



PAKISTAN

WATER AND POWER DEVELOPMENT AUTHORITY

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Office of the
GENERAL MANAGER FINANCE (P)
713-WAPDA House, Lahore

No. 1628⁻³¹/CAC/Hydel Tariff/4525
Dated: April 29, 2003

The Registrar NEPRA
2nd Floor OPF Building
G-5/2, Islamabad

Subject: **Bulk Supply Tariff – Hydropower Generation WAPDA Power Wing.**

The estimated revenue requirements of WAPDA Power Wing (Hydro) for the period from 2002-03 to 2007-08 (tariff / projections period) are enclosed.

2. As it is evident that virtually 100% of the revenue requirements of WAPDA Power Wing (Hydro) are capacity related, therefore, we have to recover the same as capacity Purchase Price from NTDC by means of Rs./kW/Month. The estimated average capacity (MW) of WAPDA during the tariff/projection period is given as under:

Financial Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Average Capacity (MW)	3555	5036	5032	5006	5184	5307

3. As WAPDA has to meet with IBRD financial covenants viz. 40% SFR and 1.5 times DSCR, the annual revenue requirement during the tariff period has been estimated as follows:

Financial Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenue Requirement (Mln Rs.)	22413.0	28688.8	28330.0	35311.1	32451.8	32368.5
Average Tariff (Rs./kW/Month)	525.418	474.769	469.157	587.770	521.708	508.220
Self Financing Ratio	40%	40%	45%	68%	69%	137%
Debt Service Coverage Ratio	1.79	1.76	1.5	1.5	1.5	1.5

4. In view of the circumstances, facts and calculations mentioned in the foregoing, duly supported with the additional calculations, statements and assumptions enclosed, approval of the honourable NEPRA on the revenue requirements of WAPDA Power Wing for the period from FY 2002-03 through FY 2007-08 and, therefore, determination of Bulk Supply Tariff (in Rs./kW/Month) as per Attachment-1, is solicited.

AD(R).

DD(P).

check amount to Rs. 2.5m
is forwarded to n.a. pl.

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2.5.13

Registrar

Dy. No. 5662

Dated 2-5-2003

It may be mentioned here that the estimated revenue requirements submitted above:

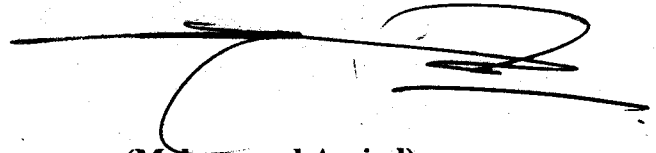
- are exclusive of cost of IPPs under the assumption that the lenders to IPPs shall consent on novation of IPP agreements (i.e. transfer from WAPDA to NTDC).
- assume that all present and future Federal, provincial and local taxes, including General Sales Tax, shall be pass-through to NTDC.
- are subject to all other assumptions as stated in **Attachment-2**.

The proposed tariff is intended to remain effective during the tariff period, provided no major event or events occur, during the period, rendering any revision necessary.

As required by NEPRA, a crossed cheque No.0972579 dated 29-04-2003 drawn on National Bank of Pakistan, WAPDA House, Branch, Lahore for Rs.2.5 million (Rupees Two million, Five hundred thousand only) is also being enclosed as tariff petition fee. An affidavit, as required under rules, is also attached.

Summary of evidence / list of attachments is given as follows:

- a) Assumptions to Bulk Supply Tariff and Financial Projections (**Attachment-2**)
- b) Projected Financial Statements - FY 2002-03 to FY 2007-08 (**Attachment-3**)
- c) Position of IBRD Financial Covenants. (**Attachment-4**)



(Mohammad Amjad)

General Manager Finance (Power) WAPDA

DA:-

1. Affidavit (Two Pages)

2. Petition. (Fifteen Pages)

3. C/Cheque No. 0972579 dated 29.4.03.

c.c.to:-

- 1) Chief Executive Officer, PEPCO
Wapda House, Lahore.
- 2) General Manager (Hydel),
Wapda House, Lahore.
- 3) Chief Executive Officer, NTDC,
Wapda House, Lahore.

PAYEE ACCOUNT ONLY

CURRENT A/C No.



National Bank of Pakistan

WAPDA HOUSE BR
SHAHRAH-E-QUAID-E-AZAM LAHORE

Date 29 APR 2003

Pay to M/s National Electric Power Regulatory Authority or order

Rupees Two Million Five hundred thousands = 2,500,000/-

only) _____

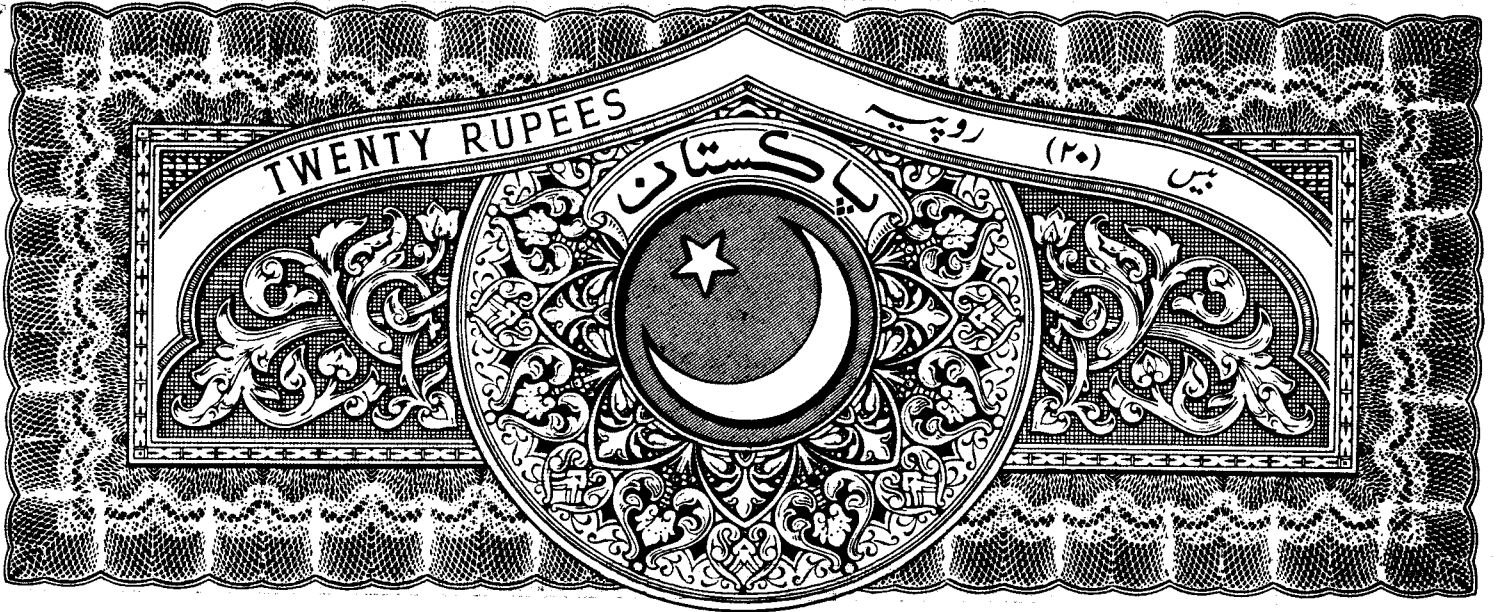
Signature

Signature

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G. M. FINANCE P. POOL ACCOUNT

⑈0972579⑈0700416⑈0002041299⑈000⑈



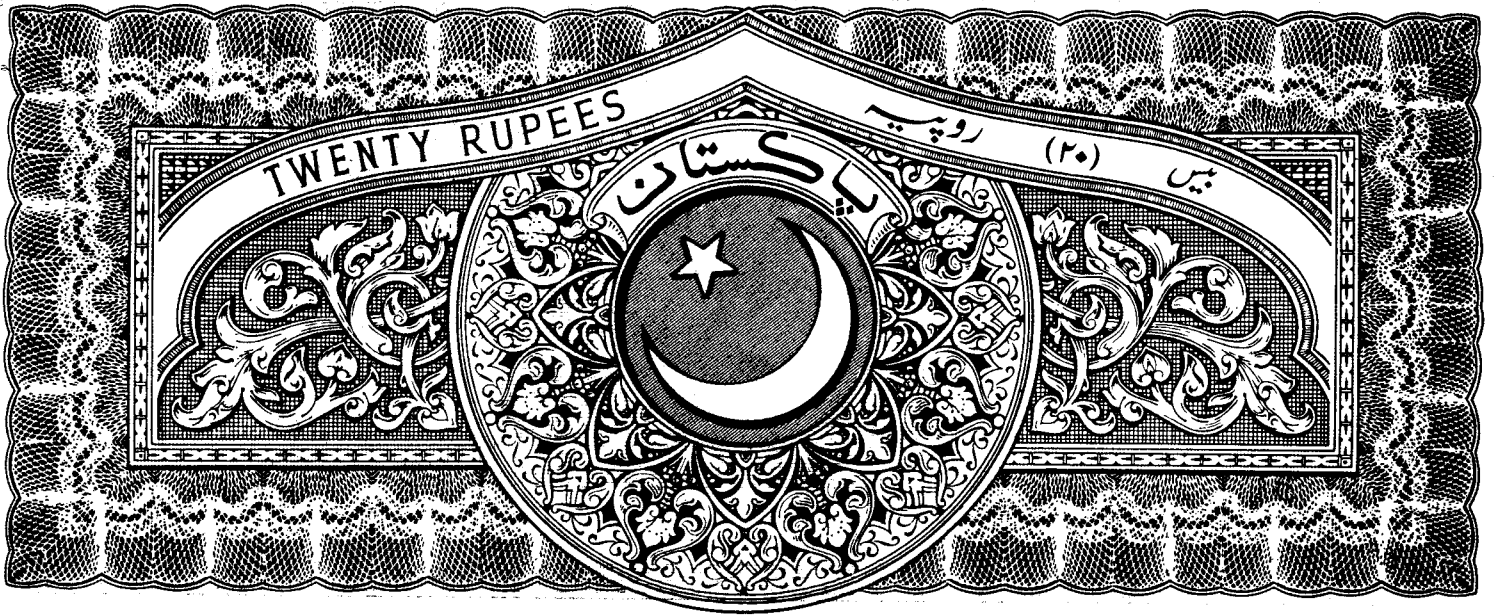
**BEFORE THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**

AFFIDAVIT

I, Mohammad Amjad, General Manager Finance (Power) of WAPDA, WAPDA House, Lahore being duly authorized representative / attorney of WAPDA, hereby solemnly affirm and declare that the contents of the accompanying petition / application No.1628-31/CAC/Hydel Tariff/4525 dated 29.04.2003 including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed. I also affirm that all further documentation and information to be provided by me in connection with the accompanying petition shall be true to the best of my knowledge and belief.

DEPONENT





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Verified on oath this 29th day of April 2003 that the contents
hereof are true and correct to the best of my knowledge and belief
and nothing has been concealed.

DEPONENT

(Mohammad Amjad)
General Manager Finance (Power)



TARIFF TABLE				(ATTACHMENT-1)
Year	Indexed		Indexed	
	Capacity Charge Rs./kWh	Energy Charge Rs./kWh	Total Tariff (CPP+EPP) Rs./kWh	Capacity Charge Rs./kW/Month
2003	1.1693	0.0000	1.169	525.418
2004	1.1855	0.0000	1.186	474.769
2005	1.1625	0.0000	1.162	469.157
2006	1.4449	0.0000	1.445	587.770
2007	1.2611	0.0000	1.261	521.708
2008	1.2321	0.0000	1.232	508.220

Tariff Statement

Tariff Statement	Unit	2003	2004	2005	2006	2007	2008
PRODUCTION DATA							
INSTALLED CAPACITY	MW	5013	6463	6463	6463	6786	6988
AVERAGE CAPABILITY	MW	3555	5036	5032	5006	5184	5307
NET GENERATION	MkWh	19167	24200	24370	24439	25733	26270

Tariff - Indexed

Capacity Purchase Price (Rs./kW/Month)							
Escalable component							
Admin & General Exp.		40.708	31.610	34.796	38.472	40.872	43.910
Maintenance Expenses		17.982	25.618	36.599	39.310	43.030	46.085
Other Income		-174.652	-79.824	-78.010	-75.691	-71.470	-70.191
Return (Covenant)		237.095	185.679	135.472	165.775	140.363	134.053
N/R from KAPCO		-38.838	-37.319	-34.815	-16.766	-14.464	-14.126
Insurance Cost of FA		2.151	4.475	4.809	5.246	6.194	6.176
Net Hydel Profit		140.656	99.294	99.363	99.873	96.458	94.206
Debt Servicing		300.316	245.236	270.944	331.550	280.726	268.107
TOTAL		525.418	474.769	469.157	587.770	521.708	508.220

Capacity Purchase Price (Rs./kWh):

Admin & General Exp.		0.091	0.079	0.086	0.095	0.099	0.106
Maintenance Expenses		0.040	0.064	0.091	0.097	0.104	0.112
Other Income		-0.389	-0.199	-0.193	-0.186	-0.173	-0.170
Return (Covenant)		0.528	0.464	0.336	0.408	0.339	0.325
N/R from KAPCO		-0.086	-0.093	-0.086	-0.041	-0.035	-0.034
Insurance Cost of FA		0.005	0.011	0.012	0.013	0.015	0.015
Net Hydel Profit		0.313	0.248	0.246	0.246	0.233	0.228
Debt Servicing		0.668	0.612	0.671	0.815	0.679	0.650
TOTAL		1.169	1.186	1.162	1.445	1.261	1.232

Energy Purchase Price (Rs/kWh)

Net Hydel Profit		0.00	0.00	0.00	0.00	0.00	0.00
Variable Overheads		0.00	0.00	0.00	0.00	0.00	0.00
TOTAL		0.00	0.00	0.00	0.00	0.00	0.00

SUMMARY TARIFF

Capacity Purchase Price (Rs./kWh):		1.169	1.186	1.162	1.445	1.261	1.232
Energy Purchase Price (Rs/kWh)		0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	Rs./kWh	1.169	1.186	1.162	1.445	1.261	1.232
Monthly CPP - Rs./kW/Month	Rs./kW/M	525.418	474.769	469.157	587.770	521.708	508.220

Total Revenues

Capacity Purchase Price Rs.(000)							
Admin & General Exp.		1,736,470	1,910,117	2,101,129	2,311,241	2,542,366	2,796,602
Maintenance Expenses		767,074	1,548,020	2,210,000	2,361,620	2,676,574	2,935,173
Other Income		(7,450,181)	(4,823,523)	(4,710,640)	(4,547,276)	(4,445,635)	(4,470,454)
Return (Covenant)		10,113,807	11,220,018	8,180,465	9,959,202	8,730,988	8,537,847
N/R from KAPCO		(1,656,708)	(2,255,096)	(2,102,271)	(1,007,217)	(899,715)	(899,715)
Insurance Cost of FA		91,766	270,427	290,361	315,181	385,278	393,366
Net Hydel Profit		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Debt Servicing		12,810,650	14,818,845	16,360,930	19,918,404	17,461,975	17,075,694
GRAND TOTAL	Rs.(000)	22,412,878	28,688,809	28,329,973	35,311,157	32,451,831	32,368,513

PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY

**FUNDAMENTAL ASSUMPTIONS TO
BULK SUPPLY HYDEL TARIFF &
FINANCIAL PROJECTIONS
FOR THE PERIOD 2002-03 to 2007-08**

Revenue requirements of Residual WAPDA- Power Wing have been established during the period from 2002-03 to 2007-08 based on following assumptions: -

- Technical assumptions
- Financial assumptions

TECHNICAL ASSUMPTIONS.

Presently, 13 Hydro Power Projects are in operation (Annexure-1). The details of hydropower stations expected to commission during the tariff / projection period have been given at Annexure-2. Based on the operating and expected powerhouses the estimates of energy generation are given at Annexure-3.

FINANCIAL ASSUMPTIONS.

The tariff revenue during the tariff / projections period, has been established to meet the financial covenants (i.e. 40% self-financing ratio; and 1.5 debt service coverage ratio) agreed with the international lenders.

Admin & General Establishment Expenses.

Expenses on administration and general establishment have been increased by 10% per annum during the tariff / projection period.

Maintenance Expenses.

Maintenance expenses have been taken as 1.5% of two years average Gross Fixed Assets during the tariff / projections period. Insurance cost of plant & machinery has been assumed to be 0.25% during the tariff / projection period.

Royalty to Provinces (Net Hydel Profit).

Payment of Net Hydel Profit to provinces has been taken at capped level of Rs.6000

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(2)

million per annum.

Financial Charges /Existing and New Loans.

Financial Charges for the existing loans have been taken into account as per terms and conditions for each of these loans separately. However, assumptions for interest on new loans are as follows.

Foreign loans @ 14% p.a. (including foreign exchange risk cover)

Local loans @ 11.11% p.a.

These financial charges for both existing and new loans have been summarized in a statement (**Annexure-4**).

Other Income

Other income comprises the following components.

- Interest Income from KAPCO has been taken as per projections of KAPCO.
- Dividend Income from KAPCO has been taken as 5.2 billion in FY 2002-03. This being as a result of settlement with KAPCO. For FY 2003-04 same has been taken as 2.8 billion. It has been linked with US\$ by escalating at 5% in the remaining projected years.

Fixed Assets in Operations& PSDP

Fixed assets in operation and capital work in progress have been increased by the value of PSDP (**Annexure-5**) each year. Depreciation on opening fixed assets has been taken @ 3.5% p.a. and half rate (i.e. 1.75%) of depreciation has been taken on additions during the year as per WAPDA policy in vogue.

Stores and Spares

Stores and spares have been assumed to remain at 3% of Gross Fixed Assets during the period.

Energy Receivables from NTDC

Receivables from NTDC on account of sale of power have been taken as equivalent to 30 days annual sales.

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(ANNEXURE-1)

**WAPDA HYDEL
HYDEL POWER STATIONS IN OPERATION**

Sr. No.	NAME OF PROJECT	LOCATION	INSTALLED CAPACITY (MW)	No. OF GENERATING UNITS	STATUS
1	Tarbela	Distt. Swabi NWFP	3478	14	Operational
2	Mangla	A.J.K	1000	10	Operational
3	Chashma	Distt. Mianwali Punjab	184	8	Operational
4	Rasul	Distt. Mandi Baha-ud-Din Punjab	22	2	Operational
5	Shadiwal	Distt. Gujrat Punjab	14	2	Operational
6	Nandipur	Distt. Gujranwala Punjab	14	3	Operational
7	Renala	Distt. Okara Punjab	1	5	Operational
8	Chichoki	Distt. Sheikupura Punjab	13	3	Operational
9	Warsak	Distt. Peshawar NWFP	243	6	Operational
10	Jabban	Malakand Agency	20	5	Operational
11	Dargai	Malakand Agency	20	4	Operational
12	Chitral	Distt. Chitral	1	4	Operational
13	Kurram Garhi	Distt. Bannu NWFP	4	4	Operational
Total			5013	70	

**WAPDA HYDEL
HYDEL POWER STATIONS EXPECTED TO COMMISSION
DURING TARIFF/PROJECTION PERIOD**

Sr. No.	NAME OF PROJECT	INSTALLED CAPACITY (MW)	AVERAGE CAPABILITY (MW)	EXPECTED YEAR OF OPERATION
1	GBHPS	1450	1373	2003-04
2	Khan Khwar	72	35	2006-07
3	Allai Khwar	121	53	2006-07
4	Duber Khwar	130	68	2006-07
5	Golen Gol	106	50	2007-08
6	Jinnah	96	79	2007-08
Total		1975	1657	

WAPDA HYDEL
HYDRO POWER PROJECTS
TECHNICAL INFORMATION STATEMENT

S. No.	NAME OF PROJECT	YEAR OF OPERATION	INSTALLED CAPACITY (MW)	AVERAGE CAPABILITY (MW)						NET ENERGY GENERATION (MkWh)					
				2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1	Tarbela	OPERATIONAL	3478	2,236.00	2,341.00	2,341.00	2,306.00	2,329.00	2,325.00	13,674.24	13,327.00	13,501.23	13,500.82	13,443.02	13,481.69
2	Mangla	OPERATIONAL	1000	914.00	914.00	914.00	914.00	914.00	914.00	3,117.39	3,117.39	3,117.39	3,117.39	3,117.39	3,117.39
3	Chashma	OPERATIONAL	184	167.00	167.00	167.00	167.00	167.00	167.00	902.72	1,072.00	1,072.00	1,072.00	1,072.00	1,072.00
4	Rasul	OPERATIONAL	22	8.19	8.19	8.19	22.00	22.00	22.00	52.03	52.03	52.03	125.02	125.02	125.02
5	Shadlwal	OPERATIONAL	14	6.50	6.50	6.50	6.50	6.50	6.50	38.64	38.64	38.64	38.64	38.64	38.64
6	Nandipur	OPERATIONAL	14	4.66	4.66	4.66	4.66	4.66	4.66	38.63	36.63	36.63	36.63	36.63	36.63
7	Renala	OPERATIONAL	1	0.89	0.89	0.89	0.89	0.89	0.89	3.86	3.86	3.86	3.86	3.86	3.86
8	Chichoki	OPERATIONAL	13	4.83	4.83	4.83	4.83	4.83	4.83	25.43	25.43	25.43	25.43	25.43	25.43
9	Warsak	OPERATIONAL	243	171.00	173.00	170.00	166.00	165.00	165.00	1,031.11	1,031.08	1,031.12	1,031.16	1,031.17	1,031.22
10	Jabban	OPERATIONAL	20	19.20	19.00	18.80	18.60	18.40	18.20	121.73	119.98	118.23	116.48	114.77	112.98
11	Dargai	OPERATIONAL	20	19.00	18.80	18.60	18.40	18.20	18.00	132.82	131.07	129.32	127.56	125.82	124.07
12	Chitral	OPERATIONAL	1	1.00	1.00	1.00	1.00	1.00	1.00	5.14	5.32	5.26	4.63	4.59	4.72
13	Kurram Garhi	OPERATIONAL	4	2.50	3.40	3.30	3.20	3.10	3.10	24.95	24.95	24.95	24.95	24.95	24.95
14	GBHPS	2003-04	1450	-	1,373.30	1,373.30	1,373.30	1,373.30	1,373.30		5,214.00	5,214.00	5,214.00	5,214.00	5,214.00
15	GOLEN GOL	2007-08	106	-	-	-	-	-	49.77	-	-	-	-	-	433.38
16	Khan Khwar	2006-07	72	-	-	-	-	34.93	34.93	-	-	-	-	304.16	304.16
17	Allai Khwar	2006-07	121	-	-	-	-	52.85	52.85	-	-	-	-	460.22	460.22
18	Duber Khwar	2006-07	130	-	-	-	-	67.92	67.92	-	-	-	-	591.43	591.43
19	Jinnah	2007-08	96	-	-	-	-	-	78.54	-	-	-	-	-	68.80
Total			6988	3,555	5,036	5,032	5,006	5,184	5,307	19,167	24,199	24,370	24,439	25,733	26,271

Debt Servicing	Unit	2003	2004	2005	2006	2007	2008
FINANCIAL CHARGES							Annexure -4
Interest Expense:							
Foreign Direct Loans	Rs.(000)	76,444	53,333	35,494	16,868	1,438	694
Foreign Relent Loans	Rs.(000)	3,168,258	3,125,320	2,883,395	3,756,504	3,459,990	3,163,476
CDL / Federal Govt. Loans	Rs.(000)	497,249	468,643	439,915	412,172	385,150	358,696
WAPDA Bonds	Rs.(000)	785,592	613,177	413,603	216,037	-	-
Other LTL	Rs.(000)	10,650	10,650	10,650	10,650	10,650	-
Interest on Existing LTL	Rs.(000)	4,538,192	4,271,123	3,783,057	4,412,231	3,857,228	3,522,867
Interest on New LTL	Rs.(000)	1,354,013	2,609,005	3,226,455	3,647,311	3,669,469	3,567,520
FX Cost on Exist. & New LTL	Rs.(000)	1,636,016	1,916,455	1,902,707	2,496,442	2,378,754	2,227,219
Intr.on STL/Bank Credits	Rs.(000)	202,500	202,500	202,500	202,500	202,500	202,500
Total Financial Charges	Rs.(000)	7,730,720	8,999,082	9,114,719	10,758,484	10,107,951	9,520,106

WAPDA HYDEL
HYDEL POWER PROJECTS
PUBLIC SECTOR DEVELOPMENT PROGRAMME

(Rs. in Million)

S. No.	NAME OF PROJECT		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1	Chashma	FOREIGN	105	0	0	0	0	0
		LOCAL	500	0	0	0	0	0
		TOTAL	605	0	0	0	0	0
2	Ghazi Barotha	FOREIGN	8099	8100	1000	600	246	0
		LOCAL	7000	5900	6000	5200	2954	206
		TOTAL	15099	14000	7000	5800	3200	206
3	Rehabilitation of Warsak	FOREIGN	20	0	0	0	0	0
		LOCAL	29	0	0	0	0	0
		TOTAL	49	0	0	0	0	0
4	Basha Dam	FOREIGN	0	0	20	20	7	0
		LOCAL	200	200	90	80	83	86
		TOTAL	200	200	110	100	90	86
5	Doyian	FOREIGN	0	0	0	0	0	0
		LOCAL	3	0	0	0	0	0
		TOTAL	3	0	0	0	0	0
6	Promising Hydel Schemes	FOREIGN	0	0	0	1	6	8
		LOCAL	2	0	4	4	1	2
		TOTAL	2	0	4	5	7	8
7	Bunji	FOREIGN	0	50	40	23	0	0
		LOCAL	31	30	15	17	0	0
		TOTAL	31	80	55	40	0	0
8	Extension of Hydro Met Net Work	FOREIGN	0	0	0	0	0	0
		LOCAL	3	0	0	0	0	0
		TOTAL	3	0	0	0	0	0
9	Golan Gol	FOREIGN	100	600	800	900	300	200
		LOCAL	100	300	950	1200	700	330
		TOTAL	200	900	1750	2100	1000	530
10	Khan Khwar	FOREIGN	400	600	550	600	300	60
		LOCAL	273	200	600	750	500	370
		TOTAL	673	800	1150	1350	800	430
11	Allai Khwar	FOREIGN	500	700	700	1100	400	100
		LOCAL	500	200	1050	950	950	550
		TOTAL	1000	900	1750	2050	1350	650
12	Duber Khwar	FOREIGN	505	700	940	900	650	350
		LOCAL	520	300	967	1350	950	550
		TOTAL	1025	1000	1907	2250	1600	900
13	Jinnah	FOREIGN	100	991	500	750	900	1150
		LOCAL	100	100	550	750	900	1250
		TOTAL	200	1091	1050	1500	1800	2400
14	Neeleum Jhelum	FOREIGN	40	300	400	500	600	700
		LOCAL	100	200	300	350	400	500
		TOTAL	140	500	700	850	1000	1200
15	Small low Hydels on canal falls & barages	FOREIGN	0	0	0	0	0	0
		LOCAL	28	10	0	0	0	0
		TOTAL	28	10	0	0	0	0
16	Kohala	FOREIGN	0	0	12	15	25	25
		LOCAL	0	0	23	25	20	25
		TOTAL	0	0	35	40	45	50
17	Dasu	FOREIGN	0	0	4	9	13	15
		LOCAL	0	0	3	6	7	9
		TOTAL	0	0	7	15	20	24
18	Spillway Project (Rasul Power St.)	FOREIGN	0	0	0	0	0	0
		LOCAL	15	80	0	0	0	0
		TOTAL	15	80	0	0	0	0
TOTAL HYDEL		FOREIGN	9869	12041	4966	5418	3447	2606
		LOCAL	9404	7520	10552	10682	7465	3878
		TOTAL	19273	19561	15518	16100	10912	6484

Note:- Budget allocations for FY 2002-03 & 2003-04 have been duly approved by the WAPDA Authority.

Debt Servicing	Unit	2003	2004	2005	2006	2007	2008
Debt Servicing of Existing and New Loans			Rs.(000)			Annexure- 6	
End of the Year Balance							
Foreign Direct Loans	Rs.(000)	1,278,148	1,022,519	766,889	511,259	255,630	-
Foreign Relent Loans	Rs.(000)	49458987	46331024	43339592	39768032	36196473	32624914
CDL / Federal Govt. Loans	Rs.(000)	2893955	2687266	2495489	2312604	2137941	1936865
WAPDA Bonds	Rs.(000)	5406261	4200532	2452822	0	0	0
Other LTL	Rs.(000)	112100	112100	112100	112100	0	0
Total Existing Loans	Rs.(000)	59149451	54353442	49166891	42703995	38590044	34561779
New Loans for Invest. Prog.	2003	12285049	11261295	10237541	9213787	8190033	7166279
New Loans for Invest. Prog.	2004		12430882	11394975	10359068	9323162	8287255
New Loans for Invest. Prog.	2005			7648361	7010998	6373634	5736271
New Loans for Invest. Prog.	2006				6516577	5973529	5430481
New Loans for Invest. Prog.	2007					3447000	3159750
New Loans for Invest. Prog.	2008						2606000
New Loans for Invest. Prog.	2009						
New Loans for Invest. Prog.	2010						
New Loans for Invest. Prog.	2011						
New Loans for Invest. Prog.	2012						
New Loans for Invest. Prog.	2013						
Total New Loans	Rs.(000)	12285049	23692177	29280877	33100430	33307358	32386035
Mangla Loans	Rs.(000)	4486121	4486121	4486121	4486121	4486121	4486121
Total Long Term Loans	Rs.(000)	75920621	82531740	82933890	80290547	76383523	71433935
Repayment During the Year:							
Foreign Direct Loans	Rs.(000)	255,630	255,630	255,630	255,630	255,630	255,630
Foreign Relent Loans	Rs.(000)	3,329,021	3,127,962	2,991,433	3,571,559	3,571,559	3,571,559
CDL / Federal Govt. Loans	Rs.(000)	211,410	206,688	191,778	182,885	174,662	201,076
WAPDA Bonds	Rs.(000)	1,283,869	1,205,729	1,747,710	2,452,822	-	-
Other LTL	Rs.(000)	-	-	-	-	112,100	-
Sub Total	Rs.(000)	5,079,930	4,796,009	5,186,550	6,462,896	4,113,951	4,028,265
New Loans for Invest. Prog.	2003	0	1023754	1023754	1023754	1023754	1023754
New Loans for Invest. Prog.	2004	0	0	1035907	1035907	1035907	1035907
New Loans for Invest. Prog.	2005	0	0	0	637363	637363	637363
New Loans for Invest. Prog.	2006	0	0	0	0	543048	543048
New Loans for Invest. Prog.	2007	0	0	0	0	0	287250
New Loans for Invest. Prog.	2008	0	0	0	0	0	0
New Loans for Invest. Prog.	2009	0	0	0	0	0	0
New Loans for Invest. Prog.	2010	0	0	0	0	0	0
New Loans for Invest. Prog.	2011	0	0	0	0	0	0
New Loans for Invest. Prog.	2012	0	0	0	0	0	0
New Loans for Invest. Prog.	2013	0	0	0	0	0	0
Sub Total	Rs.(000)	0	1023754	2059661	2697024	3240072	3527322
Total Repayment	Rs.(000)	5,079,930	5,819,763	7,246,211	9,159,920	7,354,024	7,555,588

HYDEL FINANCIAL & TARIFF MODEL

(ATTACHMENT-3)

FINANCIAL STATEMENTS		Unit	2003	2004	2005	2006	2007	2008
QUANTITATIVE DATA								
Net Generation	MkWh		19,167	24,200	24,370	24,439	25,733	26,270
Tariff - (Rs./kWh)	Rs./kWh		1.17	1.19	1.16	1.44	1.26	1.23
Growth in Tariff - (Rs./kWh)	%Age		115%	1%	-2%	24%	-13%	-2%
CPP - (Rs./kW/Month)	Rs./kW/M		525.418	474.769	469.157	587.770	521.708	508.220
Investment Program	Mill/Rs.		19,273	19,561	15,518	16,100	10,912	6,484
INCOME STATEMENT								
REVENUES								
Sale of Power	Mill/Rs.		22,413	28,689	28,330	35,311	32,452	32,369
Total Revenues	Mill/Rs.		22,413	28,689	28,330	35,311	32,452	32,369
OPERATING EXPENSES								
Admin & General Expenses	Mill/Rs.		1,736	1,910	2,101	2,311	2,542	2,797
Maintenance Expenses	Mill/Rs.		767	1,548	2,210	2,362	2,677	2,935
Royalty to Provinces	Mill/Rs.		6,000	6,000	6,000	6,000	6,000	6,000
Insurance Cost of Fixed Assets	Mill/Rs.		92	270	290	315	385	393
Total	Mill/Rs.		8,595	9,729	10,601	10,988	11,604	12,125
OPERATING PROFIT/(LOSS) BEFORE DEP.	Mill/Rs.		13,818	18,960	17,728	24,323	20,848	20,243
Depreciation	Mill/Rs.		1,784	3,606	5,151	5,504	6,239	6,843
OPERATING PROFIT / (LOSS) AFTER DEP.	Mill/Rs.		12,034	15,354	12,578	18,819	14,608	13,401
Add: Other Income	Mill/Rs.		7,450	4,824	4,711	4,547	4,446	4,470
LESS: Financial Charges	Mill/Rs.		7,731	8,999	9,115	10,758	10,108	9,520
NET PROFIT / (LOSS) BEFORE TAX	Mill/Rs.		11,753	11,179	8,174	12,607	8,946	8,351
LESS: Income Tax	Mill/Rs.							
NET PROFIT / (LOSS) FOR THE YEAR	Mill/Rs.		11,753	11,179	8,174	12,607	8,946	8,351
UN-APPROPRIATED PROFIT/(LOSS) B/F	Mill/Rs.		0	11,753	22,932	31,106	43,713	52,659
PROFIT AVAILABLE FOR DISTRIBUTION	Mill/Rs.		11,753	22,932	31,106	43,713	52,659	61,010
Distribution	Mill/Rs.							
UN-APPROPRIATED PROFIT/(LOSS) C/F	Mill/Rs.		11,753	22,932	31,106	43,713	52,659	61,010

FINANCIAL STATEMENTS		Unit	2003	2004	2005	2006	2007	2008
BALANCE SHEET								
Assets								
Fixed Assets								
Gross Fixed Assets	Mill/Rs.	63,592	142,810	151,856	163,026	193,850	197,506	
LESS: Accumulated Depreciation	Mill/Rs.	18,714	22,321	27,471	32,976	39,215	46,058	
Net Fixed Assets	Mill/Rs.	44,878	120,490	124,385	130,051	154,635	151,449	
Capital Work in Progress	Mill/Rs.	73,568	13,911	20,383	25,313	5,401	8,229	
Long Term Investments	Mill/Rs.	6,139	6,139	6,139	6,139	6,139	6,139	
Notes Receivables from KAPCO	Mill/Rs.	13,211	10,956	8,854	7,847	6,947	6,047	
		137,796	151,495	159,761	169,349	173,122	171,863	
Current Assets								
Store & Spares	Mill/Rs.	1,908	4,284	4,556	4,891	5,816	5,925	
Net Receivables from Co's	Mill/Rs.	27,472	27,472	27,472	27,472	27,472	27,472	
Current Maturity of N/R-KAPCO	Mill/Rs.	1,657	2,255	2,102	1,007	900	900	
Energy Receivables from NTDC	Mill/Rs.	1,842	2,358	2,328	2,902	2,667	2,660	
Adv., Deposits, Prepay. & Other Rec.	Mill/Rs.	16,005	16,005	16,005	16,005	16,005	16,005	
Cash & Bank Balances	Mill/Rs.	1,797	1,914	1,654	1,733	1,935	6,009	
Total Current Assets	Mill/Rs.	50,681	54,288	54,117	54,010	54,794	58,972	
TOTAL ASSETS	Mill/Rs.	188,476	205,784	213,877	223,359	227,916	230,835	
Liabilities & Equity								
Equity								
Additional Equity Investments	Mill/Rs.	74,304	74,304	74,304	74,304	74,304	74,304	
Total Equity	Mill/Rs.	74,304	74,304	74,304	74,304	74,304	74,304	
Retained Earnings	Mill/Rs.	11,753	22,932	31,106	43,713	52,659	61,010	
Total Equity	Mill/Rs.	86,058	97,236	105,410	118,017	126,963	135,314	
Grants								
Long Term / Deferred Liabilities								
Long term Loans less Current Maturity	Mill/Rs.	70,841	76,712	75,688	71,131	69,029	63,878	
Post Ret. Benefits	Mill/Rs.	4,519	4,017	3,515	3,013	2,511	2,008	
Total LT / Deferred Liability	Mill/Rs.	75,360	80,729	79,203	74,143	71,540	65,887	
Current Liabilities								
Current portion of the long term loan.	Mill/Rs.	5,080	5,820	7,246	9,160	7,354	7,556	
Short Term Loans / Bank Credits	Mill/Rs.	4,500	4,500	4,500	4,500	4,500	4,500	
Rreturn Payable on GOP Investments	Mill/Rs.	197	217	237	256	276	296	
Creditors, Accrued & Other STL	Mill/Rs.	9,550	9,550	9,550	9,550	9,550	9,550	
Total Current Liability	Mill/Rs.	19,327	20,086	21,533	23,466	21,680	21,901	
TOTAL LIABILITIES & EQUITY	Mill/Rs.	188,476	205,784	213,877	223,359	227,916	230,835	

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FINANCIAL STATEMENTS		Unit	2003	2004	2005	2006	2007	2008
CASH FLOW STATEMENT								
CASH FLOW FROM OPERATING ACTIVITIES								
Net Profit for the Year	Mill/Rs.	11,753	11,179	8,174	12,607	8,946	8,351	
Adjustments:								
ADD: Depreciation		1,784	3,606	5,151	5,504	6,239	6,843	
Interest Expense		7,731	8,999	9,115	10,758	10,108	9,520	
Cash After Adjustments	Mill/Rs.	21,268	23,784	22,439	28,870	25,293	24,714	
Working Capital Changes:	Mill/Rs.							
(Incr.)/Decr. in Stores & Spares		(742)	(2,377)	(271)	(335)	(925)	(110)	
(Incr.)/Decr. in Receivable from Co's		-	-	-	-	-	-	
(Incr.)/Decr. in Current Maturity of N/R - KEPCO		(50)	(598)	153	1,095	108	-	
(Incr.)/Decr. in A/R from NTDC		(1,842)	(516)	29	(574)	235	7	
(Incr.)/Decr. in Adv., Depts, Prep. & Oth. Rec.		-	-	-	-	-	-	
Inc/(Decr.) Bank Credits		-	-	-	-	-	-	
Inc/(Decr.) Return Payable on Invest by GOP		20	20	20	20	20	20	
Inc/(Decr.) Creditors, Accrued & Others STL		-	-	-	-	-	-	
Net Changes From Working Capital	Mill/Rs.	(2,614)	(3,471)	(69)	206	(562)	(83)	
Net Cash In/(Out) Flow from Operation	Mill/Rs.	18,654	20,313	22,370	29,076	24,731	24,631	
CASH FLOW FROM INVESTING ACTIVITIES:								
Change in Fixed Assets	Mill/Rs.	(24,908)	(79,218)	(9,046)	(11,170)	(30,824)	(3,656)	
Capital Work in Progress		5,635	59,657	(6,472)	(4,930)	19,912	(2,828)	
Long Term Investments		-	-	-	-	-	-	
Notes Receivables from KAPCO		1,657	2,255	2,102	1,007	900	900	
Cash In/(Out) flow from Invest.Actv.	Mill/Rs.	(17,616)	(17,306)	(13,416)	(15,093)	(10,012)	(5,584)	
CASH FLOW FROM FINANCING ACTIVITIES:								
Additional Equity Investment	Mill/Rs.	-	-	-	-	-	-	
Long Term Loans Obtained (local)		2,416	390	2,682	1,099	-	-	
Long Term Loans Obtained (foreign)		9,869	12,041	4,966	5,418	3,447	2,606	
Amortization of Employees Benefit		(502)	(502)	(502)	(502)	(502)	(502)	
Repayment of Principal		(5,080)	(5,820)	(7,246)	(9,160)	(7,354)	(7,556)	
Interest Payment		(7,731)	(8,999)	(9,115)	(10,758)	(10,108)	(9,520)	
Cash In/(Out) flow from Fin.Activities	Mill/Rs.	(1,028)	(2,890)	(9,215)	(13,904)	(14,517)	(14,972)	
Net Cashflow During the Year		10	117	(261)	80	201	4,075	
Cash - Start of the Year		1,788	1,797	1,914	1,654	1,733	1,935	
Cash - End of the Year	Mill/Rs.	1,797	1,914	1,654	1,733	1,935	6,009	

(ATTACHMENT-4)

POSITION OF IBRD FINANCIAL COVENANTS

NOTES	Unit	2003	2004	2005	2006	2007	2008
FUNDS FROM INTERNAL SOURCES (SFR as per IBRD Covenant)							
SOURCES OF FUNDS							
Total Revenue	Rs.(000)	22,412,878	28,688,809	28,329,973	35,311,157	32,451,831	32,368,513
Add Other Income	Rs.(000)	7,450,181	4,823,523	4,710,640	4,547,276	4,445,635	4,470,454
Total Cash Inflow	Rs.(000)	29,863,059	33,512,332	33,040,613	39,858,432	36,897,466	36,838,967
APPLICATION OF FUNDS							
Admin & General Expenses	Rs.(000)	(1,736,470)	(1,910,117)	(2,101,129)	(2,311,241)	(2,542,366)	(2,796,602)
Maintenance Expenses	Rs.(000)	(767,074)	(1,548,020)	(2,210,000)	(2,361,620)	(2,676,574)	(2,935,173)
Insurance	Rs.(000)	(91,766)	(270,427)	(290,361)	(315,181)	(385,278)	(393,366)
Royalty to Provinces	Rs.(000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Principal	Rs.(000)	(5,079,930)	(5,819,763)	(7,246,211)	(9,159,920)	(7,354,024)	(7,555,588)
Interest	Rs.(000)	(7,730,720)	(8,999,082)	(9,114,719)	(10,758,484)	(10,107,951)	(9,520,106)
Amortization of Post Ret. Benefit	Rs.(000)	(502,123)	(502,123)	(502,123)	(502,123)	(502,123)	(502,123)
Notes Receivables from KAPCO	Rs.(000)	1,656,708	2,255,096	2,102,271	1,007,217	899,715	899,715
Cash from Changes in Working Capital	Rs.(000)	(2,614,230)	(3,470,961)	(69,257)	205,951	(562,394)	(83,040)
Total Cash Outflow	Rs.(000)	(22,865,606)	(26,265,399)	(25,431,528)	(30,195,402)	(29,230,995)	(28,886,283)
FUNDS FROM INTERNAL SOURCES	Rs.(000)	6,997,453	7,246,933	7,609,085	9,663,030	7,666,471	7,952,684
FUNDS FROM INTERNAL SOURCES	Rs.(000)	6,997,453	7,246,933	7,609,085	9,663,030	7,666,471	7,952,684
Check							
Check							
AVG. INVESTMENT PROGRAM							
Investment Program	Rs.(000)	19,273,000	19,561,000	15,518,000	16,100,000	10,912,000	6,484,000
AVERAGE INVEST. PROGRAM	Rs.(000)	17,493,633	18,117,333	17,059,667	14,176,667	11,165,333	5,798,667
FINANCING PLAN							
DEBT							
Domestic Bonds	Rs.(000)	2,416,049	389,882	2,682,361	1,098,577	-	-
Foreign Credit Finance	Rs.(000)	9,869,000	12,041,000	4,966,000	5,418,000	3,447,000	2,606,000
Total	Rs.(000)	12,285,049	12,430,882	7,648,361	6,516,577	3,447,000	2,606,000
INTERNAL SOURCES							
Cash self-financing	Rs.(000)	6,987,951	7,130,118	7,869,639	9,583,423	7,465,000	3,878,000
Total	Rs.(000)	6,987,951	7,130,118	7,869,639	9,583,423	7,465,000	3,878,000
Grand Total	Rs.(000)	19,273,000	19,561,000	15,518,000	16,100,000	10,912,000	6,484,000
CHECK							
INTERNAL EQUITY RATIO & DSCR - WB COVENANTS							
FUNDS FROM INTERNAL SOURCES	Rs.(000)	6,997,453	7,246,933	7,609,085	9,663,030	7,666,471	7,952,684
AVERAGE INVEST. PROGRAM	Rs.(000)	17,493,633	18,117,333	17,059,667	14,176,667	11,165,333	5,798,667
INTERNAL EQUITY RATIO	% Age	40%	40%	45%	68%	69%	137%
Cash from Operation	Rs.(000)	22,924,457	26,038,863	24,541,395	29,877,606	26,192,963	25,613,541
Debt Servicing	Rs.(000)	12,810,650	14,818,845	16,360,930	19,918,404	17,461,975	17,075,694
DSC RATIO	Times	1.79	1.76	1.50	1.50	1.50	1.50