

5.3.9 Approved ARR for Generation

In the light of the discussion above the ARR estimated by the Board for FY 06 and ARR approved by the Commission are as under:

<i>Generation</i>	<i>FY06 Projection</i>	<i>FY06 Approved</i>
<i>Expenditure:</i>		
<i>Generation Cost (Fuel Cost only)</i>	575.20	454.26
<i>R&M Expenses</i>	132.92	114.95
<i>Employee Expenses</i>	123.22	145.38
<i>A&G Expense</i>	7.41	7.41
<i>Depreciation</i>	54.33	29.90
<i>Interest and Finance Charges</i>	270.6	104.18
<i>Less: Interest and other expenses capitalized</i>	(121.95)	(56.24)
<i>Other Debits (Including Provisions for Bad debts)</i>	0.45	0.45
<i>Other (Misc.) – net prior period credit / Tax</i>	36.02	26.66
<i>Total</i>	1078.19	826.95
<i>Reasonable Return</i>	62	53.32
<i>Other Income</i>	33.35	25.77
<i>Annual Revenue Requirement</i>	1106.84	854.5

5.3.10 Generation tariff

Based on the above projected expenses and the net generation, the generation tariff projected by Board and as approved by the Commission is given below:

	<i>FY05 (Estimated)</i>	<i>FY06 (Projected)</i>	<i>FY06 (Approved)</i>
<i>Gross Generation (MU)</i>	7955	9256	9108
<i>Net Generation (MU)</i>	7210	8406	8273
<i>Auxiliary Consumption (%)</i>	9%	9%	9.16%
<i>Pooled Cost of Generation (Paaise/unit)</i>	128	132	103.28