



**PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED**

Tel: 9212025  
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OFFICE OF THE CHIEF EXECUTIVE OFFICER  
PESCO, PESHAWAR

No: 2036 /FD/PESCO/CPC

Dated: 31/12/2009

Registrar  
National Electric Power Regulatory Authority,  
OPF Building, 2<sup>nd</sup> Floor, Sector G-5/2  
Islamabad,

Fr n/a please.

AD(MR)

*[Signature]*  
11/10

cc: Chairman.

Subject: **Information Direction: PESCO Quarterly Tariff Petition for Second Quarter of FY 2009-10 (October-December 09)**

Reference: Your Office letter No: NEPRA/TRF-100/7394, dated 10-08-2009  
Your Office letter No: NEPRA/R/TRF-128/PESCO-2009/1368, dated 24-12-2009

Please find enclosed the below mentioned data for the quarterly determination of consumer end tariff of PESCO for the period October to December 2009 as desired.

1. PESCO BOD Resolution for filing 2<sup>nd</sup> Quarterly Tariff for FY 2009-10
2. Approval of proposed tariff structure for 2<sup>nd</sup> Quarter of FY 2009-10 (Annex-A)
3. PESCO Revenues on Proposed Tariff Structure for 2<sup>nd</sup> Quarter of FY 2009-10 (Annex-B)
4. Summary of Revenue Requirement for 2<sup>nd</sup> Quarter of FY 2009-10 (Annex-C)
  - i. Month wise Power Purchase Price (Actual/Projected) of PESCO during 2<sup>nd</sup> Quarter of FY 2009-10. (Annex-C-1).
  - ii. O&M Expenses of FY 2008-09 (Audited), 1<sup>st</sup> Quarter of FY 2009-10 (Actual) & 2<sup>nd</sup> Quarter of FY 2009-10 (Actual/Projected). (Annex-C-2)
  - iii. Statement of Other Income FY 2008-09 (Audited), 1<sup>st</sup> Quarter of FY 2009-10 (Actual) & 2<sup>nd</sup> Quarter of FY 2009-10 (Actual/Projected). (Annex-C-3).
5. Annual/Quarter wise Sale Growth in units (Category Wise) (Annex-D).
6. Annual/Quarter wise Consumer Growth (Category Wise) (Annex-D-1).

Registrar  
Dy. No. 6966  
Date: 1-1-10

7. Key Assumptions to the Financial Projections for 2<sup>nd</sup> Quarter 2009-10 (Annex-E).

8. Summary of Evidence

- i. Profit & Loss Account: FY 2008-09 (Audited), 1<sup>st</sup> Quarter 2009-10 (Actual), 2<sup>nd</sup> Quarter 2009-10 (Projected). (Annex-F).
- ii. Balance Sheet: FY 2008-09 (Audited), 1<sup>st</sup> Quarter 2009-10 (Actual), 2<sup>nd</sup> Quarter 2009-10 (Projected). (Annex-G).
- iii. Cash Flow Statement: FY 2008-09 (Audited), 1<sup>st</sup> Quarter 2009-10 (Actual), 2<sup>nd</sup> Quarter 2009-10 (Projected). (Annex-F).

Prior Period Adjustments, Provision for Bad Debts, Depreciation & Return on Rate Base for 2nd Quarter petition is based on NEPRA tariff determination of PESCO for FY 2009-10 whereas the Units Purchased, Units Sold and Power Purchase Price, O&M Expenses & Other Income have been based on PESCO actual figures of October & November & projected for December, 09 of 2<sup>nd</sup> Quarter of FY 2009-10



MUHAMMAD QASIM KHAN  
CHIEF EXECUTIVE OFFICER  
PESCO, PESHAWAR



## Peshawar Electric Supply Company Limited

### BOARD RESOLUTION

Board of Directors PESCO has Authorized Chief Executive Officer (PESCO) Peshawar Electric Supply Company Ltd to file Review Motion on tariff determined by NEPRA for the 2<sup>nd</sup> quarter (October-December) 2009-10 with National Electric Power Regulatory Authority (NEPRA).

He alongwith other Management Officers are hereby authorized to sign individually or jointly the necessary documents appear before the Authority as needed and do all acts necessary for completion and processing of the Review Motion.

**Certified True Copy**

  
(Company Secretary)

Dated 24-12-2009

# PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

ANNEX-A

## PESCO TARIFF/REVENUE REQUIREMENT FOR 2ND QUARTER OF FY 2009-10 (OCTOBER TO DECEMBER, 09)

Sr. No	Particular	MDI Charged (KW)	Net Sales (Million)	Sales Mix (%)	PESCO TARIFF			
					Existing Tariff		Proposed Tariff	
					Fixed (Rs/Kwh/M)	Variable (Rs/Kwh/M)	Fixed (Rs/Kwh/M)	Variable (Rs/Kwh/M)
<b>Residential - A1</b>								
1	UPTO-50 Units per month	0	44.732	2.74%		2.00		2.00
<b>Consumption Exceeding 50 Units</b>								
2	1--100 Units P/M	0	411.854	25.25%		9.75		9.15
3	101--300 Units P/M	0	308.305	18.90%		14.75		14.70
4	301--700 Units P/M	0	121.805	7.47%		15.75		15.75
5	ABOVE 700 Units	0	111.099	6.81%		16.82		16.81
6	Time of Day (TOD - Peak)	251	0.071	0.00%	0.00	16.82	0.00	16.82
7	Time of Day (TOD - Off-Peak)	1929	0.789	0.05%	0.00	10.30	0.00	10.30
8	Temporary E-1 (i)	0	0.015	0.00%		16.82		16.82
<b>TOTAL DOMESTIC</b>		<b>2180</b>	<b>998.670</b>	<b>61.23%</b>				
<b>Commercial - A2</b>								
<b>For Load upto 5KW</b>								
		0	67.620	4.15%		16.82		16.82
<b>For Load requirement exceeding 5KW</b>								
		158501	28.057	1.72%	400.00	14.00	400.00	14.00
12	Time of Day (TOD - Peak)	13353	3.273	0.20%	400.00	16.82	400.00	16.82
13	Time of Day (TOD - Off-Peak)	92408	18.371	1.13%	400.00	9.80	400.00	9.80
	Temporary E-1(ii)		0.517	0.03%		16.82		16.82
<b>TOTAL COMMERCIAL</b>		<b>264262</b>	<b>117.838</b>	<b>7.22%</b>				
<b>INDUSTRIAL</b>								
15	B-1 (400 VOLTS UPTO 40 KW)	0	27.944	1.71%		12.00		12.00
16	B-2 (400 Volts 41-500KW)	325628	57.856	3.55%	400.00	11.00	400.00	11.00
17	B-2 -TOD (Peak)	7214	0.896	0.05%	400.00	16.82	400.00	16.82
18	B-2 -TOD (off-peak)	60911	11.257	0.69%	400.00	9.80	400.00	9.80
19	B-3 TOD (peak) (500-4999KW)	29915	8.495	0.52%	380.00	16.72	380.00	16.72
20	B-3 - TOD (off-peak)	273071	101.591	6.23%	380.00	9.70	380.00	9.70
21	B-4 TOD (peak) (5 MW & Above)	46350	18.471	1.13%	360.00	16.62	360.00	16.62
22	B-4 TOD (off-peak)	247643	104.108	6.38%	360.00	9.60	360.00	9.60
23	Temporary E-2	0	0.021	0.00%		12.00		12.00
<b>TOTAL INDUSTRIAL</b>		<b>990732</b>	<b>330.639</b>	<b>20.27%</b>				
<b>Single Point Supply (Bulk)</b>								
24	C-1 (a) UPTO 5KW at 400/230V	803	0.564	0.03%		13.00		13.00
25	C-1 (b) above 5KW & at 400V	75374	26.159	1.60%	400.00	12.00	400.00	12.00
26	Bulk Supply C-1(c) (TOD) Peak	114	0.043	0.00%	400.00	16.82	400.00	16.82
27	Bulk Supply C-1(c) (TOD) Off-Peak	1775	0.324	0.02%	400.00	9.80	400.00	9.80
28	C-2 (a) 11/33 KV	52004	17.137	1.05%	380.00	11.90	380.00	11.90
29	Bulk Supply C-2(b) (TOD) Peak	1200	0.566	0.03%	380.00	16.72	380.00	16.72
30	Bulk Supply C-2(b) (TOD) Off-Peak	9888	4.161	0.26%	380.00	9.70	380.00	9.70
31	C-3 (a) Supply above 11KV	19080	2.735	0.17%	360.00	11.80	360.00	11.80
32	Bulk Supply C-3 (b) (TOD) Peak	0			360.00	16.62	360.00	16.62
33	Bulk Supply C-3 (b) (TOD) Off-Peak	0			360.00	9.60	360.00	9.60
<b>TOTAL BULK SUPPLY</b>		<b>160238</b>	<b>51.689</b>	<b>3.17%</b>				
<b>Agricultural T-Wells - Tariff D</b>								
34	D-1(a) Scarp Less than 5KW		38.511	2.36%		13.00		13.00
35	D-2 Agrl T/Well	220254	30.255	1.85%	200.00	8.00	200.00	8.00
	D-1 (b) -Peak More than 5KW	719	0.300	0.02%	200.00	16.82	200.00	16.82
38	D-1 (L) Off-Peak More than 5KW	25559	4.129	0.25%	200.00	5.00	200.00	5.00
<b>TOTAL AGRICULTURAL T/WELL</b>		<b>246532</b>	<b>73.195</b>	<b>4.49%</b>				
39	Public Lighting - Tariff-G	0	4.317	0.26%		13.00		13.00
40	Residential Colony att. to industrial - H	0	0.705	0.04%		13.00		13.00
41	K (AJK)	88434	39.062	2.39%	360.00	11.00	360.00	11.00
42	Time of Day (TOD - Peak)	0	0.000	0.00%	360.00	16.82	360.00	16.82
43	Time of Day (TOD - Off-Peak)	55086	14.984	0.92%	360.00	9.80	360.00	9.80
<b>Company Total</b>		<b>1807464</b>	<b>1631.099</b>	<b>100.0%</b>				

PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

PESCO TARIFF/REVENUE REQUIREMENT FOR 2ND QUARTER OF FY 2009-10 (OCTOBER TO DECEMBER, 09)

Sr. No	Particular	MDI Charged (Kw)	Net Sales (Million)	Sales Mix (%)	PESCO TARIFF				PESCO REVENUES				Average Sale Rate					
					Existing Tariff		Proposed Tariff		On Existing Tariff		On Proposed Tariff		Existing	Proposed				
					Fixed (Rs/Kwh/lt)	Variable (Rs/Kwh/lt)	Fixed (Rs/Kwh/lt)	Variable (Rs/Kwh/lt)	Fixed (Rs)	Variable (Rs)	Totals (Rs)	Fixed (Rs)	Variable (Rs)	Totals (Rs)	Rs/Kwh	Rs/Kwh		
1	Residential - A1																	
	UPTO-50 Units per month		44.732	2.74%		2.00					89				89		2.00	2.00
	Consumption Exceeding 50 Units																	
2	1-100 Units P/M	0	411.854	25.25%		9.75					4016				4016		9.75	9.15
3	101-300 Units P/M	0	308.305	18.90%		14.75					4547				4547		14.75	14.70
4	301-700 Units P/M	0	121.805	7.47%		15.75					1918				1918		15.75	15.75
5	ABOVE 700 Units	0	111.099	6.81%		16.82					1869				1869		16.82	16.81
6	Time of Day (TOD - Peak)	251	0.071	0.00%		0.00					1				1		16.82	16.81
7	Time of Day (TOD - Off-Peak)	1929	0.789	0.05%		10.30					8				8		10.30	10.30
8	Temporary E-1 (i)	0	0.015	0.00%		16.82					0				0		16.82	16.82
	TOTAL DOMESTIC		998.670	61.23%							12449				12449		12.47	12.20
	Commercial - A2																	
	For Load upto 5KW	0	67.920	4.15%		16.82					1137				1137		16.82	16.82
	For Load requirement exceeding 5KW	158501	26.247	1.72%		14.00					63				63		14.00	16.26
12	Time of Day (TOD - Peak)	13353	3.273	0.20%		16.82					55				55		16.82	18.45
13	Time of Day (TOD - Off-Peak)	92408	18.371	1.13%		9.80					180				180		9.80	11.81
	Temporary E-1(ii)		0.517	0.03%		16.82					9				9		16.82	16.82
	TOTAL COMMERCIAL		117.838	7.22%							1774				1774		15.95	15.95
	INDUSTRIAL																	
15	B-1 (400 VOLTS UPTO 40 KW)	0	27.944	1.71%		12.00					335				335		12.00	12.00
16	B-2 (400 Volts 41-500KW)	325628	57.856	3.55%		11.00					130				130		11.00	13.25
17	B-2 - TOD (Peak)	7214	0.895	0.05%		16.82					15				15		16.82	20.04
18	B-2 - TOD (Off-Peak)	60911	11.257	0.69%		9.80					110				110		9.80	11.96
19	B-3 - TOD (peak) (500-499KW)	29915	8.495	0.52%		16.72					142				142		16.72	18.06
20	B-3 - TOD (off-peak)	273071	101.591	6.23%		9.70					985				985		9.70	10.72
21	B-4 TOD (peak) (5 MW & Above)	46350	18.471	1.13%		16.82					17				17		16.82	17.52
22	B-4 TOD (off-peak)	247643	104.108	6.38%		9.60					307				307		9.60	10.46
23	Temporary E-2	0	0.021	0.00%		12.00					0				0		12.00	12.00
	TOTAL INDUSTRIAL		330.639	20.27%							378				378		11.82	11.82
	Single Point Supply (Bulk)																	
24	C-1 (a) UPTO 5KW at 400/230V	803	0.564	0.03%		13.00					7				7		13.00	13.00
25	C-1 (b) above 5KW & at 400V	75374	26.159	1.60%		12.00					30				30		12.00	13.15
26	Bulk Supply C-1(c) (TOD) Peak	114	0.043	0.00%		16.82					1				1		16.82	17.88
27	Bulk Supply C-1(c) (TOD) Off-Peak	1775	0.324	0.02%		9.80					3				3		9.80	11.99
28	C-2 (a) 11/33 KV	52004	17.137	1.05%		11.90					204				204		11.90	13.05
29	Bulk Supply C-2(b) (TOD) Peak	1200	0.566	0.03%		16.72					9				9		16.72	17.53
30	Bulk Supply C-2(b) (TOD) Off-Peak	9888	4.161	0.26%		9.70					4				4		9.70	10.60
31	C-3 (a) Supply above 11KV	19080	2.735	0.17%		11.80					7				7		11.80	14.31
32	Bulk Supply C-3 (b) (TOD) Peak	0				16.82					0				0		16.82	16.82
33	Bulk Supply C-3 (b) (TOD) Off-Peak	0				9.60					0				0		9.60	10.46
	TOTAL BULK SUPPLY		51.689	3.17%							62				62		13.02	13.02
	Agricultural Tariffs - Tariff D																	
34	D-1(a) Scarp Less than 5KW		38.511	2.36%		13.00					0				0		13.00	13.00
35	D-2 Agri T/WELL	220254	30.255	1.85%		8.00					44				44		8.00	9.46
	D-1 (b) -Peak More than 5KW	719	0.300	0.02%		16.82					5				5		16.82	17.30
38	D-1 (b) Off-Peak More than 5KW	25559	4.129	0.25%		200.00					5				5		200.00	17.30
	TOTAL AGRICULTURAL T/WELL		73.195	4.49%							49				49		8.18	6.24

**PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)**

ANNEX-B

**PESCO TARIFF/REVENUE REQUIREMENT FOR 2ND QUARTER OF FY 2009-10 (OCTOBER TO DECEMBER, 09)**

Sr. No	Particular	MDI Charged	Net Sales	Sales Mix	PESCO TARIFF				PESCO REVENUES				Average Sale Rate	
					Existing Tariff		Proposed Tariff		On Existing Tariff		On Proposed Tariff		Existing	Proposed
					Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	Totals	Totals
39	Public Light'ng - Tariff-G	0	4,317	0.26%	13.00	13.00	13.00	13.00	0	56	56	56	13.00	13.00
40	Residential Colony a/c. to Industrial - H	0	0.705	0.04%	13.00	13.00	13.00	13.00	0	9	9	9	13.00	13.00
41	K (A/J/K)	88434	39,062	2.39%	360.00	11.00	360.00	11.00	32	430	462	32	430	11.82
42	Time of Day (TOD - Peak)	0	0.000	0.00%	360.00	16.82	360.00	16.82	0	0	0	0	0	11.82
43	Time of Day (TOD - Off-Peak)	55056	14,984	0.92%	360.00	9.80	360.00	9.80	20	147	167	20	147	#DIV/0!
	<b>Company Total</b>	<b>1807464</b>	<b>1631,099</b>	<b>100.0%</b>					<b>546</b>	<b>19776</b>	<b>20423</b>	<b>647</b>	<b>19512</b>	<b>12.32</b>
														<b>12.36</b>

**PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED**  
**SUMMARY OF REVENUE REQUIREMENT FOR QUARTERLY TARIFFS OF FY 2009-10**

Description	Annex Ref:	RUPEES IN MILLIONS				RS/KWH SOLD			
		PESCO Revenue Requirement for 2009-10	NEPRA Determination 2009-10	2nd Quarter(2009-10) (Oct-Dec 09) (Projected)	PESCO Requirement 2009-10	NEPRA Determination 2009-10	2nd Quarter(2009-10) (Oct-Dec 09) (Projected)		
No. of Units Sold (MKWH)		6,029.70	7,543.00	1,631.10					
No. of Units Purchased(MKWH)		9,136.00	10,477.00	2,437.60					
Transmission & Distribution Losses		34.00%	28.00%	33.09%					
Power Purchase Price	Annex-C-1	50,941.16	70,067.00	16,504.91	8.45	9.2890		10.12	
O&M Costs:									
Pay & Allowances	Annex-C-2	4,738.28	4,593.00	1,310.09	0.79	0.61		0.80	
Other Operating and Admin. Expenses	Annex-C-2	477.57	512.00	99.00	0.08	0.07		0.06	
Repair & Maintenance	Annex-C-2	532.00	365.00	131.24	0.09	0.05		0.08	
Total O&M Cost		5,747.84	5,470.00	1,540.33	0.95	0.73		0.94	
Provision for bad debts		1,292.95	1,569.00	339.28	0.21	0.21		0.21	
Depreciation		1,220.97	1,254.50	271.27	0.20	0.17		0.17	
Return on Rate Base		3,267.24	2,919.00	631.21	0.54	0.39		0.39	
Taxation		26.00	-	-	0.00	-		-	
Less: Other Revenues	Annex-C-3	(3,755.45)	(3,755.00)	(876.11)	(0.62)	(0.50)		(0.54)	
Distribution Margin (D.M)		7,799.54	7,457.50	1,905.98	1.29	0.99		1.17	
Prior Period Adjustments		6,001.87	8,083.83	1,748.05	1.00	1.07		1.07	
Net Revenue Requirement		64,742.57	85,608.33	20,158.95	10.74	11.35		12.36	

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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Annex-C-1

STATEMENT SHOWING MONTHLY COST OF POWER PURCHASE FROM CPP/ANTDC  
PESCO SHARE

MONTH	ENERGY (KWh)	USE OF SYSTEM CHARGES (RS)		CAPACITY TRANSFER AMOUNT		ENERGY TRANSFER CHARGES (RS)		COST OF POWER PURCHASE (RS)	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT	Rate/Unit	AMOUNT	RATE/UNIT	
Jul-09	946,912,016	182,042,163	1,021,313,604	3,870,151,561	4.087	5,073,507,327	5.36		
Aug-09	1,017,838,995	182,103,631	1,047,269,530	4,077,355,123	4.006	5,306,728,285	5.21		
Sep-09	992,574,948	192,462,343	1,082,321,441	4,304,889,859	4.337	5,579,673,643	5.62		
<b>1st Qtr</b>	<b>2,957,325,959</b>	<b>556,608,137</b>	<b>3,150,904,575</b>	<b>12,252,396,543</b>	<b>4.143</b>	<b>15,959,909,255</b>	<b>5.40</b>		
Oct-09	800,070,081	178,703,002	1,122,747,234	3,810,080,938	4.762	5,111,531,174	6.39		
Nov-09	792,076,696	163,215,803	1,182,199,644	4,100,318,878	5.177	5,445,734,325	6.88		
Dec-09	845,453,565	183,835,693	1,113,819,157	4,649,994,608	5.500	5,947,649,458	7.03		
<b>2nd Qtr</b>	<b>2,437,600,342</b>	<b>525,754,498</b>	<b>3,418,766,035</b>	<b>12,560,394,424</b>	<b>5.153</b>	<b>16,504,914,956</b>	<b>6.77</b>		
<b>TOTALS</b>	<b>5,394,926,301</b>	<b>1,082,362,635</b>	<b>6,569,670,611</b>	<b>24,812,790,966</b>	<b>9</b>	<b>32,464,824,212</b>	<b>6.02</b>		



## PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

### STATEMENT SHOWING THE DETAIL OF OPERATION AND MAINTENANCE BUDGET

Head of Accounts		Audited 2007-08	Audited 2008-09	Actual (Jul-Sep,09)	Act/Proj (Oct-Dec,09)
		C	D		
520100	Pay & Allowances.	2,285.480	2,683.147	724.154	703.245
520200	Pay of Contract Staff	30.438	18.062	6.653	6.618
520300	Daily wages Labour	1.457	1.469	0.314	0.299
<b>Total Pay &amp; Allowances</b>		<b>2,317.376</b>	<b>2,702.679</b>	<b>731.120</b>	<b>710.162</b>
520400	Employees Benefits	69.254	82.951	20.479	20.029
520502	Pension Fund.	824.610	1,240.292	424.716	452.107
520601	Free Electricity	239.780	302.694	94.454	92.877
520700	Medical Expenses	91.265	89.198	34.018	33.321
520800	Education Training	11.281	14.669	1.655	1.595
560101	Office Rent	29.450	34.935	4.477	5.504
570000	Power Light and Water.	23.610	17.751	2.258	2.809
580100	Communication	18.346	16.968	3.506	4.408
590000	Office Supply	7.334	7.636	2.377	3.022
600000	Store handling	22.867	17.935	2.613	3.263
610000	Advertisement publicity	2.481	5.745	0.001	0.001
620000	News Paper.	1.022	1.168	0.263	0.324
650000	T.A	77.213	93.243	16.170	19.486
660000	Injuries and Damages	4.074	4.213	0.431	0.538
670000	Insurance	5.655	6.724	2.071	2.583
710000	Collection Charges.	133.865	128.147	26.951	33.604
730101	Legal Charges.	6.351	6.339	1.399	1.745
730102	Audit Charges	0.400	0.400	-	-
750000	Management Charges	65.837	56.782	10.193	12.713
770000	Miscellaneous Expenses	7.563	7.838	2.048	2.491
910700	Bank Charges.	23.251	17.829	5.242	6.510
	Turn over Tax	22.651	8.756	-	-
<b>SUB TOTAL "a"</b>		<b>4,005.537</b>	<b>4,864.892</b>	<b>1,386.443</b>	<b>1,409.090</b>
530200	Civil Works	14.626	14.329	0.123	0.080
530600	R/M Disbnt; Plants	279.059	372.708	111.499	119.051
530700	R/M Gen; Plants	7.131	3.225	0.612	0.671
530804	R/M Rest House	0.712	1.469	0.027	0.030
10700	Gen: Plant Assets	-	-	-	-
760000	Vehicle Expenses	88.467	103.910	10.649	11.409
<b>SUB TOTAL "b"</b>		<b>389.995</b>	<b>495.641</b>	<b>122.909</b>	<b>131.240</b>
<b>G/TOTAL "a+b"</b>		<b>4,395.532</b>	<b>5,360.533</b>	<b>1,509.353</b>	<b>1,540.330</b>
<b>Provision for bad debts</b>		<b>1,426.695</b>	<b>1,360.657</b>	<b>323.237</b>	<b>339.281</b>
<b>Gross O &amp; M cost</b>		<b>5,822.226</b>	<b>6,721.190</b>	<b>1,832.590</b>	<b>1,879.611</b>

PESHAWAR ELECTRIC SUPPLY COMPANY LTD

Break up of "Other Income"

ANNEX-C-3

Rs. in million

	Audited	Audited	Actuals	Projected
	2007-08	2008-09	1st Qtr 2009-10	2nd Qtr 2009-10
<b>Rental &amp; Service Income</b>				
Connection /Reconnection fee	10.87	2.36	0.16	0.24
Misc Service Income	26.89	24.84	1.16	1.72
Rental Income from electric property	1.15	0.04	0.02	0.03
Other Electric Revenue	23.37	37.65	0.32	0.47
Other Income under energy tariffs	469.02	574.16	8.71	12.90
<b>Total</b>	<b>531.29</b>	<b>639.05</b>	<b>10.38</b>	<b>15.36</b>
<b>Other Income</b>				
Interest Income	236.58	249.69	38.32	66.75
Income from Non utility operation	89.44	78.77	17.67	26.17
Sale of Scrap	11.07	12.11	3.88	5.74
Loss/Gain on Sale of Fixed Assets	0.00	0.00	0.00	-
Income from lease of other physical property	1.03	0.13	0.07	0.10
Income from PESCO school and rest house	1.54	1.19	-	-
Misc Non operating Revenue	223.50	386.65	70.41	115.26
Income for services charged from TESCO	1242.16	1567.97	435.97	646.72
<b>Amortization of Deffered Credits</b>	<b>333.83</b>	<b>390.83</b>	<b>0.00</b>	<b>-</b>
<b>Total</b>	<b>1805.52</b>	<b>2687.34</b>	<b>566.32</b>	<b>860.74</b>
<b>Grand Total</b>	<b>2670.64</b>	<b>3717.22</b>	<b>577.44</b>	<b>876.11</b>

CONSUMERS & %AGE GROWTH

Category	2006-07	2007-08	%Age growth	2007-08	2008-09	%Age growth	Jul-Sep 2008	Jul-Sep 2009	%Age growth	Oct-Dec 2008	Oct-Dec 2009	%Age growth
	Actual	Actual		Actual	Actual		Actual	Actual		Actual	Projected	
Domestic	1985426	2079913	4.76	2079913	2136302	2.71	2089392	2155203	3.15	2100141	2187819	4.17
Commercial	242701	246296	1.48	246296	251022	1.92	246201	252938	2.74	247299	255312	3.24
Industrial	22352	22563	0.94	22563	22737	0.77	22607	22786	0.79	22619	22904	1.26
Bulk	803	812	1.12	812	825	1.60	818	826	0.98	822	834	1.46
AJK	23	23	0.00	23	24	4.35	23	24	4.35	23	24	4.35
Tube Well	24898	25370	1.90	25370	25840	1.85	25447	25905	1.80	25591	25992	1.57
Public Lighting G	782	793	1.41	793	804	1.39	796	809	1.63	803	814	1.37
Residential Colonies H	45	45	0.00	45	45	0.00	45	45	0.00	45	45	0.00
Co.Generation Tariff-J		1		1	1	0.00	1	1	0.00	1	1	0.00
Total	2277030	2375816	4.34	2375816	2437600	2.60	2385330	2458537	3.07	2397344	2493744	4.02

UNITS BILLED & %AGE GROWTH

Category	2006-07	2007-08	%Age growth	2007-08	2008-09	%Age growth	Jul-Sep 2008	Jul-Sep 2009	%Age growth	Oct-Dec 2008	Oct-Dec 2009	%Age growth
	Actual	Actual		Actual	Actual		Actual	Actual		Actual	Projected	
Domestic	3723.42	3688.44	-0.94	3688.44	3438.37	-6.78	1050.76	1131.87	7.72	841.48	998.67	18.68
Commercial	434.54	444.40	2.27	444.40	408.27	-8.13	122.03	132.08	8.23	99.17	117.84	18.82
Industrial	1463.58	1484.61	1.44	1484.61	1316.19	-11.34	371.95	322.03	-13.42	315.73	330.64	4.72
Bulk	242.69	244.28	0.66	244.28	228.20	-6.59	69.99	71.57	2.24	51.28	51.69	0.79
AJK	222.96	243.51	9.22	243.51	228.45	-6.19	54.35	56.26	3.51	51.44	54.05	5.06
Tube Well	329.45	278.33	-15.52	278.33	258.25	-7.22	67.51	72.57	7.50	68.85	73.19	6.31
Public Lighting G	18.97	17.97	-5.27	17.97	18.51	2.99	4.07	4.77	17.24	4.80	4.32	-10.03
Residential Colonies H	4.91	4.01	-18.32	4.01	3.36	-16.28	1.09	0.86	-20.90	0.77	0.71	-8.53
Co.Generation Tariff-J		0.02		0.02	0.01	-46.67	0.01	0.00	-100.00	0.00	0.00	-100.00
Total	6440.54	6405.58	-0.54	6405.58	5899.59	-7.90	741.77	1792.00	2.88	1432.76	1630.39	13.79

January onwards units billed & Growth

## KEY ASSUMPTIONS TO THE FINANCIAL PROJECTIONS

- **Total Unit Sales:** Actual units sold during the first quarter of FY 2009-10 were 1,792.0 million units. The units projected for the 2<sup>nd</sup> quarter of FY 2009-10 are 1631.10 million against the sales of 1,453.5 Million units during 2<sup>nd</sup> quarter of preceding year i.e. Oct to Dec,08 showing an increase in sales volume of 16% over the previous year's 2<sup>nd</sup> quarter.
- **Target Transmission & Distribution Losses:** The Actual losses for the 2<sup>nd</sup> Quarter of FY 2008-09 were 31.80 %. The target for T&D losses for 2<sup>nd</sup> Quarter of FY 2009-10 i.e. from October to December, 09 is set to 33.1%, showing an increase of 4.08% over the previous year's 2<sup>nd</sup> quarter actual T& D Losses due to ongoing was on terror in PESCO operating area.
- **Power Purchase Price (PPP):** The PPP set for the 2<sup>nd</sup> quarter (October – December, 2009) is Rs: 6.77/Kwh based on Actual PPP of October & November and Projected for December, 09 (Annex-C-1) based on annex-IV of NEPRA tariff Determination for PESCO for FY 2009-10. The actual PPP is regulated by NEPRA over the period, thus any subsequent increases/decrease in the PPP determined by NEPRA is adjustable on monthly basis.
- **O&M:** Based on the Actual accounts of 1<sup>st</sup> Quarter of FY-2009-10 and the impact of increase in inflation trends, the O&M Expenses per unit for the 2<sup>nd</sup> quarter (October–December, 2009), has been projected at around Rs.0.94/Kwh. (Annex-C-2)
- **Depreciation & Provision for Bad Debts:** The depreciation & provision for Bad Debts for 2<sup>nd</sup> Quarter of FY has been based on NEPRA determination for PESCO for the FY 2009-10 i.e. Rs: 0.21/Kwh & Rs: 0.17/Kwh.

**Rate of Return:** NEPRA has set 17.31% WACC for PESCO for the whole financial year 2009-10 in its tariff determination 2009-10 which comes out as Rs: 0.39/Kwh. Same has been taken as the bases for 2<sup>nd</sup> Quarter Return on Rate Base.

- **Distribution Margin:** The sum of the O&M, Depreciation and ROA result in PESCO's distribution revenue. Dividing this by the total units sold yields the average distribution margin (per kWh), which is Rs:1.07/Kwh for 2<sup>nd</sup> Quarter of FY 2009-10.

# Financial Statements

	Audited (Restated)	Audited	Actual 1st Qtr	Projected 2nd Qtr
	2007-08	2008-09	2009-10	
<b>QUANTITATIVE DATA</b>				
NO. OF CUSTOMERS (Million)	2.38	2.44	2.46	2.46
UNITS SOLD (Mill. kWh)	6,405	5900	1792	1631
UNITS PURCHASED (Mill kWh)	10,018	9422	2957	2438
UNITS LOST / DISTRIBUTION LOSSES (Mill. kWh)	3613	3522	1165	807
UNITS LOST / DISTRIBUTION LOSSES (% Age) *	36.06	37.4	39.4	33.1
Company TARIFF (Rs./kWh)	<b>6.97</b>	<b>8.96</b>	<b>9.99</b>	<b>12.36</b>
Consumer Tariff	<b>4.33</b>	<b>4.57</b>	<b>4.96</b>	<b>4.96</b>
PURCHASE PRICE (Rs./kWh)	<b>4.68</b>	<b>5.66</b>	<b>5.40</b>	<b>6.77</b>
<b>INCOME STATEMENT</b>				
<b>SALES</b>				
Sale of Power	27,744	26,961	8,880	8,083
Rental & Service income	531	639	10	15
<b>Total Sales</b>	<b>28,275</b>	<b>27,600</b>	<b>8,891</b>	<b>8,098</b>
Subsidy	<b>16,897</b>	<b>25,878</b>	<b>9,018</b>	<b>12,076</b>
Amortization of deferred Credit.	334	391	32	96
	<b>45,506</b>	<b>53,869</b>	<b>17,941</b>	<b>20,270</b>
<b>Purchase of Power</b>	<b>46,862</b>	<b>53,357</b>	<b>15,960</b>	<b>16,505</b>
Gross Profit	(1,356)	512	1,981	3,765
<b>OPERATING EXPENSES</b>				
Establishment Cost	3,554	4,432	1,306	1,310
Maintenance & repair and Others	819	928	203	230
Depreciation	891	1,026	305	271
Provision for Bad Debt	1,427	1,361	323	339
<b>Total Operating Expenses</b>	<b>6,691</b>	<b>7,748</b>	<b>2,138</b>	<b>2,151</b>
<b>OPERATING PROFIT / (LOSS)</b>	<b>(8,047)</b>	<b>(7,235)</b>	<b>(157)</b>	<b>1,615</b>
ADD: Other Income	1,806	2,297	534	744
<b>EBIT</b>	<b>(6,241)</b>	<b>(4,939)</b>	<b>378</b>	<b>2,358</b>
LESS: Interest Expense	1,804	1,331	100	189
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>(8,045)</b>	<b>(6,270)</b>	<b>278</b>	<b>2,169</b>
Income Tax/Turnover tax	23	(18)	0	0
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>(8,068)</b>	<b>(6,252)</b>	<b>278</b>	<b>2,169</b>
Un-appropriated profit B/F	<b>(32,884)</b>	<b>(40,951)</b>	<b>(47,203)</b>	<b>(46,925)</b>
Un-appropriated profit C/F	<b>(40,951)</b>	<b>(47,203)</b>	<b>(46,925)</b>	<b>(44,756)</b>

# Financial Statements

ANNEX-G

Balance Sheet	Audited	Provisional	Actual	Projected
	2007-08	2008-09	1st Qtr	2nd Qtr
<b>Assets</b>	2009-10			
<b>Fixed Assets</b>				
Gross Fixed Assets	26,425	29,350	30,361	31,574
LESS: Accumulated Depreciation	9,471	10,494	10,799	11,071
<b>Net Fixed Assets</b>	<b>16,954</b>	<b>18,856</b>	<b>19,561</b>	<b>20,503</b>
<b>Capital Work in Progress</b>	<b>5,359</b>	<b>6,006</b>	<b>6,063</b>	<b>6,116</b>
<b>Long Term Advances, Deposit</b>	<b>58</b>	<b>79</b>	<b>80</b>	<b>82</b>
<b>Current Assets</b>				
Inventory / Stores & Spares	1,683	1,498	1,471	1,411
Account Receivable	18,990	22,184	23,073	23,883
Less: Provision for Bad Debt	8,565	9,925	10,249	10,588
<b>Net Accounts Receivable</b>	<b>10,425</b>	<b>12,259</b>	<b>12,825</b>	<b>13,295</b>
receivable from Associated Companies	1,541	1,969	1,938	1,866
Receivable from TESCO	19,062	20,801	21,181	22,036
Advances, Deposits, Prepay. & Other Rec.	4,749	18,824	19,528	21,113
Cash & Bank Balances	2,628	3,520	1,001	2,040
<b>Total Current Assets</b>	<b>40,088</b>	<b>58,870</b>	<b>57,943</b>	<b>61,761</b>
<b>TOTAL ASSETS</b>	<b>62,459</b>	<b>83,811</b>	<b>83,648</b>	<b>88,463</b>
<b>Liabilities &amp; Equity</b>				
<b>Shareholders' Equity</b>	18,082	18,082	18,082	18,082
Retained Earnings	(40,951)	(47,203)	(46,925)	(44,756)
<b>Total Equity</b>	<b>(22,869)</b>	<b>(29,121)</b>	<b>(28,843)</b>	<b>(26,674)</b>
<b>Long Term / Deferred Liabilities</b>				
Long term Loans	0	0	124	349
ADB	244	419	487	106
Consumer's Security Deposits	1,030	1,126	1,174	1,282
Deferred Credits (Consumer's Capital Cont. etc.)	6,792	8,024	8,130	8,242
Employees Retirement Benefits	6,233	7,187	7,433	7,678
<b>Total Long Term / Deferred Liability</b>	<b>14,299</b>	<b>16,758</b>	<b>17,348</b>	<b>17,657</b>
Payable to NTDC for Supplies-Plar deficit	58,776	84,936	83,773	85,576
Payable to Associated Companies	45	45	45	48
Payable to Wapda (Current Account)	5,371	1,738	1,751	1,804
Creditors, Accrued & Other Liabilities	6,837	9,455	9,574	10,052
<b>Total current Liabilities</b>	<b>71,029</b>	<b>96,174</b>	<b>95,143</b>	<b>97,480</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>62,459</b>	<b>83,811</b>	<b>83,648</b>	<b>88,463</b>

# Financial Statements

ANNEX-H

CASH FLOW STATEMENT	Audited	Provisional	Actual	Projected
	2007-08	2008-09	1st Qtr	2nd Qtr
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			2009-10	
Net Profit (loss) for the Period before tax	(8,068)	(6,252)	278	2,169
<b>Adjustments:</b>				
ADD: Depreciation	891	1,026	305	271
Amortisation of Deferred Income	(334)	(391)	(32)	(96)
Provision for Bad Debts	1,427	1,361	323	339
Provision for Obsolete Stores	0	0		
Intrest Income	(240)	(254)	(78)	(78)
Provision for Ret. Benefits	1,020	1,376	354	354
(Gain) loss on disposal of operating fixed assets				
Interest Expense	1,804	1,331	100	189
<b>Cash Flow from Operations</b>	<b>(3,499)</b>	<b>(1,803)</b>	<b>1,250</b>	<b>3,149</b>
<b>Working Capital Changes</b>				
(Increase)/Decrease in Debtors	(2,551)	(3,194)	(889)	(810)
(Increase)/Decrease in Inventories	(151)	185	27	60
(Increase)/Decrease in Advances, Deposit.etc	(2,047)	(16,243)	(1,053)	(2,369)
Increase/(Decrease) in Creditors,accrued and other liabilities	13,994	25,145	(1,032)	2,336
	<b>9,244</b>	<b>5,893</b>	<b>(2,947)</b>	<b>(782)</b>
Payment for Ret. Benefits	(325)	(421)	(108)	(108)
<b>Cash Flow from Operating Activities</b>	<b>5,420</b>	<b>3,668</b>	<b>(1,805)</b>	<b>2,258</b>
<b>Cash Generated From Operation</b>				
<b>Financial Charges Paid</b>	<b>(1,804)</b>	<b>(1,331)</b>	<b>(100)</b>	<b>(189)</b>
<b>Interest Received</b>	<b>240</b>	<b>254</b>	<b>78</b>	<b>78</b>
<b>Capital Reciepts -Deferred C redit</b>	<b>865</b>	<b>1,623</b>	<b>138</b>	<b>207</b>
<b>Employee retirementbenifits Paid</b>				
<b>Net Cash flow From Operating activities</b>	<b>4,721</b>	<b>4,215</b>	<b>(1,689)</b>	<b>2,355</b>
<b>CASH FROM INVESTING ACTIVITIES:</b>				
Fixed Assets Acquired	(1,945)	(2,925)	(1,011)	(1,213)
Capital Work in Progress	(918)	(647)	(58)	(53)
Long Term Advances	(4)	(21)	(1)	(2)
Long Term Deposits	0	0	0	0
<b>Cash In/(Out) flow from Investing Activities</b>	<b>(2,866)</b>	<b>(3,593)</b>	<b>(1,070)</b>	<b>(1,268)</b>
<b>CASH FROM FINANCING ACTIVITIES</b>				
Additional Equity Investment	0	0	0	0
New Loans Obtained	0	0	136	136
NEW LOAN ADB(ERRA)	159	169	68	(278)
Consumers Security Deposits	133	96	48	108
Capital Contributions		0		
Repayment of Principal	(1,889)	4	(12)	(13)
Interest Paid	0	0	0	0
Income Tax Paid			0	0
<b>Cash In/(Out) flow from Financing Activities</b>	<b>(1,597)</b>	<b>269</b>	<b>240</b>	<b>(47)</b>
<b>Net Cashflow During the Year</b>	<b>258</b>	<b>891</b>	<b>(2,519)</b>	<b>1,039</b>
<b>Cash - Start of the Year</b>	<b>2,371</b>	<b>2,628</b>	<b>3,520</b>	<b>1,001</b>
<b>Cash - End of the Year</b>	<b>2,628</b>	<b>3,520</b>	<b>1,001</b>	<b>2,040</b>