

Electric Utility Planning and Strategic Investment

December 1-5, 2003

Arcade Hotel

Abuja, Nigeria

Workshop Agenda

Monday - December 1, 2003

- 10:00 AM** **Welcome and Opening Remarks**
Senator Liyel Imoke, Honorable Minister of Power, Ministry of Power and Steel
Eng. Joseph Makoju, MD/CE, National Electric Power Authority (NEPA)
Dr. Sam Agbogun, ED, Corporate Planning, National Electric Power Authority (NEPA)
Mr. Thomas Park, Economic Development Team Leader, USAID Nigeria
- 11:10 AM** **Workshop Overview**
Joanne Dixon, IIE Energy Group
- 11:15 AM Tea/Coffee Break
- 11:30 AM** **Section 1 Utility Planning Framework**
Discussion on relationship of electric sector planning with overall economic and energy planning. Electricity business models, nature of competitive environments, contemporary utility business structures (public/private utilities, single/multiple buyers, IPPs, BOO, BOT, models etc). Overall process of utility planning, planning constraints, analysis of issues confronting utilities (SWOT analysis), relationships amongst technical, financial and strategic planning and concepts of short, medium and long term plans. Utility management structures and levels for corporate and functional-level decision making. (Ashfaq Mahmood)
- 1:00 PM Lunch (provided on-site at the Arcade Hotel restaurant)
- 2:00 PM **Section 1 Utility Planning Framework (continued)**
- 3:15 PM Tea/Coffee Break
- 3:30 PM** **Section 2 Technical Planning**
In this module, demand and supply side planning methodologies will be discussed. The discussion on demand side planning will deal with methods of demand projection, management and conservation. Supply side discussions will include evaluation of supply options, loss reduction, preparation of generation, transmission and distribution plans, preparation of power balances, rural electrification, enhancing access to electricity in rural and urban areas etc. (Roberto D'Addario)
- 5:00 PM Adjourn

Tuesday – December 2, 2003

- 9:00 AM** **Section 2 Technical Planning (continued)**
- 10:30 AM** Tea/Coffee Break
- 10:45 AM** **Section 3 Strategic Options**
This will entail discussion on corporate and functional level policies/options. Discussion on corporate level strategies will pertain to cost unbundling, corporatisation, commercialization, restructuring, downsizing, divestment and privatization. Business strategies in competitive environments, financing strategies, target markets, fuel strategies and pricing strategies will also be discussed. (Roberto D'Addario)

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- 1:00 PM Lunch
- 2:00 PM **Section 3 Strategic Options (continued)**
Discussion on functional level strategies will include options such as demand management vs. capacity expansion, choices of sizes of plants and technology, utility expansion ROE/ROA vs. long term sustainability, short term vs. long term plans, grid expansion vs. locations of generations, distribution investment, inventory management, efficiency improvements, technological choices, load dispatch strategies, reserves policies etc. (Ashfaq Mahmood)
- 3:30 PM Tea/Coffee Break
- 3:45 PM **Section 3 Strategic Options (continued)**
- 5:00 PM Adjourn

Wednesday – December 3, 2003

- 9:00 AM **Section 4 Financial Planning**
Basic concepts of financial statements (income, cash flow and balance sheet), principles to check the financial health of a utility (performance ratios, arrears etc) and measures to attract investment (public/private) will be reviewed. Future projections of financial statements, capital budgeting for future investments and impacts of new investments on the projected financial health of the utility would be discussed. (Ashfaq Mahmood)
- 10:30 AM Tea/Coffee Break
- 10:45 AM **Section 4 Financial Planning (continued)**
- 1:00 PM Lunch
- 2:00 PM **Section 4 Financial Planning Case Study**
- 3:30 PM Tea/Coffee Break
- 3:45 PM **Section 4 Financial Planning Case Study (continued)**
- 5:00 PM Adjourn

Thursday – December 4, 2003

- Section 5 Risk Assessment and Scenario Development**
This module will discuss identification of technical and financial risks of projects, investments, operation and risks associated with various strategies. Discussion will also focus on iterative nature of strategic planning and development of various scenarios. (Roberto D'Addario)
- 10:30 AM Tea/Coffee Break
- 10:45 AM **Section 5 Risk Assessment (continued)**

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- 1:00 PM Lunch
- 2:00 PM **Section 6 Company Infrastructure Planning**
6.1 Human Resources
This module will cover discussion on the process of assessment of need of human resources in specific areas of expertise, issues of over and under staffing and corresponding adjustments, comparison of utility staffing practices with best practices, training, motivation, incentives, career progression policies, performance efficiency, organizational loyalty, avoidance of obsolescence, appointments based on political vs. merit/competence etc. (Ashfaq Mahmood)
- 3:30 PM Tea/Coffee Break
- 3:45 PM **Section 6 Company Infrastructure Planning (continued)**
6.2 Customer Service
Review of customers needs, current state of customer service, plan for improving customers' service, emphasis on quality and standard of service etc., customers' education. (Roberto D'Addario)
- 5:00 PM Adjourn

Friday – December 5, 2003

- 9:00 AM **Section 6 Company Infrastructure Planning (continued)**
6.3 Institutional Arrangement for R&D and Planning
Institutional arrangement for R&D in improvements in all facets of utility business, communication, strategic planning etc. (Roberto D'Addario)
- 10:00 AM **Workshop Review**
- 11:00 AM **Closing Remarks**
NEPA
USAID Nigeria
- 11:30 AM **Workshop Graduation**

Tea/Coffee available following Workshop Graduation

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- ** Notes:
1. The workshop will be begin each day, Monday-Friday, at 9:00 AM and conclude at approximately 5:00 PM. – except for Monday, on which workshop opening will begin at 10:00 AM.
 2. The Workshop Graduation on Friday will conclude by 1:00 PM.
 3. Two coffee/tea breaks will be held each day (at approximately 10:30 AM and 3:30 PM).
 4. Lunch will be provided each day, Monday through Thursday, at the Arcade Restaurant (at approximately 1:00 PM)
 5. Session timings are approximate and may be adjusted during training to best fit instructor presentations & discussions.