



PAKISTAN DISTRIBUTION UTILITIES EXAMINE TURKEY'S COMMERCIAL & FINANCIAL MANAGEMENT & CUSTOMER SERVICE

EXECUTIVE EXCHANGE IN ANKARA & ISTANBUL, TURKEY

Ankara & Istanbul, Turkey - November 14 - 18, 2011 - A dozen chief engineers and managers from Pakistan's largest electricity distribution utilities gained exposure in the areas of commercial management, financial management, and customer service in distribution utilities by meeting with leading utilities in Turkey.

EXECUTIVE EXCHANGE HIGHLIGHTS

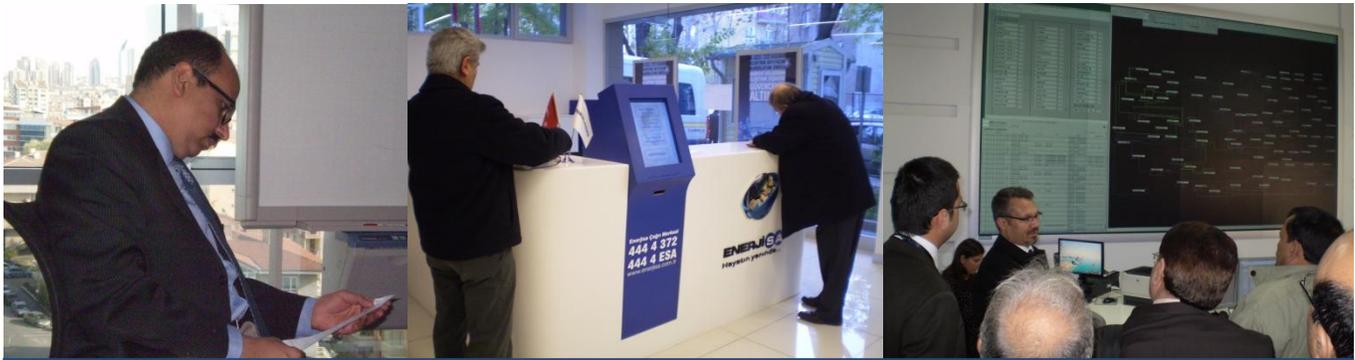
Recognizing the need for targeted capacity building in Pakistan's electricity distribution sector, particularly in the areas of commercial management, financial management, and customer service, delegates to this Utility Exchange Program were exposed to practical information, real-world case studies, and best practices in these subject areas from their peers at various Turkish distribution companies. Effective accounting, debt collection, revenue enhancement programs and systems, and customer satisfaction improvement programs was addressed via a series of interactive presentations, roundtable discussions, and site visits hosted by leading distribution companies over a one-week period.

The exchange was part of the U.S. Agency for International Development's Power Distribution Improvement Program (PDIP). The Utility Exchange Program (UEP) of the Power Distribution Improvement Program aims to share practical information, real-world case studies, and best practices in different electric utility functional areas with Pakistan's electricity distribution companies. Through a series of exchange programs to U.S. and third-country utilities, UEP will enhance understanding of advanced utility best practices, change management programs, and work cultures that are commercially proven and have the potential of being implemented in Pakistan's electricity distribution companies.



Left: Enerjisa Baskent Electricity Distribution Company's CEO Gerhard Neubauer hosted the delegation on their first day in Turkey, providing an overview of the country's electricity sector liberalization and Enerjisa Baskent's procedures in commercial operations, metering, billing, collections, pricing, and operational controls.

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Above left: Multan Electric Power Company Ltd. Corporate Accounts Manager Mian Ansar Mahmood examines Enerjisa Baskent's automatic customer bill system, where bills are printed out at the time of the meter reading and left with the customer.

Above middle: Enerjisa Baskent Customer Care Center. The Care Center houses the call center (which is outsourced to a private company specializing in call center operations), the customer care offices, as well as the customer relations office (which is responsible for all written responses to customers).

Above right: Pakistan delegates tour Enerjisa's SCADA control center.



Above: Delegates visit national regulator Enerji Piyasi Duzenleme Kurumu (EPDK). EPDK shared best practices in financial, performance, and service requirements and standards for Turkish DISCOs.



Above: Delegates visit AYEDAS – the Istanbul Anatolian Side Electricity Distribution Corporation. During the visit, the PDIP delegation visited one of AYEDAS' substations, as well as their customer service center that includes a call center, and maintenance and operations centers.

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Above left: Pakistan distribution delegates visit to Bogazici Electricity Distribution Company (BEDAS) call center. The center handles approximately 3,700,000 calls per year.

Above right: Pakistan delegates meet with BEDAS General Manager Abdullah Atalay. BEDAS is the distribution utility responsible for the European-side of Istanbul.

Right: BEDAS provides an overview of their commercial and financial operations, metering, billing and collections, as well as accounting procedures.



Above/left/below: Pakistan distribution delegates visit to Turkey Electricity Distribution Corporation (TEDAS) – the state-owned holding company responsible for the remaining non-privatized distribution and retail services. TEDAS' core activities include distribution grid operation and investments; retail subscriptions, energy sales and cash collection; and retail sales services including meter reading and billing.



BACKGROUND ON PAKISTAN'S POWER & ELECTRICITY DISTRIBUTION SECTOR

Pakistan's power sector is confronted by significant challenges. These include the limited availability of reliable and affordable electric power, aging and inadequate transmission and distribution networks, and utility policies and practices that lag behind those of advanced utilities elsewhere in the world. Additionally, a robust technological infrastructure that can enable efficient back-office operations, such as handling customer service requests, is not yet in place.

For major electric distribution utilities in Pakistan, these deficiencies translate into levels of financial performance that are not self-sustaining. Financial self-sufficiency is becoming critical, as Pakistan's power industry is undergoing sweeping changes. These changes include transitioning from wholly Government-owned utilities to fully autonomous companies that will engage in power generation, transmission, and distribution under the Government's aggressive reform agenda. A similar industry structure exists and functions smoothly in many other countries today. In Pakistan, however, outdated policies, procedures, and work practices, as well as low investment in infrastructure, pose barriers to a successful transition.

PARTICIPATING HOST ORGANIZATIONS

- Baskent Electricity Distribution Company
- Turkey Electricity Distribution Company (TEDAS)
- Enerji Piyasi Duzenleme Kurumu (EPDK)
- Anatolian Side Electricity Distribution Company (AYEDAS)
- Bogazici Electricity Distribution Company (BEDAS)

RESULTS

The Pakistani delegation had the opportunity to witness the approach of five unique and advanced electricity distribution utilities for one week in Turkey – utilities that shared many of the challenges experienced by those in Pakistan, and with varying levels of financial, technological, and human resources to solve those challenges. While commercial and financial management and customer service were the foundational topics throughout the week of training, topics including privatization, training, arbitration, and operations were also included to provide an intensive, holistic program designed to improve knowledge, skills, and understanding of best practices throughout Pakistan's electricity distribution system.

As a result of this program, the delegation:

- Learned the value, structure and operation of an efficient and modern **utility customer call centre** to manage customer service and electricity distribution network maintenance, allowing for the streamlining and fast response of customer complaint handling, bill payment, equipment and network maintenance.
- Were exposed to the benefits of **Automatic Meter Reading (AMR) and Advanced Metering Infrastructure (AMI)**, including theft detection and rectification, which are key problems in the Pakistan distribution sector. AMR and AMI allow for more accurate and precise measurement of electricity consumption, more efficient operations for the utility requiring less manpower and resources, and easier access to information for billing and analysis.
- Witness first-hand the function and operation of **Supervisory Control and Data Acquisition (SCADA) systems** and **Geographic Information System (GIS)** software to manage the network, while also limiting and controlling disturbances to the network. SCADA allows an operator at a master facility to monitor and control processes that are distributed among various remote sites, saving time and money by eliminating the need for service personnel to visit each site for inspection, data collection/logging or make adjustments. The delegates were also exposed to SCADA's abilities for real-time monitoring, system modifications,



Pakistan Distribution Utilities Examine Turkey's Commercial & Financial & Customer troubleshooting, increased equipment life, and automatic report generating. GIS provides for an efficient platform for data management, planning and analysis, workforce automation, and situational awareness.

- Were exposed to the benefits of implementing **Enterprise Resource Planning (ERP)** in a utility's operations to integrate internal and external management information across a utility, embracing finance/accounting, customer service, sales, management, and various other company functions.

UTILITY EXCHANGE PROGRAM PARTICIPANTS

1. Malik Imtiaz Ahmad, Officer/director commercial, Multan Electric Company (MEPCO)
2. Imtiaz Ahmad Butt, Additional DG (IT), Lahore Electric Supply Company (LESCO)
3. Syed Riaz Qadeer Bukhari, Manager (customer services), Islamabad Electric Supply Company Ltd (IESCO)
4. Muhammad Bukhsh, Manager finance, Lahore Electric Supply Company (LESCO)
5. Mohammad Iqbal Ghorri, Finance director, Faisalabad Electric Supply Company (FESCO)
6. Manzoor Hussain, Additional customer service director, Gujranwala Electric Power Company (GEPCO)
7. Muhammad Mashkoor Khan, Manager MIS, Peshawar Electricity Supply Company (PESCO)
8. Mehmood Ali Khan Kaim Khani, Manager commercial, Hyderabad Electric Supply Company (HESCO)
9. Kazi Khalid Hussain Junejo, Financial analyst/advisor, Hyderabad Electric Supply Company (HESCO)
10. Mian Ansar Mahmood, Manager corporate accounts, Multan Electric Company (MEPCO)
11. Abdul Rehman, Manager - marketing & tariff, Lahore Electric Supply Company (LESCO)
12. Dilawar Hasnain Memon, Superintending engineer, Sukkur Electric Power Company (SEPCO)

For additional information, please contact Sarah Blanford at sblanford@usea.org or +1-202-641-6112.