

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	Construction of Al Duqm P/S Phase 1	Al Wusta	5,743	03/11/08	02/11/09	1/01/2010	49%	45%	●
2	EPC of 11/33kv system for power plant at Al Duqm Area	Al Wusta	2,256	11/03/09	09/02/10	-	54%	51%	●
3	EPC for 33/11kv Substation and 33kv Distribution Network at Al Duqm area.	Al Wusta	16,058	17/05/2009	15/12/2010	-	26%	17%	●
4	EPC for additional Generation at Masirah Power and Desalination Plant	Al Wusta	768	07/07/2009	21/02/2010	-	34%	21%	●
Price Controls Projects									
1	Extension of 33kv overhead line for Interlinking Horat with Mudhai (Ayboot-1)	Dofar	159	30/8/2009	11/3/2010	-	10%	10%	●
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	-	10%	10%	●
Sponsored Projects									
1	Construction of Al Duqm Desl. Plant	Al Wusta	7,973	09/03/08	07/07/09	07/01/10	78%	77%	●
2	Extension of Saih Al Kirat Power Station	Dhofar	1,230	19/10/08	28/08/09	25/9/2009	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 September 09

Region	No.of Interruptions
Dofar	5
Musandam	2
Al Wusta	11
Total	18

b. Customer Complaints September 09

Date	Address	Complaint Details	RECO procedures
26.9.09	Musandam	Meter reading for the last 3 month have not taken regularly	-Take the average consumption for the months of July & August. -Alert on the ONEC company to not repeat that.

7. Changes affecting Quality Management System

Policies: The Quality & HSE 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

• Budget & forecast:

RAEC Management has initiated for 2010 Budget preparation with coordination of Regional offices and functional managers. RAEC management ensures the more feasible budget will be enforced in 2010 to maximize the resource utilization. Business plan was taken in to consideration when preparing the budget.

• Capability Statement:

RAEC has prepared the 3-years Capability Statement 2009-2011 as per the requirement of condition (35) of the license. The Capability Statement provides information on the status of RAEC capacity, Demand projection; foreseen constraints progress of current investment and information to identify and evaluate opportunities available for connecting to a RAEC system.



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Highlights

HEALTH, SAFETY AND ENVIRONMENT:

The Health & Safety Audit (as per condition 14) carried out in August 2009 by KEMA (Approved Auditors by Authority for Electricity Regulation, Oman). RAEC has received the draft Audit report. KEMAs audit presentation was attended by RAEC Chairperson, Board members, GM and line managers. RAEC is waiting for the final report which is supposed to be received in October 09. RAEC is gathering an action plan to help to implement the audit requirements and take the corrective actions within the targeted time frame.

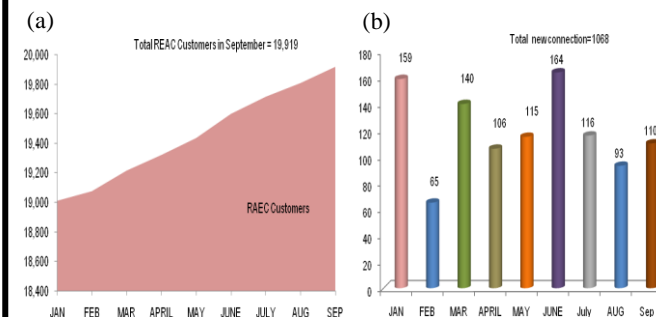
ISO 9001: 2008

ISO 9001: 2008 implementation is progressing with higher appreciation. RAEC ISO Internal Audit team was formed and internal audit has taken place at the end of this month, all functional departments were audited including Musandam regional office. Audit findings are satisfactory to call the ISO, certification body to do the external auditing. All functional departments were actively coordinated for the QMS setup including SOP review and Finalization. Quality Manual was Approved and issued to Authorized Officials and Department heads.

1. Review of Outstanding Actions from last MMR:

- a) Projects progress Reviewed.
- b) Implementation of ISO 9001:2008 focused.

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-Sep09)	(1.4)	(2.3)	7.86	1.017
2	Debt Collection – Government Accounts 'day	436	300	205	200
3	Inventory Obsolescence 'thousands RO	9.4	8.2	9.81	7.0
Operations					
1	Fuel Efficiency (Kwh per litre)(YTD)	3.3	3.3	3.49	3.5
2	System Losses (technical + non technical)(YTD)	17%	14%	15.36%	15%
3	Compliance with License Condition	50%	67%	82%	90%
Customer					
1	Customer Average Interruption Duration 'min (CAIDI)	106	106	129	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	0.001	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 Sept 09	YTD Sept 09
Power (Kwh) Generated (net)	40,907,773	288,167,541
Power (kwh) PDO Interconnection	4,235,083	32,700,603
Power (kwh) Supplied	42,625,274	274,148,096
Water (m3) Desalinated	76,467	671,181
Water (m3) sent out	79,459	651,408

4-Legal, Statutory & Regulatory compliance

Actions taken to make certain License Conditions fully compliant

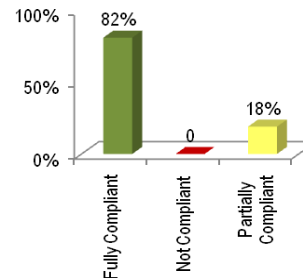
- **Condition (35): RAEC Systems Capability Statement:** RAEC capability statement (final draft) has been completed and sent to the Authority for final approval. The statement expected to be approved and put in to effect within Q4 2009.
- **Condition (56): RAEC Connection and Electrification Funding:** RAEC Managements has prepared and send pro-formas for electrification projects requesting approval for projects funding. RAEC received Approval for several Projects worth to RO 60Million (approx) including Duqum Project.

Other KPI's

REVENUE R.O. '000	YTD Budget	YTD Actual
Electricity sales to customers	2,432	2,674
Electricity Sales to Government	1,300	1,354
Electricity sales to OPWP	3,750	5,199
Water sales to Water dept	1,710	1,275
Government Subsidy	18,745	23,039
Other Revenue	991	818
Total	28,928	34,359

OPEX R.O. '000	YTD Budget	YTD Actual
Cost of Sales		
Power Purchases Expenses	284	322
Plant Operations Contract Fees	2,673	2,471
Diesel Consumption	13,725	14,605
Spares & consumable Expenses	2121	1,759
Maintenance and repairs Expenses	1,148	902
Other Direct costs	540	329
Total	20,491	20,388
Admin & other operating expenses		
Salaries & Allowances Expenses	2,411	2,238
Other expenses	2,428	1,934
Total	4,839	4,172
Total OPEX R.O. '000	25,330	24,560
Profit/(loss) before tax	1,017	7,087

% 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

