

TENAGA Link

Communicating To Large Power Customers

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VOL. 02/07



Malaysia's Gemilang

**IT'S MERDEKA,
LIGHT UP!**

**THE BRIGHTEST
TORCH**

**YESTERDAY
ONCE MORE**

**HANDS ON
WITH THE
CUSTOMERS**

**SOLID TIES WITH
LAFARGE**

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editor's note

RAISE THE FLAG, LIGHT THE STREETS, REJOICE!

How time flies, they say.

And indeed, in a flash, the country has seen 50 years just whizz by. In terms of age though, one could say that our beloved Malaysia is relatively young. Yet, within this short span, we have achieved so much.

We have a great deal to be proud of. We are a peaceful nation, multicultural. And the economy is one of the best in the region.

Yes, we've gone through a lot. Like any other nation, we've had our ups and downs. But we are still here. Still standing. Happy. Together. Stronger.

To a big extent, this is due to a strong foundation our leaders had laid down for us. And just as the country started to dig its roots deeper into the ground, so did the company that helped light the way, TNB.

As Malaysia strives towards *Gemilang*, TNB is concurrently working hard to lend a brighter future – literally – to all Malaysians in every corner of the country.

With this publication – our Merdeka issue – we go down memory lane and revisit several TNB milestones. At hand to shed some light on the subject is TNB Chairman Tan Sri Datuk Amar Leo Moggie.

He would be one of the most apt people to comment on TNB's evolution really, as his association with TNB comes from way back in 1978, when he was made Energy, Telecommunications and Posts Minister. TNB was then known as Lembaga Elektrik Negara (LLN) and it was under his portfolio.

Tan Sri Leo's story is a very interesting one indeed. Even his name has a tale attached to it, being associated to a building in Putrajaya.

For our cover story this time, we have Lafarge Malayan Cement's President and Chief Executive Officer, Alain Crouy talking to us about LMC which has a history of over 50 years in Malaysia.

He tells us about the company's best years, its vision, LMC's efforts towards sustainable development, its new innovative products and about the cement industry in general.

Apart from this we have TNB's Region 2 Senior General Manager, Ir. Haji Azman Mohd sharing with us how he "powers" seven states; and how TNB is continuously working to keep things bright and happy for clients under its charge.

Finally, we have run a pictorial to show what TNB was like during the earlier years.

This issue is all about yesterday, today and what tomorrow brings. It's about having pride in who we were, who we are and hoping that we will get to continue living the good life.

So, for now, let's all hold our heads up high. Malaysia, we have done well! Let's raise the flag, light the streets, and rejoice!

Yours sincerely,

Editor



Editor Roslan with Assistant Editors, Syed (right) and Zulkifli.

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"As a corporate entity, TNB sets targets and we all give our best to achieve them. We live by standards; which may seem a little high; but achievable nonetheless."

TO CARRY THE BRIGHTEST TORCH

Tan Sri Datuk Amar Leo Moggie

Malaysia's 50th Merdeka milestone ties in neatly with Tenaga Nasional Berhad's growth quest in powering national development. Chairman Tan Sri Datuk Amar Leo Moggie shares with us the story of a company that has wielded much power with such responsibility through the years.

Come 31 August, Malaysia celebrates its 50th year of Independence. The occasion is doubly significant as it coincides with Tenaga Nasional Berhad's (TNB) own 'coming-of-age'.

It is 'D-Day' as the national power utility races to the finish line in its quest to become this nation's best-run company. Internally known as its T7 strategy, August 31 is the culmination of the TNB's on-going five-year plan which has pooled together the minds of the company's collective workforce since its implementation back in 2002.

Outsiders may frown on this 'eyes-firmly-on-the-chart' zeal as an unwarranted obsession. But that kind of talk does not faze its Chairman Tan Sri Datuk Amar Leo Moggie. The entire TNB workforce has set its focus firmly on 31 August for that 'final dash'. That is the date by which TNB as a GLC hands in its T7 report card.

"As a corporate entity, TNB sets targets and we all give our best to achieve them. We live by standards; which may seem a little high; but achievable nonetheless. We benchmark ourselves against the best-in-the-business so that we deliver top-notch service to our clients and produce results expected by our stakeholders," says Moggie, who has been TNB Chairman since his appointment in 2004.

The earnestness with which this target is pursued is more than palpable. Visitors and personnel who stream into the lobby of the TNB headquarters in Jalan Bangsar will be able to peruse the latest updates pinned to ubiquitous bulletin boards. They can pick up strategically-placed leaflets which give monthly updates on what has been achieved to date in the run-up to August 31.

The May update for instance, showed that with seven

months of the year gone, the T7 target is just over 57 percent achieved. "This means that, to achieve our target in time for the national day celebrations, we must focus and put our efforts for the final push," says Moggie.



The former Energy, Communications and Multimedia Minister is optimistic. As an organisation, the TNB of today is barely recognisable from the TNB of a decade ago. The biggest upheaval occurred when the utility underwent corporatisation and privatisation in the 1990s. It was then set on a path of comprehensive transformation from 2002 onwards which redefined operations with the aim of increasing efficiency, cost reduction, improving the bottom line with a view to eventual regional expansion.

"This vigorous pursuit away from our former cosy cocoon came as a shock to many. You can imagine how people had to make adjustments to get used to marching to a new, quick-step tempo," says Moggie.

Whether they loved or loathed it, the utility's more than 23,000-strong workforce had to make the switch. "It required a structural change in the mindset but the management was able to instill a spirit of camaraderie and determined pursuit that enabled us to achieve what after all is a common goal," Moggie adds.

TNB's corporate structure now follows the template common among fellow public-listed companies. Here, there has to be strict adherence to rules on governance dictated by financial and stock market regulators. Day-to-day executive operations are headed by President/CEO Dato' Sri Che Khalib Mohamad Noh. He was brought in from the corporate sector under the wave of reform introduced by the Government of Prime Minister Datuk Seri Abdullah Ahmad Badawi to improve the administration and running of Government-linked companies (GLCs).

When the time came to fill the position of chairman of the board in 2004, the spotlight turned on Moggie. He fitted the bill to a 't' as here was an insider who spent the entire part of his working life in public service. Beginning as a civil servant in his home State of Sarawak back in the mid-1960s, the history graduate armed with an MBA entered politics, never looked back and moved on to become State and later Federal Minister. Indeed, all those years spent in the corridors of Governmental and political power has armed him with the requisite nous to take charge of the power – for him now to wield! It is at the nine-member boardroom level that Moggie sits as chairman as well as performing the task of non-executive, non-independent director.

The Chairman's association with TNB came way back in 1978 when he was made Energy, Telecommunications and Posts Minister in which the then Lembaga Letrik Negara (LLN) was part of the ministry's portfolio. He stayed in the post through to 1989 before moving on to become Public Works Minister till 1995. He returned to the Energy portfolio for a second stint from 1995 until he retired from politics in 2004.

“We benchmark ourselves against the best-in-the-business so that we deliver top-notch service to our clients and produce results expected by our stakeholders.”

From the vantage position he commanded as Minister, Moggie is well-qualified to comment on the evolution of TNB. He says TNB now commands an exalted place in the story of Malaysia as a nation. "To appreciate how far it has grown, one must go back as far as 1949 when it performed its role via the Central Electricity Board (CEB) under the British. The CEB was then localised to



LLN in 1965 before becoming TNB in 1990," he says, giving a little historical perspective of the utility. Moggie adds that the national electricity network has grown from the setting up of power plants in small locations in the 1960s to the establishment of the national grid. "Installed capacity has increased manifold from the time when I first became Minister back in 1978. Now, virtually the whole of the country is connected to a secure grid," he says.

He adds that organisationally, TNB has gone through changes but throughout, it has maintained its dominant role in the local power industry.

"That lofty corporate position comes with corporate responsibility. TNB has over the years invested and contributed much towards the nation's development by being a good corporate citizen," says Moggie.

It is in the area of human capital development that TNB's contribution to the nation is universally evident; and long-lasting. Recognising the need for qualified engineers to fill in the key technical positions to man its operations, TNB has been steadfast in sending batches of students overseas, coming back armed with various relevant academic and technical qualifications. Moggie says to this day, most if not all of the top technocrats



helping the various TNB divisions up and down the management hierarchy have been its own sponsored-scholars.

This 'personnel incubation' programme has been carried one step further with the setting up of TNB's own university. Universiti Tenaga Nasional (UNITEN) now has an enrollment of 7,000 students. Plans are afoot to increase this figure to 10,000. "This is an important contribution towards this nation's human capital development," Moggie asserts.

This element of corporate social responsibility of course has to be balanced with the need for the corporation to carry out its day-to-day business as a listed entity with an eagle eye on the financial bottom line. Moggie says the one major responsibility of TNB is to ensure adequate power not only for a growing nation but to provide coverage to all corners of the Malaysian map. The recent tariff rate revision has brought with it financial stability enabling TNB to move forward to implement its

corporate and financial plans.

Where does it go from here then? Once beyond the T7 tape, the next task ahead is to forge the path towards achieving TNB's 20-year strategic goals. This plan was rolled out during the 2006 Financial Year with a set of four five-year targets designed to come to full fruition in 2025. "We have embarked on various initiatives towards achieving the target of service excellence for the first stage of this plan," says Moggie.

It is not uncommon therefore for figures and indices to be freely bandied about to show how much or how far targets are met. The Chairman for instance freely talks about having to improve SAIDI (System Average Interruption Duration Index) - which shows how long interruptions last - or where more effort needs to be focused on lowering SAIFI (System Average Interruption Frequency Index) - which is a measure of how frequent electricity interruption occur.

Moggie says internally, much is being done to ensure TNB is technically up-to-date to meet these growing demands it has set for itself. "We strive for ISO Certification in key technical areas of our operations. The key challenge of course is keep up a consistent performance once certification is achieved. We do not want certification just for certification sake - it must be ingrained in our work culture on a continuous basis," Moggie stresses.

“That lofty corporate position comes with corporate responsibility. TNB has over the years invested and contributed much towards the nation's development by being a good corporate citizen.”

A key feature of employment with TNB is the support the company gives to its employees. Their Chairman believes that such incentives confer a reciprocal obligation on the part of staff.

One can gauge how desirable TNB is as an employer from the fact that during the last financial year, it had on its books more than 16,000 retirees whose medical care the



company still pays for to the tune of RM2,000 per retiree, on average.

Concern for employees does not preclude care for TNB customers. While it is in the business of selling power as a commodity, TNB places much emphasis on encouraging customers to conserve and use less energy.

This accent on energy savings has a rather personal ring to it. The Ministry of Energy, Water and Communications moved to its new premises in a brand new building in Putrajaya back in 2004. The building was designed at the time when Moggie was the minister and he insisted it conformed to specifications used for low energy offices. Lo and behold, the acronym turned out to be LEO. To this day, it is called a Leo building. "I still take some ribbing for that but it is a small price to pay now that new Government buildings are designed with LEO as a yardstick," he recalls earnestly.

When it comes to the environment, Moggie expresses with conviction that TNB's operations have sought to strike the optimum balance. "Development by its very nature extracts a toll on the environment. What needs to be done therefore is to ensure the impact is minimised to make that development sustainable," he says.

For the employees of TNB, their Chairman proffers this Merdeka message: "We have enjoyed the fruits of 50

years of Merdeka for which we must be thankful. As a corporate organisation, each and everyone of us at TNB can show our gratitude by standing firm in support of national visions and strategic goals set going forward. TNB's goals are this nation's goals," he says.

As for the power-consuming public out there, the Chairman believes in spreading the word of conservation and economy. "We want to encourage our customers to continue to be informed customers, for us to provide them power at fair rates. At the same time, we earnestly implore that they embrace the spirit of conservation and adopt the culture of power consumption without wastage."

What of the future? Moggie says TNB has charted a clear path going forward through its 20-year strategic growth initiative. "We should see the world as our marketplace and we want to take our rightful place on that stage. It is not enough to be a *juara kampung* (village champion). We must offer our services, products and expertise to the world," he says.

Come August 31, as the country celebrates its past achievements, relives past endeavours which took this nation to where it is today and look ahead to a gilded future, TNB can well bask in reflected glory as it continues to carry the torch, higher than ever now, to a brighter Malaysia. ■



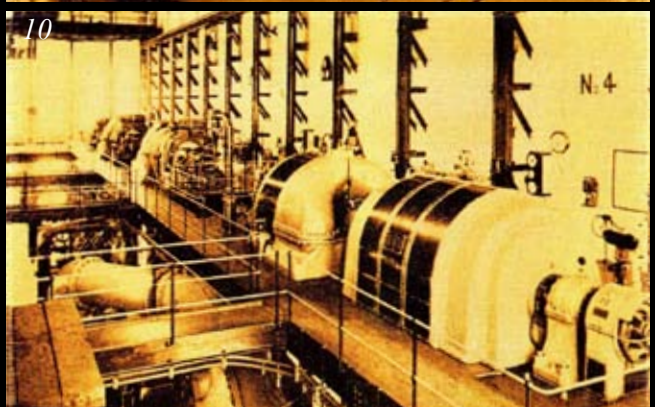
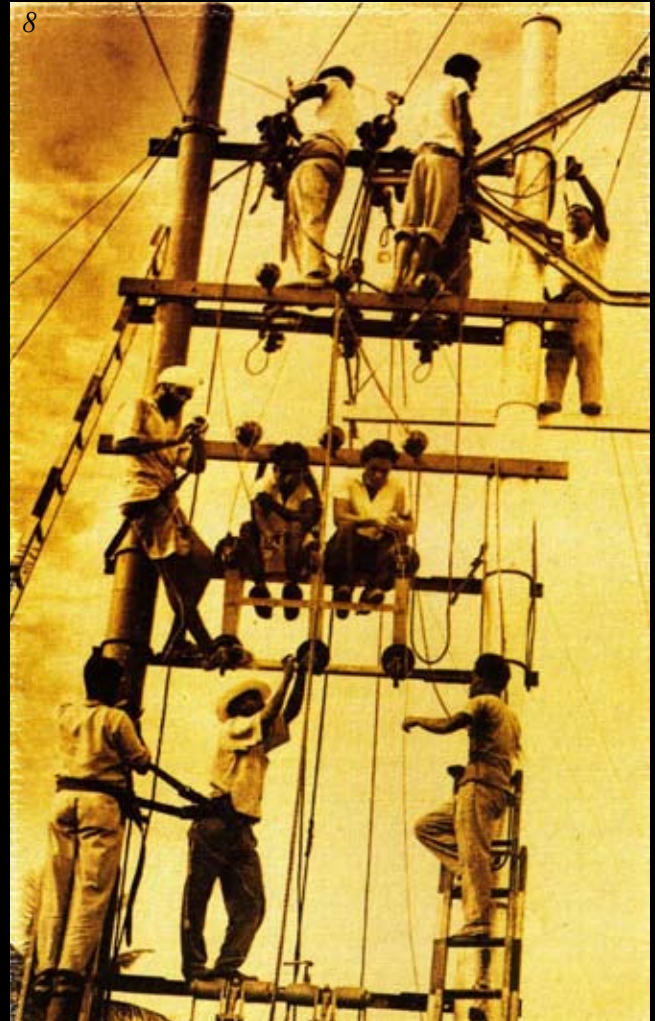
Yesterday Once More

We know exactly how we look like today.

Bathed in light, bright and vibrant, we are able to take in the sights – clearly, as far as our eyes can see – of a glorious country before us, most spectacular, especially in the night.

But for this to happen – for us to be where we are today – it has taken Tenaga Nasional Bhd some years. As the country celebrates its 50th anniversary, we revisit yesterday, when the lights were just starting to come on, when the colours were just a shade of what it is today, but nonetheless just as bold and fiery. We go back to yesterday, when we were young... when there was but a spark...





- 1 *The Rawang Tin Mine (circa 1894) - old ways give way to a new source of power*
- 2 *The lantern-like old street lamps at Fort Road, Penang*
- 3 *The new post war centre of Power - the Connought Bridge Power Station in Klang, 1953*
- 4 & 5 *An old Faithful - the Sempam Hydroelectric Power Station near Raub... and (right) still at work*
- 6 *Sharing in the nation's joy - celebrating the 10th Anniversary of Merdeka in 1967 by lighting up*
- 7 *Another kind of co-existence with both gas and electric lighting in Kuala Lumpur - a rare scene in the late fifties*
- 8 *All in it together at different levels! 'Team Malaya' shows the way forward working on pole mounted switchgears in the 1950s*
- 9 *The first Prime Minister, Tunku Abdul Rahman, officially declaring open the NEB*
- 10 *The spick and span turbine hall of the Bangsar Power Station prior to decommissioning*

Strengthening ties with FMM

The management of TNB shared a delightful evening as they dined with the Federation of Malaysian Manufacturers at the Hilton Kuala Lumpur recently.

Those from FMM who attended include its President Datuk Yong Poh Kon, Past President Datuk Mustafa Mansur, FMM's Vice Presidents Datuk Paul Low and Dato' Francis Huang and many others.

On the side of TNB, in attendance were TNB's President/CEO Dato' Sri Che Khalib Mohamad Noh, Vice President (Distribution) Dato' Ir. Aishah Dato' Hj. Abdul Rauf, Senior General Manager (Region 1 – Operations),

Datuk Ir. Amir Nordin, Senior General Manager (Region 2 – Operations) Hj. Azman Mohd, General Manager (Customer Services and Marketing) Roslan Ab. Rahman and others.

At the event hosted by TNB to foster better ties between TNB and FMM, Dato' Sri Che Khalib, emphasised the crucial part that operational excellence played in fulfilling TNB's obligation and priority to continuously "Keep The Lights On".

"This is TNB's core business. A power outage will result in a loss for the company as it is for our customers and for the country," he said.



TNB introduces ESAH to REHDA

In an effort to foster better ties with the Real Estate Housing Developers' Association (REHDA), TNB recently hosted a dinner involving management staff of TNB and REHDA.

Those who attended the function, held at the Hilton Kuala Lumpur that night were TNB Chairman Tan Sri Datuk Amar Leo Moggie, President/CEO Dato' Sri Che Khalib Mohamad Noh, Vice President (Distribution) Dato' Ir. Aishah Dato' Hj. Abdul Rauf, Vice President (Transmission) Encik Ab'illah Mohd Salleh, Senior General Manager (Region 1- Operations) Dato' Ir. Amir Nordin, General Manager (Customer Services and Marketing) Roslan Ab. Rahman and many others.

As for REHDA, attendees included President Mr. Ng Seing Liong, Immediate Past President Dato' Jeffrey Ng Tiong Lip, Most Recent Past President Datuk Eddy Chen Lok Loi; Vice Presidents, Dato' Fateh Iskandar, Mr Ricque Liew and Mr Ng Lip Chong and others from the management of REHDA.



At the dinner, Dato' Sri Che Khalib informed REHDA members of ESAH, TNB's 2nd Edition Electricity Supply Application Handbook, which was launched in March. He also reminded REHDA of the available Service Level Agreement (SLA) between TNB and Housing Developers.

He said that with only six agreements signed to date, both REHDA and TNB would have to play a role in re-educating housing developers nationwide to boost takers.

In addition to this, discussions also included the e-application, whereby housing developers will be able to apply for electricity supply on-line via TNB's website and the three phase metering implementation for selected categories of customers.



Genuine concern for KANEKA

Headed by Dr. Leong Yow Peng, Assistant General Manager (Customer Services & Marketing), TNB officers recently made a visit to KANEKA (MALAYSIA) Sdn Bhd in Gebeng, Kuantan, one of TNB Pahang's Large Power Customers.

The visit was part of TNB's continuous customer service efforts to ensure that good working relationships are maintained between TNB and its clients.

Joining the visit was Hj Mohd Rumai Abdullah, General Manager TNB Pahang; En Wan Nazmy Wan Mahmood, Head of Unit Power Quality & Energy Efficiency and several other officers from TNB Pahang and TNB (Distribution Division) Headquarters, PJ.

During the visit, KANEKA's Managing Director Mr. Ryoki Takakuma raised issues faced by the company, mainly on Power Quality vital to KANEKA which is sensitive to voltage dips.

An audit was carried out by TNBES right after the visit. A report by TNBES will be sent to KANEKA to help them rectify and invest in suitable PQME that needs to be installed in order to reduce the probability of Power Quality occurrences to their factory.

Dialogue with Malaysian Plastics Manufacturers Association

A dialogue was recently held between TNB's management team and the Malaysian Plastics Manufacturers Association (MPMA). This was an effort on the part of TNB to build good relations with MPMA while trying to understand their needs better.



It is the first dialogue ever held with MPMA.

During the dialogue, it was discovered that the main issue faced by MPMA was related closely to power quality. During the session, TNB also took the opportunity to enlighten MPMA on power quality issues and the different ways to manage, mitigate and tackle such incidences.

The dialogue, which lasted about two hours, was held at the Board of Directors' room, 20th floor of Wisma TNB, Jalan Timur, Petaling Jaya. TNB management staff who attended include Vice President (Distribution) Dato' Ir. Aishah Dato' Hj. Abdul Rauf, General Manager (Customer Service and Marketing) Hj. Roslan Ab Rahman, Assistant General Manager (Commercial Affairs) Hj. Megat Said Megat Ramli, Assistant General Manager (Customer Relations Management and Marketing) Mr. Leong Yow Peng and others.

Meanwhile, representing MPMA were the Association's President from Great Wall Plastic Industries Bhd, Mr. Lim Kok Boon; MPMA's Vice President from Sipro Plastics Industries Sdn Bhd, Noraini S Talib; the Secretary-General from Plasform Sdn Bhd, Mr. Eddie Fong and many other representatives from the various plastic companies in the country.



An excellent show!

"Excellent! TNB is willing to work hand in hand with us. And they are definitely willing to listen. The presentation was very meaningful. It was excellent. No more blame to TNB!"

These were the comments made by Mr. Bernard George, General Manager of Pahang Cement Sdn. Bhd., immediately after listening to TNBES' presentation on Power Quality Services & Consultancy.

The presentation was delivered by En. Wan Nazmy Wan Mahmood, Head of Unit, Power Quality & Energy Efficiency, during TNB's General Manager of Pahang Hj. Mohd Rumai Abdullah's PRIME visit to the company.



Located in Felda Bukit Sagu 4, Kuantan, Pahang Cement is in the Top 10 Large Power Consumers list in Pahang. It is also a member of C&A Malaysia. Currently, Pahang Cement enjoys TNB's Special Industrial Tariff and has been a good paymaster.

During the visit, apart from power quality issues, Pahang Cement has also voiced out a few concerns and questions to TNB which would be looked into. The visit ended on a happy note with both sides pleased with each other for the commitment shown.

Fostering better ties with FOMCA

TNB is always consciously working towards creating greater partnerships between itself and its customers.

To further strengthen this bond, apart from site visits to the clients' manufacturing plants and offices, informal gatherings are frequently organised by the power company.

Recently, TNB became host to the Federation of Malaysian Consumers Associations for lunch. Those from FOMCA were President Mr. N. Marimuthu Nadason, Chief Executive Officer Miss Indrani Thuraisingham, Director Mohd Yusof Abd Rahman and several other FOMCA representatives.

As for TNB, it was represented by its Chairman Tan Sri Datuk Amar Leo Moggie, President/CEO Dato' Sri Che Khalib Mohamad Noh, Vice President (Distribution) Dato' Ir. Aishah Dato' Hj. Abdul Rauf and many others from

the TNB's management team.

The event, held at the Le Meridien, saw Dato' Sri Che Khalib briefly explaining TNB's 15454 Call Management Centre (CMC). The Centre, he said, had been in operation since 1998, and on June 13, 2006, TNB launched its special SMS service.

The service, he said, is to enable mobile telephone users in Malaysia to report electricity supply interruption and street lighting failures quickly and at any time. Apart from that, Dato' Sri Che Khalib said TNB's future plan is to open the SMS channel for enquiries, billing and other TNB-related matters to offer more convenience to the consumer.





Question: Can you tell us some of Lafarge Malayan Cement's high points in the last few years?

Alain Crouy: Lafarge Malayan Cement has a history of more than 50 years in Malaysia. We were founded in 1950 and the first plant started in 1953. Today, we are still the leader in the cement industry in Malaysia, while Lafarge Group, the majority shareholder of Lafarge Malayan Cement, is number one in cement worldwide.

We have two of the biggest plants in Asia and the world; in Langkawi and Kanthan. A lot of people in the industry were trained and developed by Lafarge before venturing to other companies.

We are also happy with two of our successes; the launch of the company's first differentiated bag product, Avancrete, in 2005 and the launch of a new differentiated bulk product, Mascrete Pro.

These are clear indications of our ability to innovate after very serious and in-depth customer surveys to determine specific needs of certain segments of clients in Malaysia.

We have come up with these products – more sophisticated cement - as an answer to their needs.

Avancrete is a special cement formula in bags. Contractors

and masons find this product easier to use. It also improves productivity; it is able to produce the same quality of cement at a reduced cost.

Mascrete Pro is Lafarge's pulverised, ash-based cement which has the same performance - or better - than ordinary cement, but with more durability. It offers better surface finish. We sell this to the industrial users for their pre-cast concrete pieces.

In short, we provide a better answer to ordinary Portland cement.

All this has been developed through our R&D with the help from the Lafarge technical centre for Asia which is located right here in Kuala Lumpur.

Q:How many cement plants do you own now?

A: We have four. Three are integrated cement plants. Cement is a product which is manufactured using stones from quarries. We mix different stones to get the right composition. Then, we go through a burning process in a kiln where we heat that mix to about 1500 degrees Centigrade.

What comes out, once cooled, is called klinker. The



CEMENTING TIES WITH LAFARGE

When you see more buildings suddenly sprouting out everywhere, changing the Malaysian skyline in the process, you know that the country is experiencing growth.

Associated closely with this expansion is an industry which offers one of the main materials used to erect the buildings, stadiums, houses and such; cement.

To get an insight into this industry and a feel of the country's growth through the years, we speak to Lafarge Malaysian Cement's President and Chief Executive Officer, Alain Crouy.

The Lafarge Group is the biggest producer of cement in the world while Crouy has been with the company for the past 31 years, albeit in other managerial positions in cement plants in France and the United States.

Who better to pose these questions to, than Crouy, who assumed his latest positions in July 2004.

klinker is then ground in a mill to produce cement which takes a grey powder form.

We have three plants which do all of these, and one which does only the grinding.

The three integrated plants are in Langkawi, Kanthan, which is close to Ipoh, and Rawang. Our grinding mill is in Pasir Gudang.

Q: Production in Malaysia, how big is it?

A: The cement demand in Peninsular Malaysia right now is between 13.5 and 14 million tons. In the last 10 years, the highest point was in 1997, when it was at 15.6 million tones, and the lowest was in 1999 at 8.2 million tons.

We are still not at the level we achieved in 1997.

Q: With the 9th Malaysia Plan and all the projects that are being rolled out, do you think Lafarge will be able to do better?

A: We hope so. We are quite convinced that growth will resume. For the last three years, the demand for cement in Peninsular Malaysia has been either stable or slightly decreasing, depending on the year. But we are expecting

the growth to restart very soon and continue into the next year.

With the start of a number of major projects financed by the Government and other privately-financed initiatives, we expect the market to move forward again.

Q: Who are your biggest export clients?

A: At the moment, our main export market is Indonesia, where we export to our sister company Cement Andalas. Cement Andalas used to have a plant in Aceh which was wiped out by the tsunami.

Since then, we have been supplying cement to them via shipments from Langkawi. They have become our biggest export destination, and this is going to continue until the plant is fully rebuilt, which will take another 18 months or so.

We also export to a subsidiary in Singapore, all the main countries of the Indian Ocean, Sri Lanka, Bangladesh, Mauritius, Maldives etc.

Where is this company heading?

A: We are the leaders of the cement industry in Malaysia.



TNB top management (from left: Roslan, Dato' Ir. Aishah, Dato' Sri Che Khalib and Ir. Hj. Hussin Othman) with the Lafarge team.

But we want this to go beyond size and capacity. And this is reflected via Lafarge's leadership capabilities.

We are strong in our safety programmes and are determined to be one of the safest companies in Malaysia and in the world.

In terms of customer service in Malaysia, we have shown innovation in our products. We work towards building the best partnerships with our customers. We demonstrate industrial efficiency, reliability of our plants, and just as important is how we manage our people; the training we provide, the career development opportunities.

We have a university engineer-recruitment programme where we go to universities and recruit engineers whom we put through very intensive training programmes to develop and build them into the managers of tomorrow.

So, it's all these aspects.

We are the biggest, fine. But we want also to be the reference for the cement industry and eventually the industries of the world.

Our values are, respect, care and action. And that's how we want to continue to build this company and as far as the cement industry is concerned, we want to contribute in building a sustainable stability for the industry and help bring the industry to a fair level of profitability.

Q: Can you tell us Lafarge's power consumption in a month?

A: We consume approximately 85 million kWh per month at a cost of about RM18 million a month.

In 2006 we used 1.1 billion kWh. That would be a few hundred million ringgit. Five years ago, in 2001 we used 870 million kWh.

We are basically running at full capacity. And this capacity is increasing a little bit every year as we improve our efficiency.

Consistent power supply is vital. We are running our plants 24 hours a day, seven days a week, 365 days a year.

Any power interruptions will stop our kilns and hundreds of electric motors which run 24/7.

When the kiln stops, we will have to restart them. When the power comes back, it will start easily or not depending on the incident. The kiln can stay down for one hour, two hours, three hours, 24 hours or 48 hours.

Anytime the kiln stops, before starting it again, we have to reheat it. If the stoppage is short, the reheating process will be short. If it is a few hours, then the reheating process would take longer. During this reheating period, there is not production, it's all cost before you are able to start production.

The kiln is the heart of the plant. We take the number of stoppages very, very seriously. An hour of kiln stoppage will cost us about RM50,000. Fortunately, this doesn't happen very often.

Q: Are you happy with TNB's services?

A: Yes! We have seen a significant improvement in the past two to three years in terms of relationship and technical service. We feel that today, TNB has a real concern for us as a customer.

TNB understands that dialogue, regular contact, discussions are key to problem solving and is prepared to anticipate problems and schedule downtime etc.

Before, the relation was more formal. Now, we are beginning to build a partnership in working together. To anticipate and solve problems together. The recent visit to our Rawang plant on June 19 by the President and CEO, Dato' Sri Che Khalib Mohamad Noh and Vice President, Distribution Division, Dato' Ir. Aishah Dato' Hj Abdul Rauf and the TNB staff, is a sign that something has changed.

As for the relationship at the regional areas where our branches are, there has also been tremendous improvement.

"We have seen a significant improvement in the past two to three years in terms of relationship and technical service. We feel that today, TNB has a real concern for us as a customer. At the regional areas there has also been tremendous improvement. Fantastic co-operation."

Fantastic co-operation.

But of course, there is still always room for even more progress.

Q: Can you tell us about your commitment to sustainable development and the environment.

A: The Lafarge Group, the mother company, has always been very dedicated to sustainable development, way before this expression existed some 10 years ago.

We look at sustainable development in different aspects, one of which is in the respect and care for our staff, as well as the safety of our users.

The Lafarge Group is also engaged in worldwide programmes like the fight against HIV/AIDS. We are also trying to develop the presence of more women in senior management levels of the country.

In terms of the environment, we run very systematic environmental audits in all our plants. We have signed an agreement with the World Wide Fund for Wildlife. And we are constantly working towards the reduction of fuel emissions.

We do this in three main ways; the first way is to improve the system in our kilns via optimisation or modernisation.

The second way is to burn waste instead of fossil fuels. We use several million tons of waste.

We are also promoting the use of products which are actually by-products of other industries. This results in the need for less klinker for the same quantity of cement, resulting in less carbon dioxide emissions.

The Lafarge Group is also in partnership with the World Business Council for Sustainable Development. We are also the co-founder of the Cement Sustainability Initiative and have grouped 18 of the biggest cement companies in the world for this purpose.

In addition, the Lafarge Group has been included for the third year running in the global list of the top 50 Most Sustainable Operations in the world.

Lafarge Malayan Cement follows suit. We are committed to the Group's causes. We have a high commitment in safety and health issues and are conducting programmes in our plants as well as on the road.

We train our employees – contractors, transporters and the drivers and build partnerships to improve the safety culture and mindset of everyone working with us or for us.

We invest a lot in internal communications. We have a vision and we need to communicate it to people; to motivate them and get them to participate. We have a high investment in training whether technical or managerial.

In terms of the environment, we share the same

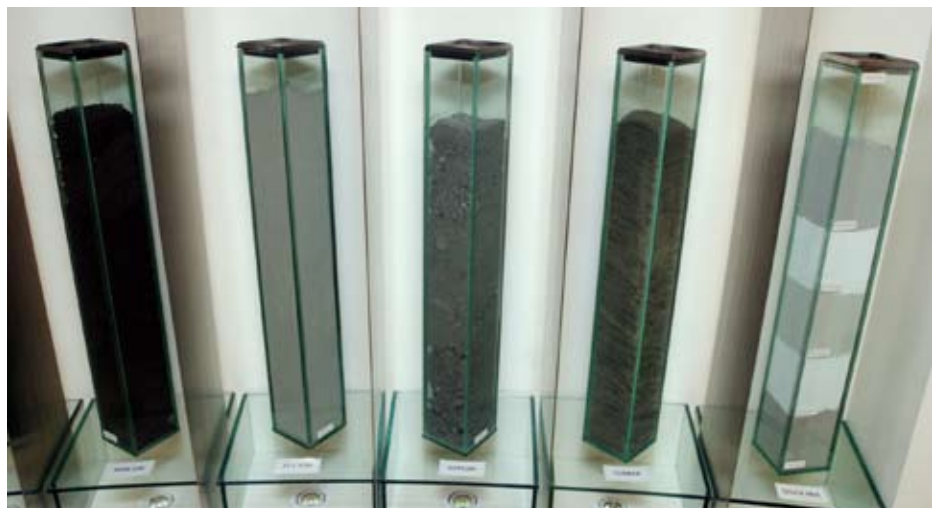


Lafarge's President/CEO Alain Crouy (2nd from right) with his men doing their rounds.

environmental audits and the same carbon dioxide reduction programmes that the Lafarge Group is committed to.

We are also members of the Business Council for Sustainable Development Malaysia and I am the President of the Environment Committee of the Malaysian International Chambers of Commerce Industry (MICCI)

It's all about respect, care and excellence. And when we talk about care, we are thinking of a whole category of people; our four main stake holders, customers, employees, the communities in which we live and our shareholders. We care for each party differently, but basically it stems from the culture we want to develop. ■



The different types of stones used in the cement industry.

Towards Better Understanding Of Customers' Energy Usage



In agreement: (From left) Doug Staker, VP Itron International; Dato' Ir. Aishah, VP TNB Distribution and Muhammad Fadil Helmi Abd. Karim, GM Impianas.

Tenaga Nasional Berhad (TNB) is looking to improve its revenue and operational efficiency through the implementation of Remote Meter Reading (RMR) systems for its large power consumers.

Vice President for Distribution Dato' Ir. Aishah Dato' Hj. Abdul Rauf said the RMR systems would enable TNB to better understand the consumption and energy usage patterns of its commercial and industrial customers.

"We will be able to obtain a very detailed profile of the (customer's) load, which our current metering system cannot do. TNB will also be able to better manage power generation, as it would be able to analyse its customers' usage patterns and load profiles."

Aishah said this at the contract handling-over ceremony and software licensing agreement between TNB, Impianas Sdn Bhd and Itron International recently.

She said the scope of the project was to design, supply, deliver, install, test and commission a commercially proven RMR system that would cover 60,000 low voltage large power consumers whose meters would be read centrally at one Central RMR Data Collection Center.

Aishah said Impianas and Itron's software were chosen partly due to their track record of having done the first pilot project of 1400 remote meter reading in 2002.

In mid 2002, TNB began implementing

the RMR project for 2,000 Large Power Consumers (LPC). Basically, the electronic meters installed at the LPC premises is connected via wireless radio known as Radio-PAD (RPAD) to the RMR Software known as MV90 at TNB Metering in Petaling Jaya.

The software remotely interrogates the meter using the wireless packet switched network to retrieve data from the meter. Two types of data are retrieved daily, i.e.

half-hourly interval data and the register data. Impromptu or ad hoc calls can be made to retrieve the metering data at anytime of the day.

The three main objectives to this project was to provide monthly meter readings taken remotely using wireless network and MV90 software for billing purpose; provide daily, weekly and monthly data analysis for the detection of the data irregularities; and notification of event failure.

Aishah said 70 per cent to 80 per cent of TNB's revenue stemmed from its commercial and industrial customers.

Itron provides solid state meters and data collection/communication systems, including automated meter reading and advance metering infrastructure technology.

The company will be assisting Impianas with software solutions. ■



Internal and external view of the remote meter.

TNB's Region 2 Senior General Manager, Ir. Haji Azman Mohd sheds some light on his job; on "powering" seven states; and how TNB is continuously working to keep things bright and happy for clients under its charge.



Hands on with the Customers

T enaga Nasional Berhad (TNB), the largest electricity utility company in Malaysia, is one company that will not pull the plug on its customers.

To begin with, there are about 6.5 million users to answer to and furthermore, one of its battle cries is quite simply, *Keep The Lights On.*

In fact, its Region 2 Senior General Manager, Ir. Haji Azman Mohd is happy to furnish us with more mottos that the establishment adhere to like *The Faster We Connect, The Faster We Collect, Stop The Bleeding.*

The latter translates to an ongoing effort by TNB to keep its services as efficient as possible and Azman who heads the distribution side in seven states namely Perlis, Perak,

Kedah and Penang in the north and Kelantan, Terengganu and Pahang in the East Coast, believes it does deliver.

Firstly, TNB is clear about its directions; it wants to move its operations and services to a higher plane and be among the best in the world. "To do this, we need to be hands on about customers' requirements and we are making headway."

TNB is clear about its directions; it wants to move its operations and services to a higher plane and be among the best in the world. "To do this, we need to be hands on about customers' requirements and we are making headway."

To achieve this end, the company has segmentised its customers into two main groups namely Prime customers (key account customers and very large power users) and ordinary customers.

An example is Kuala Tembeling, Pahang which sees TNB concentrating more on vegetation management. “This is when we clear thick jungles and undergrowth and fix long lines to bring electricity.”

In terms of improving services, TNB has not been sluggish. Some major projects going on in Region 2 Perak include the 22kV Conversion Project which is an upgrading exercise of TNB lines.



There is also the cultural difference in the urban and rural spots to observe. “In an advanced place like Selangor, the momentum of progress is fast. In the East coast states, the pace is more relaxed and expectations are different.”

The issues arising from the different states also vary. For instance, the customers in a progressive state like Penang (like in Selangor and Johor) are mostly concerned about power quality as opposed to reliability which they already enjoy.

In spots like Pahang, Kelantan and Terengganu, one encounters a mixed bag of issues because of the geographical factors like vast jungles and sparse population. Among other things, expensive infrastructure is required here.

For a fast developing industrial area like in Pahang’s Gebeng, where a large portion of their high-powered customers are also located, TNB walks the extra mile by sending a special task force to ensure high quality power.

“Currently, we are trying to ‘educate’ state authorities on the differing requirements of the various industries,” he discloses. “We want them to properly zone or align them, so we could enhance our services.”

TNB has never been busier. “These days, all states are coming up with cyber centres or cities. This is the way forward and to keep in step, there are certain investments we need to do then to really push our reliability level.”

In Pahang, there is the Crystal Project which has potential SCADA capabilities for long 33kV lines enable faster fault restoration times, better planning and operations.

“These days, all states are coming up with cyber centres or cities. This is the way forward and to keep in step, there are certain investments we need to do then to really push our reliability level.”

Two currently exciting projects in Terengganu are the renewable energy projects of Pulau Kapas and Pulau

Perhentian. TNB has successfully completed the Solar Hybrid project in Pulau Kapas helping to reduce emissions from generating diesel sets supplying electricity to the resort operators. One of the first Wind/Solar Hybrid project of its kind in this region will be the Pulau Perhentian project which is due to complete this year's end.

One of the most important project in the Operation's Region 2 states is currently the SCADA project. With a centralised control centre located in Seberang Prai, Penang the NERCC (North & Eastern Regional Control Centre) will improve operations and restoration time of the network.

To see to the efficient implementation of these programmes, Azman believes that human resource is the key. "For me, it is still about people; we are getting our people to move faster. We are investing in capacity building, we want to make our people competent and more knowledgeable."

"We're spending a lot of time with employees at all levels from those in supervisory positions to area managers, supporting staff and general managers. We need to ensure we are all talking in the same language," he enthuses.

One of the 49-year-old's key tasks is to see that while the staffers in the other states can work independently, they have to be attuned towards TNB's goal.

"So my people meet for regular meetings to discuss issues, old and new, assess what needs fast responses

TNB has introduced many programmes. One is the Prime Visit Customer programme where officers personally visit key customers themselves and get acquainted with the problems they might have.

and so forth," he says, adding that on a day to day basis, there are also troubleshooting and interacting with customers to do.

According to him, there is a tight knit control system in relation to the Key Performance Indicator devised to monitor progress. "Everybody knows they have the resources, so they only need to implement them well."

"We keep tabs on how they perform and should there be hiccups, we take pains to find out whether the issue is technical, methodological or so on."

Meantime, to forge better customer relations, TNB has introduced many programmes. One is the Prime Visit Customer programme where officers personally visit key customers themselves and get acquainted with the problems they might have.

"It is surprising what you might find out and be able to provide when you speak to them personally. It goes to show that we cannot just sit in our offices and indeed, we cannot lump our customers in one big mass by way

of requirements."

TNB has another corporate programme called the Community Leadership Outreach Programme (CLOP) which sees its officers interacting with MPs, wakil rakyat and community leaders on electricity matters.

But what remains a crucial customer contact point is, of course, its Kedai Tenaga. "On top of that, we do a nationwide customer survey index which gives us a good indication of where we stand with our clients," says Azman who joined TNB (then called Lembaga Letrik Negara or LLN) as an engineer at its Mentakab, Pahang office in 1979. Since, he has gone through the ranks, from a promotion to District Manager in Rawang to a similar post in Kajang.

He then moved from General Manager of the Perlis office to being State General Manager in Selangor. Prior to his present position, he was made the GM of Strategic Management And Organisation Development in the main office.

Azman is proud to be with TNB which he believes is one of the best organisations in the world. "What makes it attractive is that one gets a chance to contribute to society. Electricity is required by all and to be able to use one's expertise to serve to this end is fulfilling."

From the waves he is making, it might be no exaggeration to say that this dedicated man may also be one of its brightest bulbs... ■



Light up for Merdeka!

It's that time of the year again where TNB invites you to literally light up!

Merdeka is here. What's more, it's our 50th year of independence; a good enough reason to celebrate big time!

Herein lies a once-in-a-lifetime chance to truly colour the city with a show of Tenaga! Power up your buildings with a spectacular show of bright hues. Light the town red, or blue, or green, or yellow... light it in the colours of the rainbow.

Flood the city we love with the glitter, sparkle and shine of bulbs that will not just dazzle us in an awesome display, but the tourists that are here during this period, which coincides with Visit Malaysia Year.

To add cheer to the pomp and festivities, between July and September 2007, TNB is gladly offering its Sinaran Merdeka Incentive, which is open to all commercial customers such as high rise buildings, office blocks, commercial complexes, shopping complexes, hotels, petrol stations etc, currently under B, C1 and C2 tariff categories.

The special rates for the three months, will be extended to consumers who had their power installed before October 2006 and with at least one Normal (N) reading during the April, May or June 2007 billing.

Customers will be charged at **13.4sen/kWh** for additional increase of power usage during the period, taking into account the average power usage for April, May and June 2007.

This incentive will be calculated automatically by the Electronic Customer Information Billing System on October 2007 via the Station Billing System (work order 64). Each application should be registered under the e-CIBS system between August 15 and September 30, 2007.