

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	16,647	17/05/09	16/01/2011	-	61%	55%	●
2	EPC for 33/11kv Substation and 33kv Distribution Network at Al Duqm area.	Al Wusta	16,058	17/05/2009	15/12/2010	-	77%	63%	●
3	EPC of New 11Kv Medium Speed D.G Set for Additional Generation in Khasab Power Station in	Musandam	2,996	26/1/2010	8/8/2011	-	7.94%	5.84%	●
4	EPC for Upgrading of Shaab Aseeb Power Station	Dhofar	2,751	13/10/2009	26/9/2010	-	30%	24%	●
Price Controls Projects									
1	Supply and Delivery of 2*1Mw (11Kv) Base Load D.G Set for Rural Areas Power stations.	-	253	12/1/2010	23/8/2010	-	17%	17%	●
2	Extension of 33kv overhead line for Interlinking Horat with Mudhai (Ayboot-1)	Dhofar	159	30/8/2009	11/3/2010	-	100%	100%	●
3	Extension of 33kv overhead line to interlinking Ayboot-2 with Mudhai (Ayboot -1)	Dhofar	127	30/8/2009	11/3/2010	-	100%	100%	●
Sponsored Projects									
1	Construction of Al Duqm Desl. Plant	Al Wusta	10,189	09/03/08	07/07/09	14/04/10	98%	88%	●
2	Electrical Distribution works (433& 11Kv Network Extension) to feed power supply to Al Maziona	Dhofar	376	27/12/2009	8/7/2010	-	20%	13%	●
3	Electrical Distribution works (433& 11Kv Network Extension) to feed power supply at kahal,Mader, Lakbi &Rima in Wilayat Al jazer	Al Wusta	147	13/12/2009	24/6/2010	-	22%	15%	●

- 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 2010

Region	No. of Interruptions Jan-April
Dhofar	2,468
Musandam	0
Al Wusta	4,431
Total	6,899

b. Formal Customer Complaints for Q1 year 10

Area	Complaints number	Complaints Details/type	RECO procedures
Musandam	7	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	4		
Dhofar	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. Procurement manual has been developed and approved and circulated. It takes effect from 1 Jan 2010

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

8. Recommendations for Improvement & Highlights

- **ISO work shop on Non Conformity & Quality Objectives:** ISO workshop was held in end of March 2010, selected 16 employees participated on this one day event. The objective of this workshop is to bring more clarity and development on ISO 9001:2008 standards and its application on our business activity and motivates employees to work towards at the standard quality.
- **ISO Internal Quality Audit:** We have planned to perform an internal quality audit within the 2nd quarter through our certified ISO internal auditors. This audit focuses on application of all approved manuals, Standard Operating Procedures and operational issues. This audit will help the company to prepare for the ISO external audit.



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Key highlights

ISO Certificate: RAEC was awarded ISO 9001:2008 certification in January 2010. It is a yardstick for quality service of RAEC. The Management plans to ensure customer satisfied services with continual improvement. ISO will also contribute to improving the internal management process, instantly identify problems and provide solutions.

RAEC Business Souq (RBS): IT section launched RBS in March 2010. RBS is an intranet portal for the Rural Areas Electricity Company SAOC. The main aim with which this portal was built is the collaboration within the RAECO. The portal provides one stop services for the departments and end users. Each department can share the information at department level or enterprise level. Some of the commonly used services provided by the portal are Meeting Room Bookings, GM Appointments, HR Vehicle Bookings, Document Center and Report Center.

RAEC Campaign: RAEC launched the Campaign for rationalize consumption of Electricity for the customer in license areas. RAEC goal from this camping was to raise the awareness of customers and encourage them for energy saving. It also aimed at making them aware of erroneous in electricity consumption behaviors. This first campaign focused on Musandam, Sharqiah & Al wusta authorized areas and continued for around 20 days.

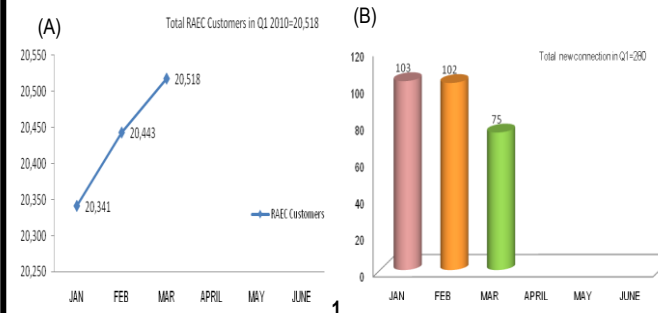
Establishing new HSE department: RAEC established a new department responsible for health, safety and environmental matters.

Capability Statement: RAEC received Approval for 3 years Capability Statement 2009-2011. The Capability Statement provides information on the status of RAEC Capacity, Demand Projection, foreseen constraints progress of current investment and information to identify & evaluate opportunities available for connecting to RAEC system.

1. Review of Outstanding Actions from last MMR:

- a) HSE action plan progress was reviewed and actions enhanced.
- b) Data analysis as required by AER-EHC has been submitted.

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



2010 RAEC KPI's

3. Process Performance (Business Plan/Other KPI)

	Key Performance Indicator (KPI)	2008	2009	2010	Annual Target (10)
Finance					
1	Profitability ' millions RO	(2.3)	9,254	(194)	1.02
2	Debt Collection – Government Accounts 'day	300	155	115	200
3	Inventory Obsolescence 'millions RO	8.2	7.8	(7.9)	7.0
Operations					
1	Fuel Efficiency (Kwh per litre)	3.3	3.5	3.4	3.5
2	System Losses (technical + non technical)(YTD)	14%	11.14%	14%	20%
3	Compliance with License Condition	67%	82%	82%	90%
Customer					
1	Customer Average Interruption Duration 'min (CAIDI) Jan-April	106	92.29	61	90
2	System Average Interruption Duration ' (SAIDI) Jan -April	1.06	13.90	0.79	1.0
3	System Average Interruption Frequency (SAIFI) Jan -April	0.015	9.03	0.34	0.014
Human Resources					
1	Employee Count – directly employed by RAEC	211	224	224	229
2	Omanization %	90	89	88%	87

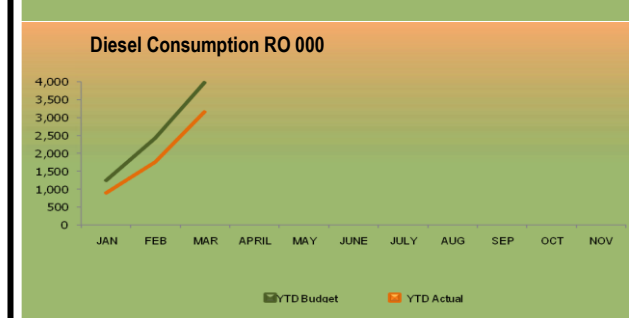
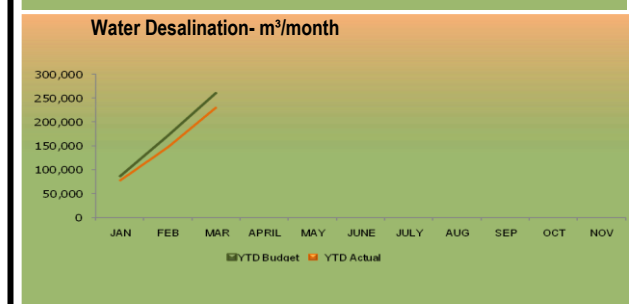
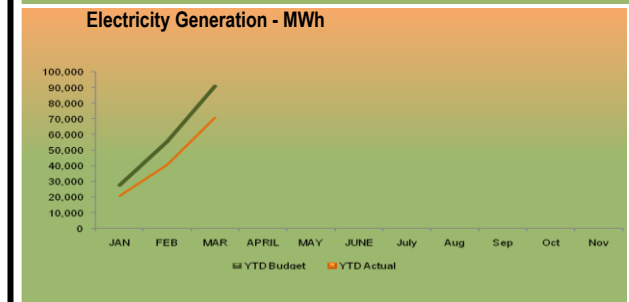
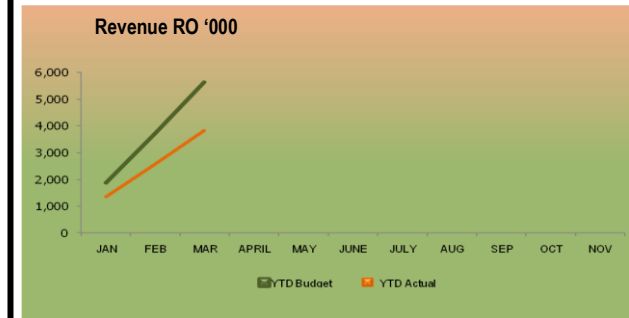
Indicators	Actual March 2010	YTD Q1 2010
Power (Kwh) Generated (net)	28,310,428	66,038,414
Power (kwh) PDO Interconnection	3,088,922	8,152,082
Power (kwh) Supplied	23,180,584	64,321,409
Water (m3) Desalinated	83,196	230,569
Water (m3) sent out	86,438	235,937

Other KPI's

REVENUE R.O. '000	YTD Budget	YTD Actual	% change
Electricity sales to customers	562	631	12%
Electricity Sales to Government	343	387	13%
Electricity sales to OPWP	1,896	1,354	29%
Water sales to Water dept	481	417	13%
Government Subsidy	4,568	4,568	0
Other Revenue	308	368	19%
Total	8,158	7,725	5%

OPEX R.O. '000	YTD Budget	YTD Actual	% change
Cost of Sales			
Power Purchases Expenses	82	82	0
Plant Operations Contract Fees	955	994	4%
Diesel Consumption	3,464	3,184	8%
Spares & consumable Expenses	474	851	30%
Maintenance and repairs Expenses	383	277	28%
Other Direct costs	269	164	39%
Total	5,627	5,552	5%
Admin & other operating expenses			
Salaries & Allowances Expenses	843	875	4%
Other expenses	711	702	9%
Total	1,554	1,577	1%
Total OPEX R.O. '000	7,295	7,044	3%
Profit/(loss) before tax	(232)	(194)	16%

Financial & Operational Results



4-Legal, Statutory & Regulatory Compliance

Actions taken to make certain License Conditions fully compliant

Condition 4: Economic purchase: A new purchase manual has been produced and approved. The purpose of the manual is to provide a step-by-step guide to various standard Procurement practices required to procure materials and services and to provide a guideline to RAECOs procurement practices. Standard practices prevalent for procurement of goods, works, services etc. through quality and cost based competition, process of tendering, evaluation of bids, award of contract, etc. are discussed and procedures and guidelines are developed. RAECO procurement manual serves as a daily desktop manual to identify and instruct personnel on how to properly conduct a purchasing activity in accordance with Procurement standard practices, categories and OMR thresholds from the initial request through closing of an activity. This manual will support in complying with condition No.4.

Condition 35: RAEC System capability statement: RAEC received Approval for 3 years Capability Statement 2009-2011. The Capability Statement provides information on the three succeeding financial years, circuit capacity, forecast power flows and loading on each of RAEC Systems.

