



# HEPCo 13<sup>th</sup> Annual Report 2017



His Excellency the President of Palestine  
**Mr. Mahmoud Abbas «Abu Mazen»**



Prime Minister  
**Dr. Rami Hamdallah**

## Hepco. Boards of Directors for the year 2017:

- The Board chaired by Prof. Dr. Daoud Zatari (from 01/01/2017- 05/04/2017).
- The Board chaired by Eng. Nader Al-Betar (from 10/04/2017- 28/05/2017).
- The Board chaired by Mr. Tayseer Abu Sneineh (from 28/05/2017- 31/12/2017).

\* The Board of Directors held 14 meetings during 2017.

\* The Board Committees held 36 meetings during 2017.



Mr. Tayseer Abu Sneineh  
Chairman



Eng. Yousef Jabari  
Vice-Chairman



Mr. Kamal al-zair al-Husseini  
2<sup>nd</sup> Vice-Chairman



Dr. Khalid Qawasmi



Mr. Abdul Muti Abu Sneineh



Eng. Muheeb Jabari



Dr. Anwar Abu Aisheh



Mr. Moh'd Omran Kawasmi



Mr. Jawdi Abu Sneineh



Dr. Taghreed Zoghaier



Dr. Yahya Shawar



Mrs. Sahar Qawasmi



Dr. Jihad Oweiwi



Mrs. Suzan Oweiwi



Mr. Ghasan Rajabi



## Chairman Message

«Indeed, we offered the Trust to the heavens, the earth and the mountains, and they declined to bear it and feared it; but man [undertook to] bear it. Indeed, he was unjust and ignorant.» (Holy Quran. Al Ahzab. 72)

In light of the interest of His Excellency President Mahmoud Abbas, and the Prime Minister Dr. Rami Hamdallah; to upgrade the services provided to customers, and to institutionalize the assets needed to build the State of Palestine, it is my pleasure - on behalf of members of the Board of Directors - to extend my sincere thanks and gratitude to our families in the city of Hebron “Khalil al-Rahman” and at HEPCO concession area, for their continuous efforts to help and support the Hebron Electric Power Company “HEPCO”; to obtain the highest standards in providing the best and most professional services that suit this country.

Today, we present the Annual Achievements Report of HEPCO for the year 2017, that was the thirteenth year of HEPCO and its services that play a crucial role in advancing sustainable development; through the delivery of electricity to all customers in HEPCO concession area, and providing all residential, commercial and industrial facilities their needs of electricity. HEPCO works hard to maintain electricity and cope with the growing demand of electricity. This is achieved by the help of the Almighty God and the great efforts of HEPCO team.

**«We ask God to help us to serve the homeland and the citizen.»**

**Mr. Tayseer Abu Sneineh**  
**Mayor of Hebron Municipality**  
**Chairman of HEPCO**



## General Manager Message

### **In the name of Allah, Most Gracious, Most Merciful**

In our belief that electricity is the foundation of development, the pillar of life and the source of the national economy advancement, I am pleased to present to you Hebron Electric Power Company (HEPCo) Annual Report for the fiscal year of 2017.

This year has been full of achievements at all levels: the technical, financial and administrative. HEPCo has been able to sustain its remarkable achievements through the implementation of several development projects that aims at maintaining the supply of electricity at HEPCo area of concession, with the highest standards of quality and quality of services required to serve the customers.

In line with both HEPCO and the Palestinian Government plans to reinforce renewable energy projects, several private projects have been implemented and field studies have been carried out for several projects that were implemented in cooperation with different donors.

However, there are still many obstacles that face HEPCo, for instance; lack of commitment -by some citizens- to pay electricity bills. This affects us negatively by not being able to pay the Israeli Electricity Company (IEC) monthly bills.

Finally, I would like to deeply thank the Board of Directors' President and Members for their guidance and support, and special thanks to all HEPCo staff members for their outstanding and continuous performance to maintain services all through the day and get the Almighty God and customers' satisfaction.

**Regards,**

**Eng. A. Raof Sheikb**  
**General Manager**



## Main Power Sub-stations (33/11 KV)



## HEPCo Concession Area





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## Certificate of Registration

*This is to certify that the*

### QUALITY MANAGEMENT SYSTEM

*of*

### Hebron Electric Power Company - HEPCO

Ein khair Ideen Street, Hebron, PALESTINE

*for*

### Distribution and Management of Electric Power Utility Services

*has been assessed and registered against the provisions of*

### ISO 9001:2008

*International Standard*

*With*

Registration Number:	38Q14505	Project:	47-14505-1-Q
Certification Date:	29 December 2012	NACE:	G 51.70
Recertification Due Date:	1 December 2015	Exclusions:	7.3
Certification Approved By:			

Alan Cherry  
Group Chief Executive Officer

Registration is subject to the management system being continually maintained to the above standard under regular surveillance.  
Should surveillance not take place when required, registration shall be removed.

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## Our Vision

To be premiere electric utility in providing services with the highest possible quality and standards

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## Our Mission

Serving customers with high continuity of supply to enhance economical and social development, creating stable system, training and knowledge sharing opportunities and being an advocate for the electricity industry

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## Our Values

- Transparency and accountability
  - Sharing experiences with similar local and international companies
  - Justice in decisions making
  - Maintaining communication with the surrounding community, and maintaining heritage, customs and traditions of our society society.
  - Authenticity and excellence in serving citizens
-



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The background is a blurred office scene with several people in business attire. A large, semi-transparent blue geometric shape, resembling a stylized 'A' or a large triangle, is overlaid on the left side. In the center, there is a faint, light blue line graph icon with three peaks. The text 'Administrative Department' is written in a bold, white, sans-serif font, positioned in the lower half of the image.

# **Administrative Department**







## Information Technology Section

The IT Section has different administrative and technical tasks. It manages HEPCo systems, equipment and supplies needed by employees to carry out their work. It also provides technical support such as network maintenance, programming, process automation and system development.

### IT Section's most significant achievements during 2017:

- Development of HEPCo Data Center by making the following improvements:
  1. Purchasing and installing high-quality (HP 3Par) data storage unit, one of the best available systems locally. It provides (%99.9999) continuity of service. In addition, the available storage space is very high and works on two systems; (HDD) system of high efficiency and reasonable cost, and (SSD) system of higher efficiency in terms of speed and higher price (than the previous system).
  2. Purchasing and installing a new cluster of servers with high specifications that work together to provide a stable system with speedy performance.
  3. Running most of HEPCo systems on the new servers, and checking its performance after the transfer; to benefit from the available resources. It is worth mentioning that all new and transferred systems are running virtually on the new servers (Virtual Machines) and based on the latest available technology to give the highest efficiency.



4. Updating the servers' network through adding high speed managed switches and Firewalls; so that HEPCo's local network will be expanded to meet the increase in number of employees and equipment.

**FORTINET.**

  
**Hewlett Packard**  
 Enterprise



- Installing «Infinity» System: An integrated system consisting of two main parts:

**1. Electronic mail (E-File Portal):** It enables all HEPCo employees to communicate in a fast and easy way to follow transactions coming from other systems such as the «Divan».

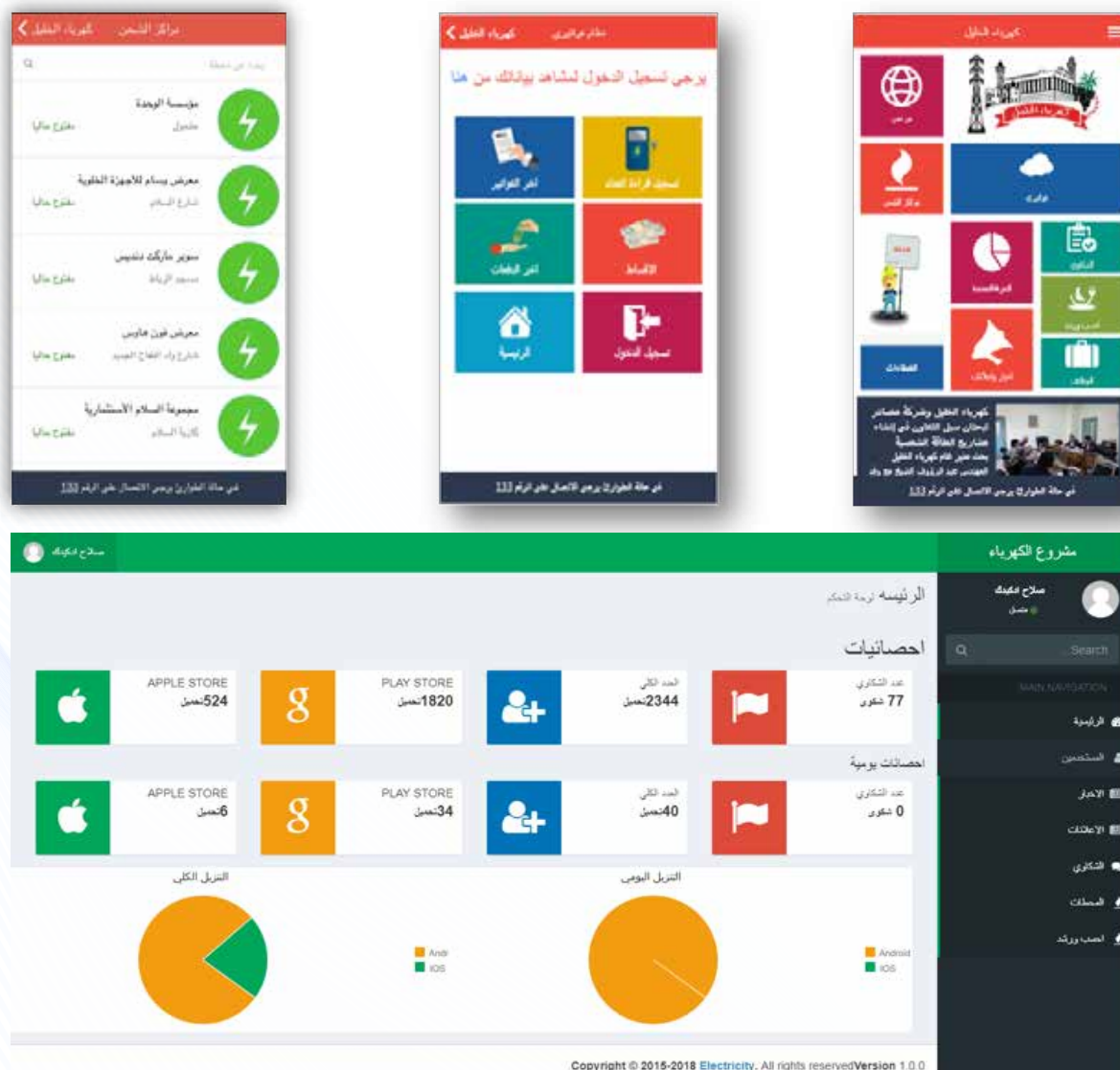
E-File is easy to use. It saves and archives all correspondences, presents reports of incomplete, pending and complete transactions. It also shows the latest news especially those concerning electricity; to keep all employees updated.



**2. The «Divan» System:** The old Divan System has been replaced by a new system that electronically indexes files and retrieves them. It also links and documents data electronically based on its date. It sends information to related employees quickly and easily and reviews it in an advanced technical way that allows users to follow up the information. In the «Divan» System, the transaction is sent and linked directly to the correspondence system so that related employees can complete the transaction's necessary work in a correct way.



- Developing HEPCo's mobile application and running it on both Android and iOS systems. This application allows customers to follow HEPCo news, announcements and vending stations information, and sending complaints and suggestions. Moreover, it allows customers to view their bills, payments, meter readings through «Fawatiri System.» The system is managed by a control panel allowing the IT Section to monitor daily downloads, follow up complaints and suggestions, send notifications to all customer and control the whole application.



- Updating the «Waste Tracking System» to follow up collection of waste charges; to meet the new requirements of 2017. The system is linked to Hebron Municipality database through cooperation with its IT Section to provide a secure connection.
- Updating the «Human Resources System» depending on HR Section requirements.
- Following-up the «Oracle Financial» System and working on solving problems related to reports issued by it, in addition to implementing a number of improvements.
- Updating and developing some applications' paths on the «Workflow System».
- Updating the prepaid system to improve performance, by:
  1. Establishing (14) new vending stations, equipped with necessary software and computers to serve customers. There is now (65) vending stations located in HEPCo concession area.
  2. Developing a network between HEPCo and vending stations through the latest available equipment in local market, to meet the needs of these stations within the highest standards of information security.
  3. Developing prepaid system and methods of vending and bills payment in partnership with two different companies: PalPay and Ali Zahdeh. This aims at improving the quality of provided service, where there are special systems developed to connect the two companies with HEPCo Systems, to provide easy and secure access to the required data while maintaining data privacy.
- Initiating work on designing and programming «General Electricity System» that will include most of HEPCo running systems and facilitate transferring data between departments, with easy and fact access to the required information. This system will be built bases on the highest international standards of software and using the latest available technology.

**The following new devices were purchased during 2017:**

- Computers (including screens): (10)
- Computers (not including screens): (5)
- Laptops: (2)
- Scanners: (2)
- Printers: (3)
- Network switches: (2)

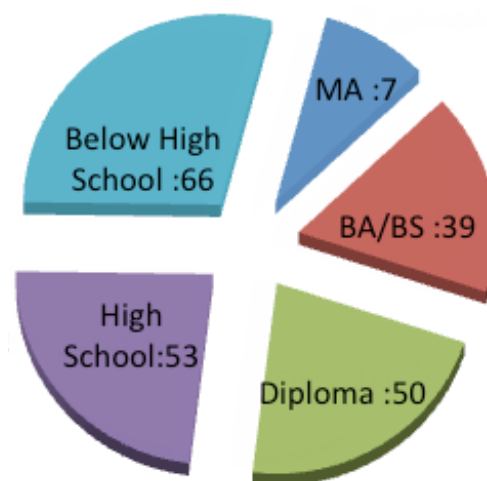


## Human Resources Section:

The HR Section identifies human resource requirements in coordination with all departments. It prepares employees' job description, performance evaluation, transfer, assignment, secondment and identifies training needs, prepares salaries and follows-up employees' leaves.

### HR Achievements during 2017:

- Submitting 5 acknowledgment letters for employees
- Following up the training of (8) employees in electrical, financial and administrative fields with various local and international institutions.
- Issuing (84) Acknowledgment letters to thank employees.
- Issuing (2) warning letter.
- Training (34) university and high school students and new within the program of field training.
- Hiring (16) employees to work in the Administrative, Financial and Technical Departments.
- The total number of HEPCo employees has reached (215) until 2017/12/31, and according to below qualifications:



## The Divan Section

The Divan has received many requests and complaints during 2017. Requests include: objection to consumption estimation, objection to bills estimation, reduction of installments, transfer of conflicting poles, check of electrical network and poor power supply, tariff change, reports of burned devices, exemption and discount requests.

There was a total of (800) request during 2017.

## The Archive Section

- Adding reports to their existing files.
- Introducing (2514) new service files.
- Archiving all the old files electronically.
- Archiving (514) 'Waive of Service' requests and updating their data electronically.



## Tenders Section

- All external procurements made and supplied through tenders during 2017 were of a total amount of (3,596,535) NIS.
- Total procurements made by tenders and still not paid are )2,632,503) NIS.
- Total external procurements made by tenders and still not paid are (1,550,574 (NIS.
- All local procurements made by Request for Quotation are )1,300,000 ( NIS.

## Production, Mechanics and Steel Workshop Section

The section is responsible for technical and logistic support for technical field workshops in HEPCO. Service is offered by this section's two subdivisions which are technical workshop and Operation and Maintenance Subdivision.

### **1. Operation and Maintenance (Vehicles and Logistics) Subdivision:**

HEPCO is continuously upgrading the fleet by adopted an annual vehicles replacement policy to achieve effective fleet with lower running costs.

The main task of this subdivision is to continuously perform the scheduled maintenance and repairs for HEPCO vehicles which are more than 35 vehicles that are categorized to crane truck, sport utility vehicles, 4x4 vehicles, forklifts, generators, and other equipment for special purposes.

This subdivision also maintains power generators at HEPCo facilities.

### **2. Technical Workshop Subdivision:**

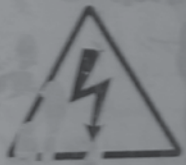
This subdivision is responsible for producing and supplying the field teams in HEPCO of all types of galvanized steel products needed to maintain and erect new electrical networks in Hebron City. Also the subdivision is responsible for designing, managing, supervising and performing all metal works including arc welding and gas cutting and CO2welding, in addition to galvanizing and insulating products or coating them with heat paint.

The following table illustrates the galvanized metal products supplied for field workshops in 2017:

#	Item	Quantity
1.	9 m distribution electrical pole (3,4,5)	627
2.	9 m distribution electrical pole (4,5,6) inches	161
3.	12 m distribution electrical pole	5
4.	9 m U-beam distribution electrical pole	268
5.	4 m lighting pole	85
6.	Cross-arm	10
7.	Twisted cross-arm	174
8.	Low voltage column link	15
9.	support clip	1722
10.	High voltage isolators base	30
11.	Single lighting arm	728
12.	Double lighting arm	10
13.	4m Double lighting arm	25
14.	Lighting pole base	80
15.	3» clip mount	2066
16.	4» clip mount	478
17.	U-Channel	1309
18.	Twisted clip	1993







خطر الكهرباء  
DANGER

# Technical Department







كهرباء الخليل

In order to ensure electric supply to all customers, of all categories and within all geographical locations, HEPCo has worked hard –all the day- to achieve its objectives and meet its customers' needs. HEPCo has dedicated the expertise and skills of its staff of engineers, technicians, workers and drivers to implement different projects effectively to serve its customers. New main and substations have been built and/or enlarged, in addition to implementing various infrastructure projects.

HEPCo Peak Load for 2017 was (109.8) MVA. This was on 31/1/2017 as shown in the figure below:



## Main Stations (33/11 KV):

### 1. Main Power Center (MPC)

Two new link points were connected to the Israeli Electric Company (IEC) through the MPC Sub-station for the operation of the Hussein and Umm Al-Daliya Sub-stations with a capacity of 15 MVA per station. The total purchased power from the IEC is 105 MVA.



### 2. Al-Duhdah Sub-station:

The station was rehabilitated to operate 33 KV Switchgears, and a-10-MVA-transformer. The total capacity of this Sub-station is 30 MVA.





## Maintenance of Sub-stations and networks

- Washing 11 KV over-head networks.



- Washing 33/11 KV transformers of main stations.



- Making a general maintenance for main stations



- Maintenance of distribution sub-stations.



The inspection of the main Sub-stations was followed by visits twice a week to each station to make the necessary preventive maintenance. Maintenance works were also carried out for distribution transformers and public and private medium and low voltage cables. Emergency related problems were also resolved on time. Several big-customers panels and public transformers' switchboards have also been changed. Within the project of improving the power factor, medium and low voltage capacitors were maintained panels and fixed capacitors on low voltage network were installed.



## Achievements with Medium Voltage Networks

- **(33) KV Networks**

All 33 KV overhead networks have been canceled, and replaced with underground cables.

- **(11) KV New Networks**



**These projects include:**

- **The project of connecting Al-Sarsoriya to Jabal Johar area.** 3,000 m of over-head networks and 300 m of underground cables were used through Mazare' Al-Baqar and Khalet Al-Qubbeh areas. This project has contributed to enhancing the safety of the electrical system and supporting areas threatened by confiscation by the Israeli occupation. It has also created an electrical connection between the South of Al-Fahs and Jabal Johar areas.



- **Kosbor Project in Halhul: 1200 meters of underground cables were installed.**



- **Al-Manshar Project: 700 m of underground cables were installed.**
- **Al-Jebrini Company Project: 400 meters of underground cables were installed.**





- **Wad Al-Quta' Project:** 400 meters of underground cables were installed.



- **Al-Tahreer Circle Project- Nonqor:** 400 meters of underground cables were installed –as the first phase of the project- from Al-Tahreer Circle to Ghirnata School, in order to reduce loads on Nonqor feeder.
- **Wad Al-Jawz Project:** 1,600 meters of underground cables were installed in order to connect the two stations of Al-Haraiq and Al-Gharbia together through Nnqr feeder and Isa/Duyerban feeder. Previously, the areas of Isa and Duyerban suffered from lack of ring system, however, this project has enhanced the electrical safety.
- **650 meters of underground cables were installed for a new feeder that connects Al-Ras station to Wad Al-Quta' area.**
- **The Social Affairs Project in Halhoul:** 700 meters of underground cables were installed.
- **Al-Manasrah Project in Ras Al-Jura area:** 200 m of underground cables were installed.
- **Hamada Al-Zughair Project:** 350 m of underground cables were installed.
- **National Security Project:** 200 m of underground cables were installed.
- **Several ring switches have been installed in different locations to increase control over the electrical grid.**
- **1500 meters of overhead network have been replaced to underground network at the southern entrance of Hebron.**



## Distribution Transformers (11/0.4 KV)



- **Installation of new transformers**

Several distribution transformers have been installed and operated to serve domestic, commercial and industrial customers.



- **Maintenance of Transformers**

HEPCo has carried out many maintenance works for distribution transformers, including changing insulators, Silica Gel, oil and welding. In addition, the transformers were replaced and their capacity increased to suit the electrical loads.

## Achievements with Low Voltage Networks

- Strengthening and rehabilitating low-voltage networks.
- Replacing old single overhead networks of small size with new ABC cables that suit electrical loads.
- Balancing loads of phases.
- Overcoming voltage drop by installing new feeders.
- Relocating electrical poles according to customers' requests.
- Installing new networks for customers.
- Participating actively in emergency cases and in difficult weather conditions.





## Subscriptions

### New Subscriptions

During 2017, (1942) single phase subscription and (298) three phase subscriptions were installed. All single phase and three phase (less than (100) amps) installed meters were pre-paid.

### Maintenance of subscriptions:

Maintenance work and meters replacement from post-paid to prepaid were done. This work included the replacement of meters and all necessary items including cables, panels and other electrical materials. In addition, maintenance of panels, cables, and replacement of meters have been done during 2017 at the request of customers.

### Follow-up and Inspection

Subscriptions were followed up and inspected, and new meters have been sealed to ensure safety of consumption and reduce cases of tampering.

## Emergency Section

The emergency unit has operated 24/7 throughout 2017. Four teams have worked according to a periodic program. They received calls from customers and dealt with more than 5580 network malfunction cases and customers' urgent requests.

All technical teams have worked on high alert and around the clock during winter and stormy days to respond to customers' requests and reduce cases of power outage.





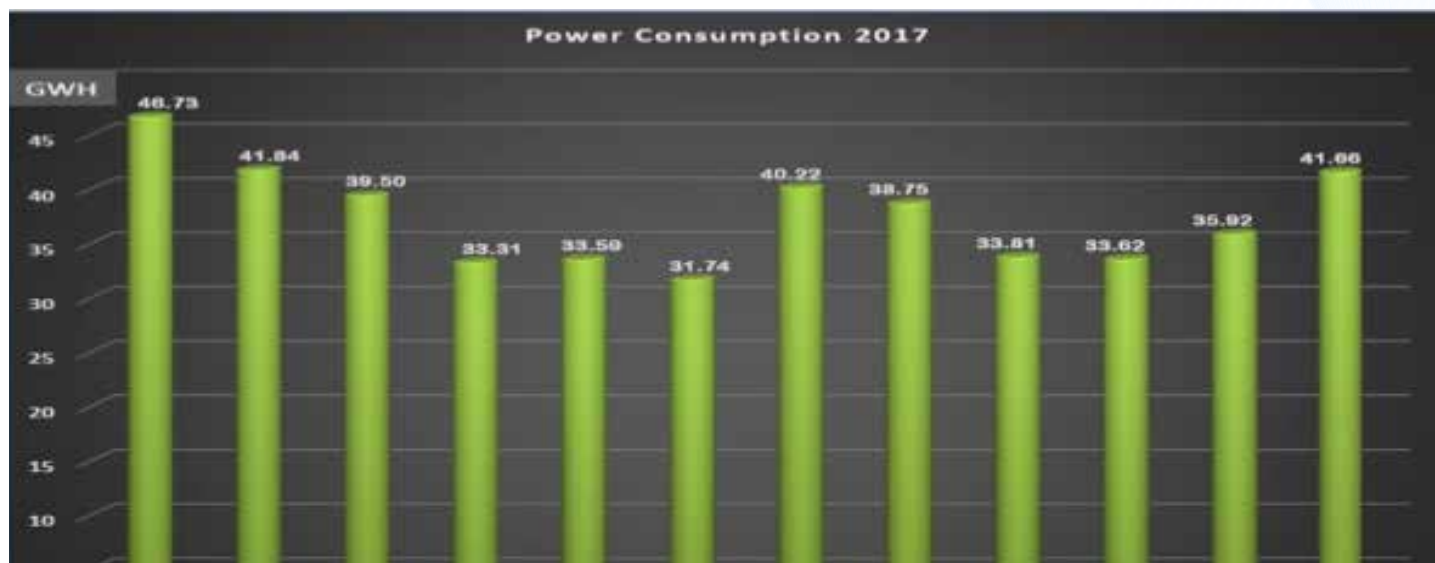
## Remote Control Project (SCADA):

The SCADA system enables controlling medium voltage networks, thus reducing periods of power outage and improves re-distributing electrical loads to fit feeders and main Sub-stations loads. This ensures the electrical system efficiency and the quality of services provided to customers.

The following main Sub-stations were connected and controlled through one monitoring and control room:

- Al-Dahdah Substation.
- Al-Fahs Substation.
- Al-Harayek Substation.
- Umm Al-Daliyeh Substation.
- Al-Gharbia Substation.
- Al-Ras Substation.
- Al-Hussein Substation.





SCADA has contributed greatly in establishing a reliable database that helps in future planning and development of HEPCo electrical system.

## Achievements of Civil Work Section

- Installation and removal of electric poles of low voltage connections.
- Installation and removal of street lighting poles
- Supporting the technical team in drilling works for underground cables and any other work.

### Preparing Charts

- Locating electric poles based on street schemes.
- Planning for excavation works and installation of cables.
- Determining electrical networks direction
- Implementing field surveys of HEPCo needs
- Drawing on AutoCAD software
- Following-up excavations and coordinating with donors, Telecommunication Company, police and others when implementing road, water and sewage services.



## Achievements of Street Lighting

- **Ras Al-Joura:** 20 decoration poles were added at the middle of the street (40 lighting units of 250 Watt), and 43 lighting poles were added on the pavement of (Height of 4 m) (43 lighting units of 100 W).





- **Diwan Al-Jabari Street:** 45 LED lighting units of (100W) were installed.



- **Al-Bassa Street:** 8 central poles were installed with 20 LED light units with a capacity of 100 watts.



- **Khallat Al-Qubbeh:** 25 LED lighting units of (70W) were installed.



- **Al-Shuhada' (Martyrs) Mosque:** A quadrant lighting pole as installed, with 4 LED light units of 100 watts.





- **Korea Palestine Center:** The old -400watt lighting units have been replaced with 15 LED lighting units of 150 watts.

- **New Shalaleh Street:** 18 lighting poles were added (100 Watt).
- **The second part of Mar Luka (St. Luke) Street:** 16 poles of decorative lighting were added (Height: 10 m) (with LED lighting units of 150 W), and 4 poles of (4 m) (100 W).
- **Al-Tahreer Area:** 12 LED light units of 120 W were installed.
- **The street opposite to Royal Gas Station:** 5 LED lighting units (100W) were installed.
- **Al-Salam Street:** Old (250W) lighting units have been replaced by (126) LED lighting units of (100W).
- **Smart lighting units:** 10 smart lighting units of (150W) were installed between Ibn Rushd and Al-Manara circles.

## Achievements in Numbers

The table shows the number of newly installed subscriptions for 2017

#	Description	Number During 2017
1	1 phase new subscription	1942
2	3 phase new subscription	298
3	Single phase inspection	2316
4	1 phase check	1933
5	3 phase check	445

The following table shows the amount of cables, wires, poles and transformers installed during 2017

#	Description	Unit	Year (2017)
1	Arial bundle conductor (50 sq.mm)	Meter	30,730
2	Arial bundle conductor (95 sq.mm)	Meter	6,755
3	Arial bundle conductor (150 sq.mm)	Meter	6,180
4	Medium voltage cable (300 sq.mm) 33KV	Meter	2,133
5	Medium voltage cable (150 sq.mm) 11KV	Meter	22,530
6	Medium voltage cable (50+120 sq.mm) 11KV	Meter	3,105
7	Distribution transformer	Item	27
8	Ring main unit installation	Item	41
9	Pole installation (9 M)	Item	795
10	U channel steel pole installation (9 M)	Item	243
11	U channel steel pole installation (medium voltage)	Item	23
12	Medium voltage tower installation	Item	32
13	Light pole installation (11 M)	Item	17



## Work done by Subscription Maintenance Unit:

#	Description	Number During 2017
1	Service transfer	47
2	Temporary service disconnection	84
3	Service cancellation	7
4	service reconnection	28
5	Switch installation	9
6	Supplies Check	35
7	Service check report	173
8	Tampering case	82
9	Pre-paid meter replacement	1,020
10	Inoperative meter replacement	3,087
11	1 phase to 3 phase subscription conversion	64
12	Meters replacement	473
13	Urgent supplies report	304
14	Meter replacement to pre-paid 1 phase meter	8
15	Meter replacement to pre-paid -3phase meter	6
16	3 phase meter replacement (to same place)	17
17	1 phase meter replacement (to same place)	208
18	1 phase meter check	56
19	3 phase meter check	10
20	Service capacity increase into 3 phase	35
21	Inoperative meter change- including re-quired materials	15
22	Inoperative meter change - tampering case	43
<b>Total</b>		<b>5,811</b>

## The following table shows the work done by Network Maintenance and Emergency Section

#	Description	Total During 2017
1	Transfer of conflicting pole	252
2	Transfer of network	124
3	Power weakness	53
4	Network maintenance	84
5	Connection to solar system	35
6	Emergency cases	5,580
<b>Total</b>		<b>6,128</b>

## The following table shows the work done by Stations Maintenance and Workshop Unit:

#	Description	Total During 2017
1	Cables maintenance	78
2	Distribution sub-stations maintenance (changing fuse, earth, cables, etc)	144
3	Distribution sub-stations maintenance	50
4	Change of distribution transformer	15
5	Maintenance of distribution panels	65
6	Change the low voltage distribution panel (for) big customers	55
7	Installation of capacitors panel	12
8	Installation of low voltage fixed capacitor	50
9	Maintenance of capacitor panel	52
<b>Total</b>		<b>521</b>

The following table shows the number of installed and maintained lighting units

• **Installation of new units**

Capacity	LED 50W	LED 70w	LED 100w	LED 120w	LED 150w	Sodium 100 w	Decorative 100 w	Repaired used units
#	11	100	200	12	32	104	65	108

Lighting maintenance works

contactor	starter	lamp socket E-40	Ballast	Photo cell	400w	250w	150w	100w	70w	Maintenance type
26	230	63	379	58	34	219	142	538	432	#

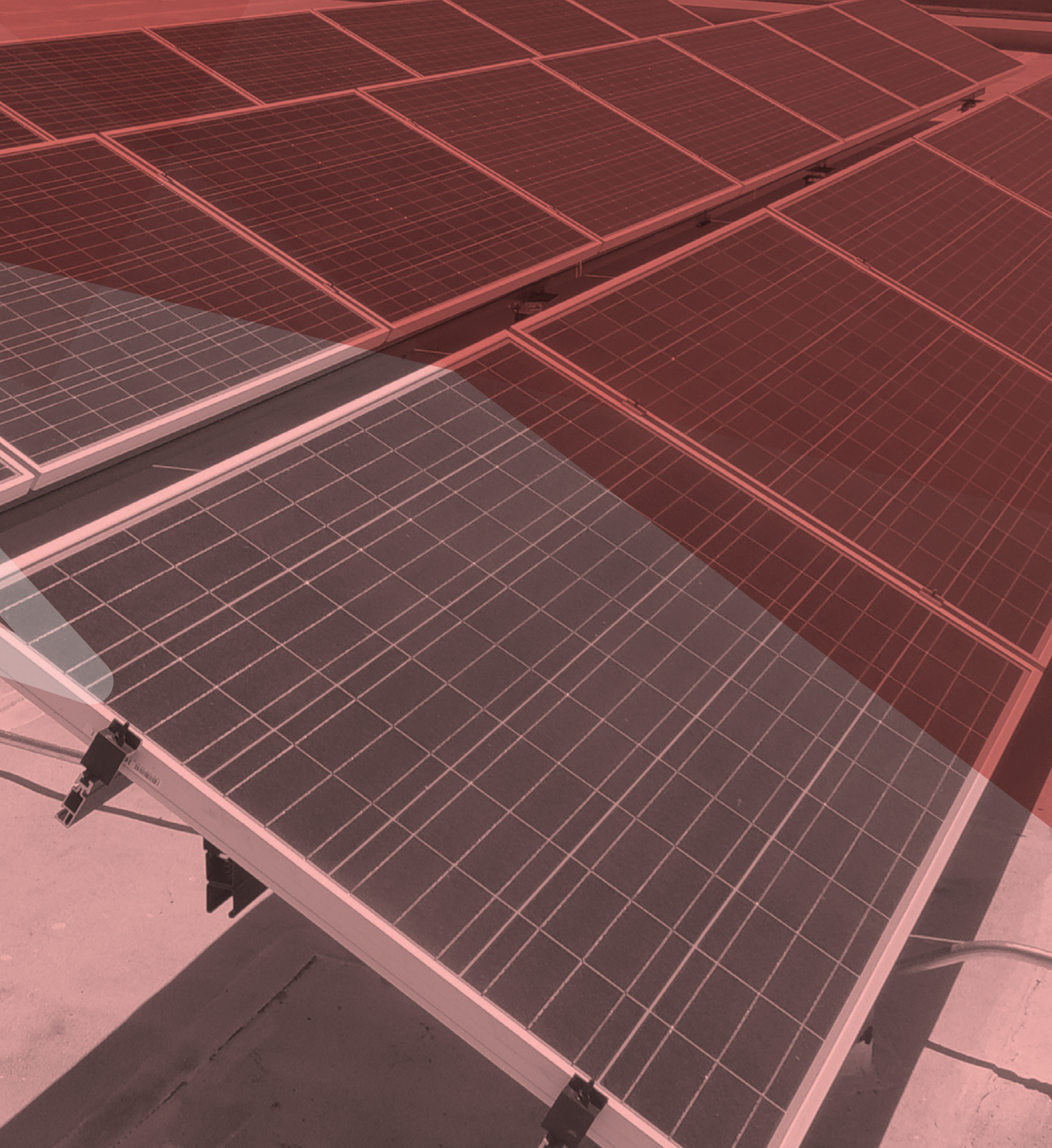




An aerial photograph of a solar farm with rows of photovoltaic panels. A large, semi-transparent, stylized star graphic is centered over the image. The text 'Customer Services Department' is overlaid in the lower-left quadrant in a white, bold, sans-serif font.

# Customer Services Department







The Customer Services Department is responsible for the different customers' requests like new subscriptions, maintenance and other requests.

The Department is also responsible for the Billing Section that manages prepaid meters in terms of reading (direct or remotely) postpaid meters. It also issue bills, and manage work of vending stations.

The Customer Services Department has a special Division to observe cases of power tampering.

The CS Department is one of the most important Departments at HEPCo. It is the link between Hebron Municipality and HEPCo and their customers. It is also the focal point of all departments, the Financial, Technical and Administrative; because the customer application starts from this department, then it is transferred to others smoothly without any gap in the transactions' track, and in a way that ensures the best quality of the provided services.

The CS Department utilizes the best available software and programs to support completion of the required work efficiently to facilitate creating reports that support the administration in decision-making.

Hebron Municipality and HEPCo are constantly working to improve and automate their systems to keep pace with technological and cultural advancement. HEPCo has updated 'Applications Follow up- Work Flow' software where there is a specific path for each type of application that shows the application status and the reason behind any delay that might occur. In addition, other updated systems include the Billing System, Pre-paid Meters Charging System, Remote Meter Reading and Warehouse Management System that is also related to the Financial Department.

The Municipal Council –since elected on -2017/6/15 is working on encouraging customers to install new electricity subscriptions. It launched a 'Facilitation Campaign' that lasted from 2017/10/15 until the end of 2017. It included exempting applicants from the Property Tax Exemption, installing payments of subscription fees on prepaid meters and scheduling the municipality receivables and the licensing fees for buildings. This Campaign has a positive impact in dealing with customers' problems of buildings and subscriptions. Each building was given its share of fees. (1500) new applications have been submitted to the Municipality Customer Services Center. These applications were installed after issuing work permits.

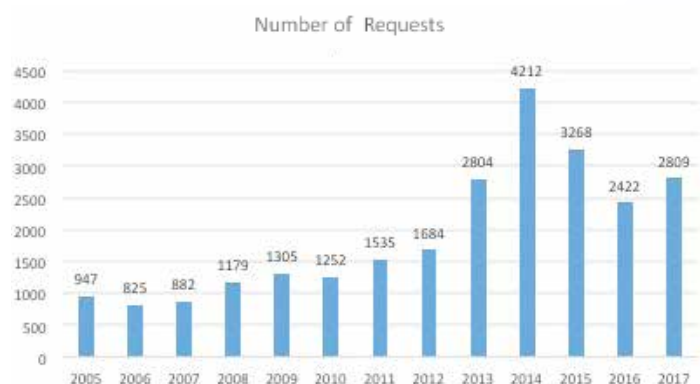
## New Subscriptions

There were (2,809) new subscription requests during 2017.

The following table shows the number of new subscription requests submitted during the last five years:

Year	Number of New Subscription Requests
2013	2804
2014	4212
2015	3268
2016	2422
2017	2809
<b>Total</b>	<b>15,515</b>

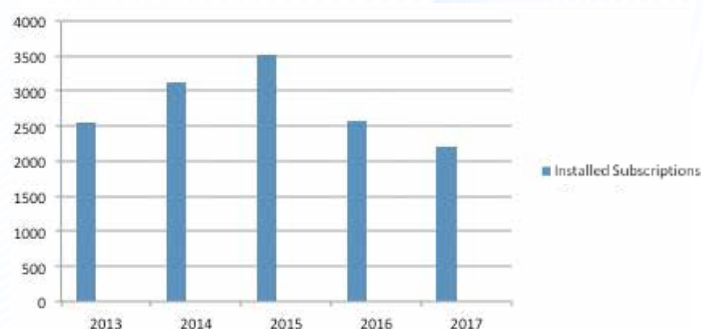
Table1: Percentage growth in the number of new subscription requests between 2005 and 2017.



The following table shows the number of installed subscriptions during the last five years:

Year	Number of Subscribers	Number of Installed Subscriptions
2013	39026	2557
2014	42150	3124
2015	45660	3510
2016	48234	2574
2017	50409	2175
<b>Total</b>	<b>50,409</b>	<b>13,960</b>

Table2: Percentage growth in the number of new installed subscriptions between 2013 and 2017.





## Maintenance

Customer Services Department is responsible for the Maintenance Requests; to meet the needs of HEPCo customers. This includes following up applications with the technical teams to implement technical checks and make necessary work.

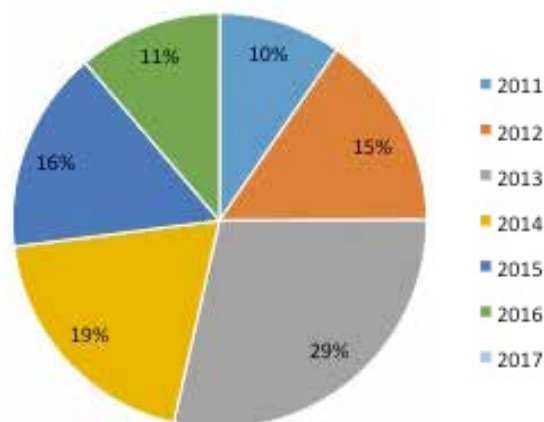
The following is the number of maintenance requests - submitted during -2017 in details:

No.	Type of Request	Total Requests
1	Service Transfer	58
2	Meter Transfer	266
3	1 phase to 3 phase subscription conversion	83
4	Transfer of conflicting poles and cables, and network maintenance	108
5	Temporary disconnection, service cancellation and re-installation	123
6	Meter check	68
7	Waive of service	519
8	Service capacity increase into 3-phase	46
9	Power weakness	15
10	Supplies Check	578
11	Change of prepaid meter type	1020
12	Postpaid meter change into prepaid	473
13	Replacement of charging card	957
14	Change of inoperative prepaid meter	3103
15	Service Examination Report	205
16	Tariff Change	340
17	Installing decorative lighting cables	406
18	Accidents and network damage	42
19	Tampering case report	137
20	Connection to solar system	36
<b>Total</b>		<b>8,631</b>

Annual increase in number of installed prepaid meters:

Year	Quantity/Year	Grand Total
2011	2472	8477
2012	3951	12428
2013	7355	19783
2014	5003	24786
2015	4059	28845
2016	2891	31736
<b>2017</b>	<b>2654</b>	<b>34390</b>

## Prepaid Meters



## Billing Achievements 2017

### Number of Customers Statistics

Type	2014	2015	2016	2017
Domestic	29,214	32,327	34,522	36,345
Commercial	11,211	11,568	11,902	12,221
Industrial	1,418	1,453	1,493	1,524
Street lighting	307	312	317	319
<b>Total</b>	<b>42,150</b>	<b>45,660</b>	<b>48,234</b>	<b>50,409</b>

### New Subscriptions

Type	2014	2015	2016	2017
Domestic	2,463	3,113	2,143	1,823
Commercial	606	357	376	319
Industrial	49	35	48	31
Street lighting	6	5	5	2
<b>Total</b>	<b>3,124</b>	<b>3,510</b>	<b>2,574</b>	<b>2,175</b>

### Services Classifications and Numbers

Item	2014	2015	2016	2017
Prepaid services	24,786	28,845	31,736	34,390
Post paid meters	17,364	16,815	16,467	16,059
Old City services	1,804	1,804	1,804	1,811
Social affairs exemption services	42	65	96	152
1 Phase services	38,434	41,339	43,551	45,403
3 Phase services	3,716	4,321	4,681	5,006
3 Phase services- more than 100 Amp	434	460	475	499
Smart meter services	18	137	220	380
Solar meter services	-	-	-	61

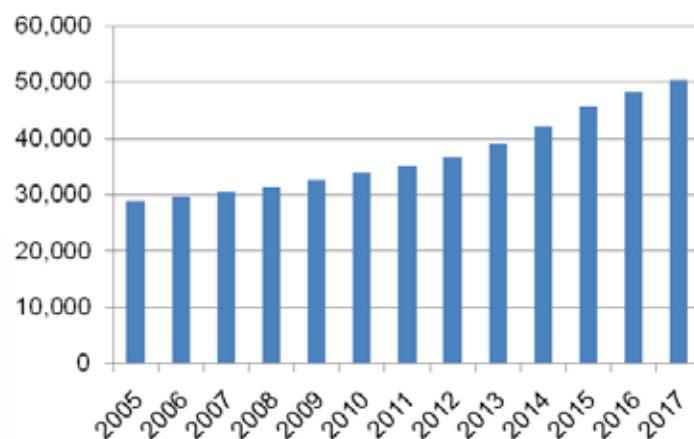
## Services Converted to Prepaid

Type	2013	2014	2015	2016	2017
Domestic	1,494	960	608	372	2,401
Commercial	2,238	869	189	117	748
Industrial	223	50	32	13	32
<b>Total</b>	<b>3,955</b>	<b>1,879</b>	<b>829</b>	<b>502</b>	<b>3,181</b>

## Services Numbers and Annual Increase

Year	Annual increase	Accumulative services No.
2005	814	28,870
2006	758	29,628
2007	781	30,409
2008	984	31,393
2009	1,207	32,600
2010	1,240	33,840
2011	1,382	35,222
2012	1,447	36,669
2013	2,366	39,026
2014	3,124	42,150
2015	3,150	45,660
2016	2,574	48,234
2017	2,175	50,409

Number of Services

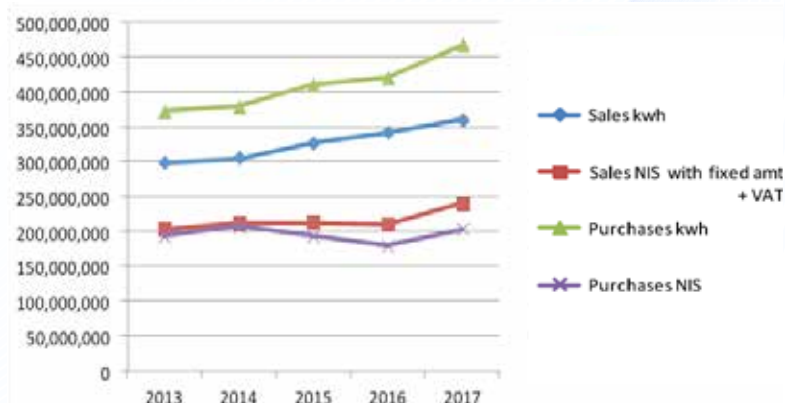
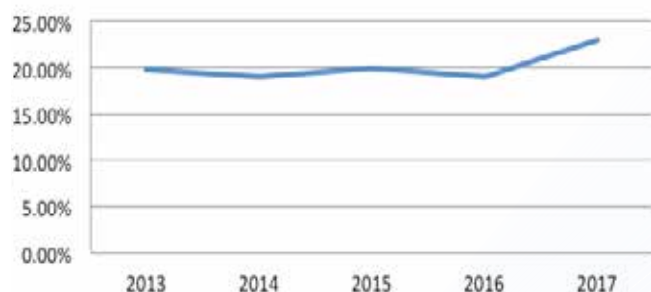




## Energy Sales & Purchases

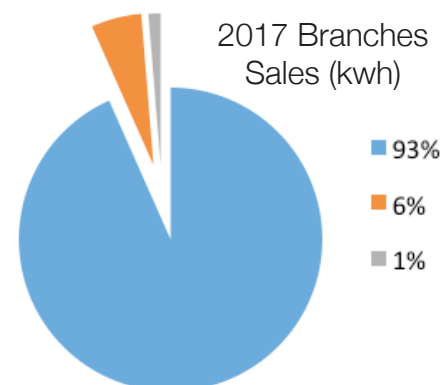
	2013	2014	2015	2016	2017
Sales kwh	298,902,242	305,512,904	327,546,410	342,052,257	360,420,934
Sales NIS including fixed amt + VAT	202,491,542	212,005,335	213,261,791	211,084,321	240,735,001
Purchases kwh	373,086,120	379,030,800	411,243,600	421,484,910	468,230,280
Purchases NIS	193,626,932	207,562,455	192,840,853	179,822,949	202,822,684
Losses	%19.80	%19	%20	%19	%23
Debts till end of the year	439,320,970	445,608,129	451,021,796	484,175,332	511,047,667
Debts annual increase	49,023,565	6,287,159	5,413,667	33,153,536	26,872,335

Losses



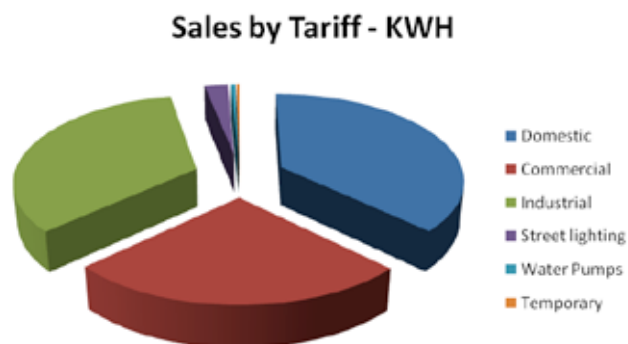
## Branches Sales

Branch	Sales (kwh) (2016)	Sales (kwh) (2017)	Percentage
Hebron	319,309,641	333,945,787	93%
Halhul	18,331,563	21,911,941	6%
Other branches	4,411,047	4,563,206	1%



## Sales by Tariff

Tariff	Sales (KWH)	Percentage
Domestic	137,926,036	38%
Commercial	94,089,177	26%
Industrial	117,163,019	33%
Street lighting	7,887,063	2%
Water Pumps	1,846,615	0.51%
Temporary	1,509,024	0.42%
<b>Total</b>	<b>360,420,934</b>	<b>100%</b>



## Renewable Energy Projects:

### Main Achievements:

1. In the midst of the growing loads and number of subscribers, and the availability of one source –only- of electricity (IEC) that determines purchased loads capacity, HEPCo is encouraging launching renewable energy (RE) projects and installing PV solar energy systems that aims at reducing the total purchased loads, and where the customer can cover most of his/her consumption, which lowers the value of the consumer bill significantly. There are many institutions and subscribers who benefits from this system. RE projects total installed capacity is (1,115) kW.

The following table shows installed and connected projects to HEPCo electrical network:

No.	Type of Subscriber	Installed Capacity (KWh)
1	Organizations (University, Association, School, Telecommunications)	522
2	Municipal Facilities	50
3	Subscribers (Domestic, commercial, industrial)	543
<b>Total</b>		<b>1,115</b>



2. HEPCo has participated in many local and international conferences and workshops concerning solar energy; to enhance employees' capacities and exchange experiences.
3. Marketing several projects of different donors to obtain funding for the construction of high capacity PV solar plants in HEPCo area of concession. These include: World Bank, USAID, ESCWA and Municipal Development & Lending Fund.
4. Implementing projects funded by the Municipal Development & Lending Fund in addition to USAID.
5. Conducting a study for the installation of solar systems on schools' rooftops, in coordination with the Palestine Investment Fund and the Ministry of Education.



## Tampering Cases Sub-section

During 2017, (213) cases of power tampering were recorded of customers who have electrical subscriptions, and (18) cases of tampering from the public network without having electricity subscription. All subscribers of recorded cases were notified to terminate their cases.

The main problems of terminating black losses were the procedures for obtaining electricity subscriptions before the Facilitation Campaign and subscribers' financial status, in addition to the culture of not terminating cases lest installing pre-paid meters, as cases of tampering are often associated with the existence of high debts on subscribers. Recently, HEPCo has focused on preventing illegal connections by correcting the status of networks and sometimes changing their direction or removing them from hands of misusers and using a special type of cables.



All recorded tampering cases are proven. (108) misusers names were submitted to the Palestinian Council of Ministers and (50) other cases were submitted to the Public Prosecution for follow-up. The court has issued arrest warrants. Most of the misusers, who were referred to by the police, were sent to the judiciary to force them to terminate their tampering cases with HEPCo.

### The results for 2017 were as follows:

Case	Total
Solved cases	195
Recorded cases	213
Pending cases (since long time)	820
Income from the solved cases (NIS)	1,058,479
Losses from solved tampering cases(k. w. h)	1,764,131

## Legal Affairs

During **2017**, (12) claim files, (51) executive files and (28) penal files were submitted, in addition to more than (55) files through the judiciary.

Legal advice was also given and some files were followed-up at the High Court of Justice. Also, HEPCo agreements and citizens' transactions were reviewed, and dozens of files submitted against HEPC were pleaded.







# Financial Department





The Financial Department is responsible for organizing the financial and accounting affairs including the preparation and presentation of appropriate accounts, and the provision of financial information for BoD.

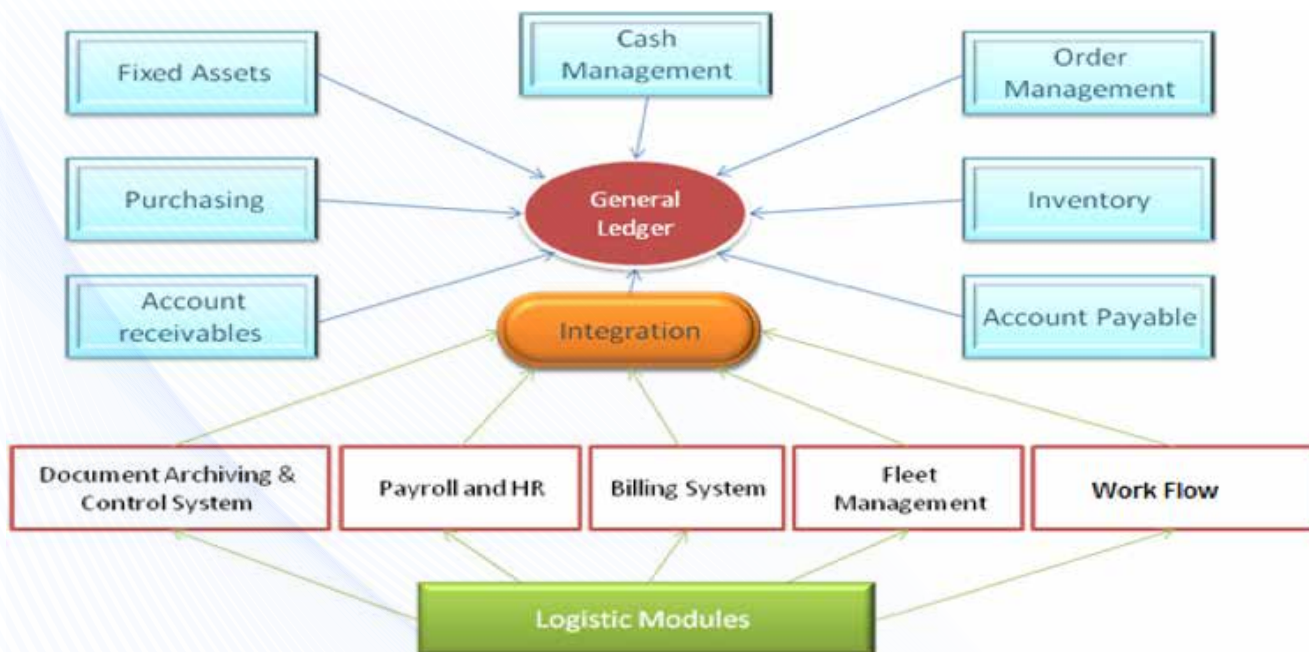
The main areas covered by the Financial Department include: book keeping procedures, Creating a balance sheet and profit and loss account, providing management information, Management of wages, Managing Warehouse, Cash Management, preparing budgets & financial planning.

## Financial System

The applied system is 'Oracle Financial' that covers all HEPCo's financial and accounting activities. Eight modules of this system are applied effectively.

These Modules are fully operated & integrated with the general ledger. Moreover, The Financial system is fully integrated with the other Operating systems.

The main benefit of Oracle Financial is that it enables working smarter by increasing efficiency and reducing back-office costs with standardized processes for shared services, productivity tools, and integrated performance management. Also, this system enables working securely by facilitating financial control and corporate governance with a holistic approach to compliance and risk management.





## Main Achievements of Financial Department:

- Establishing controlling procedures for dealing with outsource collecting centers, and managing daily auditing of their work.
- Improving financial system continuously to comply with changes at business environment.
- Finalizing a financial clearance with Ministry of Finance.

## Collections and Debts:

The gross value of subscribers' receivables at the end of the year 2017 was 503 Million NIS. The following table shows the aging of debts:

Year	Total Billed	Collections	Debts	% of Debts
Before 2005	132,717,676	67,325,141	65,392,535	13%
2005	110,286,383	99,020,340	11,266,043	2%
2006	116,077,087	100,557,799	15,519,288	3%
2007	126,351,324	107,144,578	19,206,746	4%
2008	150,120,448	126,928,146	23,192,302	5%
2009	162,523,540	139,743,478	22,780,062	4%
2010	174,231,756	149,634,750	24,597,006	5%
2011	179,419,452	153,026,321	26,393,131	5%
2012	196,451,413	167,125,968	29,325,445	6%
2013	213,959,893	180,727,120	33,232,773	7%
2014	227,927,471	188,108,192	39,819,279	8%
2015	240,391,227	187,690,188	52,701,039	10%
2016	242,670,301	161,252,402	55,355,055	11%
2017	239,183,868	146,916,905	92,266,963	18%
<b>Total NIS</b>	<b>2,511,989,761</b>	<b>1,975,201,328</b>	<b>511,047,667</b>	<b>100%</b>

The previous schedule shows the total amount billed during the years, the amount collected regarding these bills, and the total amount of receivables of the same period.



## Collections Performance:

Gross collections percentage for the year 2017 reached 88% of bills.

## Subscribers Categories (based on debts)

The following table shows subscribers categories based on the amount of debts accrued at the end of the year 2017. 47% of subscribers have zero balances, 28% of subscribers have an average debt of 1,584 NIS per subscriber, and 1.61% of subscribers have 43% of accrued debts (218 Million NIS, with an average debt of 269,000 NIS per subscriber).

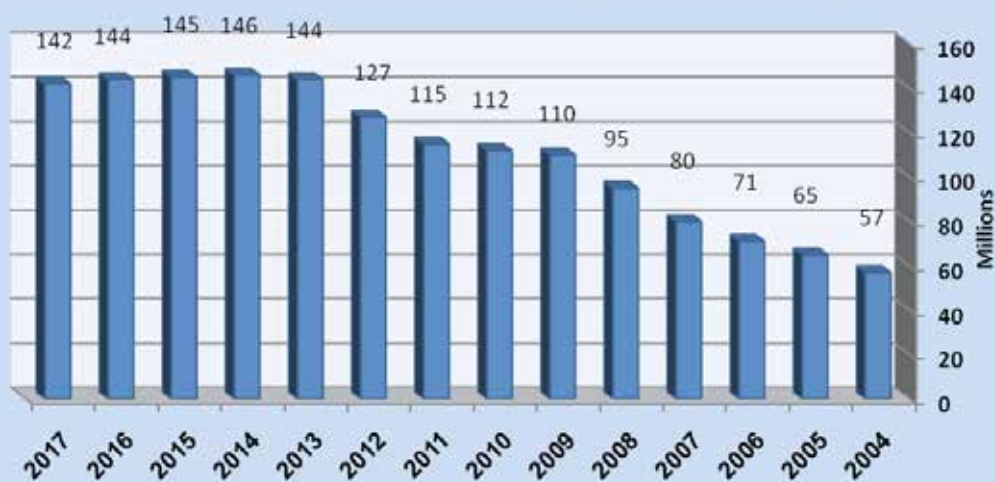
No.	Subscriber Categories		No. of Subscribers	Debts	Subscribers of %	Debts of %	Average of Debts
1	-	-	23,493	-	46.74%	-	-
2	1	5,000	13,889	21,994,454	27.63%	4.30%	1,584
3	5,001	10,000	3,955	28,455,485	7.87%	5.57%	7,195
4	10,001	20,000	3,551	50,291,262	7.06%	9.84%	14,163
5	20,001	30,000	1,673	40,944,993	3.33%	8.01%	24,474
6	30,001	50,000	1,606	62,181,418	3.19%	12.16%	38,718
7	50,001	99,999	1,291	89,014,172	2.57%	17.41%	68,950
8	100,000	999,999,999	809	218,317,046	1.61%	42.71%	269,860
Total			50,267	511,198,832	100%	100%	10,170

## Fixed assets

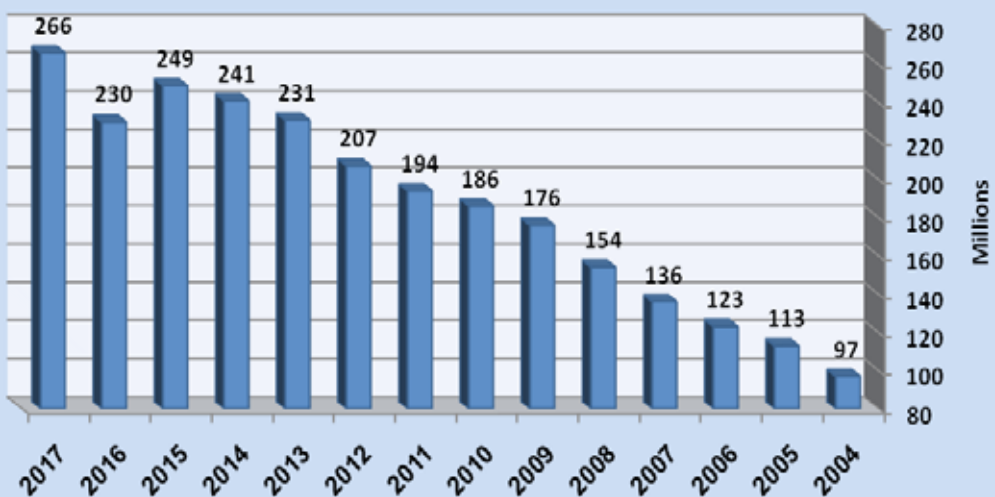
The gross value of fixed assets at the end of 2017 is about 266 million NIS and the net book value is about 142 million NIS as shown in the table below:

Description	Beginning Balance	Additions	Annual Depreciation	Accumulated Depreciation	Gross Value	Net Book Value
Land Cost	3,332,864	0	0	0	3,332,864.00	3,332,864.00
Buildings Cost	3,543,474.70	650,000.00	103,851.11	1,888,280.28	4,193,474.70	2,305,194.42
Main Substations	30,652,147.75	43.00	1,329,304.68	16,638,200.19	30,652,190.75	14,013,990.56
Transformers	26,716,132.90	841,173.73	1,187,517.57	11,901,735.91	27,557,306.63	15,655,570.72
Medium Voltage Cables Network	51,194,630.00	1,153,334.56	1,866,826.81	16,823,766.65	52,347,964.56	35,524,197.91
Medium Voltage Overhead Network	16,358,567.22	40,732.74	429,204.65	12,744,873.02	16,399,299.96	3,654,426.94
Low Voltage Overhead Network	23,469,318.41	735,583.25	846,856.52	9,810,404.73	24,204,901.66	14,394,496.93
Street Lighting	10,280,535.37	350,000	412,183.60	4,889,408.59	10,630,535.37	5,741,126.78
Isolator	3,086,297.08	39,483.69	122,532.34	2,067,808.49	3,125,780.77	1,057,972.28
Ring Main Units (RMU)	9,465,910.44	626,997.66	446,884.71	2,950,129.06	10,092,908.10	7,142,779.04
Capacitors	1,631,314.83	73,390.16	53,095.91	1,101,879.47	1,704,704.99	602,825.52
Subscribers' Connections	44,107,004.89	1,996,523.48	1,153,600.42	24,294,867.21	46,103,528.37	21,808,661.16
Poles and Towers	10,788,312.42	905,401.14	412,257.59	2,105,740.18	11,693,713.56	9,587,973.38
Distribution Network - Others	3,340,958.52	176,775.98	125,659.90	629,369.35	3,517,734.50	2,888,365.15
Motor Vehicles	6,324,762.06	858,813.27	264,831.25	6,273,053.45	7,183,575.33	910,521.88
Workshops Equipments	152,194.17	16,810.34	3,592.89	147,529.14	169,004.51	21,475.37
Tools and Equipments	3,634,075.00	646	287,081.46	2,865,209.93	3,634,721.00	769,511.07
Machinery - Others	17,232.68	0	1,811.26	16,113.91	17,232.68	1,118.77
Servers and Network	584,458.37	290,000	9,843.67	562,034.70	874,458.37	312,423.67
Personal Computers & Accessories	596,281.09	20,000	13,239.79	578,124.49	616,281.09	38,156.60
Printers	276,201.81	19,051.72	7,892.31	274,789.16	295,253.53	20,464.37
Scanners	36,759.71	0	3,361.30	34,191.33	36,759.71	2,568.38
Others	433,177.29	0	11,679.58	429,567.10	433,177.29	3,610.19
Network Software	4,349,090.52	0	157,351.04	3,634,502.89	4,349,090.52	714,587.63
Office Furniture & Fixtures	663,870.65	10,000	14,637.52	627,904.09	673,870.65	45,966.56
Office Equipment	309,387.53	6,500	33,035.18	250,791.62	315,887.53	65,095.91
Communication Equipment	168,341.54	0	20,894.39	134,346.11	168,341.54	33,995.43
HAVOC System	44,969.16	0.00	2,167.70	36,711.08	44,969.16	8,258.08
Other Fixed Assets	23,784.80	0	0	0	23,784.80	23,784.80
Purchased Power Rights (IEC)	2,208,361.85	0	101,216.61	645,569.35	2,208,361.85	1,562,792.50
<b>Total</b>	<b>257,160,088</b>	<b>8,811,261</b>	<b>9,422,412</b>	<b>124,356,901</b>	<b>266,601,677</b>	<b>142,244,776</b>

### Fixed Assets Net Book Value (Millions NIS)

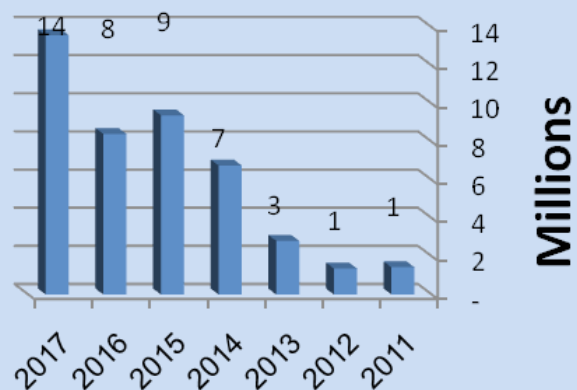


### Fixed Assets Gross Value (Millions NIS)

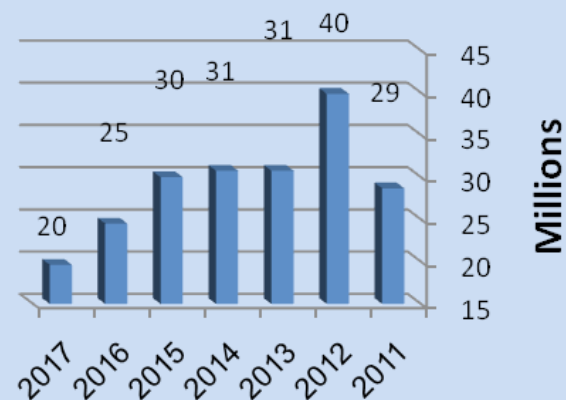




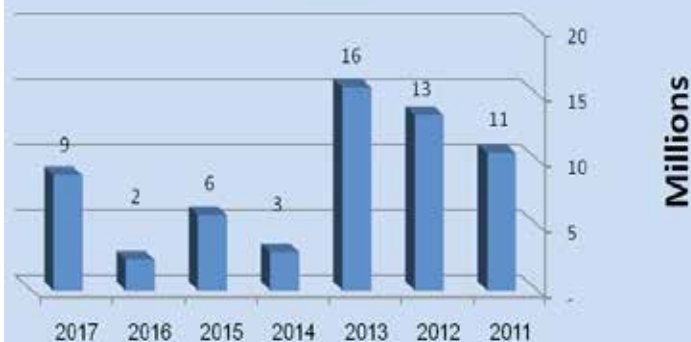
Checks Under Collection- Long Term



Inventory



Cash



Operating Expenses



## Balance Sheet (NIS) As of 31/12/2017

## Unaudited

### Assets

<u>Current Assets</u>	<u>Shekel</u>
Cash and Cash Equivalent	8,821,241
Checks Under Collections - Short Term	13,583,756
Subscribers Receivables - Net	460,955,885
Inventory	19,621,073
Other Current Assets	4,226,949
Hebron Municipality Current Account	321,987,338
<b>Total Current Assets</b>	<b>829,196,242</b>

### Long Term Assets

Checks Under Collections - Long Term	26,372,176
Work In Process	8,043,174
Properties, Fixed Assets NBV	142,244,776
Concession Rights	30,444,000
<b>Total Long Term Assets</b>	<b>207,104,126</b>
<b>Total Assets NIS</b>	<b>1,036,300,368</b>

### Liabilities and Owners Equity

<u>Current Liabilities</u>	<u>Shekel</u>
World Bank Loan - Short Term	4,637,908
Accounts Payable	760,485,087
Unearned Revenue	11,935,317
Other Current Liabilities	742,298
<b>Total Current Liabilities</b>	<b>777,800,610</b>

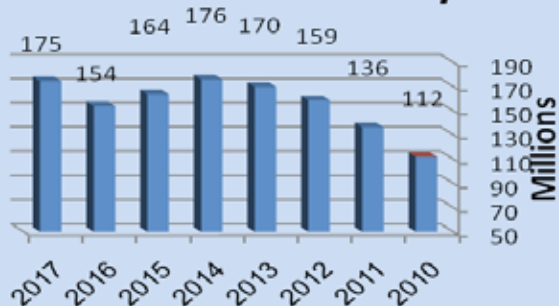
### Long Term Liabilities

Employees end of Service Benefit-Provision	8,334,216
World Bank Loan - Long Term	4,348,730
Deferred Revenues	34,130,974
<b>Total Long Term Liabilities</b>	<b>46,813,920</b>
<b>Total Liabilities</b>	<b>824,614,530</b>

### Owners Equity - Hebron Municipality

Paid in Capital	152,745,000
Accumulated Deficit	58,940,838
<b>Total Owners Equity</b>	<b>211,685,838</b>
<b>Total Liabilities &amp; Owners Equity</b>	<b>1,036,300,368</b>

### Cost of Sold Electricity



## Income Statement (NIS) for the year ended on 31/12/2017

## Unaudited

### Revenues

Electricity Sales	198,442,125
Add: Tariff Differences	10,717,096
Deduct: Cost of Sold Electricity	(175,181,271)
<b>Gross Profit</b>	<b>33,977,950</b>

### Other Revenues

Customers Contributions	6,707,656
Job Erection Fees	837,621
Subscribers Participations	5,300,899
Penalties	5,756,418
Sales of Scrap and Used Oil	123,987
Application Fees	33,793
Site Checking Fees	53,428
Connecting of Lighting Cables	68,078
Other Revenues	94,760
Accrued of Deferred Revenues	800,000
Total Of Other Revenues	19,776,640
<b>Total</b>	<b>53,754,590</b>

### Expenses

Operating Expenses	(2,958,765)
General & Administrative Expenses	(1,707,953)
Payroll Expenses	(11,553,305)
Depreciation	(10,346,286)
Community Participation- Hebron Municipality	(1,615,412)
Interest Expenses	(195,000)
Currency Differential Loss	(100,000)
<b>Total Expense</b>	<b>(28,476,721)</b>

<b>Net Income</b>	<b>25,277,869</b>
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## Financial Analysis

Description	2011	2012	2013	2014	2015	2016	2017
Liquidity Ratios							
Current Ratios	1.01	0.99	0.98	1.04	1.04	1.01	1.07
Quick Ratios	0.95	0.9	0.93	0.99	0.99	0.97	1.04
Activity Ratios							
Working capital ( Million NIS )	3	7	11	27	26	6	51
Net Sales / Working Capital	45	-22	-16	7	7	28.81	3.86
Total Assets / Net Sales	4.41	4.54	4.79	4.73	4.85	5.33	5.22
Net sales / Account Receivable	0.49	0.47	0.43	0.46	0.48	0.45	0.43
Net Sales / Book Value of Fixed Assets	1.12	1.25	1.19	1.26	1.26	1.25	1.40
Net Sales / Total Assets	0.23	0.22	0.21	0.21	0.21	0.19	0.19
Net sales / Net Investment	1	1.17	1.26	1.04	1.05	0.87	0.94

Description	2011	2012	2013	2014	2015	2016	2017
Covering Ratios							
Current Liabilities / Net Investment	3.31	4.06	4.74	3.86	3.88	3.37	3.67
Current Liabilities / Inventory Value	16.49	14.09	21.31	20.84	22.59	29.21	39.64
Account Payable / Net Sales	3.23	3.47	3.77	3.49	3.55	3.85	3.83
Total Liabilities / Net Investment	3.43	4.3	5.05	3.92	4.11	3.66	3.9
Net Investment / Total Liabilities	0.29	0.23	0.2	0.26	0.24	0.27	0.26
Total Debt / Total Assets	0.77	0.81	0.83	0.8	0.8	0.41	0.8
Account Receivable - Monthly	23	24	25	23	25	32	28
Account Payable - Monthly	38	37	39	36	48	59	46

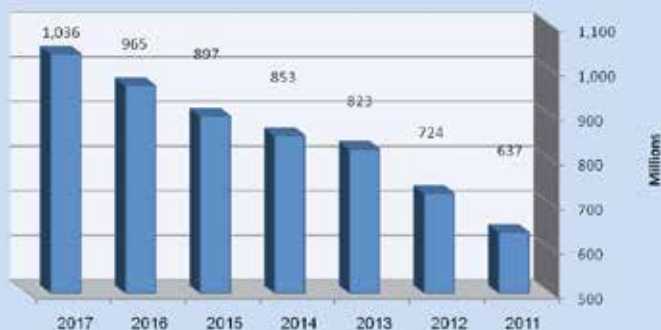
Working Capital



Quick Ratio



Total Assets



Total Liabilities





