human Resources</b>					
1	Employee Count – directly employed by RAEC	202	211	213	229
2	Omanization %	94	90	90	87
3	Number of Recorded Accidents on Job	0	0	0	0

### 4. Legal, Statutory & Regulatory Compliance

#### Actions taken to make certain License Conditions fully compliant

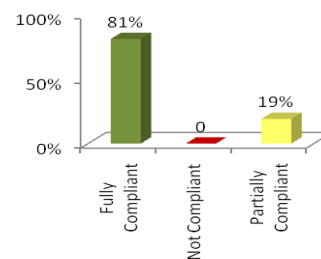
- **Condition (22): Production Facilities:** RAEC started to resize its power plants to match the load requirement with the objective of achieving higher fuel efficiency. RAEC started to install fuel meters in Hij & Saih Al Khairat power stations as pilot project to check the accuracy of different brands of fuel meters. Security system is also being installed. Security Cameras were installed in the several power stations. This will help RAEC to closely monitor the operation of the power stations.
- **Condition (41): Supply Tariffs:** RAEC is considered to be compliant to this license condition. Permitted tariffs have been published in many occasions (Recently it was published as part of Efficient Use of Electricity Code of Practice). No adjustments were done to the permitted tariffs.
- **Condition (44): Customer Late Payment Code of Practice:** RAEC is in process of developing this code of Practice with cooperation of other relevant departments. Once it is developed, it will be sent to the Authority for approval.

Overall compliance to license conditions has reached **81%**. It is targeted to achieve **90%** overall compliance by the end of this year.

REVENUE R.O. '000	YTD Actual	YTD Budget
Electricity sales to customers	1,352	1,367
Electricity Sales to Government	745	774
Electricity sales to OPWP	2,552	2,344
Water sales to Water dept	837	1,140
Government Subsidy	10,237	10,237
Other Revenue	567	602
<b>Total</b>	<b>16,290</b>	<b>16,464</b>

OPEX R.O. '000	YTD Actual	YTD Budget
Cost of Sales		
Power Purchases Expenses	175	190
Plant Operations Contract Fees	1,491	1,782
Diesel Consumption	8,456	8,201
Spares & consumable Expenses	1,282	1,228
Maintenance and repairs Expenses	548	765
Other Direct costs	221	360
<b>Total</b>	<b>12,173</b>	<b>12,526</b>
Admin & other operating expenses		
Salaries & Allowances Expenses	1,263	1,346
Other expenses	1,298	1,880
<b>Total</b>	<b>2,561</b>	<b>3,226</b>
<b>Total OPEX R.O. '000</b>	<b>14,734</b>	<b>15,752</b>
<b>Profit/(loss) before tax</b>	<b>(226)</b>	<b>(1,009)</b>

#### % of Compliance



### Financial & Operational Results

