

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) in Al Duqm	Al Wusta	16,690	17/05/09	16/01/2011	-	99%	99%	●
2	EPC for 33/11kv Substation and 33kv Distribution Network at Al Duqm area.(Incl VO)	Al Wusta	18,007	17/05/2009	15/12/2010	-	100%	96%	●
3	EPC of New 11Kv Medium Speed D.G Set for Additional Generation in Khasab Power Station	Musandam	2,996	26/1/2010	8/8/2011	-	68%	65%	●
4	EPC for Upgrading of shaab Aseeb Power Station	Dhofar	2,751	13/10/2009	26/9/2010	30/1/2011	90%	90%	●
Price Controls Projects									
1	Electrification Distribution works (433V,11Kv and 33Kv Networks Extension) to feed P.S to Wadi Banaa	Musandam	572	20/2/10	12/12/10	-	100%	91%	●
2	Electrical Distribution Works (11Kv & LV Network) to feed power supply to social houses at Maqshin area in Dhofar Governorate	Dhofar	303	11/7/2010	3/2/2011	-	98%	95%	●
3	Supply and Delivery of 2* 1Mw (11 Kv) Base load D.G Set for Rural Area Power Station	Rural Area	282	17/10/2010	13/6/11	-	63%	51%	●
Sponsored Projects									
1	Construction of Al Duqm Desalination Plant	Al Wusta	9,915	3/9/2008	7/7/2009	14/4/2010	100%	99%	●
2	Electrical Distribution Works 433v & 11 Kv networks Extension to feed P.S to Al Maziona	Dhofar	380	27/12/2009	8/7/2010	20/11/2010	100%	100%	●
3	Electrical Distribution works 433 & 11	Dhofar	217	7/4/2010	17/10/2010	1/5/2011	35%	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 Q1 2011

Region	No. of Interruptions Q3
Dhofar	10
Musandam	1
Al Wusta	5
Total	16

b. Formal Customer Complaints for Q1 year 11

Area	Complaints number	Complaints Details/type	RECO procedures
Musandam	95	Majority are Phone call complaints due to tripping, cable fault, Meter fault, & Jumper blown	All complaints was treated and solved in the required time frame.
Alwusta	13		
Dhofar	123		

7. Changes affecting

Quality Management System

Policies: The Quality, HS, Environment & Confidentiality deed 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. Inventory manual has been developed and approved and circulated September 2010.

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

8. Recommendations for Improvement & Highlights

Office Safety Training Course

As per of the training and development plan 2011 & part of the HSE requirement the employee from different department attended the office safety course on March which raises the H&S culture to the company.

Amendments of organizational hierarchy

The organizational hierarchy was amended with the focus of organizational improvement and easy function following the BOD approval

Self Development & Change Management training course

This course was arranged for non-managerial staff level to help employee's t identify their core objectives and how to handle different situations. The other course is Change Management which is for the Management Level. This Course focus on the changes happened in the organization, how to manage staff and how to communicate changes to the employees .It also support the managers in handling the resistant of their employees toward the change.



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Key highlights

Job opportunities for Oman's:

The Company responded for His Majesty's command to hire 100 employees in different disciplines and departments. The selected staff has been deployed in areas and branches of the company to take advantage of them to the fullest and support in meeting the overall objectives of the company.

Annual Report:

Regulatory Compliance department started to prepare and gather information for the purpose of publishing the Annual Report for year ended 31 Dec 2010. All departments were asked to provide information. The annual report soft preparation and discussion reached the final stage and RAEC expected to publish the annual Report by May 2011.

ISO Internal Quality Audit

ISO9001:2008 internal audit has taken place in the beginning of Q1-2011.The audit was conducted by the quality internal auditors in several departments as per the audit plan and the audit findings and the audit report were discussed at the management level and addressed by the QMR.

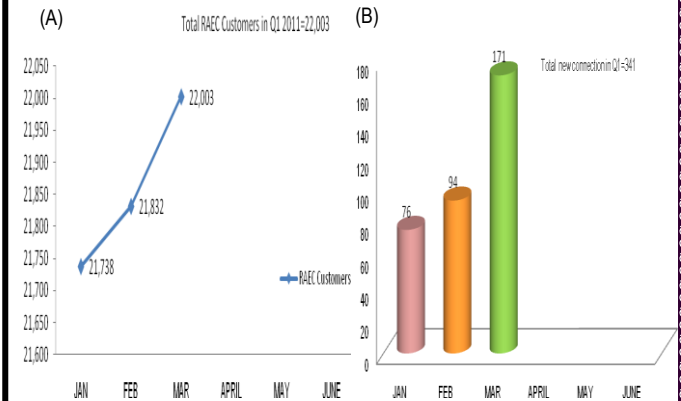
Al Duqm project

Phase 1 has been completed and commissioned in Q4 2010.In continuation to Q4 2010 where the major installation for the Duqm Power Plant Phase II project (i.e. 5 x 8 MW Wartsila DG set) were completed and the progress achieved was 93%.all the works for Testing & Commissioning are completed for the project as planned during the Q1 2011. However, RAEC is unable to arrange enough load from Duqm area to start the reliability run of the power plant at full load (8MW) which forms the part of contract.

1. Review of Outstanding Actions from last QMR:

- a) HSE action plan progress is being reviewed in weekly basis and actions enhanced.
- b) Data analysis as required by AER-EHC has been submitted.
- c) Actions as per Management team meetings are being followed up.

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



2011 RAEC KPI's

3. Process Performance (Business Plan/Other KPI)

	Key Performance Indicator (KPI)	2009	2010	2011 Q1	Annual Target (11)
Finance					
1	Profitability ' millions RO	9.254	3,073	29	1.02
2	Debt Collection – Government Accounts 'day	155	117	99	200
3	Inventory Obsolescence ' millions RO	7.8	5.4	5.4	7.0
Operations					
1	Fuel Efficiency (Kwh per litre)	3.5	3.5	3.3	3.5
2	System Losses (technical + non technical)(YTD)	11.14%	9.34%	13.20%	20%
3	Compliance with License Condition	82%	84%	86%	90%
Customer					
1	Customer Average Interruption Duration 'min (CAIDI) Jan-Sep	92.29	120	218	90
2	System Average Interruption Duration ' (SAIDI) Jan-Sep	13.90	3.19	.374	10.5
3	System Average Interruption Frequency (SAIFI) Jan-Sep	9.03	1.6	.103	7
Human Resources					
1	Employee Count – directly employed by RAEC	224	232	238	229
2	Omanization %	89	88%	89%	87

Indicators	Actual March 2011	Actual YTD Q1 2011
Power (Kwh) Generated (net)	29,373,877	70,298,134
Power (kwh) PDO Interconnection	4,523,551	12,202,444
Power (kwh) Supplied	26,098,699	67,895,176
Water (m3) Desalinated	81,997	232,284
Water (m3) sent out	80,543	226,946

Other KPI's

REVENUE R.O. '000	YTD Budget	YTD Actual	Variance
Electricity sales to customers	718	683	5%
Electricity Sales to Government	425	446	-5%
Electricity sales to OPWP	1,027	0	100%
Water sales to Water dept	824	463	44%
Government Subsidy	7,174	5,571	22%
Other Revenue	249	772	-210%
Total	10,417	7,935	24%

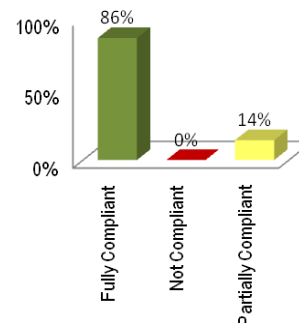
OPEX R.O. '000	YTD Budget	YTD Actual	Variance
Cost of Sales			
Power Purchases Expenses	97	97	0%
Plant Operations Contract Fees	1,048	1,048	0%
Diesel Consumption	3,000	3,000	0%
Spares & consumable Expenses	1369	516	62%
Maintenance and repairs Expenses	462	420	9%
Other Direct costs	186	196	-5%
Total	6,162	5,277	14%
Admin & other operating expenses			
Salaries & Allowances Expenses	1,061	962	9%
Other expenses	852	579	32%
Total	1,913	1,541	19%
Total OPEX R.O. '000	8,075	6,818	16%
Profit/(loss) before tax	1138	30	97%

4-Legal, Statutory & Regulatory Compliance

Actions taken to make certain License Conditions fully compliant

Condition (44) of RAEC license:

RAEC in cooperation with AER is developing a code of practice regarding customer late payment. Customer charter is also being developed. This aims to improve customer services and provide better solutions to customers and fulfill the regulatory and license requirements. A monthly meeting is being conducted with AER to discuss customer services issues and compliance to license conditions. RAEC is always seeking continues improvement in the customer side.



Overall compliance to license conditions has reached 86%. It is targeted to achieve 90% overall compliance by the end of this year.

Financial & Operational Results

