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PRIVATE SECTOR ENERGY DEVELOPMENT PROGRAM

QUARTERLY STATUS REPORT

NINTH QUARTER: OCTOBER - DECEMBER 1993

Submitted by:

**K&M ENGINEERING AND CONSULTING CORPORATION
2001 L Street, NW, Suite 500
Washington, DC 20036**

Contract Number DHR-5738-C-00-1088-00

To:

**Office of Energy and Infrastructure
Bureau for Research and Development
U.S. Agency for International Development**

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I. INTRODUCTION

K&M Engineering and Consulting Corporation was awarded a three-year contract on September 24, 1991, to act as the prime contractor for the Office of Energy and Infrastructure's Private Sector Energy Development (PSED) Project.

The purpose of the PSED Project is to assist in creating a favorable environment to encourage the private ownership, financing, and operation of energy facilities, and their related infrastructure, in selected developing countries, concentrating on the electric power sector. The three main objectives of the PSED Project are to:

- induce policy reform and institutional development supportive of private participation in the energy sectors of developing countries;**
- assist in private energy project and infrastructure development and promote export of U.S. goods and services, especially in the electric power sector; and**
- improve coordination and use of U.S. government resources by the private firms seeking involvement with the energy and power systems of developing countries.**

To achieve these objectives, the PSED Project provides a variety of information dissemination, technical assistance and project development assistance to developing country governments, utilities and the private sector in support of private energy and power projects. Specific activities accomplished or underway are listed in Section III-Statement of Work.

II. K&M/PSED STAFF

K&M/PSED has assembled a core staff to manage and administer the PSED Project for the Office of Energy and Infrastructure consisting of: Jeffrey Humber-Project Director; Anil Mishra-Deputy Director; Michael Jackowski-Financial/Legal Specialist; Maria Alessandri-Research/Project Manager; Sridhar Samudrala-Research Associate; Rocio R. Rabie-Management Assistant; and Ana Torres-Secretary.

During this Quarter, PSED underwent the following re-organization: Ms. Alessandri went to K&M headquarters, and Ms. Sinnammal Souppaya was hired to replace her.

III. STATEMENT OF WORK

A. Administration, Management and Coordination

K&M/PSED is responsible for the overall coordination and implementation of the PSED Project, including management of all tasks associated with the Project. K&M/PSED is also responsible for coordinating the PSED Project activities with other USAID Bureaus and Missions and the private sector. In addition, K&M/PSED may coordinate activities with other USAID projects, such as the Energy Technology Innovation Project (ETIP) and the Energy Training Project (ETP), as related to private sector energy development. In addition, an ongoing activity of the PSED Project is to provide G/EI with technical assistance as identified in Section J - G/EI Technical Assistance.

K&M/PSED Activities this Quarter

1. Miscellaneous Reports

During this Quarter, K&M/PSED wrote its portion of the Office of Energy and Infrastructure's Program Plan for 1994-1995. K&M/PSED also presented its Accomplishments Portfolio Review for 1993, which covered the accomplishments of the PSED Project and the different functions which PSED performs to assist developing nations in privatizing their power sectors. Also during this Quarter, the PSED Brochure was written and printed. It is now available to the public.

2. Promotion

K&M/PSED commits significant resources to responding to requests for information on a variety of private sector issues and assists G/EI with basic technical assistance. On average, approximately ten requests for publications are received and filled every day, with particular interest being shown in Mexico, Latin America, and Asia. K&M/PSED acts as an information distribution center on behalf of G/EI concerning privatization and private investors and developers, the general public, and other government agencies. Requests for information cover issues concerning electric power systems, private power market possibilities, international private power regulatory policies, international private investment climates, and energy project development funding.

The Business Focus Series (BFS), published by G/EI and made available to the public through the PSED office, generates significant interest with individuals and government and corporate officials. In all, approximately six hundred (600) publications have been sent out by K&M/PSED over the last three months. In the past two years, eleven BFS publications have been written by various contractors. The BFS published to date are:

- **Private Power Business Opportunities: Central America**
- **Private Power Business Opportunities: South America**
- **Private Power Business Opportunities: Caribbean**
- **Private Power Business Opportunities: India and Pakistan**
- **Energy and Environment Market Conditions in Mexico**
- **Environmental Market Conditions and Business Opportunities in Key Latin American Countries**
- **ASEAN Electric Power Generation Markets: Opportunities for U.S. Companies**
- **Sources of Finance for Private Power Projects in Asia**
- **Cogeneration In Argentina**
- **Cogeneration in Brazil**
- **ASEAN Wastewater Treatment Market Assessment: Opportunities for U.S. Businesses**

B. COORDINATION OF ENERGY PROJECT DEVELOPMENT FUND (EPDF)

To reduce the risk and cost of private power project development, the Office of Energy and Infrastructure established an Energy Project Development Fund (EPDF) as part of the PSED Project. The EPDF shares with eligible private power developers the cost of pre-feasibility, feasibility, and other project development activities for private energy and power projects in USAID-assisted countries. These studies can include analysis of the technical, legal, financial, engineering, environmental, and other aspects of private energy and power projects. The EPDF is administered by the Feasibility Study Fund Contractor (EPDF Contractor), under the guidance of the G/EI Project Officer. K&M/PSED works closely with the EPDF Contractor in any activities related to the Private Sector Windows of the EPDF.

K&M/PSED Activities this Quarter

1. Technical Review of Applications

Since Price Waterhouse has assumed full responsibility for all administrative efforts for the EPDF Fund, no applications were reviewed by K&M/PSED during this Quarter.

C. EXPERTISE SOURCING AND TECHNICAL ASSISTANCE

As many USAID-assisted countries generally lack the infrastructure, management, policies and guidelines necessary for private participation in their energy sectors, the PSED Project provides the technical assistance to help these countries establish infrastructure and policies to support private power development. As coordinator of the PSED Project, K&M/PSED is responsible for the selection, management, and dispatch of these technical assistance teams.

CORE

- | | |
|---------------------------------------|---|
| 1. Nigeria: | Rehabilitation and O&M of Hydroelectric Plant |
| 2. Mongolia: | Assessment of Electric System and District Heating Plants |
| 3. US-Asia Environmental Partnership: | Planning and Conceptualization |
| 4. Dominican Republic: | Privatization Issues |
| 5. Panama: | Requirements/Procedures for Private Power |
| 6. India: | Technical Assistance and Study Tour Assistance |
| 7. New Independent States (NIS): | Definitional Mission |
| 8. Uruguay | Uruguay-Argentina Gas Pipeline |

BUY-INS

- | | |
|----------------------------------|--|
| 1. USAID/New Delhi: | Development and Management Training |
| 2. USAID/Manila: | Cost Structure and Transfer Pricing in the Petroleum Industry |
| 3. USAID/Cairo: | Policy Reform and Institutional Development
Assessment for Competitive Market Adaptation of the Egyptian Power Sector |
| 4. NIS/Task Force: | Private Sector Opportunities Structuring for the New Independent States |
| 5. NIS/Task Force: | Conventional Power/Cogeneration Performance Improvement for the New Independent States |
| 6. USAID/Santo Domingo: | Development of Competitive Bidding Process; Fuel Price Study |
| 7. USAID/G/EI (USAID/New Delhi): | India Private Power Initiative (IPPI) |

K&M/PSED Activities this Quarter

CORE:

1. India

K&M/PSED continued its technical assistance to the Government of India (GOI) on private power development in India, and on administrative assistance planning for the ongoing India Private Power Initiative (IPPI) (see Buy-in Activity #7). During this Quarter, a long-term action plan for IPPI was prepared to provide an implementation framework to G/EI, USAID/India, and the GOI through which the provision of technical and training assistance to the GOI during the upcoming year would be coordinated. PSED/K&M continued to provide administrative back-up assistance to the IPPI through the coordination of communications with the IPPI Private Power Coordinator in New Delhi and IPPI contractors in Washington, D.C. All further activities in India are expected to be accomplished through the Buy-in.

2. Uruguay

K&M/PSED co-sponsored, with the Florida Public Service Commission and the Florida Department of Commerce, a technical assistance team to Argentina and Uruguay. The purpose of the technical assistance was to discuss with government and utility officials how independent regulatory commissions are structured and created. In Argentina, the team were guests at a state luncheon, together with the heads of the regulatory commissions, who were meeting for the first time. Also in Argentina, the team met with the heads of Ente Nacional Regulador del Gas, the national gas regulatory commission to discuss regulatory structures. In Uruguay, the team met with the Minister of Energy and with the Director of Government Reform in the President's Office to discuss regulatory issues. A report on the visit was issued.

BUY-INS:

1. USAID/New Delhi

Complete

2. USAID/Manila

Complete

3. USAID/Cairo (funded jointly with CORE funds)

During this Quarter, K&M/PSED made the final presentation to senior government and utility officials on the findings and recommendations of the study of the

Egyptian power sector. A number of critical policy issues were raised which indicated awareness and interest of the Egyptian government and utility officials to conduct business on a more commercial basis. It is expected that future USAID projects would be designed on specific institutional and policy reforms which were in Phase I & II of the study.

In November, K&M/PSED personnel traveled to Egypt to obtain written comments from the EEA on the draft report, obtain the Electric Distribution Companies' (EDCO) comments concerning distribution, and present USAID/Cairo with a proposed implementation plan.

K&M/PSED was able to obtain most of the comments from the EEA; however, the EEA were not prepared at that time to discuss the legal section. EDCO had also provided comments and were preparing steps towards the transition to privatization. EEA's and EDCO's comments indicated that many recommendations made in the report had already been carried out while several problems remained to be resolved.

4-5. New Independent States (NIS)

a) Russia

In coordination with USAID's NIS Task Force, the Edison Electric Institute, and the U.S. Energy Association, K&M/PSED sent a technical assistance consultant to Russia. The consultant participated in a delegation analyzing ways to support privatization and investment promotion in Russia's electric power sector. To better facilitate discussion, the delegation was divided into several working groups, of which K&M/PSED's consultant worked with the group discussing investment promotion, examining several objectives. One objective was how to familiarize Russian personnel with the issues and methods associated with the evaluation of proposals from potential independent power projects. Also discussed were how to develop planning methods for future investment activities, and how to execute pre-feasibility studies on various projects for private investment. The group also explored methods of introducing Russian personnel to potential investor groups and assisting with the development of these relationships. A preliminary work plan was prepared and is currently being refined.

b) Armenia

During this Quarter, K&M/PSED completed the preliminary feasibility study of the Armenergo electric power generation facilities. Armenergo, the electric utility in Armenia, needs to increase and maximize its power generation capacity in order to keep up with demand. This study was initiated to assess the present conditions of the power stations in Armenia and seek solutions to potential energy shortages this winter. The rehabilitation study supports the proposed project financing by the World Bank, USAID, and others. The study was based on discussions with the Armenergo management and

other engineering personnel, inspection of Armenergo's facilities, review of prior reports and records, and sound engineering judgement. The study concluded that the power stations need replacement of damaged and missing thermal insulation, re-tubing of existing heat exchangers, modification to cooling towers to reduce deterioration and damage, and installation of variable bypasses on the combustion air to avoid sulfuric acid corrosion of air heaters and combustion gas ducts. Technical assistance was also provided for the government of the city of Yerevan on the current status of the electric distribution system and for the development of a 3-5 year implementation plan for upgrading the overall distribution system.

In late October K&M/PSED sent personnel to Armenia to work with USAID, the World Bank assessment team, and other USAID consultants to finalize the scope of the materials, equipment and sources of finance for the power sector rehabilitation loan to Armenia. The scope of the Power Sector Rehabilitation includes work on the thermal and hydroelectric power generation equipment, plus work on the transmission and distribution systems. The initial activities of the mission included the project implementation unit and enhancement of distribution system communication and controls. Draft copies of the power sub-sector rehabilitation projects feasibility studies were submitted in November.

c) Belarus

During December, the EBRD approved a loan of approximately \$48 million for the design, manufacture, construction, and installation of a 60MW combined cycle combustion turbine for Belarus' ORSHA plant site. This is in response to the loan procurement document prepared for the Republic of Belarus by K&M/PSED.

d) Kazakhstan

During October, a copy of the draft work-plan was hand-carried to the USAID Mission in Kazakhstan. A revised workplan and an activity implementation plan were submitted in November. A response from the NIS Task Force is needed before proceeding further.

e) Ukraine

During October, a revised proposed work plan for Ukraine was submitted by K&M/PSED to NIS/TF/EET. A response from the NIS Task Force is needed before proceeding further.

6. USAID/Santo Domingo

During this Quarter, K&M/PSED initiated work on the preparation of bidding documents. These bidding documents include pre-qualification documents, a Request for Proposal (RFP), sample contracts, and other potentially useful documents associated

with the bidding process. In addition, USAID/Santo Domingo informed K&M/PSED that all deliverables under this Buy-in would need to be written in both Spanish and English. K&M/PSED provided an estimated cost for translation to comply with this request.

In November, K&M/PSED met with representatives of the World Bank (WB) and the Inter-American Development Bank (IDB) to discuss the requirements for the pre-qualification documents and the RFP. K&M/PSED prepared the suggested document for the fuel study, which will outline the fuel policy in the Dominican Republic (D.R.) and its effect on the power sector. The study covers fuel supply, demand, and pricing, as well as the environment.

In December, K&M/PSED sent a technical assistance team to Santo Domingo to participate in meetings with officials of USAID/Santo Domingo, the WB, the IDB, Corporación Dominicana de Electricidad (CDE), the national utility, and the GODR to coordinate energy sector activities in the D.R. The new electricity law was finalized by the Energy Committee, and submitted to the President. It is expected that the law will be approved by the President and sent to Congress.

The status, content, and schedule for the private power bidding documents were also discussed during this trip. A complete set of pre-qualification documents for the selection of a sponsor for the 250MW fossil fuel-fired station on a Build-Own-Operate (BOO) basis is scheduled to be released in late January 1994. However, notice of pre-qualification will not be published until the electricity law is enacted.

7. USAID/G/EI(USAID/New Delhi)

As part of the India Private Power Initiative (IPPI), USAID/New Delhi awarded a buy-in contract to K&M/PSED. The main objective of the Buy-in is to provide long-term technical assistance through the Government of India (GOI) to various Indian state governments and the State Electricity Boards (SEBs) on transactional level issues. The twelve-month program also provides for the placement of a long-term IPPI Resident Project Manager to coordinate the activities of all the USAID contractors supporting the IPPI program. The buy-in to K&M/PSED is part of a total IPPI technical assistance package providing regulatory policy assistance and training to GOI officials.

During November, K&M/PSED scheduled the initiation of the tasks by the consultants and private power specialists. K&M/PSED has been in constant communication with the Resident Project Manager to determine the best method to begin the tasks for consultants in the United States. K&M/PSED sent a technical consultant to India in December to begin work on Task 7 of the Implementation Plan. The purpose of Task 7 is to provide the GOI/IPC and select SEBs with the capacity to evaluate projects based on sensitivity analysis, as well as compare cost and benefits of competing projects.

Also during this Quarter, K&M/PSED continued to prepare for providing technical assistance to USAID/India and the GOI through the IPPI. K&M/PSED held back on aggressively starting the implementation of this Buy-in, awaiting guidance from the GOI and USAID/India regarding the specific recipients of the technical assistance. K&M/PSED sent a technical advisor to New Delhi in December to hold discussions with USAID/India officials regarding the IPPI and to initiate work on Tasks 5 and 7. K&M/PSED also received instructions from USAID/India to initiate work on Tasks 4-8 and 20 beginning in January 1994.

D. STUDY TOURS

Study tours to the U.S. are designed to provide technical programs that focus on enhancing the skills of developing country officials on the strategies and techniques of private sector energy development. Simultaneously, study tours provide these officials with an opportunity to interface with U.S. executives and other specialists who play a significant role in implementing viable private enterprise projects and activities. K&M/PSED is responsible for sponsoring study tours in the U.S.

Previous Quarter's Activities:	
1.	India Study Tour (Q3)
2.	Andhra Pradesh (Q7)
3.	Florida Public Service Commission (Q8)

K&M/PSED Activities this Quarter

No activities regarding study tours took place this Quarter.

E. SEMINARS/WORKSHOPS/CONFERENCES

The concept of private participation in the energy sector is new to many developing countries. This is particularly true in the power sector where public utilities have had a monopoly on power generation for decades. In addition, there is a general lack of information and experience in these areas. It is therefore necessary to explain the benefits of private participation and the steps that developing countries need to take to encourage the private sector to participate.

Under the PSED Project, K&M/PSED is to organize seminars, workshops and conferences in developing countries to familiarize key government officials, state utility officials and private sector representatives on private participation in the energy sector.

Previous Quarter's Activities:

1. Brazil/USA Seminar on Electric Power Development (Q3)
2. Private Investment Opportunities in India (Q3)
3. First International Trade Conference for Wind Energy - Argentina (Q3)
4. Energía '92 - Mexico (Q4)
5. The Power Sector in Central America (Q4)
6. Private Sector: Power in Asia - Malaysia (Q5)
7. Windpower '92 - Seattle, Washington (Q5)
8. Powergen - Orlando, Florida (Q5)
9. Cuenca del Caribe en Miami - Miami, Florida (Q5)
10. Private Power in the Pacific Rim - Los Angeles (Q6)
11. OPIC Investment Mission - India, Sri Lanka (Q6)

K&M/PSED Activities this Quarter

1. India

Planning began for a potential Spring 1994 financial conference in India this Quarter. This activity will be conducted through the Buy-in.

2. Asia

In October, K&M/PSED drafted a concept paper for a regional privatization workshop to be held in Bangladesh. G/EI has been in communication with the Mission in Dhaka, and K&M/PSED is awaiting further instruction.

3. Argentina

Planning began on a Biomass seminar to be held in Misiones Province, Argentina in early Spring of 1994. The focus of the seminar would be on a proposed Argentinean transmission and distribution investment project. The seminar could also consist of training sessions on utility regulations and rural electrification issues. A detailed agenda will be prepared when relevant project information is provided by the Government of Argentina.

F. COUNTRY ASSESSMENTS

Although common conditions prevail throughout developing countries, the specific environment for private energy and power development is unique in each country. Therefore, K&M/PSED must conduct country assessments to determine the legal, regulatory, economic, financial, institutional and technical conditions which will impede or promote private enterprise involvement in the energy and power sector.

K&M/PSED Activities this Quarter

No activities regarding country assessments took place during this Quarter.

G. SPECIAL STUDIES

The promotion and development of private participation in the energy and power sector is a complex undertaking due to the great variety of issues and forces at work in the dynamics of privatization. In light of this, it is necessary for K&M/PSED to undertake special studies in a broad variety of issues to address specific problems and/or questions raised.

Previous Quarter's Activities:

1. Compendium Study - under review
2. Sources of Finance for Private Power Projects in Asia
3. World Bank Guidelines
4. Uruguay-Argentina Pipeline Study

K&M/PSED Activities this Quarter

K&M/PSED continued its work in conjunction with the World Bank to prepare guidelines which describe the variety of interrelated issues and documents which are often part of the privatization process for power projects. A final draft version was submitted for review.

H. TRAINING COURSES AND INTERNSHIPS

Training courses and internships help promote greater understanding of private sector energy developments by focusing on the opportunities for and barriers to private energy and power development and financing. K&M/PSED is responsible for sponsoring formal training courses for senior-level policymakers from developing countries. In addition, K&M/PSED is to sponsor internships for senior-level and mid-level managers from developing countries and provide them with the opportunity for on-the-job training with U.S. private companies, utilities, and utility regulatory commissions.

K&M/PSED Activities this Quarter

There were no activities regarding training courses or internships during this Quarter.

I. PRIVATE POWER REPORTER AND DATA BASE

The *Private Power Reporter* (PPR), a quarterly publication of the Office of Energy and Infrastructure, is instrumental in keeping the public-at-large, and the energy and power community in particular, informed on the status of privatization and private sector involvement in developing countries. The Private Power Data Base contains information on private energy and power activities in developing countries, including information on project opportunities, pertinent laws and regulations for selected countries, and listings of U.S. vendors of power and co-generation technologies.

K&M/PSED is responsible for the quarterly publication of the *Private Power Reporter* and for the maintenance of the Data Base.

Previous Quarter's Activities:

1. Published November 1991 issue
2. Published March 1992 issue
3. Published June 1992 issue with India Supplement
4. Published March 1993 issue - "Focus on Asia"
5. Published June 1993 issue - "Focus on the NIS"
6. Published September 1993 issue - "Focus on Mexico and Central America"

PPR - December 1993 Issue: "Focus on South America"

During this Quarter, the December 1993 issue of the PPR was written and distributed. In the last couple of issues, the PPR has tried to focus on one area of the world that concerns its readership. Continuing the Latin American focus from the last issue, the December issue focused on South America. While the lead article examined the region as a whole, there were several articles specifically highlighting issues important to the region such as NAFTA and the environment. Also included in this issue of the PPR was an update on the activities of the Office of Energy.

J. G/EI TECHNICAL ASSISTANCE

During this Quarter, K&M/PSED identified key issues relating specifically to private power and its impact on the environment for G/EI's *Global Warming Initiative*. K&M/PSED identified key issues for a speech to be given at the Power-Gen Conference.

**PRIVATE SECTOR ENERGY DEVELOPMENT PROGRAM
QUARTERLY FINANCIAL REPORT
NINTH QUARTER: OCTOBER - DECEMBER 1993**

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Contract Number DHR-5738-C-00-1088-00

To:

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1. SUMMARY

Since the monthly vouchers provide specific breakdowns of expenses (together with backup receipts), this report summarizes the total expenditures for Quarter 9 and provides additional observations/comments. The attached spreadsheet summarizes the accrued expenditures of K&M for the management of the PSED program and its activities.

The spreadsheet contains the following information (by line item budgets):

1. **A Total Contract** column;
2. **A Total Obligated** column;
3. **A Totals to Date** column for K&M/PSED expenses;
4. **A Pipeline** of the remaining balance, total contract amount less K&M/PSED expenses that is available to be spent by PSED.
5. **A Year 1 Totals** column (October 1991-September 1992);
6. **A Year 2 Totals** column (October 1992-September 1993); and
7. **A Monthly Breakdown** of K&M/PSED expenses for Q9: October, November, and December 1993.

2. OBSERVATIONS/COMMENTS

1. K&M/PSED has billed approximately 53% of the Total Contract budget; \$3,231,998 of \$6,042,325.
2. K&M/PSED has billed approximately 82% of the Total Obligated budget; \$3,231,998 of \$3,920,147.
3. The Pipeline as compared to the remaining balance on the Total Contract budget is \$2,810,327; \$6,042,325 less \$3,231,998.
4. The Pipeline as compared to the remaining balance on the Obligated budget is \$688,149; \$3,920,147 less 3,231,998.

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5. During this quarter, most of K&M/PSED accrued expenses were related to technical assistance. Much of this assistance was provided through delivery orders, under the Buy-in Contract, to support work in Egypt, the NIS, the Dominican Republic and India. Also during this quarter, K&M/PSED co-sponsored, with the Florida Public Service Commission and the Florida Department of Commerce, a technical assistance team to Argentina and Uruguay. The purpose of the technical assistance was to discuss with government and utility officials how independent regulatory commissions are structured and created.

Under Buy-in #3, during this quarter, K&M/PSED made the final presentation to senior government and utility officials on the findings and recommendations for Policy Reform and Institutional Development Assessment for Competitive Market Adaptation of the Egyptian Power Sector.

Under Buy-ins #4 and #5 for the NIS, K&M/PSED provided support to Russia, Belarus, and Armenia. In November K&M/PSED sent a technical consultant to Russia to participate in a delegation analyzing ways to support privatization and investment promotion in Russia's Electric Power Sector.

In Armenia, K&M/PSED completed the Feasibility Studies on the Rehabilitation of Armenia's Power Generation, Transmission and Distribution Facilities. K&M/PSED also sent personnel to Armenergo to work with USAID, the World Bank Assessment Team, and other USAID consultants to finalize the scope of the materials, equipment and sources of finance for the power sector rehabilitation loan to Armenia.

In response to the loan procurement prepared for the Republic of Belarus by K&M/PSED, under Buy-in #5, the EBRD approved a \$48 million loan for the Belarus ORSHA plant site.

Under Buy-in #6 for the Dominican Republic, K&M/PSED began work on the preparation of bidding documents. K&M/PSED sent a technical assistance team to Santo Domingo to participate in meetings with officials of USAID/Santo Domingo, the World Bank, the IDB, CDE (the national utility), and GODR to coordinate energy sector activities in the D.R.

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QUARTER 9 FINANCIAL REPORT

Under Buy-in #7 for India, K&M/PSED continued preparation to provide technical assistance to the Government of India through the India Private Power Initiative (IPPI). A long-term action plan was prepared to provide an implementation framework to G/E&I, USAID/India and the GOI. K&M/PSED continued to provide administrative back-up assistance to IPPI through the coordination of communications with the IPPI Private Power Coordinator in New Delhi and the IPPI contractors in Washington, D.C. The Private Power Coordinator was deployed in October for the remainder of the contract year (through September 94). K&M/PSED sent a technical advisor to New Delhi to hold discussions with USAID/India Officials regarding the IPPI and to initiate work on Tasks 5 and 7. K&M/PSED also received instructions from USAID/India to initiate work on Tasks 4-8 and 20 beginning in January 1994.

Also during this Quarter, K&M/PSED wrote its portion of the Office of Energy and Infrastructure's Program Plan for 1994-1995. K&M/PSED also presented its Accomplishment Portfolio Review for 1993.

The Quarterly Status Report for Quarter 9 provides detailed summaries on all of these activities.

K&M Engineering and Consulting Corporation
Invoices for PSED

CATEGORY	TOTAL CONTRACT	TOTAL OBLIGATED	TOTALS TO DATE	ESTIMATED PIPELINE	Year 1 TOTALS	Year 2 TOTALS	Quarter 9		
							Oct '93	Nov '93	Dec '93
Salaries	1,582,869.00	1,025,086.04	845,140.50	179,945.54	324,185.38	417,248.60	18,785.33	54,405.41	30,515.78
Fringes	414,711.00	268,572.53	221,426.80	47,145.73	84,936.57	109,319.13	4,921.76	14,254.21	7,995.13
Subtotal Salaries	1,997,580.00	1,293,658.57	1,066,567.30	227,091.27	409,121.95	526,567.73	23,707.09	68,659.62	38,510.91
Overhead	1,697,943.00	1,099,609.78	906,582.20	193,027.58	347,753.66	447,582.57	20,151.03	58,360.68	32,734.27
Salaries + Overhead	3,695,523.00	2,393,268.34	1,973,149.50	420,118.84	756,875.61	974,150.30	43,858.12	127,020.30	71,245.18
Other Costs									
Consultants	229,322.00	144,378.93	119,034.38	25,344.55	16,973.00	90,444.18	11,617.20	0.00	0.00
Travel (trans+perdiem)	668,845.00	425,045.69	350,432.37	74,813.32	26,276.65	287,018.21	5,012.72	18,756.77	13,368.02
Expendable Supplies	84,365.00	56,821.90	46,847.28	9,974.62	8,003.85	31,513.47	4,397.45	2,932.51	(48.30)
Nonexpendable Equip & Occupancy	495,896.00	309,642.81	255,287.53	54,355.28	135,444.69	96,838.89	7,919.75	7,730.63	7,353.57
Subcontracts	35,536.00	20,189.66	16,645.53	3,544.13	6,531.70	10,113.83	0.00	0.00	0.00
Other Direct Costs	412,211.00	290,390.98	239,415.20	50,975.78	47,069.14	146,015.12	19,098.30	16,137.61	11,095.03
Subtotal Costs	1,926,175.00	1,246,411.40	1,027,613.99	218,797.41	240,299.03	661,943.70	48,045.42	45,557.52	31,768.32
Total Labor & Costs	5,621,698.00	3,639,679.78	3,000,763.52	638,916.25	997,174.64	1,636,094.03	91,903.54	172,577.82	103,013.50
Fee	420,627.00	280,467.99	231,234.11	49,233.88	72,950.59	129,251.42	7,260.38	13,633.65	8,138.07
TOTALS	6,042,325.00	3,920,147.77	3,231,998.00	688,149.77	1,070,125.23	1,765,345.45	99,163.92	186,211.47	111,151.57

Observations/Comments:

1. K&M/PSED has billed approximately 53% of the total Contract budget; \$3,231,998 of \$6,042,325.
2. K&M/PSED has billed approximately 82% of the total Obligated budget; \$3,231,998 of \$3,920,147
3. The Pipeline, or remaining balance on the Total Contract budget is \$2,810,327; \$6,042,325 less \$3,231,998
4. However, the Pipeline, or remaining balance on the Obligated budget is \$688,149; \$3,920,147 less \$3,231,998 as presented in the following table:

Description	Amount	% of total obligated use
Total Obligated	3,920,147.77	
Total Used	3,231,998.00	82.45%
Pipeline	688,149.77	

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PRIVATE SECTOR ENERGY DEVELOPMENT PROGRAM

1801 North Kent Street • Suite 1102 • Arlington, VA 22209 • TEL: (703) 524-4400 • FAX: (703) 524-3164

 K & M ENGINEERING AND CONSULTING CORPORATION, PRIME CONTRACTOR

MEMORANDUM

TO: PPC/CDIE/DI
Acquisitions, Room 209, SA-18

FROM: Sinnammal Souppaya/Erin Corr

DATE: January 31, 1994

SUBJECT: PSED Reports

Please find attached the PSED Quarterly Status and Quarterly Financial Reports for the period of October - December 1993 (Q9).