

5. Projects Progress – Category wise

No	Project Name	Region	Value RO'000	As per Contractor		Extension Date	Planned Progress	% of work done	Status
				Start Date	End Date				
Electrification Program Projects									
1	EPC for Power Plant Phase II (Extension of Phase I Power Plant with New DG sets to generate 40MW, 11Kv Power)	Al Wusta	16,647	17/05/09	16/01/2011	-	8%	5%	●
2	EPC for 33/11kv Substation and 33kv Distribution Network at Al Duqm area.	Al Wusta	16,058	17/05/2009	15/12/2010	-	37%	27%	●
3	Construction of Al Duqm P/S Phase 1	Al Wusta	5,777	03/11/08	02/11/09	1/01/2010	68%	52%	●
4	EPC of 11/33kv system for power plant at Al Duqm Area	Al Wusta	2,256	11/03/09	09/02/10	-	63%	67%	●
Price Controls Projects									
1	Extention of 33kv overhead line for Interlinking Horat with Mudhai (Ayboot-1)	Dofar	159	30/8/2009	11/3/2010	-	45%	45%	●
2	Construction of (RAECO) New Store Al Misfa (Phasel).	Muscat	145	2/02/2009	16/05/2009	-	100%	97%	●
3	Extension of 33kv overhead line to interlinking Ayboot-2 with Mudhai (Ayboot -1)	Dhofar	127	30/8/2009	11/3/2010	-	40%	40%	●
Sponsored Projects									
1	Construction of Al Duqm Desl. Plant	Al Wusta	10,189	09/03/08	07/07/09	07/01/10	87%	81%	●
2	Extension of Saih Al Kirat Power Station	Dhofar	1,230	19/10/08	30/08/09	27/9/2009	100%	86%	●
3	Improvement of Water supply and Power generation at Al Hallaniyat Power Plant	Dhofar	580	19/01/08	2/09/08	-	100%	100%	●

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

(More details are available upon request)

6. Preventive & Corrective Actions.

a. No of interruption for October 09

Region	No.of Interruptions
Dhofar	6
Musandam	9
Al Wusta	4
Total	19

b. Formal Customer Complaints October 09

Area	Complaints number	Complaint Details/type	RECO procedures
Alwusta	37	Phone call complaints due to tripping, cable fault, Meter fault, Jumper blown and conductor broken.	All compliant was treated and solved in the required time frame.
Musandam	1		

7. Changes affecting Quality Management System

Policies: The Quality, HSE & Confidentiality dead policies are established, displayed & communicated. No changes required.

Manual & Procedures: Quality manuals, SOP, are reviewed & fit for use. Circulated to all Departments and Authorized officials

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

8. Recommendations for Improvement & Highlights

➤ HSE Action Plan:

- RAEC has prepared and initiated an HSE action plan in which RAEC identified all items that need to be rectified, actions to be taken, responsibility of each department and the time frame (due dates) of action implementation. RAEC started the implementation of the plan and PPE items have been provided as per the requirements. Other actions have also been started. The plan will contribute to the improvement to the health and safety matters within the organization and its operations.
- Calibration equipments and devices especially meter testers shall be identified and calibrated.



Highlights

HEALTH AND SAFETY AUDIT:

H&S Audit report has been received and according to which RAEC has initiated an action plan to help in meeting the report requirements. A number of meetings have been held by RAEC management to ensure putting the plan in to full effect. So far, the plan is progressing as planned.

ISO 9001: 2008 Initial Certification Audit

ISO 9001:2008 Initial Certification Audit was held in the beginning of this month. The ISO Certification audit was done by BV (Bureau Veritas Oman).The auditors expressed their satisfaction regarding RAEC documentation (Quality policy, Quality manual, Standard Operational Procedures, Quality forms and others relevant documents) with ISO 9001:2008 Compliance.

The ISO certification pahse2 audit will be done by BV (Bureau Veritas, Oman) in the mid of November 2009, this audit will include the complete review of the implementation of procedures at department and regional office level.

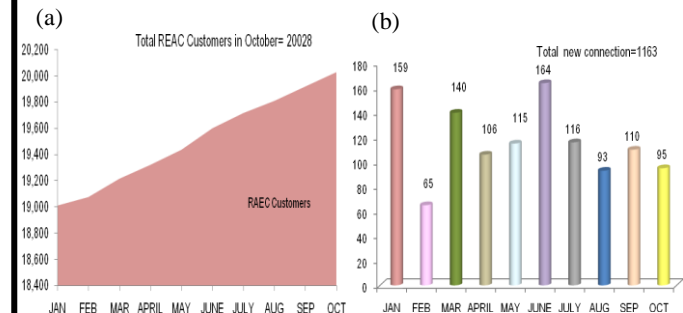
Confidentiality deed policy:

A confidentiality deed policy has been established and approved. This policy is a legal document by which RAEC, its contractors and suppliers ensure that the information exchange and technologies are protected from being exposed by non related parties.

I. Review of Outstanding Actions from last MMR:

- a) HSE Audit report has been reviewed and action plan was developed accordingly.
- b) Data analysis as required by AER-EHC has been submitted.

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



RAEC Monthly KPI's

3. Process Performance (Business Plan/Other KPI)

	Key Performance Indicator (KPI)	2007	2008	Monthly Actual (09)	Annual Target (09)
Finance					
1	Profitability ' millions RO (YTD Jan 09-Oct09)	(1.4)	(2.3)	6.93	1.02
2	Debt Collection – Government Accounts 'day	436	300	206	200
3	Inventory Obsolescence 'millions RO	9.4	8.2	9.82	7.0
Operations					
1	Fuel Efficiency (Kwh per litre)(YTD)	3.3	3.3	3	3.5
2	System Losses (technical + non technical)(YTD)	17%	14%	14.67%	15%
3	Compliance with License Condition	50%	67%	82%	90%
Customer					
1	Customer Average Interruption Duration 'min (CAIDI)	106	106	99.6	90
2	System Average Interruption Duration 'mins (SAIDI)	1.6	1.06	0.09	1.0
3	System Average Interruption Frequency (SAIFI)	0.015	0.015	0.001	0.014
Human Resources					
1	Employee Count – directly employed by RAEC	202	211	217	229
2	Omanization %	94	90	89%	87
3	Number of Recorded Accidents on Job	0	0	0	0

Indicators	Actual Oct 09	YTD Oct 09
Power (Kwh) Generated (net)	35,141,809	323,309,350
Power (kwh) PDO Interconnection	4,607,258	32,700,603
Power (kwh) Supplied	33,917,879	303,783,293
Water (m3) Desalinated	83,435	754,616
Water (m3) sent out	82,294	733,702

4-Legal, Statutory & Regulatory compliance

Actions taken to make certain License Conditions fully compliant

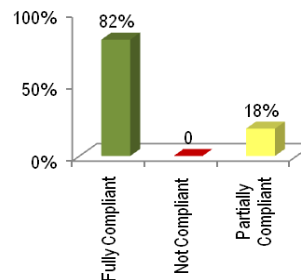
- Condition (22): Production Facilities:**
 - Progress is being made with regard to improving the efficiency and security of the power plants. Fuel metering is being installed in Saih Alkhirat P.S. and Hij P.S (Pilot).
 - Digital cameras are being installed in all RAEC power stations. Installation has been completed in 8 power stations, totaling to 20%. Expected completion date is end of December 2009.
- Condition (56): RAEC Connection and Electrification Funding:** RAEC is developing five year business plan for the electrification program as per this condition. The plan will be sent to the Authority for approval. It includes details about the planned projects. Over the coming five years. It will also help in allocating the funding requirement by the government in advance.

Other KPI's

REVENUE R.O. '000	YTD Budget	YTD Actual
Electricity sales to customers	2,768	3,065
Electricity Sales to Government	1,466	1,571
Electricity sales to OPWP	4,218	5,204
Water sales to Water dept	1,900	1,438
Government Subsidy	20,600	24,944
Other Revenue	1,131	1,027
Total	32,083	37,249

OPEX R.O. '000	YTD Budget	YTD Actual
Cost of Sales		
Power Purchases Expenses	315	362
Plant Operations Contract Fees	2,970	2,762
Diesel Consumption	15,422	16,164
Spares & consumable Expenses	2,416	1,833
Maintenance and repairs Expenses	1,275	996
Other Direct costs	600	355
Total	22,998	22,472
Admin & other operating expenses		
Salaries & Allowances Expenses	2,680	2,521
Other expenses	2,697	2,143
Total	5,377	4,664
Total OPEX R.O. '000	28,375	27,136
Profit/(loss) before tax	838	6,927

% of Compliance



Overall compliance to license conditions has reached 82%. It is targeted to achieve 90% overall compliance by the end of this year.

Financial & Operational Results

