



HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED

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WAPDA OFFICES COMPLEX
HUSSAINABAD HYDERABAD

URL: www.hesco.gov.pk
Dated: 15/08/2009

→ The Registrar,
National Electric Power Regulatory Authority,
2nd Floor, OPF Building, Sector G-5/2
Islamabad.

Sub: REVISED PETITION OF DISCOS FOR DETERMINATION OF
QUARTERLY CONSUMER - END TARIFF (JUL - SEP, 2009)
PURSUANT TO AMENDMENT IN THE NEPRA ACT 1997.

Ref: Your letter No. NEPRA/TRF - 100/ 7391 dt: 10-08-2009.

A revised petition for determination of tariff of the Company for the 1st quarter (July - September, 2009) is hereby submitted, in pursuance to the Amendment in the Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, through Ordinance dated July 31, 2009 overall electricity tariff needs to be determined on quarterly basis, as also advised vide above referred Authority letter.

Please acknowledge the receipt.

(HABIBULLAH KHILJI)
CHIEF EXECUTIVE OFFICER

Encl: as above.

C.C. to:

- 1- Managing Director PEPCO, Wapda House Lahore.
- 2- C.F.O PEPCO, Wapda House Lahore.
- 3- General Manager Finance PEPCO, Wapda House Lahore.
- 4- Master File.

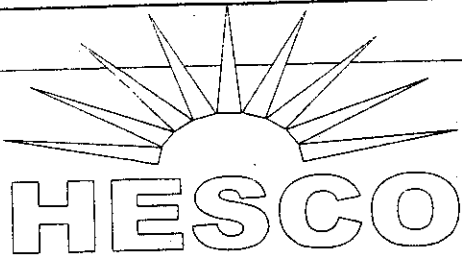
Forwarded for n.a. M.

Dis(T)-I

cc: chairman
V. Chairman
Member (T)
Member (L)

19/8

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|-----------------|
| Registrar |
| Dy. No. 4113 |
| Dated: 19-08-09 |



HYDERBAD ELECTRIC SUPPLY COMPANY

DISTRIBUTION LICENSE

No. 05/DL/2002

REVISED TARIFF PETITION

1ST QUARTER

JULY-SEPTEMBER, 2009

15TH AUGUST, 2009

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TARIFF PETITION

1. PETITION SUMMARY

1.1 Details of the Petitioner:

1.1.1 Name and Address:

Hyderabad Electric Supply Company Limited (hereinafter referred to as HESCO)
WAPDA OFFICES COMPLEX, HUSSAINABAD HYDERABAD.

1.1.2 Board of Directors:

| Sr. No. | Name | Designation |
|---------|-----------------------------------|---|
| 1 | Mr. Nawab Muhammad Hussain Talpur | Chairman BOD |
| 2 | Mr. Habibullah Khilji | Director BOD/ Chief Executive Officer |
| 3 | Dr. Abdul Qadeer Khan Rajput | Vice Chancellor MUET/ Director BOD |
| 4 | Mr. Wazir Ali Bhayo | General Manager (Operation) PEPCO/ Director BOD |
| 5 | Mr. Saifullah | Joint Secretary (Power) MoW&P/ Director BOD |
| 6 | Mr. Sheikh Muhammad Obaid | Managing Director Towels ltd./ Director BOD |
| 7 | Mr. Muhammad Daud | Chief Engineer Design (NTDC)/ Director BOD |

1.1.3 Representatives of HESCO:

| Sr. No. | Name | Designation |
|---------|------------------------------|-----------------------------------|
| 1 | Mr. Habibullah Khilji | Chief Executive Officer |
| 2 | Mr. Deep Chand | Chief Engineer/Technical Director |
| 3 | Mr. Muhammad Aftab Alam Khan | Finance Director |
| 4 | Mr. Nazir Ahmed Shaikh | Chief Engineer/Operation Director |
| 5 | Mr. Khurshed Ahmed Shah | Customer Services Director |

1.1.4 Grounds for Petition:

Under the 1997 NEPRA Act 1997 (XL of 1997), NEPRA is responsible for determining tariffs and other terms and conditions for the supply of electricity by the generation, transmission and distribution companies and to recommend these to the Federal Government, subject to the need to comply with guidelines, not inconsistent with the provisions of the NEPRA Act, as laid down by the Federal Government. NEPRA is responsible for determining the process and procedures for reviewing tariffs and recommending tariff adjustments.

Amendments of section 31, Act of 1997, in the Regulation Generation, Transmission and Distribution of Electric Power Acts 1997(XL of 1997), in section 31, "Provided that the Authority shall, on quarterly basis, determine overall electricity tariff and intimate the same to the federal Govt for notification in the official gazette".

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO) is a licensed public limited company providing utility service to distribute and supply electricity to the area of Hyderabad Electric Supply Company Limited, as set out in HESCO's license, granted by the Government of Pakistan under the NEPRA Act. In accordance with the requirements of the Company, HESCO is hereby submitting a petition to revise tariffs in its license area for the 1st quarter (July – September, 2009). This petition is filed in accordance with the NEPRA Tariff Standards and Procedure Rules 1998 Part II Section 3.

1.2 Key Aims and Features of the Petition:

1.2.1 Aims of the Petition:

This tariff petition sets out the tariff methodology, for the required revenues and timetable for rebalancing tariffs in HESCO's distribution area for 1st quarter (Jul-Sept.-09) of the FY-2009-10. The aim of this petition is to obtain approval for the implementation of cost reflective tariff to yield HESCO's required revenues and a next year rebalancing of tariffs so that the tariffs for each customer category reflect the cost of serving of that customer category.

The implementation of cost reflective tariffs will benefit consumers as well as HESCO as it will;

- Capable of funding for investment to improve service, quality and reliability.
- Enable the funding for network expansion.
- Provide signals for efficient usage of distribution net work and investment.
- Improve the financial sustainability of the Company.

1.2.2 Features of the Petition:

This revised petition proposes the followings:

- A transparent and predictable formula for setting and revising tariffs in HESCO'S license area.
- Sufficient average tariff to enable HESCO to recover operating costs and earn a reasonable return on its assets meet with its cash flow requirements.
- Incentives for HESCO to make operating efficiencies and reduce T & D losses.

1.2.3 Structure of the Petition:

This petition has three distinct components. The first part deals with the tariff methodology. This is the formula that is used to determine HESCO's distribution margin within the period. The second part covers the calculation of HESCO's required revenues during the tariff revenue period. The third part covers the different components of required revenues including operating costs, investment costs and rate of return for the period.

2. Tariff Review Formula and Process:

The tariff formula provides a transparent and predictable way of determining HESCO's distribution margin on quarterly basis for the period. A formula is advantageous as it reduces uncertainty for the utility and for customers. It also provides a simple way for NEPRA to incentives the company to reduce losses and/or improve operating efficiencies as required.

2.1 Tariff Methodology:

2.1.1 HESCO's Margin:

The formula calculates HESCO's distribution margin based on forecast unit sales for the 1st quarter, operating expenses, depreciation, investment and return on investment (cost of capital). Generation and transmission costs are treated as pass-through. The formula determines revenues for the period of the tariff control period. Revisions may be made to revenues within that period, if actual inflation is different from forecast. The profits or losses that arise from changes in efficiency or demand would, be retained by HESCO for the duration of the revenue control period.

At the end of the period, the formula may be reapplied to determine the distribution margin for each quarter in the subsequent period of FY 2009-10. Operating expenditures will be subject to efficiency requirement so that HESCO will be required to ensure that its increase in costs is below the rate of inflation by an efficiency factor (X) to be determined by NEPRA.

Under the proposed tariff-setting methodology, the average retail tariff consist of (i) the Power Purchase Price (PPP) adjusted on T & D Losses, which may be passed through to the end users in the retail tariff, and (ii) the average distribution margin.

2.1.2 Power Purchase Price (PPP):

Hyderabad Electric Supply Company Limited pay a Power Purchase Price (Rs./kWh) for the electricity which it procures from CPPA-NTDC or other sources, that include the generation and transmission charges (regulated by NEPRA) and distribution by HESCO. This Power Purchase Price, adjusted for HESCO's Transmission and distribution losses, would then be simply added to HESCO's overall distribution margin to workout the retail tariffs. Thus, the cost of electricity would be "passed through" to consumers through the retail tariff, without affecting HESCO's distribution margin.

While passing through the PPP, it is recognized that distribution companies experience some level of T & D losses, defined as the percentage of the difference between the units received by the Company and the units invoiced to the consumers. The PPP should thus be adjusted such that HESCO would be compensated for some losses, without hindering the incentive to eliminate the total losses.

$$\text{Adjusted PPP} = \frac{\text{PPP}}{1 - L}$$

Where:

- PPP is the actual cost of electricity supply per unit charged by CPPA, small power producers or any other source at any given time;
- L is the Transmission and distribution losses defined as a percentage of purchased units, in accordance with a schedule established for the control period.

The schedule of T&D losses is set for gradually decrease from the current actual level of 34.75% to 34% by the end of 1st quarter. Thereafter, the target losses will be reset to account for further improvements that may be deemed achievable in subsequent period through investment in the system and other measures.

Based on the above formula, the compensation for T & D losses would be automatically adjusted for any changes in the power purchase cost. The schedule of target losses, however, would be maintained throughout the control period, regardless of the actual T & D losses incurred by HESCO. Thus, if HESCO were not able to meet the target loss reduction, it would be penalized by not being able to recover the cost of extra units lost from the retail tariffs. If, on the other hand, HESCO's actual loss reduction outperformed the target level, it would be able to gain extra revenues from the loss adjustments to the PPP.

2.2 Distribution Margin Formula:

The average Distribution Margin (DM) for the period 1st quarter (July – September, 2009) may be set in accordance with HESCO's expected revenue requirements, based on the following formula:

$$\text{Avg. Distribution Margin} = \frac{O\&M + \text{Provision for Bad Debts} + \text{Depreciation} + \text{RORB} - (\text{Other income})}{\text{Total Unit Sales}}$$

Where:

2.2.1 O & M Expenditures:

O&M is the expected operating and maintenance cost per kWh, which includes the estimated cost of technical service and repair, necessary materials for operation, salary, mandatory social insurance payments, administration, management and other operating costs related to HESCO's distribution and supply business. The O&M component for the 1st quarter (July – September, 2009) is estimated on the basis of inflation adjustments to HESCO's operating expenses from the latest available data for the F.Y. 2008-09.

2.2.2 Provision for Bad Debts:

The socio-economic condition of the consumers of HESCO's area of service is very poor. The capability of payment utility bills is weak. Therefore 5% of the consumers billing is provided for the bad debts.

2.2.3 Depreciation:

The depreciation of the Company is provided in accordance with the policy of straight line method.

2.2.4 Average Rate of Return (ROR):

The return on investment on the (cost of capital) will be calculated as follows:

$$\text{ROR} = \text{Profit Rate Base} \times \text{Rate of Return}$$

Where:

Profit Rate Base is defined for the 1st quarter (July – September, 2009) as the sum of (i) Gross Fixed Assets in Operation beginning of the year (ii) The capital expenditures for the quarter (New Investments), in accordance with the approved investment programme (iii.) Less Cumulative Depreciation (iv) Plus Closing Capital Work in Progress (v) Less: Differed Credit.

Annual Rate of Return is a pre-tax return on the Profit Rate Base. Because the investment is typically financed with a combination of debt equity, the appropriate rate of return would be a market-based weighed average of the cost of capital.

2.2.5 Total Unit Sales a schedule of the total unit sales (in kWh) of HESCO across all customer categories is forecast for the 1st quarter (July – September, 2009). This forecast is used to determine the average distribution margin per unit (Rs/kWh) needed to cover the revenue requirement expected for the year.

2.3 Own Resources for Cash Margin:

The company is to generate 20% cash for World Bank and Asian Development Bank Loan. Therefore, the rate of return which is a sum of debt equity, rate of investment plus cash margin requirement of donor agencies.

2.4 Consumer-end Tariff-Setting:

During the projected period, Company's tariff is revised so that total margin is recovered from customers, as per following format.

Consumer-end

$$\text{Tariff} = \text{Adjusted PPP} + \text{Distribution Margin} + \text{Prior Period Adjustment (if any)}$$

The PPP is the power purchase price. It reflects the amount paid by HESCO to CPPA and may also be termed the CPPA transfer price. Since it is difficult to estimate future PPP with precision, we have assumed PPP according to latest available average per unit. In the absence of customer load data, we cannot calculate marginal generation costs; therefore, PPP cost has been averaged across all units sold by HESCO.

2.5 Revision of Consumer End Tariffs:

While it is important for HESCO to have certainty about period of review, of greater importance is the existence of clear rules about the procedures for re-setting tariffs. If, when reviews are conducted, HESCO and its customers know (i) how efficiency savings will be treated; and (ii) the appropriate criteria to be used to determine the return on investment.

Based on the methodology discussed above, possible adjustments to consumer end tariffs within a re-base or revenue control period are strictly limited to the following items:

2.6 Scheduled Change in Tariff:

The retail tariff may be revised after every month to ensure required revenue in case of changes in the basic assumptions formulating tariff design.

2.7 Changes in PPP:

At any point in time, any changes in the Power Purchase Price (e.g. due to fuel cost adjustments) would automatically result in a corresponding change in retail tariffs (i.e., the change would be passed through immediately) on monthly basis.

2.8 Inflation Adjustments:

The O&M component of the distribution margin may be adjusted for exceptional inflation on quarterly basis.

2.9 Extra ordinary Adjustments:

Any justified losses and/or additional expenses incurred by HESCO due to changes in legislation month tariff adjustment determined but not notified, legal acts, technical regulation, or other special events that are beyond its control would be reimbursed by adjusting the Tariff, subject to NEPRA's approval:

3. CALCULATING HESCO'S REVENUE REQUIREMENT:**3.1 Current Tariffs:**

Presently, the consumer-end tariff is based on a highly cross-subsidized structure (which the GoP want to rationalize over a period of time). This essentially means that whilst some customers are paying substantially less than their cost of service, industrial and commercial customers pay higher prices. Thus, consumers that are paying in excess of their cost of service are effectively subsidizing other categories especially the domestic and lifeline customers. Due to cross subsidy the industrial consumers are going to self generation.

3.2 Trends in Customers Numbers and Consumptions:

It is observed that domestic and life line consumers dominated the consumers number in HESCO as per Annex-I. The subsidized categories generally outpaced others, which has been a major pressure on the tariffs.

The increase in domestic consumption relative to industrial consumption i.e. sales mix is poor indicative for HESCO's revenues and profitability. Meanwhile, industrial customers (the most profitable for HESCO, as they are more economical to serve) are reducing their consumption (by installing captive generation) resulting in lower revenues for the Company.

3.3 Calculating HESCO's Revenue Requirement:

Based on the tariff methodology described in the previous section, the average tariff for the 1st quarter (July – September, 2009) has been calculated using the following parameters:

3.3.1 Total Unit Sales:

Unit Sales for 1st quarter (July – September, 2009) is worked out keeping in review the latest available data considering load shading/ shortage of power which is units 1,562 /GWh.

3.3.2 Projected Transmission and Distribution Losses:

The T&D Losses are target at 34% for the 1st quarter (July – September, 2009) i.e. a reduction is 0.75 % from the previous year.

3.3.3 Power Purchase Price (PPP):

The PPP of the 1st quarter (July – September, 2009) is based on the invoices raised by CPPA i.e. for the FY 2008-09 average 5.95/Kwh. The actual PPP is regulated by NEPRA over the period, thus any subsequent increases/decrease in the PPP determined by NEPRA is adjustable in our sales price and pass through to the ultimate consumers.

3.3.4 Purchase Costs:

The cost of electricity purchased by HESCO has been calculated as the PPP (unadjusted for T&D losses) times the units of electricity purchased. This is also the equivalent of the units of electricity sold times the PPP adjusted for T&D losses (PPP divided by 1 minus the percentage of allowed losses).

3.3.5 Inflation:

The CPI is expected to increase annually by the historical average inflation rate of 15%.

3.3.6 O&M COST:

Based on inflation adjustments to HESCO'S operating expenses from the latest available data (for the FY-2008-09) and the impact of increase in salaries assumed in the 1st quarter (July – September, 2009), the O & M per unit has been projected at around Rs.0.97/Kwh.

3.3.7 Old Assets Base:

The value of the Old Assets Base at the beginning of the year (2008-9) has been set as the book value of the Company's fixed assets (net fixed assets plus capital work in progress), taken from the latest available audited financial statements (F.Y 2007-2008).

3.3.8 New Investments:

New investments will be made as per the investment plan duly approved by Authority as Annex-3.

3.3.9 Depreciation:

The depreciation is charged as per policy of the Company

3.3.10 Profit Base:

The Profit Rate Base is calculated as (i) the sum of the existing assets Base (Less accumulated depreciation), plus (ii) the New Investments and (iii) Work in Progress minus (-) deferred credit.

HISTORICAL CATEGORY WISE UNITS SOLD ACTUAL

GWH

| CATEGORY | | Actual Units Sold | | | Sales Mix |
|--|-------------------------------|-------------------|----------|---------|-----------|
| | | 2005-06 | 2006-07 | 2007-08 | |
| A - I | UPTO - 50 | 115.252 | 179.121 | 135.36 | 2.65% |
| | 1- 100 | 169.855 | 178.515 | 200.51 | 3.93% |
| | 101- 300 | 1008.493 | 1050.839 | 1093.13 | 21.42% |
| | 301- 1000 | 622.522 | 749.588 | 731.91 | 14.34% |
| | ABOVE 1000 | 196.869 | 269.34 | 380.98 | 7.46% |
| | Temporary Domestic | 0.033 | 0.022 | 0.00 | 0.00% |
| Total Domestic | | 2113.024 | 2427.425 | 2541.88 | 49.80% |
| A - 2 | UPTO - 100 | 71.613 | 71.574 | 246.59 | 4.83% |
| | ABOVE 100 | 224.93 | 245.229 | 70.33 | 1.38% |
| | > 20KW | 16.833 | 46.007 | 0.64 | 0.01% |
| | Temp. Commercial | 0.163 | 0.174 | 0.36 | 0.01% |
| Total Commercial | | 313.539 | 362.984 | 317.92 | 6.23% |
| B-1 | 400 VOLTS (UPTO 40 KW) | 296.497 | 360.286 | 410.90 | 8.05% |
| B-2 | 400 VOLTS (41-500 KW) | 324.685 | 346.376 | 339.26 | 6.65% |
| B-2 | 400 VOLTS (TOU) | 14.636 | 11.338 | 10.63 | 0.21% |
| B-3 | 11/33 KV (TOU) | 27.265 | 24.06 | 23.30 | 0.46% |
| B-3 | 11/33 KV (TOU) | 272.411 | 288.355 | 255.24 | 5.00% |
| B-4 | 66/132/220 KV | 20.079 | 9.429 | 12.09 | 0.24% |
| B-4 | 66/132/220 KV (TOU) | 142.478 | 107.791 | 174.49 | 3.42% |
| Total Industrial | | 1098.051 | 1147.635 | 1225.91 | 24.02% |
| C-1 (a) | UPTO 20 KW | 9.29 | 10.211 | 9.29 | 0.18% |
| | ABOVE 20 KW | 114.707 | 119.24 | 121.85 | 2.39% |
| | C-1 (b) | 79.859 | 86.506 | 89.62 | 1.76% |
| | C-2 11/33 KV | 0 | 0 | 0 | 0.00% |
| | C-3 (66/132/220 KV) | 0 | 0 | 0 | 0.00% |
| | Temporary E2iia, E2iib, e2iil | 0 | 0 | 0 | 0.00% |
| Total Bulk | | 203.856 | 215.957 | 220.77 | 4.33% |
| D-1 Scarp | | 351.568 | 369.081 | 400.46 | 7.85% |
| | D-2 (I) Punjab & Sindh | 258.283 | 215.597 | 154.43 | 3.03% |
| | AGRI TW D-2 (I) TOU | 12.061 | 6.76 | 0.00 | 0.00% |
| | AGRI TW D-2 (I) TOU | 0 | 0 | 140.19 | 2.75% |
| Total Tube/ Wells | | 621.912 | 591.438 | 695.07 | 13.62% |
| Public Lighting G-1 | | 56.05 | 64.074 | 74.68 | 1.46% |
| | Public Lighting G-2 | 31.859 | 25.443 | 21.43 | 0.42% |
| | Residential Colonies H-1 | 5.081 | 4.7 | 4.51 | 0.09% |
| | Residential Colonies H-2 | 2.518 | 3.124 | 2.25 | 0.04% |
| Total Public Lighting & Residential Colonies | | 95.508 | 97.341 | 102.88 | 2.02% |
| Grand Total | | 4445.89 | 4842.78 | 5104.44 | 100% |
| %age of Increase | | - | 8.93% | 5.40% | - |

CATEGORY WISE SALES VOLUME PROJECTED

GWH

| Particulars | Actual | Projected |
|--|------------|------------|
| | FY 2008-09 | FY 2009-10 |
| 1. Residential - A1 | | |
| For load upto 5 Kw | | |
| Upto - 50 Units | 45.19 | 13.77 |
| For consumption exceeding 50 Units | | 0.00 |
| 1 - 100 Units per Month | 928.60 | 282.93 |
| 101 - 300 Units per Month | 824.88 | 251.33 |
| 301 - 700 Units per Month | 356.01 | 108.47 |
| Above 700 Units | 412.66 | 125.73 |
| For load exceeding 5 Kw on Non-TOU meter | | 0.00 |
| E-1 (1) | 0.04 | 0.01 |
| Time of Use (TOU) Peak | 0.11 | 0.03 |
| Time of Use (TOU) Off Peak | 0.51 | 0.16 |
| Sub-Total | 2,568.00 | 782.44 |
| 2. Commercial - A2 | | 0.00 |
| For load upto 5 Kw | | 0.00 |
| E-1 (2) | 0.27 | 0.08 |
| Commercial - A2 | 246.60 | 75.14 |
| For load exceeding 5 Kw | - | 0.00 |
| Regular - Non TOU meter | 79.42 | 24.20 |
| Time of Use (TOU) Peak | 1.84 | 0.56 |
| Time of Use (TOU) Off Peak | 5.78 | 1.76 |
| Sub-Total | 333.91 | 101.74 |
| 3. Industrial | | 0.00 |
| B-1 load upto 5 Kw | 397.41 | 121.09 |
| B-2 above 5 Kw Non-TOU | 327.93 | 99.92 |
| B-2 Time of Use (TOU) Peak | 3.76 | 1.15 |
| B-2 Time of Use (TOU) Off Peak | 22.10 | 6.73 |
| B-3 Time of Use (TOU) Peak | 35.64 | 10.86 |
| B-3 Time of Use (TOU) Off Peak | 167.63 | 51.07 |
| B-4 Time of Use (TOU) Peak | 30.23 | 9.21 |
| B-4 Time of Use (TOU) Off Peak | 203.98 | 62.15 |
| TMPE-2 (1) | 0.15 | 0.05 |
| Sub-Total | 1,188.83 | 362.22 |
| 4. Single Point Supply for Further Distribution | | 0.00 |
| C-1(a) Supply at 400 Volts upto 5 Kw | 8.97 | 2.73 |
| C-1(b) Supply at 400 Volts upto 5 Kw and upto 500 Kw | 115.08 | 35.06 |
| Time of Use (TOU) Peak | | 0.00 |
| Time of Use (TOU) Off Peak | | 0.00 |
| C-2 (a) Supply at 11 KV-33 KV Non-TOU above 5 Kw and upto 500 Kw | 85.54 | 26.06 |
| Time of Use (TOU) Peak at 11, 33, above 5 Kw and upto 500 Kw | 0.26 | 0.08 |
| Time of Use (TOU) Off Peak | 1.13 | 0.34 |
| C-3 Supply at 66 KV and above | | 0.00 |
| Time of Use (TOU) Peak | | 0.00 |
| Time of Use (TOU) Off Peak | | 0.00 |
| Sub-Total | 210.98 | 64.283 |
| 5. Agriculture Tube well - Tariff D | | 0.00 |
| D-1 (a) Scarp load upto 5 Kw | 397.32 | 121.06 |
| D-2 Agriculture T/well (Private) | 244.27 | 74.43 |
| D-1 Time of Use (TOU) Peak | 83.32 | 25.39 |
| D-1 Time of Use (TOU) Off Peak | 0.40 | 0.12 |
| Sub-Total | 725.75 | 220.99 |
| 6. Public Lighting - Tariff G | 94.99 | 28.94 |
| Residential Colonies - Tariff H | 5.77 | 1.76 |
| Grand Total | 5,128.24 | 1,562.38 |

3.3.11 Average Rate of Return (ROR):

Average ROR is kept at 17% as cost of capital on relent of the World Bank & Asian Development Bank Loans in view of negative equity and nil debt for the FY 2008-09.

3.3.12 Distribution Margin:

The sum of the O&M, Depreciation, provision for bad debt and ROR less Amortization and Other Income result in HESCO's distribution revenue is divided by the total units sold yields the average distribution margin (Rs.1.65/Kwh).

3.4 Tariff 1st quarter (July – September, 2009) F.Y. 2009-10:

The average current Tariff based on the methodology discussed above comes to Rs.10.67/Kwh (excluding prior year adjustment) detail working as per Table-2.

3.5 Prior Year Adjustment:**3.5.1 Impact of delayed notification of tariff:**

The impact of delayed tariff notification of tariff i.e. for the months July and August-2008 is Rs.1.89/Kwh detail as per Annex-4.1.

3.5.2 Impact of Decline in Sale units against NEPRA's determination FY-2008-09:

The impact of decline in sale volume against the targeted by Authority is Rs.0.23/Kwh detail as per Annex-4.1

3.5.3 Impact of Sales Mix variation against NEPRA's Determination:

The impact of sales mix variance for the months Sep 2008 to Jun 2009 is Ps.27/Kwh. The sales mix average for the 1st Quarter of FY 2009-10 is Rs. 0.73/Kwh detail as per Annex 4.2.

3.5.4 Average prior year adjustment:

The average prior year adjustment is Rs. 2.85/Kwh (i.e. Rs. 1.89+Rs.0.23+Rs.0.73).
Prior Adjustment Rs. 2.85/Kwh has been worked out on the basis of recovery within 1st quarter instead of a year FY 2009-10 as per understanding that hereafter, all prior period adjustment will be on quarterly basis

3.6 Average Sales Tariff 1st quarter (July – September, 2009) FY 2009-10:

Therefore, the average tariff rate for the 1st quarter (July – September, 2009) will be Rs. 13.52/Kwh (i.e. Rs.10.67+ Rs.2.85)

3.7 Income Tax:

Income Tax on the profit @ 35% has been provided for the 1st quarter (July – September, 2009).

3.8 Estimated Sales Revenue for the 1st quarter (July – September, 2009) F.Y 2009-10:

Estimated Sales Revenue on the basis of proposed Tariff for the 1st quarter (July – September, 2009) is Rs. 21.125 Million as Annex-5.

3.9 Comparison of existing Tariff and Proposed Tariff for 1st Quarter (July–September, 2009):

The Category wise comparison of Current Approved Tariff and Proposed Tariff 1st quarter (July – September, 2009) F.Y. 2009-10 is as Annex-6

3.10 Financial Statement:

The Financial Projection of the Company on the basis of proposed Tariff are as under:

| Particulars | Units | Actual | | Provisional | Projected |
|----------------------------|------------|---------|---------|-------------|--|
| | | 2006-07 | 2007-08 | 2008-09 | 1 st Quarter (Jul - Sep, 2009) |
| Average Sale Rate | Rs/KWh | 6.03 | 7.26 | 10.14 | 10.67 |
| Sales | Rs. in Mln | 29,991 | 38,224 | 53,482 | 17,043 |
| Cost of sales | Rs. in Mln | 27,435 | 37,187 | 46,794 | 14,085 |
| Operating Expenses | Rs. in Mln | 6,452 | 7,219 | 8,883 | 2,686 |
| Other Income | Rs. in Mln | 507 | 962 | 1,024 | 282 |
| Financial Charges | Rs. in Mln | 850 | 1,992 | 1,954 | 343 |
| Tax for the year | Rs. in Mln | (56) | 44 | - | 74 |
| Profit/(Loss) for the year | Rs. in Mln | (4,295) | (7,169) | (3,125) | 137 |

DETAILED WORKINGS ARE ATTACHED AS:

- Profit & Loss Account Annex- 6
- Balance Sheet Annex- 7
- Cases Flow Statement Annex-8
- Quantitative Data Annex-9
- Notes

HESCO'S REVENUE REQUIREMENT

| Sr. No. | Description | Unit | Projected 1st Quarter (Jul - Sep, 2009) |
|---------|---|---------|---|
| i | Total Unit Sales | MKwh | 1,562.38 |
| ii | Losses | %age | 34.00 |
| iii | Total Units Purchased | MKwh | 2,367.24 |
| iv | PPP (Un-adjusted) | Rs./Kwh | 5.95 |
| v | PPP (adjusted) | Rs./Kwh | 9.02 |
| | | | |
| | Regulatory Assets Base (RAB) | | |
| | Gross Fixed Assets in Operation | | |
| 1 | Opening Fixed Asset in operation | Mln.Rs. | 35,307.90 |
| 2 | Addition during the year | Mln.Rs. | 355.00 |
| 3 | Closing Fixed Assets in operation (1+2) | Mln.Rs. | 35,662.90 |
| 4 | Less : Cumulative Depreciation | Mln.Rs. | 15,573.15 |
| 5 | Net Fixed Assets in Operation (3-4) | Mln.Rs. | 20,089.75 |
| 6 | Closing Capital Work in Progress | Mln.Rs. | 3,094.45 |
| 7 | Total Assets (5+6) | Mln.Rs. | 23,184.20 |
| 8 | Deferred Credit | Mln.Rs. | 10,309.23 |
| 9 | Regulatory Rate Base (8-9) | Mln.Rs. | <u>12,875.19</u> |
| | Distribution Revenue | | |
| 10 | Return on Net Fixed Assets in Operation (RRB * Profit Rate Base) @4.25% (1e17%/4) | Mln.Rs. | 547.20 |
| 11 | O&M (Million Rs.) | Mln.Rs. | 1,518.00 |
| 12 | Depreciation | Mln.Rs. | 334.07 |
| 13 | Provision for bad debts | Mln.Rs. | 833.53 |
| 14 | Other Income | Mln.Rs. | (653.78) |
| 15 | Distribution Margin Cost | Mln.Rs. | 2,579.02 |
| 16 | PPP (Adjusted) | Rs./Kwh | 9.02 |
| 17 | Distribution Margin (16/1) | Rs./Kwh | 1.65 |
| 18 | Average Nominal Tariff | Rs./Kwh | 10.67 |
| 19 | Distribution Margin/Total | %age | 15.46 |

4. TARIFF DESIGN / ELIMINATION OF CROSS-SUBSIDIES:

As indicated in the preceding paragraphs, industrial customers that are paying in excess of their cost of service are effectively subsidizing domestic customers, thus encouraging such customers to bypass distribution network through the installation of captive generation. Many domestic customers can not afford what would amount to a doubling of tariffs. We therefore propose the consumer category wise tariff considering the following:

- (a) HESCO is design the category wise tariff in such a way that life line consumers be kept at minimum for reducing to burden of higher tariff on poor consumers as per policy of Govt.
- (b) The cross subsidy will be reduced over a period of proportionately for improving the efficiency of the Company.

5. PRAY:**5.1 Consumer End Tariff:**

It is prayed that the average tariff rate for 1st quarter (Jul-Sept-09) Rs. 13.52/Kwh (Average Tariff for the 1st quarter (Jul-Sep, 2009) Rs. 10.67/Kwh and prior year adjustment Rs. 2.85/Kwh) category wise detail as per Annex-5 may be allowed w.e.f 1st July 2009.

DEMAND ANALYSIS
DEMAND FORECAST-HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED
(Million KWH)

| Particulars | Actual Consumers | Provisional | Projected |
|--|------------------|-----------------|---|
| | July 2008-09 | July 2008-09 | 1 st Quarter (Jul-Sep, 2009) |
| 1 Residential - A1 | | | |
| For load upto 5 Kw | | | |
| Upto 30 Units | 365931 | 45.19 | 13.77 |
| For consumption exceeding 50 Units | 208295 | | 0.00 |
| 1 - 100 Units per Month | 440651 | 928.60 | 282.93 |
| 101 - 300 Units per Month | 132098 | 824.88 | 251.33 |
| 301 - 700 Units per Month | 47740 | 356.01 | 108.47 |
| Above 700 Units | | 412.66 | 125.73 |
| For load exceeding 5 Kw on Non-TOU meter | | | 0.00 |
| E-1 (1) | 9 | 0.04 | 0.01 |
| Time of Use (TOU) Peak | 34 | 0.11 | 0.03 |
| Time of Use (TOU) Off Peak | | 0.51 | 0.16 |
| Sub-Total | | 2,568.00 | 782.44 |
| 2 Commercial - A2 | | | |
| For load upto 5 Kw | | | 0.00 |
| B-1 (2) | 308 | 0.27 | 0.08 |
| Commercial - A2 | 239541 | 246.60 | 75.14 |
| For load exceeding 5 Kw | 568 | | 0.00 |
| Regular - Non-TOU meter | | 79.42 | 24.20 |
| Time of Use (TOU) Peak | 48 | 1.84 | 0.56 |
| Time of Use (TOU) Off Peak | | 5.78 | 1.76 |
| Sub-Total | | 333.91 | 101.74 |
| 3 Industrial | | | 0.00 |
| B-1 load upto 5 Kw | 18329 | 397.41 | 121.09 |
| B-2 above 5 Kw Non-TOU | | 327.93 | 99.92 |
| B-2 Time of Use (TOU) Peak | 3127 | 3.76 | 1.15 |
| B-2 Time of Use (TOU) Off Peak | 256 | 22.10 | 6.73 |
| B-3 Time of Use (TOU) Peak | 76 | 35.64 | 10.86 |
| B-3 Time of Use (TOU) Off Peak | 129 | 167.63 | 51.07 |
| B-4 Time of Use (TOU) Peak | 1 | 30.23 | 9.21 |
| B-4 Time of Use (TOU) Off Peak | 7 | 203.98 | 62.15 |
| TMPE-2 (1) | 38 | 0.15 | 0.05 |
| Sub-Total | | 1,188.83 | 362.22 |
| 4 Single Point Supply for Further Distribution | | | 0.00 |
| C-1(a) Supply at 400 Volts upto 5 Kw | 275 | 8.97 | 2.73 |
| C-1(b) Supply at 400 Volts upto 5 Kw and upto 500 Kw | 439 | 115.08 | 35.06 |
| Time of Use (TOU) Peak | | | 0.00 |
| Time of Use (TOU) Off Peak | | | 0.00 |
| C-2 (a) Supply at 11 KV, 33KV Non-TOU above 5 Kw and upto 500 Kw | 41 | 85.54 | 26.06 |
| Time of Use (TOU) Peak at 11/33 above 5 Kw and upto 500 Kw | | 0.26 | 0.08 |
| Time of Use (TOU) Off Peak | | 1.13 | 0.34 |
| C-3 Supply at 66 KV and above | | | 0.00 |
| Time of Use (TOU) Peak | | | 0.00 |
| Time of Use (TOU) Off Peak | | | 0.00 |
| Sub-Total | | 210.98 | 64.283 |
| 5 Agriculture Tube well - Tariff D | | | 0.00 |
| D-1 (a) Scarp load upto 5 Kw | 7948 | 397.32 | 121.06 |
| D-2 Agriculture T/well (Private) | 8104 | 244.27 | 74.43 |
| D-1 Time of Use (TOU) Peak | 8807 | 83.32 | 25.39 |
| D-1 Time of Use (TOU) Off Peak | | 0.40 | 0.12 |
| Sub-Total | | 725.75 | 220.99 |
| 6 Public Lighting - Tariff - G | 824 | 94.99 | 28.94 |
| 7 Residential Colonies - Tariff - H | 105 | 5.77 | 1.76 |
| Grand Total | 1483724 | 5,128.24 | 1,562.38 |

INVESTMENT PROGRAM

The investment programme of the Company in the 6th STG, ELR and DOP.

(Rs. In M)

| Project | Actual | | Provisional | Projected | |
|-----------------------------------|------------|--------------|--------------|--|--------------|
| Category | 2006-07 | 2007-08 | 2008-09 | 1 st Quarter (Jul-Sep, 2009) | 2009-10 |
| 6 th STG | 636 | 1,189 | 1,104 | 200 | 2,422 |
| ELR | 184 | 166 | 99 | 60 | 3,152 |
| DOP | 127 | 202 | 415 | 60 | 300 |
| Energy Efficiency, T & A & Others | | | | 35 | 198 |
| Total: | 947 | 1,557 | 1,618 | 355 | 6,072 |

6th SECONDARY TRANSMISSION LINE AND GRID STATION (6th STG):

The 6th STG development plan prepared by HESCO for system expansion and up-gradation of 132/66 KV system. PC-I of this project has been approved by ECNEC. This plan is based on historical load data and load forecast. New lines, re-conducting of existing lines, grids extension and augmentation has been justified with load flow studies.

OBJECTIVES OF 6TH STG PROJECT:

The objectives of this project is to give relief to the existing overloaded system and to meet future expansion in HESCO area.

SCOPE OF WORK FOR FY-2009-10**ENERGY LOSS REDUCTION (ELR) PROJECT:****Objectives of Distribution Rehabilitation Project:**

The objectives of the Distribution Rehabilitation Project are as under:

- Energy loss Reduction
- Improvement in Quality of Supply
- Improvement in Reliability
- Improvement in Safety
- Release of Generation, Transmission and Distribution Capacity.
- Improve Customer Service and Reduce Complaints
- Reduce Cost of Operation and Maintenance
- Improve Life of Equipment

DISTRIBUTION OF POWER (DOP) PROJECT:**Objectives of DOP Project:**

The objectives of this Distribution of Power Expansion Project are to improve the:

- Reliability of the system
- Stability of power supply
- Overloaded system
- Quality and safety of the system

Scope of Work for FY-2009-10:

- Providing 35,230 new electricity connections to the prospective customers.
- Construction of 466.93 Km of 11 KV lines.
- Construction of 262.02 Km LT lines.
- Addition of 1,100 Nos. Distribution Transformers of various capacities.

ENERGY EFFICIENCY IMPROVEMENT PROJECT:

An amount of US \$ 2.2 M (Rs.147 M) has been allocated to HESCO being its shares from total amount of US \$ 15 M by World Bank for Energy Efficiency Improvement. PC-1 will be prepared and submitted to Ministry of Water and Power for approval from planning commission. The Project will improve the energy conservation and customer satisfaction.

TECHNICAL ASSISTANT:

The World Bank has agreed to finance an amount of US \$ 1.90 Million (Rs. 119.05 M) for capacity Building under the following major areas:

- i) Revamping of In-house Training Centers.
- ii) Capacity Buildings.
- iii) Specialize Studies.
- iv) Project Management/ Offices Automation.

3 - PRIOR YEAR ADJUSTMENTS

| i- IMPACT OF DELAYED NOTIFICATION OF TARIFF | | |
|---|--------------|-----------------|
| | Units | Rs. in M |
| Average Tariff Determined by NEPRA For FY 2008-09 (applicable w.e.f. 1 st Sep. 2008) | Rs/kwh | 10.97 |
| Average Tariff Determined on 1 st March 2008 (Applicable for July and August 2008) | Rs/kwh | 7.76 |
| Difference | Rs/kwh | 3.21 |
| No of Units Sold (July & Aug 2008) | Mkwh | 920.06 |
| Loss due to delayed Tariff | Rs in M | 2,962.59 |
| Target Sale Volume 1st quarter (Jul-Sept-09) | Mkwh | 1562.38 |
| Average Revenue Loss | Rs/kwh | 1.89 |
| ii- IMPACT OF DECLINE IN SALE UNITS AGAINST NEPRA'S DETERMINATION FY-2008-09 | | |
| | Units | Rs. in M |
| Sale units as per NEPRA'S Determination FY 2008-09 | Mkwh | 5,348.00 |
| Actual Sale Units FY 2008-09 | Mkwh | 5,128.11 |
| Difference/Decline in Sales Volume | Mkwh | 220.00 |
| Average Distribution Margin FY 2008-09 | Rs/kwh | 1.63 |
| Decline in Distribution Margin | Rs in M | 358.60 |
| Target Sale Volume 1st quarter (Jul-Sept-09) | Mkwh | 1562.38 |
| Average Decline per unit | Rs/kwh | 0.23 |
| Total Average Adjustment of Prior Year (i + ii) | Rs/kwh | 2.12 |

Annex-3.2

PRIOR YEAR ADJUSTMENTS

| III-IMPACT OF SALES MIX VARIATION AGAINST NEPRA'S DETERMINATION | | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--|----------------------|-------------------|
| Month | No. Of Units Sold (MKwh) | Sales Revenue (Rs. in M) | Actual Average Sales Rate (Rs./Kwh) | Approved Average Tariff Rate (Rs./Kwh) | Difference (Rs./KWh) | Sales Mix Revenue |
| 1 | 2 | 3 | 4 | 5 | 6=(5-4) | 7=(2x6) |
| Sep-08 | 513.028 | 4,354.99 | 8.49 | 10.97 | 2.48 | 1,272.93 |
| Oct-08 | 455.082 | 5,362.88 | 11.78 | 10.97 | (0.81) | (370.63) |
| Nov-08 | 466.927 | 5,165.16 | 11.06 | 10.97 | (0.09) | (42.97) |
| Dec-08 | 330.931 | 3,149.25 | 9.52 | 10.97 | 1.45 | 481.07 |
| Jan-09 | 303.08 | 3,203.76 | 10.57 | 10.97 | 0.40 | 121.03 |
| Feb-09 | 377.25 | 4,058.99 | 10.76 | 10.97 | 0.21 | 79.44 |
| Mar-09 | 367.95 | 4,026.12 | 10.94 | 10.97 | 0.03 | 10.29 |
| Apr-09 | 415.928 | 4,640.21 | 11.16 | 10.97 | (0.19) | (77.48) |
| May-09 | 481.62 | 5,485.75 | 11.39 | 10.97 | (0.42) | (202.38) |
| Jun-09 | 496.252 | 5,571.02 | 11.23 | 10.97 | (0.26) | (127.14) |
| Total | 4,208.05 | 45,018.14 | 10.70 | 10.97 | 0.27 | 1,144.15 |
| Target Sales for 1st Quarter (Jul-Sep-09) | | | | | | 1,562.38 |
| Average decrease in sales mix rate (Rs./KWh) | | | | | | 0.73 |
| Total average prior year adjustment (Rs./Kwh) | | | | | | 2.85 |
| Total Net Tariff (Rs. 10.67 + Rs. 2.85) | | | | | | 13.52 |

CATEGORY WISE SALES REVENUE PROPOSED TARIFF 1ST QUARTER (JUL – SEP, 09)

| | Particulars | Projected Sales (kwh) | Sales Mix %age | Proposed Tariff | | Revenue | | Total Revenue Rs. in M | Average Sales Rs./Kwh |
|---|--|-----------------------|----------------|------------------------|--------------------------|-------------------|----------------------|------------------------|-----------------------|
| | | | | Fixed Charges Rs./kw/M | Variable Charges Rs./kwh | Fixed Charges Rs. | Variable Charges Rs. | | |
| 1 | Residential - A1 | | | | | | | | |
| | For load upto 5 Kw | | | | | | | | |
| | Upto - 50 Units | 13.77 | 0.88% | | 2.00 | | 27.54 | 27.54 | 2.00 |
| | For consumption exceeding 50 Units | | | | | | | | |
| | 1 - 100 Units per Month | 282.93 | 18.11% | | 7.75 | | 2,192.74 | 2,192.74 | 7.75 |
| | 101 - 300 Units per Month | 251.33 | 16.09% | | 14.10 | | 3,543.78 | 3,543.78 | 14.10 |
| | 301 - 700 Units per Month | 108.47 | 6.94% | | 17.50 | | 2,044.70 | 2,044.70 | 18.85 |
| | Above 700 Units | 125.73 | 8.05% | | 18.85 | | 2,200.33 | 2,200.33 | 17.50 |
| | For load exceeding 5 Kw | | | | | | 0.00 | 0.00 | |
| | Time of Use (TOU) Peak | 0.03 | | | 17.00 | | 0.00 | 0.00 | - |
| | Time of Use (TOU) Off Peak | 0.16 | | | 12.00 | | 2.64 | 2.64 | 17.00 |
| 2 | Commercial - A2 | | | | | | | | |
| | For load upto 5 Kw | | | | | | | | |
| | Commercial - A2 | 75.14 | 4.81% | | 17.00 | | 1,277.32 | 1,277.32 | 17.00 |
| | For load exceeding 5 Kw | | | | | | | | |
| | Regular - Non TOU meter | 24.20 | 1.55% | 400.00 | 13.55 | 113.60 | 327.89 | 441.49 | 18.24 |
| | Time of Use (TOU) Peak | 0.56 | 0.04% | 400.00 | 17.50 | 1.97 | 9.81 | 11.78 | 21.01 |
| | Time of Use (TOU) Off Peak | 1.76 | 0.11% | 400.00 | 11.50 | 10.10 | 20.25 | 30.36 | 17.24 |
| 3 | Industrial | | | | | | | | |
| | B-1 load upto 5 Kw | 121.09 | 7.75% | | 12.00 | 0.00 | 1,453.04 | 1,453.04 | 12.00 |
| | B-2 above 5 Kw Non-TOU | 99.92 | 6.40% | 375.00 | 10.95 | 597.63 | 1,094.09 | 1,691.71 | 16.93 |
| | B-2 Time of Use (TOU) Peak | 1.15 | 0.07% | 375.00 | 17.00 | 8.05 | 19.48 | 27.52 | |
| | B-2 Time of Use (TOU) Off Peak | 6.73 | 0.43% | 375.00 | 10.00 | 47.24 | 67.34 | 114.57 | 17.02 |
| | B-3 Time of Use (TOU) Peak | 10.86 | 0.70% | 350.00 | 16.50 | 40.13 | 179.18 | 219.30 | 20.20 |
| | B-3 Time of Use (TOU) Off Peak | 51.07 | 3.27% | 350.00 | 9.80 | 168.45 | 500.53 | 668.99 | 13.10 |
| | B-4 Time of Use (TOU) Peak | 9.21 | 0.59% | 325.00 | 16.00 | 24.59 | 147.37 | 171.96 | 18.67 |
| | B-4 Time of Use (TOU) Off Peak | 62.15 | 3.98% | 325.00 | 9.50 | 150.32 | 590.43 | 740.75 | 11.92 |
| 4 | Single Point Supply for Further Distribution | | | | | | | | |
| | C-1(a) Supply at 400 Volts upto 5 KW | 2.73 | 0.17% | | 9.00 | | 24.60 | 24.60 | 9.00 |
| | C-1(b) Supply at 400 Volts -exceeding 5 KW | 35.06 | 2.24% | 350.00 | 15.50 | 61.00 | 543.49 | 604.49 | 17.24 |
| | Time of Use (TOU) Peak | - | 0.00% | 350.00 | 15.50 | | 0.00 | 0.00 | |
| | Time of Use (TOU) Off Peak | - | 0.00% | 350.00 | 9.00 | | 0.00 | 0.00 | |
| | C-2 (a) Supply at 11 KV, 33KV Non-TOU above 5 Kw and upto 500 Kw | 26.06 | 1.67% | 325.00 | 10.00 | 50.57 | 260.63 | 311.20 | 11.94 |
| | Time of Use (TOU) Peak at 11, 33, above 5 Kw and upto 500 Kw | 0.08 | | 325.00 | 16.00 | 0.00 | 1.27 | 1.27 | 16.00 |
| | Time of Use (TOU) Off Peak | 0.34 | | 325.00 | 9.50 | 0.00 | 3.27 | 3.27 | 9.50 |
| | C-3 Supply at 66 KV and above | - | | 315.00 | 11.00 | 0.00 | 0.00 | 0.00 | |
| | Time of Use (TOU) Peak | - | | 315.00 | 15.80 | 0.00 | 0.00 | 0.00 | |
| | Time of Use (TOU) Off Peak | - | | 315.00 | 8.10 | 0.00 | 0.00 | 0.00 | |
| 5 | Agriculture Tube well - Tariff D | | | | | | | | |
| | D-1 (a) Scarp load upto 5 Kw | 121.06 | 7.75% | | 12.75 | | 1,543.50 | 1,543.50 | 12.75 |
| | D-2 Agriculture T/well (Private) | 74.43 | 4.76% | 140.00 | 10.00 | 209.85 | 744.26 | 954.12 | 12.82 |
| | D-1 (b) Time of Use (TOU) Peak | 25.39 | 1.62% | 350.00 | 16.50 | 0.03 | 418.88 | 418.91 | 16.50 |
| | D-1 (b) Time of Use (TOU) Off Peak | 0.12 | 0.01% | 350.00 | 8.75 | 0.11 | 1.07 | 1.17 | 9.61 |
| 6 | Public Lighting - Tariff - G | 28.94 | 1.85% | | 13.00 | 0.00 | 376.25 | 376.25 | 13.00 |
| 7 | Residential Colonies - Tariff - H | 1.76 | 0.11% | | 13.00 | 0.00 | 22.85 | 22.85 | 13.00 |
| 8 | Temporary Connections | | | | | | | | |
| | E-1 (1) | 0.01 | | | 17.00 | 0.00 | 0.21 | 0.21 | 17.00 |
| | E-1 (2) | 0.08 | 0.01% | | 17.00 | | 1.40 | 1.40 | 17.00 |
| | TMP E-2 (1) | 0.05 | 0.00% | | 10.00 | | 0.46 | 0.46 | 10.00 |
| | Grand Total | 1,562.38 | 99.96% | | | 1,483.63 | 19,640.57 | 21,124.19 | 13.52 |

CATEGORY WISE PROPOSED TARIFF PER UNIT 1ST QUARTER (JUL – SEP, 09)

| | Categories | Fixed Charges Rs./kw/M | | Variable Charges (Rs. /Kwh) | | %age Increased | |
|---|--|------------------------|-----------------|-----------------------------|-----------------|----------------|------------------|
| | | Existing Tariff | Proposed Tariff | Existing Tariff | Proposed Tariff | Fixed Charges | Variable Charges |
| 1 | Residential - A1 | | | | | | |
| | For load upto 5 Kw | | | | | | |
| | Upto - 50 Units | | | 1.60 | 2.00 | | 25.00% |
| | For consumption exceeding 50 Units | | | | | | |
| | 1 - 100 Units per Month | | | 6.55 | 7.75 | | 18.32% |
| | 101 - 300 Units per Month | | | 11.50 | 14.10 | | 22.61% |
| | 301 - 700 Units per Month | | | 14.00 | 17.50 | | 25.00% |
| | Above 700 Units | | | 15.50 | 18.85 | | 21.61% |
| | For load exceeding 5 Kw | | | | | | |
| | Time of Use (TOU) Peak | | | 15.50 | 17.00 | | 9.68% |
| | Time of Use (TOU) Off Peak | | | 7.50 | 12.00 | | 60.00% |
| 2 | Commercial - A2 | | | | | | |
| | For load upto 5 Kw | | | | | | |
| | Commercial - A2 | | | 15.50 | 17.00 | | 9.68% |
| | For load exceeding 5 Kw | | | | | | |
| | Regular - Non TOU meter | 315.00 | 400.00 | 11.50 | 13.55 | 26.98% | 17.83% |
| | Time of Use (TOU) Peak | 315.00 | 400.00 | 15.50 | 17.50 | 26.98% | 12.90% |
| | Time of Use (TOU) Off Peak | 315.00 | 400.00 | 7.00 | 11.50 | 26.98% | 64.29% |
| 3 | Industrial | | | | | | |
| | B-1 load upto 5 Kw | | | 9.50 | 12.00 | | 26.32% |
| | B-2 above 5 Kw Non-TOU | 315.00 | 375.00 | 8.00 | 10.95 | 19.05% | 36.88% |
| | B-2 Time of Use (TOU) Peak | 315.00 | 375.00 | 15.50 | 17.00 | 19.05% | 9.68% |
| | B-2 Time of Use (TOU) Off Peak | 315.00 | 375.00 | 7.00 | 10.00 | 19.05% | 42.86% |
| | B-3 Time of Use (TOU) Peak | 305.00 | 350.00 | 15.40 | 16.50 | 14.75% | 7.14% |
| | B-3 Time of Use (TOU) Off Peak | 305.00 | 350.00 | 6.90 | 9.80 | 14.75% | 42.03% |
| | B-4 Time of Use (TOU) Peak | 295.00 | 325.00 | 15.30 | 16.00 | 10.17% | 4.58% |
| | B-4 Time of Use (TOU) Off Peak | 295.00 | 325.00 | 6.80 | 9.50 | 10.17% | 39.71% |
| 4 | Single Point Supply for Further Distribution | | | | | | |
| | C-1(b) Supply at 400 Volts exceeding 5 KW | 315.00 | 350.00 | 9.00 | 15.50 | 11.11% | 72.22% |
| | Time of Use (TOU) Peak | 315.00 | 350.00 | 15.50 | 15.50 | 11.11% | 0.00% |
| | Time of Use (TOU) Off Peak | 315.00 | 350.00 | 7.00 | 9.00 | 11.11% | 28.57% |
| | C-2 (a) Supply at 11 KV, 33KV Non-TOU above 5 Kw and upto 500 Kw | 305.00 | 325.00 | 8.90 | 10.00 | 6.56% | 12.36% |
| | Time of Use (TOU) Peak at 11, 33, above 5 Kw and upto 500 Kw | 305.00 | 325.00 | 15.40 | 16.00 | 6.56% | 3.90% |
| | Time of Use (TOU) Off Peak | 305.00 | 325.00 | 6.90 | 9.50 | 6.56% | 37.68% |
| | C-3 Supply at 66 KV and above | 295.00 | 315.00 | 8.80 | 11.00 | 6.78% | 25.00% |
| | Time of Use (TOU) Peak | 295.00 | 315.00 | 15.30 | 15.80 | 6.78% | 3.27% |
| | Time of Use (TOU) Off Peak | 295.00 | 315.00 | 6.80 | 8.10 | 6.78% | 19.12% |
| 5 | Agriculture Tube well - Tariff D | | | | | | |
| | D-1 (a) Scarp load upto 5 Kw | | | 9.75 | 12.75 | | 30.77% |
| | D-2 Agriculture T/well (Private) | 90.00 | 140.00 | 6.60 | 10.00 | 55.56% | 51.52% |
| | D-1 (b) Time of Use (TOU) Peak | 315.00 | 350.00 | 15.50 | 16.50 | 11.11% | 6.45% |
| | D-1 (b) Time of Use (TOU) Off Peak | 315.00 | 350.00 | 3.75 | 8.75 | 11.11% | 133.33% |
| 6 | Public Lighting - Tariff - G | | | 12.00 | 13.00 | | 8.33% |
| 7 | Residential Colonies - Tariff - H | | | 11.00 | 13.00 | | 18.18% |
| 8 | Temporary Connections | | | | | | |
| | E-1 (1) | | | 15.50 | 17.00 | | 9.68% |
| | E-1 (2) | | | 15.50 | 17.00 | | 9.68% |
| | TMP E-2 (1) | | | 9.50 | 10.00 | | 5.26% |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Rs in millions

| PROFIT & LOSS ACCOUNT | NOTE | FY 2006-07 | FY 2007-08 | FY 2008-09 | 1st Qtr - FY 2009-10 |
|---|------|------------|-------------|------------|-------------------------|
| | | Actual | Provisional | Projected | |
| As on 30th June | | | | | |
| Electricity Sales | 14 | 29,178 | 37,081 | 51,974 | 16,671 |
| Rental of Meters and Equipment | 15 | 606 | 863 | 1,199 | 315 |
| | | 29,784 | 37,944 | 53,173 | 16,985 |
| Amortization of deferred cost | 9 | 207 | 280 | 309 | 58 |
| | | 29,991 | 38,224 | 53,482 | 17,043 |
| Power Purchase Cost | 16 | 27,435 | 37,187 | 46,794 | 14,085 |
| Operating & maintenance cost | 17 | 3,515 | 4,157 | 5,024 | 1,518 |
| Provision for bad debts | | 1,899 | 1,910 | 2,599 | 834 |
| Depreciation | 1 | 1,038 | 1,152 | 1,261 | 334 |
| | | 6,452 | 7,218 | 8,883 | 2,686 |
| Total Operating cost | | 33,887 | 44,406 | 55,677 | 16,771 |
| Operating Income/ (Loss) | | -3,896 | -6,182 | -2,195 | 272 |
| Other Income | 18 | 507 | 962 | 1,024 | 282 |
| | | -3,389 | -5,221 | -1,171 | 554 |
| Financial Charges | 19 | 850 | 1,992 | 1,954 | 343 |
| Profit/(Loss) for the year before tax | | -4,239 | -7,213 | -3,125 | 211 |
| Tax for the year | | -56 | 44 | | 74 |
| Profit/(Loss) after tax | | -4,295 | -7,169 | -3,125 | 137 |
| Profit/(Loss) Brought Forward | | -31,283 | -35,440 | -42,609 | -41,105 |
| Prior year Adjustment | 20 | 138 | | 4,629 | 4,453 |
| Accumulated Profit/(Loss) Carried Forward | | -35,440 | -42,609 | -41,105 | -36,515 |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Rs in millions

| BALANCE SHEET | NOTE | FY 2006-07 | FY 2007-08 | FY 2008-09 | 1st Qtr - FY 2009-10 |
|--|------|------------|------------|-------------|-------------------------|
| | | Actual | | Provisional | Projected |
| As on 30th June | | | | | |
| ASSETS | | | | | |
| <u>Tangible fixed assets</u> | | | | | |
| (at cost less accumulated depreciation) | 1 | 16,703 | 18,350 | 20,068 | 21,798 |
| Operating Fixed Assets | 2 | 3,177 | 3,330 | 4,467 | 3,094 |
| Capital Work-in-Progress | | 19,880 | 21,680 | 24,535 | 24,892 |
| | 3 | 7 | 8 | 14 | 8 |
| Long Term loans and Advances | | | | | |
| CURRENT ASSETS | 4 | 1,173 | 1,072 | 1,236 | 1,308 |
| Stores and Spares | 5 | 2,541 | 8,298 | 13,496 | 14,329 |
| Trade Debts (Net of Provisions) | 6 | 13,524 | 14,898 | 15,241 | 13,416 |
| Loans, Advances, Deposits and Other Receivables | 7 | 3,136 | 4,457 | 3,687 | 2,776 |
| Cash and Bank Balances | | 20,374 | 28,725 | 33,660 | 31,829 |
| | | 40,261 | 50,413 | 58,209 | 56,729 |
| EQUITY AND LIABILITIES | | | | | |
| SHARE CAPITAL AND RESERVES | | | | | |
| Authorized Share Capital 5,000,000,000. Ordinary shares of Rs.10 e | | 50,000 | 50,000 | 50,000 | 50,000 |
| | | 0 | 0 | 0 | 0 |
| Issued, Subscribed and Paid up share Capital | 8 | 30,219 | 30,219 | 30,219 | 30,219 |
| Deposit for share | | -35,440 | -42,609 | -41,105 | -36,515 |
| Accumulated Profit/(Loss) | | -5,221 | -12,389 | -10,886 | -6,296 |
| | 9 | 6,998 | 10,023 | 10,326 | 10,309 |
| Deferred Credits | | | | | |
| NON-CURRENT LIABILITIES | 11 | 5,251 | 0 | 1,414 | 1,414 |
| Long Term Loans: less current maturity | 10 | 3,733 | 4,157 | 4,246 | 4,401 |
| Employee's Retirement Benefits | 12 | 697 | 785 | 933 | 1,005 |
| Consumer's Security Deposits | | 9,682 | 4,942 | 6,592 | 6,821 |
| | 11 | 290 | 0 | 0 | 0 |
| Current Maturity | 13 | 28,512 | 47,838 | 52,177 | 45,895 |
| Creditors, Accrued and Other Liabilities | | 28,802 | 47,838 | 52,177 | 45,895 |
| | | 40,261 | 50,413 | 58,209 | 56,729 |
| TOTAL EQUITY AND LIABILITIES | | | | | |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

Rs in millions

| CASH FLOW STATEMENT | NOTE | FY 2006-07 | FY 2007-08 | FY 2008-09 | 1st Qtr - FY 2009-10 |
|--|------|------------|------------|-------------|-------------------------|
| | | Actual | | Provisional | Projected |
| As on 30th June | | | | | |
| Profit/(Loss) before taxation | | -4,239 | -7,213 | -3,125 | 211 |
| Adjustment for non-cash Charges and other items | | | | | |
| Depreciation | | 1,038 | 1,152 | 1,261 | 334 |
| Amortization of deferred credit | | -207 | -280 | -309 | -58 |
| Provision for doubtful debts | | 1,899 | 1,910 | 2,599 | 834 |
| Employee's Retirement Benefits | | 419 | 660 | 657 | 174 |
| Financial Charges | | 850 | 1,992 | 1,954 | 343 |
| CASH FLOWS FROM OPERATING ACTIVITIES BEFORE ADJUSTMENT OF WORKING CAPITAL | | -241 | -1,779 | 3,037 | 1,838 |
| (INCREASE)/DECREASE IN CURRENT ASSETS | | | | | |
| Stores, spares and loose tools | | -438 | 101 | -164 | -72 |
| Trade debts | | -2,666 | -7,667 | -10,596 | -4,067 |
| Advances, deposits, prepayments & other receivables | | -4,765 | -1,331 | -348 | 1,821 |
| INCREASE/(DECREASE) IN CURRENT LIABILITIES | | | | | |
| Creditors, accrued and other Liabilities | | 10,458 | 19,382 | 9,360 | -2,023 |
| EFFECT ON CASH FLOW DUE TO WORKING CAPITAL Charges | | 2,588 | 10,485 | -1,748 | -4,342 |
| CASH IN FLOW/(OUTFLOWS) FROM OPERATING ACTIVITIES: | | 2,348 | 8,706 | 1,289 | -2,504 |
| Employee's Retirement Benefits | | -200 | -237 | -249 | -65 |
| Taxes paid | | - | -58 | 0 | -74 |
| Financial Charges Paid | | -850 | -1,992 | -1,954 | -343 |
| NET CASH INFLOWS/(OUTFLOW) FROM OPERATING ACTIVITIES | | 1,297 | 6,419 | -914 | -2,986 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Fixed Assets acquired | | -2,101 | -2,952 | -4,115 | -690 |
| Advance to WAPDA foundation | | 5 | 3 | 6 | 6 |
| Long term loan received from employees | | 0 | | -10 | -10 |
| Long term loans to employees | | | | | |
| NET CASH INFLOWS/(OUTFLOW) FROM INVESTING ACTIVITIES | | -2,097 | -2,949 | -4,120 | -694 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Capital contribution received | | 890 | 3,305 | 2,498 | 1,341 |
| Repayment of long term loans | | | -5,542 | 0 | 0 |
| Deposit for shares | | 1,062 | - | 1,618 | 355 |
| New Loans | | 76 | 88 | 148 | 72 |
| Consumers' security deposits | | | | | |
| NET CASH INFLOWS/(OUTFLOW) FROM FINANCING ACTIVITIES | | 2,029 | -2,149 | 4,263 | 2,768 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | 1,229 | 1,321 | -770 | -911 |
| CASH & EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 1,907 | 3,136 | 4,457 | 3,687 |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR | | 3,136 | 4,457 | 3,687 | 2,776 |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.**Quantitative Data**

| Description | Unit | FY 2006-07 | FY 2007-08 | FY 2008-09 | 1st Qtr-FY 2009-10 |
|------------------------------|---------|------------|------------|------------|--------------------|
| | | Actual | | Provisioal | Projected |
| Units Sold | MlnkWh | 4,842.78 | 5,104.57 | 5,128.11 | 1,562.38 |
| Growth in Sales Volume | %age | 8.93% | 5.41% | 0.46% | -69.53% |
| Average Sales Tariff | Rs./kWh | 6.03 | 7.26 | 10.14 | 10.67 |
| Prior Year Adjustment | Rs./kWh | | | 1.10 | 2.85 |
| No. of Consumers | Min. | 1.41 | 1.45 | 1.48 | 1.52 |
| Growth in Consumers | % | 3.52% | 2.84% | 2.07% | 3.00% |
| Units lost | MlnkWh | 2,837.83 | 2,853.87 | 2,730.52 | 804.86 |
| Distribution Lossess | % | 32.39% | 30.43% | 30.00% | 29.45% |
| Transmission Losess | % | 4.56% | 5.43% | 4.75% | 4.55% |
| System Losses (T & D) | % | 36.95% | 35.86% | 34.75% | 34.00% |
| Units Purchased | MlnkWh | 7,680.61 | 7,958.44 | 7,858.63 | 2,367.24 |
| Units lost | MlnkWh | 2,837.83 | 2,853.87 | 2,730.52 | 804.86 |
| Growth in Units Purchased | % | 5.10% | 3.62% | -1.25% | -69.88% |
| Purchase Price (un-adjusted) | Rs./kWh | 3.58 | 4.67 | 5.95 | 5.95 |
| Purchase Price (Adjusted) | Rs./kWh | 5.68 | 7.29 | 9.13 | 9.02 |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS

Rs in millions

| Year | Actual | | Provisional | Projected |
|---|------------|------------|-------------|------------|
| | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
| 1 Fixed Assets | | | | |
| Fixed Assets at year start | 28,202 | 29,531 | 32,330 | 35,308 |
| Addition/(Deletion) | 1,248 | 2,799 | 2,978 | 2,063 |
| Fixed Assets at year end | 29,450 | 32,330 | 35,308 | 37,371 |
| Accumulated Dep at year start | 11,710 | 12,828 | 13,979 | 15,239 |
| Addition/(Deletion) | | | | |
| Dep for the year | 1,038 | 1,152 | 1,261 | 334 |
| Accumulated Dep at year end | 12,748 | 13,979 | 15,240 | 15,573 |
| Net Fixed Assets at year end | 16,702 | 18,350 | 20,068 | 21,798 |
| 2 Capital Work in Progress | | | | |
| CWIP at year start | 2,324 | 3,177 | 3,330 | 4,467 |
| Addition during the year | 1,508 | 2,247 | 4,115 | 690 |
| Transferred to Fixed Assets | 655 | 2,094 | 2,978 | 2,063 |
| CWIP at year end | 3,177 | 3,330 | 4,467 | 3,094 |
| The strategy for capitalization of work in progress is based on 40% capitalization of the new investment and 40% from the CWIP. | | | | |
| 3 Long Term Advances | | | | |
| Long Term Advances | 7 | 8 | 14 | 8 |
| 4 Stores & Spares | | | | |
| Stores & Spares at Year start | 735 | 1,173 | 1,072 | 1,236 |
| Purchases | 1,156 | 2,509 | 3,498 | 606 |
| Drawals | 717 | 2,610 | 3,334 | 534 |
| Stores & Spares at Year end | 1,173 | 1,072 | 1,236 | 1,308 |
| Store and spare parts at the year end are assumed to be 3.5 % on the Gross Fixed Assets of the Company, whereas purchases | | | | |
| 5 Accounts Receivables | | | | |
| Considered Good | 2,541 | 8,298 | 13,496 | 14,329 |
| Considered Doubtful | 9,525 | 11,428 | 14,027 | 14,860 |
| | 12,066 | 19,726 | 27,522 | 29,190 |
| Less: Provision for doubtful | 9,525 | 11,428 | 14,027 | 14,860 |
| Net Receivables | 2,541 | 8,298 | 13,496 | 14,329 |
| 6 Advances, Deposits, Prepayments and Other | | | | |
| Advances to suppliers, | 44 | 56 | 70 | 88 |
| Due from Associated undertakings | 5,009 | 6,036 | 5,510 | 5,510 |
| Government levies | 2,583 | 3,464 | 5,348 | 5,351 |
| others | 5,887 | 5,342 | 4,313 | 2,467 |
| Total | 13,524 | 14,898 | 15,241 | 13,416 |
| 7 Cash and Bank Balances | | | | |
| Cash at Bank | 3,136 | 4,457 | 3,687 | 2,776 |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.
NOTES TO THE FINANCIAL STATEMENTS

Rs in millions

| Year | Actual | | Provisional | Projected |
|--|------------|------------|-------------|------------|
| | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
| 8 Deposit for issue of share | | | | |
| Deposit for Share | 30,219 | 30,219 | 30,219 | 30,219 |
| 9 Deferred Credits | | | | |
| Balance brought forward | 5,021 | 5,911 | 8,002 | 10,500 |
| Add: Contribution received during | 890 | 2,091 | 2,498 | 1,341 |
| | 5,911 | 8,002 | 10,500 | 11,841 |
| Less: Amortization | | | | |
| Balance brought forward | 1,179 | 1,385 | 1,666 | 1,975 |
| For the year | 207 | 280 | 309 | 58 |
| | 1,385 | 1,666 | 1,975 | 2,032 |
| | 4,525 | 6,337 | 8,525 | 9,809 |
| Consumers Contribution against contr | 2,473 | 3,686 | 1,800 | 500 |
| | 6,998 | 10,023 | 10,325 | 10,309 |
| 10 Retirement Benefits | | | | |
| Balance brought forward | 2,937 | 3,413 | 3,788 | 3,874 |
| Provision for the year | 677 | 612 | 654 | 684 |
| Adjustments | 200 | 237 | 249 | 261 |
| Closing Balance | 3,413 | 3,788 | 4,194 | 4,297 |
| Compensated Absence | 320 | 369 | 52 | 105 |
| | 3,733 | 4,157 | 4,246 | 4,401 |
| 11 Long Term Loans | | | | |
| Direct Foreign loans | | | | |
| Relent Foreign loans | 1,532 | 0 | 0 | 0 |
| Federal Govt loans | 4,009 | 0 | 0 | 0 |
| WAPDA Bonds | 0 | 0 | 0 | |
| New Loans | 0 | - | 1,414 | 1,414 |
| Less current maturity | 290 | 0 | 0 | 0 |
| Total | 5,251 | 0 | 1,414 | 1,414 |
| 12 Consumer Security Deposit | | | | |
| Opening balance | 621 | 697 | 785 | 933 |
| Addition during the year | 76 | 88 | 148 | 72 |
| Consumer Security Deposit | 697 | 785 | 933 | 1,005 |
| 13 Creditors, Accrued and Other Liabilities | | | | |
| Creditors | 497 | 60 | 224 | 414 |
| Due to Associated undertakings | 21,028 | 40,025 | 43,901 | 38,241 |
| Government levies | 2,494 | 3,403 | 5,349 | 4,766 |
| others | 4,493 | 4,349 | 2,703 | 2,475 |
| Total | 28,512 | 47,838 | 52,177 | 45,895 |

HYDERABAD ELECTRIC SUPPLY COMPANY LTD.

NOTES TO THE FINANCIAL STATEMENTS

Rs in millions

| Year | Actual | | Provisional | Projected |
|-------------------------------------|------------|------------|-------------|------------|
| | FY 2006-07 | FY 2007-08 | FY 2008-09 | FY 2009-10 |
| 14 Electricity Sales | | | | |
| Sale of Energy | 25,320 | 24,831 | 29,799 | 10,655 |
| Tariff Subsidy | 3,858 | 12,250 | 22,396 | 6,015 |
| Prior year PPP adjustment | | | 4,408 | |
| Less: Sales Return | 0 | 0 | -4,629 | |
| Net Electricity Sales | 29,178 | 37,081 | 51,974 | 16,671 |
| 15 Rental and service Income | | | | |
| Meter Rentals/Service Rentals | 32 | 33 | 32 | 8 |
| Late Payment Surcharge. | 573 | 829 | 1,166 | 306 |
| Public Lighting | 1 | 1 | 1 | 0 |
| Rental and service Income | 606 | 863 | 1,199 | 315 |
| 16 Cost of Electricity | | | | |
| Cost of Electricity | 27,484 | 37,187 | 46,794 | 14,085 |
| Less: Tariff Discount | -49 | 0 | 0 | 0 |
| Net | 27,435 | 37,187 | 46,794 | 14,085 |
| 17 Other Operating Cost | | | | |
| Employees Cost | 2,408 | 2,831 | 3,574 | 1,027 |
| Repair & Maintenance Cost | 613 | 677 | 840 | 242 |
| Admin Cost | 494 | 649 | 610 | 249 |
| Total | 3,515 | 4,157 | 5,024 | 1,518 |
| 18 Other Income | | | | |
| Profit on Bank deposit | 147 | 265 | 292 | 8 |
| Sale of scrap | 0 | 31 | 34 | 7 |
| Misc. Income | 360 | 665 | 698 | 267 |
| Total | 507 | 962 | 1,024 | 282 |
| 19 Financial Charges | | | | |
| WAPDA - GOP (CDL) | 371 | 497 | 0 | 0 |
| WAPDA - Bonds | 0 | 0 | 0 | 0 |
| Foreign Relent loans | 198 | 172 | 0 | 0 |
| Direct Foreign loans | 0 | 0 | 0 | 0 |
| Foreing exchange flucatuation | 53 | 0 | 0 | 0 |
| New Loans | 7 | 0 | 971 | 342 |
| Short term financing | 43 | 978 | 978 | 0 |
| Bank Charges | 0 | 5 | 5 | 1 |
| Total | 672 | 1,652 | 1,954 | 343 |
| 20 Prior year PPP adjustment | | | | |
| No. of Units Sold (Gwh) | | | 4,208 | 1,562 |
| PPP Rate (Rs./kwh) | | | 1.10 | 2.85 |
| Prior year PPP adjustment (Rs.in M) | 138 | 0 | 4629 | 4453 |