

Information Note

Results as at June 2019

Ensuring service continuity in a difficult context

The company is not sparing any effort to ensure service continuity. Step by step, within its capabilities and limitations, the company is working every day to supply stable energy, despite a difficult cash flow context marked by significant unpaid customer bills that continue to accumulate as the months go by.

For example, while 15% of the country's total electricity generation has been supplied to certain major electricity consumers in 2019, Eneo has received no financial compensation for this service to date...

Access to electricity

New connections, work completion deadlines, and active customers

Since 2014, Eneo has connected 100,000 new households and businesses to the electric network on average each year; well above the 60,000 contractual target.

In 2017, Cameroon recorded a 61.4% electricity access rate. Our first priority is to facilitate access to electricity for as many Cameroon households, institutions, and businesses as possible. Eneo made a commitment with the Government to increase the electricity access rate by 2% each year. Though materials/equipment procurement problems often extend connection deadlines, the company is completing connections faster and faster.

At the end of June 2019, compared to the same period in 2018:

- 45,000 new electrical connections have been completed since the beginning of the year, representing an increase of 14.28%;
- The number of active customers increased to 1,305,782, representing growth of 7.12%;
- The company recorded a slight drop in the number of customers with pending connections.

Network connection deadlines

- The number of connections completed within work deadlines increased by 15.7%;
- Improved control over connection completion deadlines in most regions has been due to the availability of materials/equipment in warehouses.

Overall, the average work completion timeframe for new connections dropped from 10 to 3 days.



Eneo prepaid solution: more than 7,000 meters installed, as at 31 June 2019

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The Banengo and Kena new commercial agencies in Bafoussam



Commercial quality of service

To be closer to our customers, provide more rapid response to any local concerns, as well as enhance the comfort of customers, more than 15 new commercial agencies and technical bases have been created since 2014. A few months ago, the new Banengo and Kena in Bafoussam agencies opened their doors.

Overbilling and billing anomalies are still points of dissatisfaction for customers. The rate and pace of processing subsequent claims is still not meeting the expectations of an increasingly demanding clientele. Though the company is yet to attain expected levels, much has been done:

Today, there is better billing availability which has resulted in a slight drop in the number of customers who undergo the inconvenience of not receiving their bills.

Progressive rolling out of prepaid meters is one response to help alleviate these billing problems.

The online agency, **MyEasyLight**, continues to professionalize its services. Customers can send their contract number through SMS to 667 90 90 90 in order to display their most recent monthly bill, as well as any bills from the past 12 months, and they can pay their bill immediately through a mobile carrier.

With MyEasyLight, the customer has access to the following on-the-spot services:

- Consultation of bills online
- Billing history
- Self-meter reading
- Introduction and monitoring of claims processing
- Introduction of a connection/subscription requests and monitoring of processing

MyEasyLight is available on www.eneocameroun.cm

Making life easier for customers with improved payment methods:

The introduction of new payment methods for electricity bills through various partners, including mobile telephony companies and money transfer agencies, has reduced waiting times and congestion at Eneo commercial agencies.

Furthermore, the "Live Chat" (online discussion) option was introduced to ensure greater direct engagement with customers.

Safety

The strategy of systematically replacing critical poles has made it possible to reduce somewhat the number of fatalities and injuries on the network.

Compared to the same period in 2018, the number of fatalities still stands at 4, whereas injuries dropped by 57%.

We are aware that these results are not satisfactory. Our mission is to illuminate lives, not destroy them.

Unfortunately, the network condition and unauthorized activities on network installations expose the population to risks. Ongoing network protection activities and public safety sensitization programs will certainly bear fruit in the medium and long terms.

Technical quality of service

Unserviced Energy

Generation: *For at least the past 3 years, demand has completely been met and load shedding is witnessing a downward trend.*

This is largely due to the stability of generating units at the Songloulou and Edea hydroelectric power plants, as well as maintenance works carried out in certain thermal power plants, etc.

On the other hand, generation performance slowed down due to:

- Rationing following insufficient fuel in certain thermal power plants;
- Incidents recorded in thermal power plants;
- Scheduled works in Songloulou, Ahala, Mape and Banyo power plants.

Distribution: *Outage duration and frequency dropped in Douala and Yaoundé.* This is due to the replacement of critical wooden poles with concrete and metal poles, as well as the reinforcement of cables on the main sections of electric lines, representing an investment of more than 2 billion FCFA. For example, compared to 2018, interruptions due to defective cables dropped by 49% in Douala and Yaoundé. The overall rate of burned-out transformers was reduced by 27%, which resulted in a drop in the number of localities without electricity.

Technical quality of service - ct'd

In rural areas, interruptions are more frequent and last longer. The main causes are:

- **Grand North:** Vegetation, damaged cables, various other damages
- **West and North-West:** Rotten poles, vegetation
- **Sanaga Ocean :** Rotten poles, vegetation
- **South-West and Mungo:** Rotten poles, damaged cables, various other damages

Eneo is waiting for the government to approve exploitation of logging in Cameroon's Western forests. This is the main solution for the current wooden-pole scarcity crisis.

To further enhance the quality of service that has declined due to vegetation incidents, bulldozer clearing of critical line corridors will continue in the West, Sanaga Ocean and Yaoundé.

The top 10 localities, in order of criticality, with the longest interruptions, account for 24.80 hours out of the total of 58.26 hours (i.e. 42.6%) of total interruptions in distribution:

- | | |
|---------------|----------------|
| 1. Tiro | 6. Obala |
| 2. Kumbo | 7. Abong-Mbang |
| 3. Minta | 8. Mamfe |
| 4. Sangmélima | 9. Wum |
| 5. Batouri | 10. Akonolinga |

In general, the repair durations are longer due to:

- Access difficulties in the Centre, Sanaga Ocean and East;
- Security situation in the South-West and North-West and the Far North;
- Wooden pole supply challenges;
- Difficulties in having foreign currency to pay suppliers abroad.

The difficult financial situation that the company is going through is seriously impacting repair efforts, outage duration and frequencies - and the number of localities without electricity could increase.

Investments and modernization

The investment capacity of the company is undermined by strong cash constraints. Despite this, efforts are being made to ensure continuity of service.



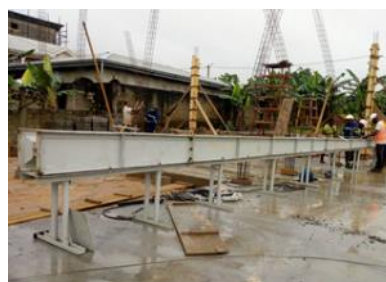
Yaoundé: Replacement of critical wooden poles with concrete poles in Emana and its surroundings



Clearing of line corridors in the East and West



Repair of concrete cracks in Songloulou (before and after)



Manufacturing of concrete poles in Douala

Investments and Modernization - *ct'd*

Yaoundé: Safeguarding critical lines and poles in order to improve service quality

- Securing the most unstable line in Yaoundé (Emana, Messassi, Olembe and surroundings), by the complete replacement of critical wood poles with concrete poles;
- Acceleration of the program to replace 1,500 targeted critical poles as part of maintenance in Yaoundé.
- Faced with the difficulties of supplying wooden poles, Eneo has entered into partnerships with 9 local companies to manufacture the necessary materials for distribution network construction and repairs. About 10,000 new concrete poles are expected by the end of the year.



Rehabilitation of spillway in Songloulou (before and after)

Songloulou: Safeguard works ongoing. Towards the end of phase 1.

- Safeguarding of the Songloulou hydroelectric dam (reinforcement of the intake dam and rehabilitation of the spillway).



Bulldozer line clearing and network extension

- Bulldozer clearing of line corridors in the West, Sanaga Ocean, and in Yaoundé
- Thanks to network extensions, new communities have accessed the network. More than 120 kilometers of newly constructed new lines, and 130 new substations.

	New Facilities constructed		
	Medium voltage network (km)	Low voltage network (km)	Distribution substation
Douala	11,89	33,2	63
Yaounde	14,24	40,32	55
Regions	3,94	6,9	13
Total	30,1	80,4	131

- Works to secure transformer substations in Douala and Yaoundé
- 3,000 prepaid meters installed between April and June 2019, bringing the total to date to 7,000.

Human Resources

Rejuvenation, diversification, feminization... of the workforce; empowering and training young people... to better face company challenges

We have recruited 182 new employees since the start of 2019, bringing the total number of recruits since 2014 to more than 1,200. The female workforce is now 25%, compared to barely 20% five years ago.

The headcount transfer (191) of staff to SONATREL, as of June 2019, has resulted in a reduction in available manpower. Recruitment continues, within feasibility limitations, and according to the needs, of the company.

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