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PAKISTAN'S DISTRIBUTION UTILITY LEADERS GAIN INSIGHTS INTO CUSTOMER SERVICE & COMMERCIAL OPERATIONS BEST PRACTICES IN UNITED ARAB EMIRATES

EXECUTIVE EXCHANGE TO DUBAI & ABU DHABI, UNITED ARAB EMIRATES

ISLAMABAD, PAKISTAN – Senior managers from Pakistan's largest electricity distribution utilities recently gained exposure to high-impact, low-cost methods to improve customer service and enhance commercial operations by meeting with leading utilities in the United Arab Emirates, as part of an ongoing project supported by the U.S. Agency for International Development (USAID).

USAID's Power Distribution Program (PDP) is a three-year project aimed at working jointly with government-owned electric power distribution companies in Pakistan to improve their performance in the areas of loss-reduction, revenue collection, and customer services. As part of the Power Distribution Program's capacity-building efforts in Pakistan, a delegation of twelve distribution experts engaged in meetings, presentations, roundtable discussions, and technical site visits in Dubai and Abu Dhabi to identify relevant strategies and policies utilized throughout the electricity distribution sector in the United Arab Emirates which might be adapted for implementation in Pakistan.

Key training providers included the Dubai Electricity & Water Authority (DEWA) and the Abu Dhabi Distribution Company (ADDC). The delegation also met with Siemens Infrastructure & Cities Division to review their SmartGrid and other distribution equipment offerings, including from their manufacturing facility in Karachi.



Above, the delegation assembles outside the Dubai Electricity & Water Authority's meter testing and asset management facility on 11 November 2012.

EXECUTIVE EXCHANGE HIGHLIGHTS

The weeklong program focused on best practices in distribution utility commercial management, including department structure and functions, metering, billing, collections, and pricing. Best practices in customer service were also relayed, including department structure and functions, customer information systems and data collection, complaint management, and customer service training programs.



Above, Mr. Aftab Malik, Deputy Commercial Manager of SEPCO, and Mr. Muhammad Asif, Deputy Commercial Manager with GEPCO, review a sample customer account screen at one of the Abu Dhabi Distribution Company's customer service centers.

KEY TOPICS

Measures to enhance revenue were stressed by both DEWA and ADDC, and were of significant interest to the delegation. These included regular meter inspection schedules, standardized and well-publicized criteria for disconnections, incentives for timely bill payment, and increasing payment options for customers while steering them toward lower-cost methods of interaction, such as online communication, kiosk payments, and 24-hour call centers.

Automatic meter reading (AMR) is another technology being widely deployed in the United Arab Emirates that was of particular interest to the

Pakistani delegation. AMR provides numerous advantages to distribution utilities and their customers alike. Benefits include reduced meter

reading expenses, increased accuracy, improved reliability, and reduced likelihood of tampering or theft. It provides customers the flexibility to pre-pay for electricity, while empowering them to monitor usage online and track expenses. The delegation was particularly impressed by the durability record of the advanced meters, as well as their resistance to tampering. The aggressive rollout of AMR technology was appreciated by both utility and consumer alike in Dubai and Abu Dhabi.

Loss reduction was an additional popular topic with the delegation, as their distribution companies face significant challenges in this area. Eskom's experts in the areas of theft prevention and detection explained how an integrated approach to the problem has effectively reduced losses. This approach includes public advertising about the health risks and societal harms of electricity theft, national legislation enabling utilities to remove meters and other electrical equipment after the third confirmed case of theft or tampering, split metering, steel enclosures and house audits.

BACKGROUND ON PAKISTAN'S POWER & ELECTRICITY DISTRIBUTION SECTOR

Pakistan's power sector is confronted by significant challenges, including limited availability of reliable and affordable electric power, aging and inadequate transmission and distribution networks, and utility policies and practices that lag those of advanced utilities. For distribution utilities in Pakistan, these deficiencies translate into levels of financial performance that are not self-sustaining. Yet financial self-sufficiency is critical, as Pakistan's power industry is undergoing sweeping changes, including transitioning from Government-owned utilities to fully autonomous companies that will engage in power generation, transmission, and distribution under the Government's 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, are barriers to a successful transition. The PDP was designed to overcome those barriers.

EXECUTIVE EXCHANGE RESULTS

The Pakistani delegation had the opportunity to witness the customer relations and commercial operations philosophies and methodologies of two unique and advanced electricity distribution utilities for one week in the United Arab Emirates. These utilities 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 operations and customer service best practices were the foundational topics throughout the week of training, other topics including tariff policy, voltage standards, and human resources recruitment strategies were also included to provide an intensive, integrated 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:

- Gained understanding of a feasible **evolution for distribution utilities from connection and billing emphasis to a customer service-driven organization**. The delegation was given detailed information on how, in just over a decade, it was possible to enact a complete transition from a utility with only a few branches and service counters to one with mobile meter reading, re-designed bills, and numerous outlets for customer interaction.
- Understood that **loss reduction** requires numerous simultaneous approaches to be most effective. These include regular inspection, detection, incentivizing employees, and marketing to consumers.
- Gained understanding in **geographic information systems (GIS)** and their value to both planners in the office as well as employees working in the field.
- Observed both modern and older **billing** systems, and received information on decisionmaking for outsourcing some utility functions while keeping others in-house.
- Received detailed specifications of advanced **communications systems** that have replaced analog radio communications as the new standard for linking meters, equipment, and workers with control rooms and dispatch centers.
- Established strong **professional relationships** with experts in numerous areas of electricity distribution with utilities in UAE. These contacts all offered to answer follow-on questions or provide advice to the delegates after they returned to their duties in Pakistan.



Above, ADCC's Meter Reading Department head discusses his utility's aggressive rollout of digital meters, which have proven both durable and resistant to tampering. ADCC chose Elster as the majority provider of its residential digital meters.

HOST ORGANIZATIONS

- Dubai Water & Electricity Authority (DEWA)
- Abu Dhabi Distribution Company (ADDC)
- Siemens Infrastructure & Cities Division

UTILITY EXCHANGE PROGRAM PARTICIPANTS

| DISCO | DELEGATE NAME | DESIGNATION |
|--------------------|--------------------------|--------------------------------|
| PESCO (Peshawar) | 1. Muhammad Rafiq | Deputy Commercial Manager |
| | 2. Atif Jawad | Assistant Manager CS/RO |
| HESCO (Hyderabad) | 3. Khalid Bhatti | Deputy Manager/XEN |
| IESCO (Islamabad) | 4. Faisal Anjum | Deputy Commercial Manager |
| MEPCO (Multan) | 5. Emmanuel | Deputy Manager/XEN |
| | 6. Rehmat Ullah | Deputy Commercial Manager |
| | 7. Sher Dil | Assistant Manager C/Operations |
| LESCO (Lahore) | 8. Wahid Hameed | Manager |
| GEPCO (Gujranwala) | 9. Muhammad Asif | Adl Deputy Commercial Manager |
| QESCO (Quetta) | 10. Abdullah Jan | Acting Manager Commercial |
| FESCO (Faisalabad) | 11. Ch. Muhammad Mehmood | Deputy Commercial Manager |
| SEPCO (Sukkur) | 12. Aftab Malik | Deputy Commercial Manager |



Waleed Salman, Executive Vice President of DEWA, explains a model of Dubai's future renewable energy development.