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SHEBERGHAN GAS GENERATION ACTIVITY (SGGA)

Contract No. EPP-I-00-03-00004-00, Task Order No. AID-306-TO-12-00002

Monthly Report

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Acronyms and Abbreviations

ADB	Asian Development Bank
AEAI	Advanced Engineering Associates International Inc.
APPF	Afghan Public Protection Force
ARDS	Afghanistan Reconstruction and Development Service
BDS	Business Development Service
CCN	Cooperating Country Nationals
CCO	Chief Commercial Officer
COO	Chief Operating Officer
CV	Curriculum Vitae
DABS	Da Afghanistan Brishna Sherkat
DG	Director General
FIDIC	Fédération Internationale des Ingénieurs-Conseils (International Federation of Consulting Engineers)
GIRoA	Government Islamic Republic of Afghanistan
HR	Human Resource
IL	Implementation Letter
kW	Kilowatt
kWh	Kilowatt Hour
M/F	Male/Female
MEW	Ministry of Energy and Water
MIDAS	Mining Investment Development for Afghanistan Sustainability
MoMP	Ministry of Mines and Petroleum
NEPA	National Environmental Protection Agency
OFR	On-Sight Field Representative
PMO	Project Management Office
PMP	Performance Monitoring Plan
PSS®E	Power System Simulator for Engineering
SGDP	Sheberghan Gas Development Project
SGGA	Sheberghan Gas Generation Activity
TCN	Third Country National
TOR	Terms of Reference
USAID	United States Agency for International Development

1 GAS WORKSTREAM (MOMP LIAISON, DRILLING, ENVIRONMENTAL)

1.1 Achievements / Activities

- Completed due diligence review of drilling tender bidder.
- Provided sample definitions of “oil” and “gas” to MoMP for consideration in petroleum law amendments.
- Delivered report on drilling tender Bid Evaluation Committee questions to MoMP.
- Prepared technical data for On-Site Field Representative Training.
- Reviewed of Weis Sherdel’s comments for NEPA’s certificate of environmental compliance application.
- Delivered the completed application for NEPA’s certificate of environmental compliance to Weis Sherdel, which incorporates his comments and includes Minister’s transmittal letter.
- Delivered final petroleum engineering consultant tender terms of reference to MoMP, which incorporates MoMP’s requested changes.

1.2 Meetings

- 14 Jul 2013, Met with Weis Sherdel, Peter Stuart-Thompson, MoMP advisors, to complete revisions to terms of reference for petroleum engineering consultant tender.
- 29 Jun – 1 July 13, Attended short course on oil and gas contracts presented to members from MoMP, Parliament, Ministry of Foreign Affairs, and Ministry of Justice. The course was administered by the U.S. Dept. of Commerce Commercial Law Development Program (U.S. - Afghanistan Cooperation on Extractive Industries Development), and conducted in Doha, Qatar.

1.3 Challenges

- Clarifying staff relationships and communications protocol between SGGA and Weis Sherdel, MoMP advisor.
- Fulfilling request for final bound copies of application for NEPA certificate of environmental compliance and Minister’s letter. Short notice requests for document preparation, including requests to draft of ministerial transmittal letters and assemble large notebooks of materials, are frequent. In part this seems to stem from a lack of administrative support capability in the MoMP, and perhaps in part from confusion regarding the off-budget advisory role.

1.4 Plans for Next Month

- Complete proposed reports manual for Juma/Bashikurd operations identifying reports required by contract and anticipated environmental management plan, and including recommended report formats and inspection checklists.
- Provide execution copies of the drilling and re-entry contract to MoMP. The contract in the tender cannot be changed, but several attachments (e.g., contractor and MoMP environmental policy) need to be inserted as called for by the contract.
- On leave from 13 August.

2 ENERGY AND POWER WORKSTREAM (DABS AND MEW)

2.1 Achievements / Activities

- Corresponded and negotiated with Siemens regarding a study on the interconnection and operation of the proposed Sheberghan Power Plant as well as capacity development for MEW/DABS.
- Validated commercial data collected during visits to Breshna offices in Mazar and Jowzjan.
- Prepared a presentation on how MEW and DABS fit into SGDP for Weis Sherdel.
- Finished single line diagram that will automatically transfer and display low flow real time data from Chimtala Substation.
- Updated the SGGA Gantt chart.
- Exchanged information with Siemens, currently waiting for their technical and commercial proposal to provide capacity building and transmission analysis to optimize the Sheberghan 200 MW Power Plant's interconnection to the Afghan Grid.
- Evaluated a proposal submitted by DNV Kema Academy to train DABS and MEW.
- Prepared and translated training course material for the DABS operational personnel.

2.2 Meetings

- 9 Jul 2013, Met with Fichtner's ADB Project Manager, Alexander Culver to update the Afghanistan – Turkmenistan electrical interconnection and discuss increasing the transmission capacity through the Hindu Kush by installing a 500 kV transmission system.
- 6-11 Jul 2013, Met several times with DABS' COO, Mirwais Attaie, and CCO, Mirwais Alami.
- 17 Jul 2013, Met with MEW Technical Deputy Engineer Shah Mohammad to provide an update on the Northern Provinces' projects and discuss using their Power System Simulator for Engineering (PSS®E) for capacity building.
- 24 Jul 2013, Met with Weis Sherdel, to brief him on how MEW and DABS fit into SGGA.
- 20 Jul 2013, Met with DABS Head of Billing & Collection, Mirwais Attaie to go over the commercialization data (kWh and Afghani billed) from the Northern Provinces.
- 21 Jul 2013, Met with DABS Technical Deputy, Ahad Barakzai to discuss Sar-e-Pul's new substation construction schedule. The new substation is planned to be energized by reconstructing the 110kV transmission line between Mazar and Sheberghan.
- 29 Jul 2013, Met with Weis Sherdel to deliver Electrical Systems training to increase his understanding of SGGA's integrated scope of work.

2.3 Challenges

- None.

2.4 Plans for Next Month

- Review the translated training course material for DABS.
- Continue to evaluate Siemens' technical proposal and negotiate the terms of the Northern Provinces Power System Study contract.
- Request a capacity building proposal from Siemens.
- Collect and validate commercial data from DABS main office in Kabul.
- Visit the facilities at Sheberghan Electrical Island pending readiness of SGGA's facilities and life support in Sheberghan.
- Meet with Engineer Nangalai, from DABS' Planning Department discuss the technical trainings that other donors plan to conduct.

- Continue analyzing the licenses that MEW has for the Power System Simulator for Engineering (PSS®E) to determine whether the program can be installed and used for training.

3 CAPACITY BUILDING (DABS & MOMP, ECONOMICS, TRAINING)

3.1 Achievements / Activities

- Prepared solicitation proposals from off-shore, specialized training companies to train DABS operational personnel on:
 - Maintenance, coordination, and planning.
 - Analysis of disturbances for future prevention.
 - Switching operations during maintenances and restoration maneuvers.
- Requested, received and reviewed proposals from offshore specialized training companies to conduct an On-sight Field Representative (OFR) Training for MoMP.
- Clarified scope of work for OFR training.
- Pursued waiver of 937 limitations to sub-contract with other training companies for future trainings.
- Researched and formulated a Gas-to-Power Study Tour Draft Proposal and delivered it to USAID.
- Selected Petroskills as the preferred vendor for the OFR training.

3.2 Meetings

- 1 Jul 13, Met with DG Jalil Jumriany to discuss capacity development plans.
- 7 Jul 13, Phone conference with Issam Hubbi, Middle East Manager, NExT Slumberger regarding drilling monitoring training for MoMP staff.
- 15 Jul 13, Met with USAID and MoMP in the July 3-party meeting.
- 21 Jul 13, Met Weis Sherdelto further discuss the OFR training effort and pursue finalization of the trainee list.
- 24 Jul 13, Met with Mike Jordy and Michael Boyd at USAID to discuss the Study Tour Draft Proposal.

3.3 Challenges

- The 937 restriction imposes difficulty in sub-contracting with certain qualified companies and results in less competitive pressures for obtaining the best training services.

3.4 Plans for Next Month

- Obtain the final OFR trainee list and related CVs and forward the documents to the Petroskills to customize OFR training course.
- Issue proposal solicitations to specialized training companies to train DABS operational personnel.
- Submit to USAID a request for consent to subcontract Petro Skills for the OFR training.
- Organize logistical arrangements for the OFR training.
- Deliver orientation session to Weis Sherdel on capacity building plans.

4 RISK MANAGEMENT AND TRANSACTION ADVISOR WORKSTREAM

4.1 Achievements /Activities

- Revised and submitted the capacity building sub-project Gantt charts to USAID.
- Supported updating the orientation schedule for Weis Sherdel.

- Prepared orientation meeting agenda for Weis Sherdel.
- Began planning the updates to the Master Schedule Gant chart that will follow the drilling contract award.

4.2 Meetings

- 15 Jul 13, Met with USAID and MoMP in the July 3-party meeting.

4.3 Challenges

- None.

4.4 Plans for Next Month

- Continue updating the Master Schedule Gant chart following the award of the drilling contract.
- Submit a request for consent to subcontract with Satchu & Zhouand for provision of legal services to USAID.

5 PROCUREMENT WORKSTREAM

5.1 Achievements / Activities

- Delivered SGGA's bid evaluation letter of concurrence to USAID.
- Helped MoMP finalize the bid evaluation report.
- Supported the development of the Environmental Management Plan for the drilling contract.
- Collaborated with MoMP to update sections 1 and 2 of the petroleum engineering services tender prior to ARDS submittal.
- Provided lesson's learned presentation to team under a joint USAID-SGGA arranged training session.
- Prepared two letters for the Minister of MoMP to sign forwarding the petroleum engineering services tender and drilling contract no objection letter to ARDS for action.
- Completed analysis of FIDIC Red Book and Afghan tender General Conditions to confirm completeness of tender conditions for use in the gas sweetening plant and gathering system.
- Assisted MoMP in issuing the Petroleum Engineering Services tender to six shortlisted companies.
- Reconstructed last year's conditions precedent HR Manual and provided it to USAID.
- Completed three letters for the MoMP Minister to sign to ARDS, NEPA, and USAID.

5.2 Meetings

- 5 Jul 13, Attended weekly meeting with USAID and discussed a number of issues including status if Implementation Letter amendments and review of MoMP proposed drilling contract.
- 10 Jul 13, Met with new MIDAS team and discussed program similarities and provided preliminary review of SGGA lessons learned.
- 13 Jul 13, Met with MIDAS team to present SGGA's lesson's learned and answer their questions about on-budget working with MoMP.
- 13 Jul 13, Met with Mike Jordy, Chuck Drilling, and Roseanne Casey of USAID to discuss the status of drilling monitoring and oversight.
- 14 Jul 13, Met with DG Jalil Jumriany of MoMP and provided him the latest project status and asked a few questions on the status of MoMP activities.
- 15 Jul 13, Met with USAID and MoMP for July 3-party meeting and reviewed status of drilling tender, petroleum engineering services tender, and many other facets of the project.

- 17 Jul 13, Met with Aimaq of the MoMP PMO to review our projected drilling contract payment process; received feedback and suggested improvements.
- 17 Jul 13, Met with Weis Sherdel of MoMP to discuss, final review, and collect signed Minister's letters for forwarding the petroleum engineering services tender to ARDS.
- 20 Jul 13, Met with ARDS to provide them the Minister's letter and tender for processing issuance to six shortlisted companies (petroleum engineering services).
- 20 Jul 13, Attended weekly USAID meeting and discussed the status of IL amendments to approve the HR Manual and drilling contract, as well as discussed many other facets of the program such as OFR and training.
- 21 Jul 13, Met with ARDS to make emergency changes to the BDS portion of the tender to match late changes to the TOR made by MoMP.
- 22 Jul 13, Met with ARDS to provide historical records on the expression of interest for petroleum engineering services due to their incomplete records.
- 24 Jul 13, Met with MoMP Weis Sherdel and provided letters for Minister's signature to forward the petroleum engineering services tender to USAID and environmental package to NEPA.

5.3 Challenges

- None.

5.4 Plans for Next Month

- Participate in the Sheberghan Working Group and 3-Party Meeting.
- Meet with Aimaq to verify the invoicing process for ADB's drilling project.
- Work with ARDS regarding the petroleum engineering services tender and also the drilling contract award.
- Once the USAID No Objection Letter is received, guide drilling contract review through the GIRoA Special Procurement Commission.
- Continue guiding Weis Sherdel's orientation.
- Prepare further advertisements for petroleum engineers to lay the groundwork for a "Plan B" should the tendering process not result in affordable bids.

6 SECURITY

6.1 Personnel

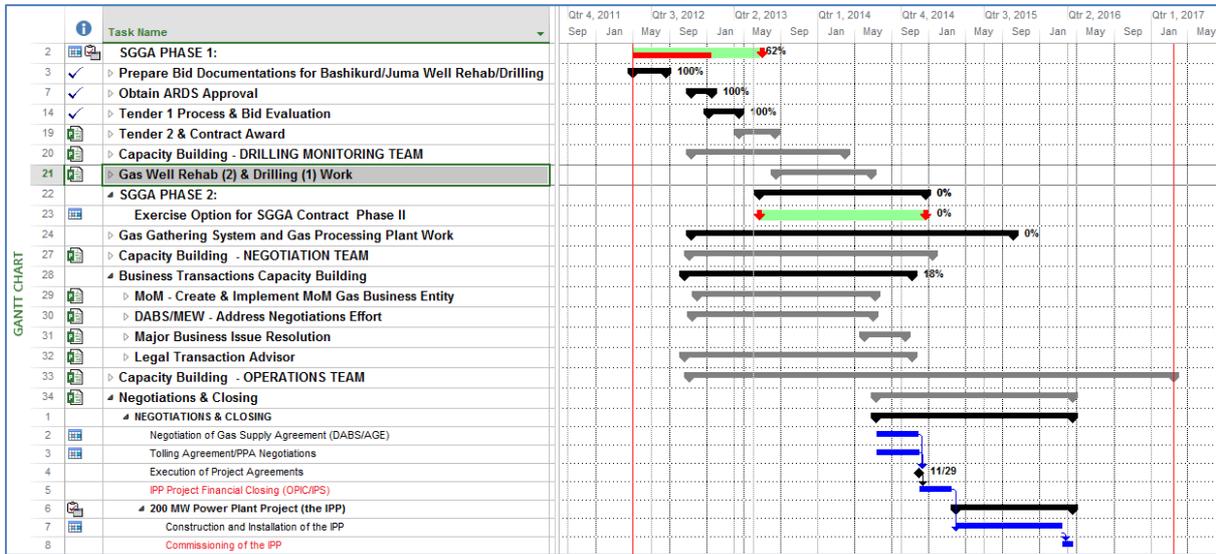
- Peet Snyman (TCN) was recruited to fill the Position of Security and Support Manager - Afghanistan North. He will be stationed in Sheberghan and will be responsible to provide support and security to SGGA teams working in Northern areas of Afghanistan.
- Support staff (CCN) was recruited in Sheberghan to ensure sufficient logistic, financial and operational support to SGGA teams in Northern Afghanistan. Relevant members of the Sheberghan support team visited SGGA Kabul from July 22 to July 25, 2013 for applicable procedural and administrative training.

6.2 APPF

- Mobile Security Team for Sheberghan is now fully staffed and equipped. Due to the APPF's inability to recruit people from the region, AEAI recruited these personnel on their behalf and introduced them to the APPF for enrollment.
- Personnel have also been identified to fill the Static Security Guards positions in Sheberghan. An APPF officer from Mazar-e-Sharif was taken to Sheberghan to conduct a survey of the SGGA facility in Sheberghan. The AEAI security team delivered the survey to APPF in Kabul for approval. The process is expected to be completed in August 2013.

7 PROJECT SCHEDULE AS OF JUNE 4, 2013

Note: Revised on June 4, 2013



The next significant revision of the gantt chart for the project schedule is anticipated after the award of the well rehabilitation and drilling contract. Efforts are under way to prepare a baseline and actual progress comparison based on the timing of the contract award.

8 PMP Data

SGGA Performance Monitoring Plan Indicators			
Milestones			
Capacity Building - MoMP, DABS, MEW	Prior	Current	
Capacity Assessments	1	0	
Training Courses	8	0	
Evaluations	0	0	
Tenders	Prior	Current	
1. Advertising	3	4	
2. Award	0	0	
3. Mobilization	0	0	
4. Activity work	0	0	
5. Completion	0	0	
Indicators			
Capacity Building - MoMP, DABS, MEW	Prior M/F	Current M/F	Indicator Code
# of Assessed people	200/10	0/0	I1/I2
# of Afghan prof. trained – "F" indicator	93/37	0/0	I3/I4
# of Afghan prof. evaluated	0	0/0	I5/I6
<i>M = Male F = Female</i>			
Tenders	Prior	Current	
# of Rehab. & Drilled Wells	0	0	I7
# of Gas Plants constructed	0	0	I8
Prof. Engineers for Drilling hired	0	0	I9
Prof. Engineer Proc. Plant hired	0	0	I10