

USAID Assistance for Islamabad Electric Supply Company (IESCO)

Introduction

USAID through its Power Distribution Program is assisting IESCO by a number of initiatives and projects for institutional improvement of IESCO and for improved delivery of power to the customers:

Financial Management

- USAID Power Distribution Program (PDP) has provided IESCO with new Accounting and Internal Audit Manuals to replace the legacy WAPDA manuals of 1980s. The procedures have been optimized especially in internal audit. A co-sourcing partner has been deployed to work with IESCO's internal audit department and concept of risk based audit has been introduced.
- PDP developed and implemented a financial forecast model which assists IESCO in making financial projections up to 10 years in advance. As IESCO proceeds with performance enhancement activities which include implementation of Enterprise Resource Planning (ERP), expansion of information technology for engineering planning, financial planning and other applications, business planning will evolve into a more sophisticated business process.
- A Documentation Manual for implementation of ERP and an RFP for implementation of ERP has been prepared and delivered to IESCO. This will help IESCO in modernizing its processes and will help in introducing an integrated automation system in the Company.

Commercial Management

- PDP conducted a Cost of Service Study (COSS) for IESCO to examine IESCO's current rate-making process, determine the cost of service for various consumer categories and design a cost reflective tariff. A tariff petition backed by a proper cost of service study will improve the regulator's confidence in a standard methodology and result in increased acceptability of the rates in the tariff petition. Thus far, the initial cost of service study has been completed and shared with NEPRA which has shown great enthusiasm about the results and are looking forward to IESCO to file the next petition based on this study.
- IESCO's Westridge division is being used as a model for introducing improvements in commercial procedure which includes revised meter reading process, discrepancy management and billing adjustment procedure; this means meter readers will no longer have access to past readings, resulting in more accurate billing on units actually consumed and not based on historical data. Additionally, PDP has introduced Hand Held Units (HHUs) for meter reading and have trained meter readers on correct reading procedures of digital meters including time-of-use meters. PDP has also installed PITS-dedicated software, and assisted with optimization of meter reading routes.

Engineering and Operations

- PDP has established a new state-of-the-art Planning & Engineering (P&E) Computer Center. This Center modernizes IESCO's P&E function, improves planning process resulting in optimized system expansion and augmentation costs. Furthermore, hardware and software has been provided for GIS mapping and for engineering analysis allowing comprehensive mapping and engineering modeling of the distribution network. The P&E Center will help improve overall simpler operation and streamline the maintenance of its geo-database, reduce losses and increase the amount of power available to end-consumers. A Power Quality Monitoring Cell has also been established to help IESCO monitor the current state of the network and take remedial measures in time where required to save the equipment from over loading and damage.
- GIS mapping has been done for Jhelum and Gujar Khan Divisions and power flow analysis is being done on selected feeders for segregating technical and nontechnical losses and for optimized operations.
- For technical loss reduction, PDP is helping IESCO install LT capacitors on tubewell motors, providing capacitors and using IESCO staff for installation and pre and post audits.
- PDP through its Load Data Improvement Project (LDIP) plans to improve load management and unscheduled load shedding in IESCO by installing AMRs on outgoing and incoming panels at each grid substation; the project also includes provision of technical assistance and upgrading of IESCO's Control Center with on line access to the data. The reduction of unscheduled load shedding is contingent on IESCO's Control Center having access to near real-time load data on all grid substations, and the National Power Control Center (NPCC) having near real-time data on actual power going to IESCO. USAID is funding this initiative which will result in a significant reduction in unscheduled load shedding, will improve IESCO's internal feeder load shedding performance and significantly improve relations with its customers. The project implementation is being done on fast track basis.
- AMRs are also being installed on transformers of three feeders for load data profile for validation of results of Cost of Service Study.

Training and Capacity Building

- As a means to reduce both fatal and non-fatal accidents, PDP provided training and tools to lineman trainers. IESCO will expand this training at its Regional Training Center (RTC), Islamabad through USAID PDP trained line staff to cover most of the working linemen. This training will promote a safety culture, reduce accidents and improve work practices in field formations of IESCO.
- Through Utility Exchange Program, a number of officers have been sent abroad by USAID to visit South Africa, USA, Australia, UAE, Turkey for exposure to the working of successful utilities in that part of the world. More programs are in the offing.
- PDP has also launched a management development program through which training is being imparted to senior, middle and junior management levels on various aspects of utility management and regulation. This program is on-going. Under this program, basic IT training has also been provided to female employees of IESCO.