

Office of the Chief Executive Officer

01 2007/8 – 2009/10 Business and Financial Plan

Minister, MITC approved recommendations and forwarded to Minister, MFEI. Process now being queried by MFEI. Escalated to Minister, MITC.

02. Gas Commercialisation

Ernest & Young appointed to assist Office of CFO on financial matters impacting the Corporation as a consequence of the commercialization given that MIMCOL have informed the Corporation that they will not be carrying out this work.

All agreements are now finalised and agreed upon. A final meeting is scheduled for the 11th June 2008 to wrap up. Cabinet is yet to be attained.

03. Petroleum Commercialisation

Shell have place a 'Mandat ta' Inhibizzjoni'. A ruling will be attained later this month.

Adjudication team convened on 9th June 2008 to open the bids received and initiate evaluation process. Technical consultants appointed.

04. Aviation Work Schedule

Discussions underway. Targeting closure of discussions for third week of June 2008.

05. Sale of Sea Malta Land

Land evaluation attained. Discussion with Department of Lands to initiate sale. Sale to be marketed within the context of the Grand Harbour Plan.

06. Service Call Centre

To be subsumed within the IUBS change process.

07. Electricity Supply Regulations (ESR)

To be subsumed within the IUBS change process.

08. Collective Agreement

Signed. Item will not be reported in future reports.

09. OFT and Surcharge

Documentation present to OFT. Awaiting judgement.

Office of the Chief Technical Officer

01. Emissions Automated Management System

MRRA have recommended that another inter-ministerial meeting should take place to discuss the best way forward. This meeting will also include representatives from OPM EU directorate.

02. 100MW Generation Plant

Requests for clarifications have been sent to the bidders and their responses received. This has effectively confirmed the preliminary assessment that the two diesel engine based bids offer best value for money in the most likely operating scenarios. Final negotiation meetings will be held with these two bidders during weeks 26 and 27, with the aim of reaching a conclusion. A consultant, Lahmeyer has been engaged to advise on the feasibility of the flue gas abatement technology proposed by these bidders. A meeting to finalise the ToR for the EIA was held with MEPA, and quotations will be requested from the list of MEPA approved consultants.

03. Interconnector

Approval by MITC (MIIT) and MFin to award a consultancy contract for a detailed feasibility study by direct order to Terna, following evaluation of bids received has been obtained. We are awaiting feedback from Terna on the date of the kick off meeting.

This study will determine the most cost effective solution, namely the type of technology to be used (AC or DC) and carry out an analysis of the possible regulatory and contractual frameworks. A cost benefit assessment will be carried out for the most attractive solutions.

The initial step of the project will be to decide and agree the regulatory framework, in order that a decision on whether the interconnector is a private merchant or a regulated interconnector, or a hybrid can be taken. Prior to award of contract for the supply and laying of the cable, a seabed survey of the proposed route needs to be undertaken, in order to define the length and the requirements for trenching or other mechanical protection of the cable.

A tender for the shore side equipment (DC convertor station, AC reactors, transformers, switchgear and cables, plus tunnelling etc) will also need to be issued. The earliest date for operation of the interconnector is expected to be 2012. We have contacted cable manufacturers recently and the earliest commissioning date would be end 2011 if an order is placed by August 2008.

Whilst the feasibility study is being carried out, preparations for the tender specification can be made, although since a lot depends on the type of technology and on decisions as to the ownership and operation (public or private) this will necessarily have to be continually revised.

The two main decisions which are required are (a) whether an interconnector is to be built and (b) the ownership, operation and regulation of such an interconnector. A position paper has been prepared on this subject.

04. Emissions Issue with EU and Competent Authority

Still awaiting clarification as to whether the directive from MITC applies also to the adoption of the so-called aggregation rule to the existing plant at MPS.

05. Devolution of Street Lighting

Feedback from the LCA has been received and will be discussed internally. Until this is resolved matters are stalled.

06. National Allocation Plan

No action to report

07. Natural Gas Supply

A kick off meeting has been held with the consultants IPA, who have now prepared a detailed set of clarification documents to be sent to the bidders. These are being reviewed and will be sent early next week.

08. Alternative Technology

08.1 Wind Turbine

No action to report.

08.2 Electric Car

No action to report.

08.3 PV Installation

No action to report.

Office of the Chief Financial Officer

01. Policy for the Provisional Supply of Electricity

Meeting set.

02. Accountants and Package

Incorporated in capacity building initiative.

03. Strengthening of Financial Division

Incorporated in capacity building initiative.

04 Third Party Tariffs

KPMG will carry out this assignment after tariff exercise commissioned by the Corporation on behalf of MITC is completed.

05. Advertising on substations

Tender issued. Issues have arisen vis a vis tendering of advertisements on poles with MEPA, ADT, and MPF.

06. Audit

Meeting held on 27th May. Issue not yet resolved

07. Re-prioritisation of Capital Expenditure

Awaiting constitution of Board Finance Committee.

08. Government Subventions

The 2007/08 outstanding financial matters is resolved. The outstanding issue is that related to the accounting for Lm 24 million paid by Government in property not cash.

09. MIP - Properties

No action concluded with outgoing CEO. The process is to re-initiate with the new CEO and Board of MIP.

10. Internal Controls and returns

HR situation is at breaking point. No response to memorandum sent to Minister, MITC on replacements of administrative staff.

11. Debtor portfolio assessment

No action to date.

12. Credit Policy (foreigners pre payment meters)

Discussed by Board which instructed CEO to introduce as appropriate. No action to date.

13. MRA letter re fuel prices and surcharge

Still pending

14. Generation Plan

CFO has initiated planning for the financing of the project.

Office of the Chief Officer Human Resources and Corporate Services

01. 3rd Floor Refurbishment Programme

Project underway. Structural works initiated.

02. Reception Area

Chief Office, HR & CS is assigned responsibility for the initiative. Meetings scheduled with Architect.

Office of the Chief Information Officer

01. IUBS

Negotiation process with IBM Global solutions initiated. The following structure is in place:

- Core Negotiation Team (chaired by the undersigned)
- Implementation Committee (chaired by the undersigned)
- Business and Financial Sub-Committee
- Technical Architecture Sub-Committee
- ICT Architecture Sub-Committee
- Legal and Contract Sub-Committee.

A Project Management Office is also set up. MITTS Ltd contracted out as per previous Board decision (November 2007) via a visa mobilization for the IUBS contract negotiations. Expertise engaged as appropriate.

e currently under discussion include:

- general terms and conditions of contract
- signatory
- BPO vs Billing JV with WSC
- Hosting
- 60 amp threshold on meters for full functionality
- pilot
- various implementation matters.

Negotiations process is currently on track.

CFO instructed, following direction from Minister, MITC, to plan financing of the initiative.

02. CRM

The infrastructure is now in place, and the CRM uploaded and working well.

03. Electrical Grid Real Time Information

Project is on track. A proposal for the reorganisation of the GIS Unit has been drawn up and discussed. HR Department informed to initiate implementation.

04. Intranet Portal

Project is completed. This item will not be reported in further reports.

05. Migration of Electronic Services and Core Applications onto Government Consolidated Environment

Consolidation process is completed, though a number of teething problems are to be resolved. These include:

- DNS problems on Petroleum Division and Gas Division Servers – are at hand supported by MITTS.
- Client machines (mainly remote sites) receive frequent disconnection message in outlook – problem under investigation.
- Users on long sick or leave – Action taken – Inform their respective manager and reset user credentials to migrate mailbox.

06. E-Services

Project is on hold.

07. HRMS: T&A Payroll Integration

The project is on track.

08. Migration of distribution Business Stores Management System onto SAGE PASTEL

The Project is therefore on hold until a person with Sage Expertise is brought in. Another option, if possible, is to hire a consultant from ITS directly. Attempts so far have failed.

09 Tombstone Data Architecture Exercise

On hold pending conclusion of negotiations with IUBS.

Arising Matters

01. Arbitration between Enemalta and General Soft Drinks

Situation unchanged. Date of judgment is yet to be announced.

02. Relocation of 31 March 1979 Installation to Ras Hanzir, Corradino and Luqa Airport

MEPA is now recommending that the Corporation carries out an EIA and they are working on which parameters the EIA should be based on. Once the parameters are established, the Corporation is to appoint a Consultant to carry out such study.

03. Xatt il Ghasra tal-Gheneb

The underground findings have been cleaned from oil waste which was deposited by MOBC during the years. MEPA was informed that the cleaning works were completed and the site was ready for inspection by the competent authority.

An agreement has been reached with the licensed Lotto receiver and his legal representative.