

## 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				
<b>Electrification Program Projects</b>									
1	EPC for 33/11kv Substation and 33kv Distribution Network at Al Duqma area.(Incl VO)	Al Wusta	16,143	17/05/2009	15/12/2010	18/07/2011	100%	100%	●
2	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	-	95%	90%	●
3	EPC for Upgrading of shaab Aseeb Power Station	Dhofar	2,751	13/10/2009	26/9/2010	30/1/2011	100%	99%	●
4	Construction of khadra New P.S	Al Wusta	1,273	12/12/2009	8/4/2011		100%	92%	●
<b>Price Controls Projects</b>									
1	Construction of Hasik New P.S	Dhofar	1,889	26/1/2010	9/2/2011	5/5/2011	100%	84%	●
2	Engineering Procurement & Construction of 33 & 11 KV system Extension Works In Khasab P.S	Musandam	935	1/09/2010	14/7/2011	-	98%	82%	●
3	Expanding of Khasab P.S by adding new 1*8 MW generation Capacity	Musandam	2,630	1/06/2011	6/12/2012	-	0	0	New
<b>Sponsored Projects</b>									
1	Engineering procurement & construction of 2* 10MVA, 33/11Kv Indoor substation at Haima	Al Wusta	751	22/11/2010	5/10/2011	-	64%	20%	●
2	Additional Generation at Madha P.S	Musandam	1,116	11/04/2011	6/01/2012		30%	10%	●
3	Electrical Distribution works ( 433 V, 11 Kv Network Extensions ) to feed P.S to Unit Houses at Mudhai	Dhofar	74,408	14/12/2009	5/5/2011		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 Q2 2011

Region	No. of Interruptions Q2
Dhofar	22
Musandam	0
Al Wusta	8
<b>Total</b>	<b>30</b>

#### b. Formal Customer Complaints for Q2 year 11

Area	Complaints number	Complaints Details/type	RECO procedures
Musandam	118	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	36		
Dhofar	237		

### 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

A training course “**Train the Trainer**” was offered to non managerial level employees to improve the learning styles, adult learning and presentation skills of the participants. **The course outlines are**

- Adult Learning
- Personal Style and Instructional Strategies
- Designing Training Programs
- Choosing the Appropriate Training Method
- Presenting and Delivering Effective Training



## Rural Areas Electricity Company S.A.O.C Q2 Management Report- 2011

### Key highlights

**Annual Report:** The annual report 2010 has been issued. The report provides important information about RAEC such as its report on the stewardship of the company. It analyzes the performance during the period under review and put that performance in context. The report explains the objectives of the company, outlines strategy and future directions and it also fulfils the company legal and regulatory responsibilities. The report is a good reference for all stakeholders.

**News letter “Wahaj”:** our media unit has launched a internal semiannual news magazine, the publication contained messages from line managers and articles from interested employees. Wahaj is a good motivation as an employee participation mode.

**CRM:** RAEC currently train customer service staff with the help of IT section to apply CRM. Microsoft Dynamics CRM is a multi-lingual Customer Relationship Management software package developed by Microsoft.

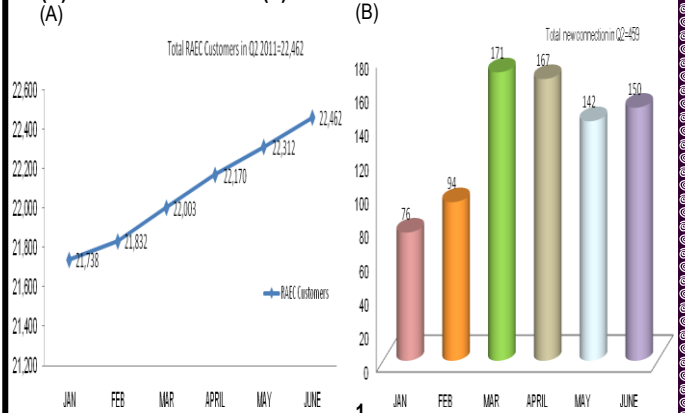
Microsoft Dynamics CRM meets the changing expectations of customers with a service solution that is robust and flexible. Users find familiar functionality and an interface that let them work in a personal, natural way. This intelligent solution informs customer service professionals with guidance that is insightful and actionable. The result is a connected, collaborative, and integrated organization.

**HSE:** employee, Health, safety, Environmental hand book & General

### 1. Review of Outstanding Actions from last QMR:

- a) HSE action plan progress is being reviewed in weekly basis to enhance actions.
- 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 Q2	Annual Target (11)
	<b>Finance</b>				
1	Profitability ' millions RO	9.254	3,073	.607	1.02
2	Debt Collection – Government Accounts 'day	155	117	117	200
3	Inventory Obsolescence ' millions RO	7.8	5.4	5.3	7.0
	<b>Operations</b>				
1	Fuel Efficiency (Kwh per litre)	3.5	3.5	3.4	3.5
2	System Losses (technical + non technical)(YTD)	11.14%	9.34%	19.09%	20%
3	Compliance with License Condition	82%	84%	86%	90%
	<b>Customer</b>				
1	Customer Average Interruption Duration 'min (CAIDI) Jan-Sep	92.29	120	135	90
2	System Average Interruption Duration ' (SAIDI) Jan-Sep	13.90	3.19	1.34	10.5
3	System Average Interruption Frequency (SAIFI) Jan-Sep	9.03	1.6	.5966	7
	<b>Human Resources</b>				
1	Employee Count – directly employed by RAEC	224	232	303	229
2	Omanization %	89	88%	90%	87

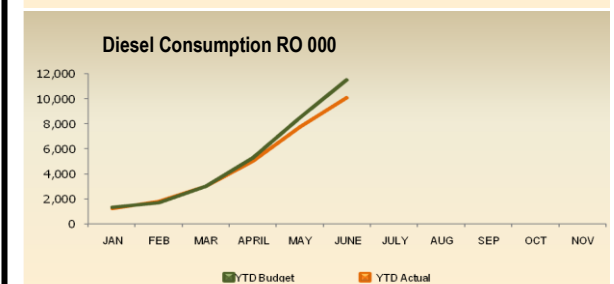
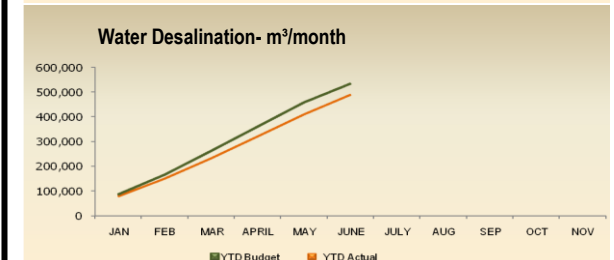
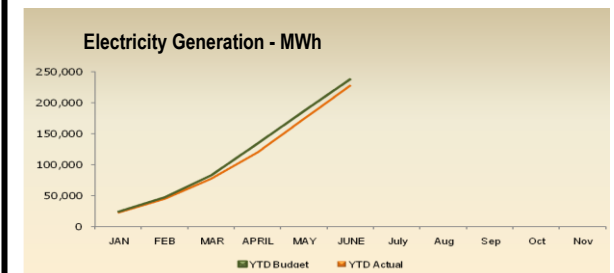
Indicators	Actual June 2011	Actual YTD Q2 2011
Power (Kwh) Generated (net)	49,657,675	208,275,372
Power (kwh) PDO Interconnection	4,560,612	26,617,432
Power (kwh) Supplied	49,084,256	189,373,088
Water (m3) Desalinated	79,342	489,072
Water (m3) sent out	75,709	475,265

#### Other KPI's

REVENUE R.O. '000	YTD Budget	YTD Actual	Variance
Electricity sales to customers	2,214	2,003	(9)%
Electricity Sales to Government	1,121	1,165	4%
Electricity sales to OPWP	8,290	3,772	(54)%
Water sales to Water dept	1,749	969	(44)%
Government Subsidy	18,101	13,257	(27)%
Other Revenue	499	868	(74)%
<b>Total</b>	<b>31,974</b>	<b>22,033</b>	<b>(33)%</b>

OPEX R.O. '000	YTD Budget	YTD Actual	Variance
Cost of Sales			
Power Purchases Expenses	279	316	(14)%
Plant Operations Contract Fees	2,096	1,851	12%
Diesel Consumption	11,531	10,101	12%
Spares & consumable Expenses	2,902	1,156	60%
Maintenance and repairs Expenses	925	610	34%
Other Direct costs	2,661	1,661	38%
<b>Total</b>	<b>20,394</b>	<b>15,697</b>	<b>23%</b>
Admin & other operating expenses			
Salaries & Allowances Expenses	2,180	2,121	3%
Other expenses	1,660	1,376	17%
<b>Total</b>	<b>3,840</b>	<b>3,498</b>	<b>9%</b>
<b>Total OPEX R.O. '000</b>	<b>19,537</b>	<b>23,892</b>	<b>(22)%</b>
<b>Profit/(loss) before tax</b>	<b>5,188</b>	<b>606</b>	<b>(88)%</b>

### Financial & Operational Results

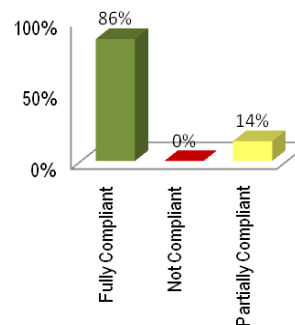


#### 4-Legal, Statutory & Regulatory Compliance

##### 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.