



Energy Regulatory Commission  
and Office of the Energy  
Regulatory Commission

Annual Report  
2015



*Royal Guidance of His Majesty King  
Bhumibol Adulyadej*



*“If a person works with the aim of attaining a great outcome, that is, the national integrity, in good faith and with sincere intentions to disseminate knowledge and capability without contemplating gaining wealth or any profit, the person will be considered as having performed his duty rightly and to the best of his efforts.”*

*An excerpt from the Royal Guidance given to  
Provincial Education Officers and Inspectors-General of  
the Ministry of Education nationwide at Chitralada Royal Villa  
Friday, 13 December 1968*



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of His Majesty King  
Bhumibol Adulyadej

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## Message from Chairman of the Energy Regulatory Commission

Throughout the past year of 2015, this 3<sup>rd</sup> set of the Energy Regulatory Commission, or ERC, had strenuously executed our duties to the best of our efforts to achieve the targets set and our achievements have reflected three key aspects of the regulatory direction, namely: energy industry regulation that is transparent, fair and accountable; management for security and enhancement of competitiveness in the energy industry; and building-up of acceptance and participation of stakeholders in all sectors in the energy industry development. Moreover, the ERC had implemented and accomplished urgent missions according to the state policy framework; some important ones included the restructuring of power tariffs for the period 2015-2017, which has been enforced since the electricity billing in November 2015, so that power tariffs would reflect actual economic conditions and investment capital, with prime consideration of fairness for both power consumers and power business operators; the promotion of energy industry, e.g. the purchase of power generated from renewable energy (apart from solar power projects) during the transitional period from the “Adder” scheme to the “Feed-in Tariff (FiT)” scheme; and the enhancement of competition in the natural gas industry by announcing the Third Party Access Regime (TPA Regime), which prescribes the criteria for development of a Third Party Access Code (TPA Code) on the use of or connection to the natural gas transmission system or LNG terminal. In this connection, consideration and approval has been given to the TPA Code on Onshore Natural Gas Transmission Pipeline of the licensee operating the natural gas transmission pipeline system (PTT Public Company Limited) and the TPA Code of the licensee operating the LNG terminal (PTT LNG Company Limited: PTTLNG). In carrying out our regulatory work, the ERC has set the goals and intended to regulate energy industry by adhering to the principle of fairness to all, with transparency, efficiency and international acceptance.

As for the ERC Action Plan in 2016, we will continue our undertakings and forging ahead with our missions to be accomplished as targeted and will always attach importance to the aforementioned regulatory direction. Emphasis will be placed on effectiveness of the energy industry regulatory process, starting with license issuance that will be convenient, rapid and decentralized nationwide; the monitoring, inspection and establishment of energy industry standards via concrete regulation and systematic reporting of the outcome. In particular, the ERC will focus on the natural gas industry regulation so as to enhance tariff regulation in both natural gas and power sectors. In addition, the ERC has initiated the use of selection method via “Competitive Bidding” for the purchase of power generated from renewable energy. With regard to the work plan on rights protection, efficiency of the complaint handling process will be enhanced to reflect problems of energy consumers, and policy-oriented energy industry regulation will be escalated. Moreover, the implementation will commence according to the action plan of the Power Development Fund pursuant to Section 97(4) of the Act to promote renewable energy utilization and Section 97(5) to increase the general public knowledge and awareness of power-related issues. Concurrently, the organizational development will continue, by giving importance to human resources development in research and development skills, including work process that is up to standard with the use of electronic tools to facilitate the work. In addition, support and implementation of urgent tasks according to the policy framework of the government will be accelerated to achieve specified objectives.

Lastly, I am confident that the determination and strenuous efforts of the ERC together with the management and all staff members of the OERC, including cooperation from all concerned parties, will greatly contribute to fruitful and concrete results of energy industry regulation so that the national energy industry would be secured with potentiality, transparency and fairness and can be trusted by all parties and that it would be internationally accepted, which will correspond with the government policy to reform the energy industry of the country.



Pornthape Thunyapongchai

Chairman, Energy Regulatory Commission

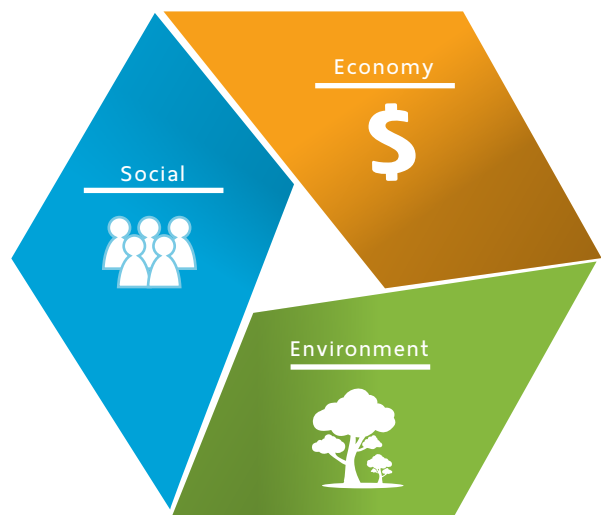
## Vision

To regulate energy industry operation with fairness, transparency and efficiency, with international acceptance.



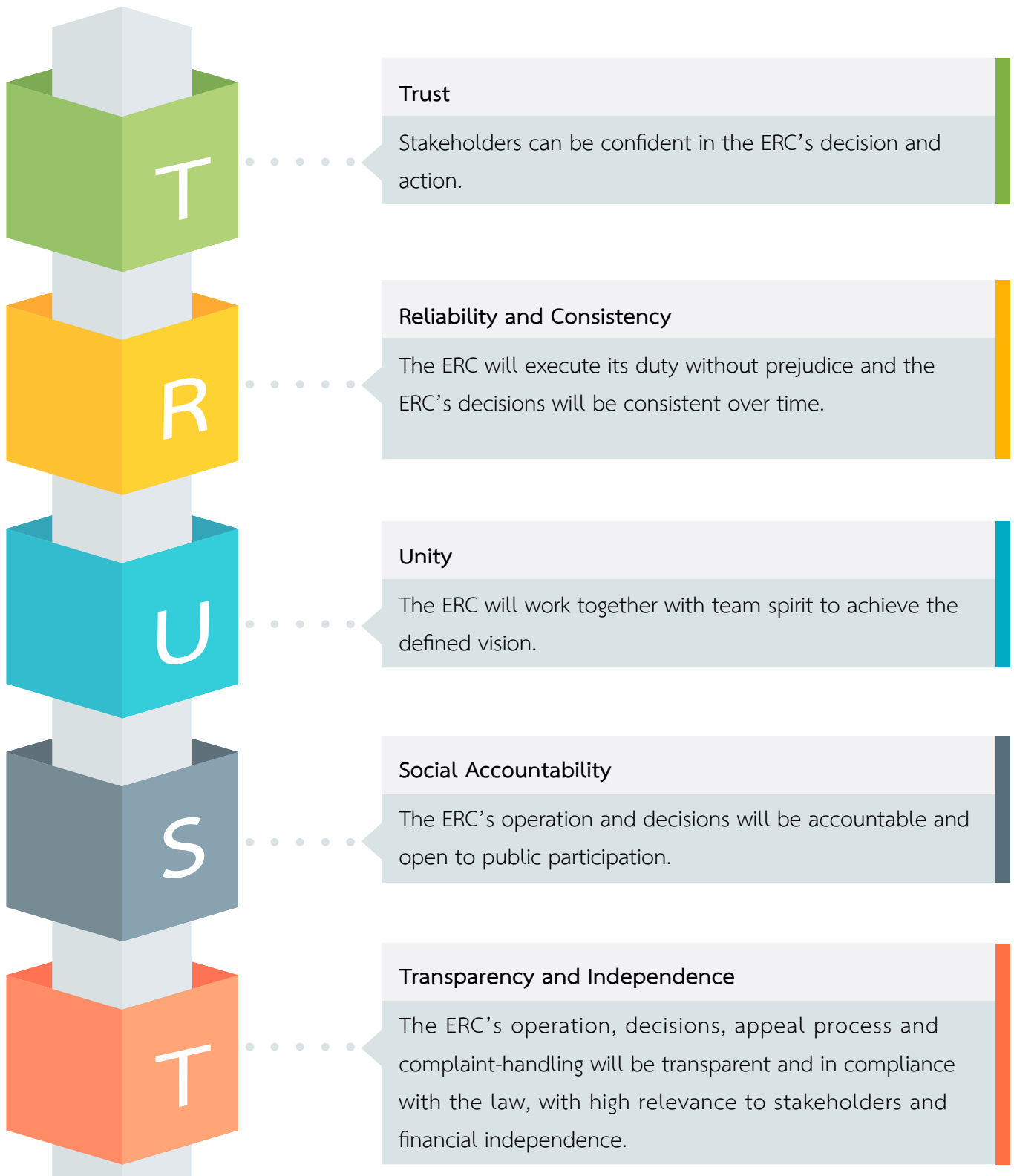
## Mission

To regulate energy industry operation in order to establish a secure energy system that is reliable, efficient and fair for both energy consumers and energy industry operators, while remaining environmentally friendly, by adhering to fair and transparent execution of the defined duty and responsibilities for the benefit of sustainable development of the country in terms of social, economic and environmental aspects.



## Core Values

“TRUST,” an acronym reflecting the belief, value and desirable behavior in energy industry regulation, consists of:





Mrs. Duangmanee Komaratat  
Commissioner

Mr. Pornthape Thunyapongchai  
Chairman, Energy Regulatory  
Commission

Ms. Wilaiporn Liwgasemsan  
Commissioner





## Board of Commissioners

Mr. Vachara Kunawatanawuti  
Commissioner

Mrs. Pajchima Tanasanti  
Commissioner

Mr. Viraphol Jirapraditkul  
Commissioner

Mr. Kraisi Karnasuta  
Commissioner





## Message from Secretary General of the Office of the Energy Regulatory Commission

In our capacity as Secretariat to the Energy Regulatory Commission (ERC), the Office of the Energy Regulatory Commission (OERC) has undertaken duties to support the ERC's execution of energy industry regulation. A number of tasks as assigned by the ERC had been carried out and were successfully accomplished. For instance, the development and improvement of one-stop service (OSS) licensing process so that an operator could submit his application and obtain relevant licenses either at the OERC (Central Office) or at a relevant OERC Regional Office in all 13 Energy Consumer Regions. Moreover, further development has been made by the introduction of e-Licensing system, which can rapidly serve license applicants with more convenience, and the status of license application can be tracked via the system as well. Besides, the OERC has kept improving the complaint deliberation process and the handling of complaints and disputes lodged by energy consumers and stakeholders in the energy industry operation. The e-Petition system has been introduced so that up-to-date information could be obtained and the status of complaint deliberation could be quickly followed up. The task relating to protection of retail power consumers has been improved, through the ERC announcement on the standards of contracts on power service provision on 6 August 2015, requiring that the Distribution Utilities revise their respective power service provision contracts to comply with the stipulated standards. The revised contracts have been put into force since 21 March 2016, rendering



better protection and greater fairness to more than 20 million of retail power consumers nationwide. In addition, international cooperation with ASEAN Member States has been enhanced via the ASEAN Energy Regulators' Network (AERN).

The various tasks as above mentioned could be achieved because the OERC has continually given importance to capacity building of OERC personnel of both the OERC (Central Office) and the OERC Regional Offices nationwide so that they would be practically equipped with potential, skills and competency essential to undertaking their duties and hence regulatory work can be delegated to provincial areas, which has facilitated operators with more flexibility and greater efficiency. In addition, systematic organizational management has been enhanced in accordance with the Opportunity for Improvement (OFI) Plan so as to improve the organizational competency continually, which will eventually lead to sustainable development.

Throughout the past year, the OERC had assisted the ERC's duty execution by propelling enforcement of ERC regulations, rules, announcements and codes to achieve concrete outcome, including undertaking the tasks pursuant to the state policy to strengthen national energy security. For the next strides in 2016, the OERC will continue facilitating duty execution of the ERC, with our best endeavors, to efficiently attain achievements in all tasks.

(Narupat Amornkosit)

Secretary General of the OERC

## Office of the Energy Regulatory Commission



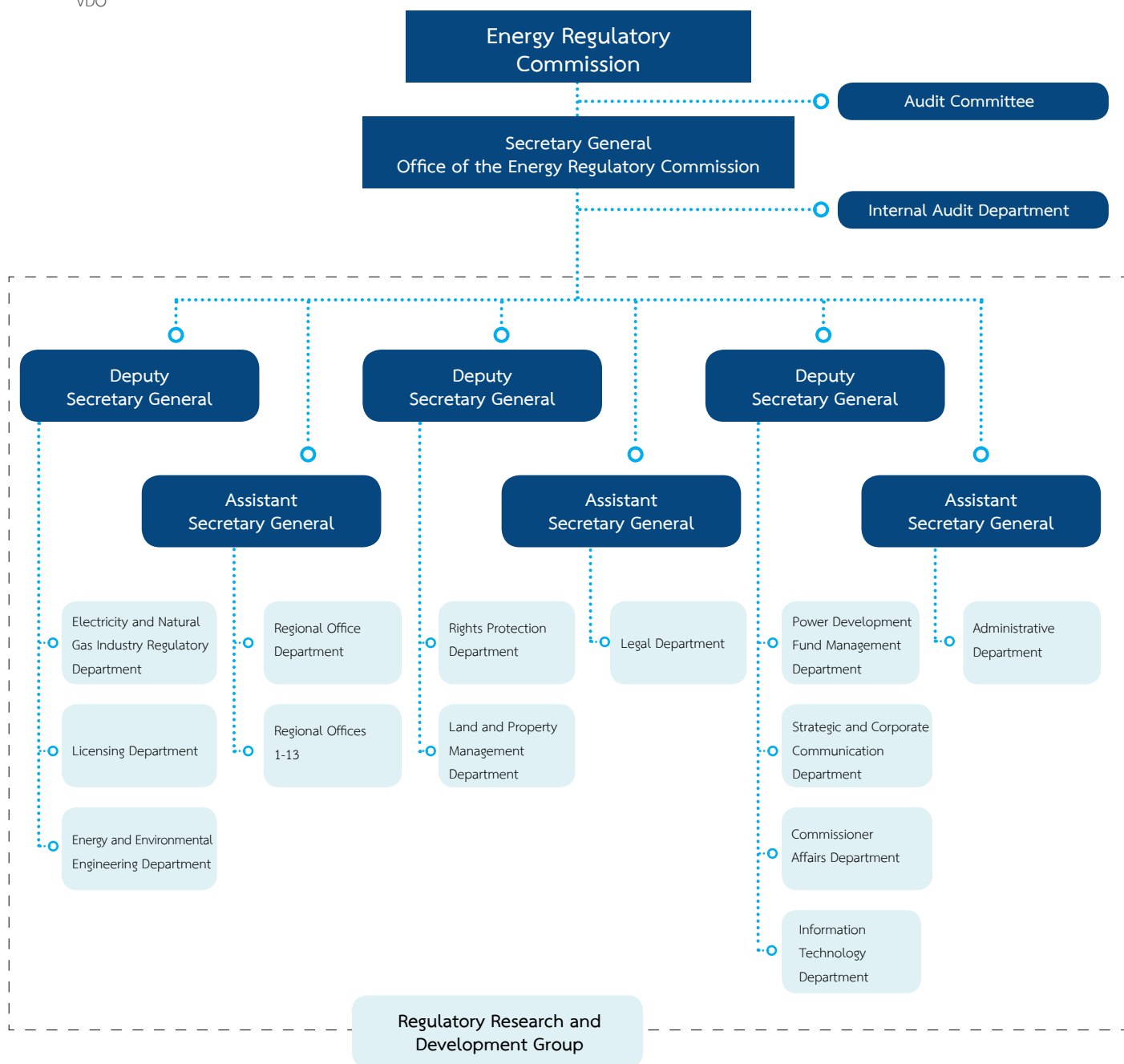
the Act



Corporate Introduction

VDO

The Energy Industry Act of 2007 (the Act) stipulates the establishment of the Office of the Energy Regulatory Commission, or OERC, to serve as the Secretariat to the ERC. The OERC is a state agency with the status of a juristic person under the ERC supervision and plays a key role in supporting duty execution of the ERC in order to achieve the objectives of the Act in the formation of balanced development in energy, economic, social and environmental dimensions, which will bring about efficient energy management system of Thailand and will enhance the national economic system to be competitive at both regional and global levels. The OERC organizational structure is as follows:





## Management Team

1. Miss Narupat Amornkosit  
Secretary General

3. Mr. Atiluck Attapich  
Deputy Secretary General

5. Mr. Kamon Pintong  
Assistant Secretary General

2. Mr. Pornchai Patiparnprechavut  
Deputy Secretary General

4. Mr. Kittipong Pinyotrakool  
Assistant Secretary General

6. Mr. Choosak Wongsavat  
Assistant Secretary General





**Mr. Prated Srichomphu**  
Director, Rights Protection  
Department

**Mr. Surasak Ruangchan**  
Director, Land and Property  
Management Department

**Mr. Khomgrich Tantravanich**  
Director, Licensing  
Department

**Mr. Tongkum Piyateravong**  
Director, Energy and  
Environmental Engineering  
Department





**Mr. Pornthep Chotinuchit**  
Director, Strategy and  
Corporate Communications  
Department

**Mrs. Ruedee Paringkan**  
Director, Power Development  
Fund Management  
Department

**Miss Rangsimma Pakkoh**  
Director, Commissioner  
Affairs Department

**Mr. Prapas Thammapala**  
Director, Legal  
Department





**Mr. Niwet Jaratdamrong**  
Director, Information  
Technology Department

**Mrs. Kunphas Vajanarat**  
Director, Internal Audit  
Department

**Mr. Werasak Werathammo**  
Director, Regional Office  
Department

**Mr. Warapat Meelarp**  
Director, Administrative  
Department





## Strategic Plan for Energy Industry Regulation, No. 2 (2013-2017)

The execution of energy industry regulation in Thailand in compliance with the objective of the Energy Industry Act (the Act) has been forged ahead, with the guidance of four strategies under the Strategic Plan for Energy Industry Regulation, No. 2 (2013-2017). The prime mission is to regulate energy industry operation to bring about secure and reliable energy management system, with efficiency and fairness, for both energy consumers and energy industry operators, while being environmentally friendly, by adhering to impartial and transparent duty performance so as to enhance sustainable development of the country in terms of social, economic and environmental aspects.



Strategic Plan for  
Energy Industry  
Regulation, No. 2  
(pdf)

### Direction and Milestones of the Energy Industry Regulation



### Strategic Plan for Energy Industry Regulation

Strategy No. 1	Strategy No. 2	Strategy No. 3	Strategy No. 4
<p><b>Enhancement of energy industry regulation that is up to standard, fair and reliable.</b></p> <p>Goal</p> <p>(1) Licensing process is up to standard, fair and accountable.</p> <p>(2) Energy industry operation meets engineering and safety standards, including service quality standards, with due consideration of impact on the environment and health.</p> <p>(3) Energy tariffs are reasonable and fair, reflecting the costs of efficient energy industry operation.</p> <p>(4) Energy service provision is extensive, secure and reliable.</p>	<p><b>Promotion of efficient energy industry and enhancement of fair competition.</b></p> <p>Goal</p> <p>(1) Energy procurement process is fair and transparent.</p> <p>(2) Utilization of energy network system is optimized.</p> <p>(3) Energy management system is enhanced to create greater competition.</p> <p>(4) Energy network system utilization is enhanced to be prepared for the emergence of ASEAN Economic Community.</p>	<p><b>Protection of the rights of energy consumers and stakeholders in the energy regulation dimension.</b></p> <p>Goal</p> <p>(1) Rights of energy consumers and stakeholders in the dimension of energy regulation are protected.</p> <p>(2) The use of immovable property for energy network system construction is fair.</p> <p>(3) Public participation process is developed to bring about collaboration on energy regulatory work.</p> <p>(4) Power Development Fund management is beneficial to the community.</p>	<p><b>Organizational Development towards Regulatory Excellence.</b></p> <p>Goal</p> <p>(1) To be a Regulatory Excellence Organization.</p> <p>(2) To be the Center of Energy Knowledge and Information.</p>

## Fiscal Year 2015:

# Year of Development and Modernization to Attain Regulatory Excellence

In Fiscal Year 2015, the ERC enhanced modernization and efficiency in the regulation of energy industry, particularly in the licensing process to be agile and able to rapidly respond to requests while reducing processing time and procedural matters so that interested persons would obtain optimum benefit from the licensing process. In addition, the ERC intensified the regulation of electricity industry operation after license granting, by issuing criteria for inspecting quality standards in terms of engineering, safety and environmental aspects so that electricity industry operation, both technical and service quality, would be up to standard and by improving the process of inspection and monitoring the operations of energy industry operators to ensure their compliance with the stipulated standards. With regard to the task of tariff regulation, the ERC established the standard for determining tariffs that would reflect actual energy industry operation costs and would be fair for both energy consumers and operators, in terms of transparency of the procedures for considering power and natural gas tariffs as well as the follow-ups and monitoring to ensure fairness, such as the review of the measure on free-of-charge power consumption for residential power customers using electricity no more than 50 units per month.

As for the regulation of power purchase to be in compliance with the Thailand Power Development Plan, the ERC's performance had an important role in systematizing, classifying and clarifying relevant information of the operators who participated in power purchase programs, which involved a variety of fuel types and different generation capacity sizes.

This enabled the setting of power purchase targets to be clear and practical and facilitated the inspection and follow-ups, for example, the regulation of the outcome of power purchase agreements (PPA) of power generation projects using solar energy under the former "Adder" scheme ("Residual Adder Solar Farms"). Apart from regulating the operations of natural gas industry, in Fiscal Year 2015 the ERC also played a key role in promoting and opening up competition in the natural gas business by, for instance, approving the Third Party Access Code (TPA Code) on the use of or connection to natural gas transmission pipeline systems and LNG terminal.

The ERC's duties and performance related to the protection of rights of energy consumers and the general public in Fiscal Year 2015 focused on upgrading the protection of rights of energy consumers and stakeholders in the energy regulation dimension through the establishment of energy consumer protection networks and participatory process for stakeholders in the energy industry, for instance, the organization of forums to build up knowledge and awareness of energy matters, the development of energy consumer network database, the organization of training to improve the potential of energy consumer representatives to be able to support the work on energy regulation. Importantly, the Announcement on Standards of Power Service Provision Contracts B.E. 2558 (2015) was issued, which will provide greater fairness of the mentioned contracts for both service users and service providers, when compared with the former context. In addition, the ERC executed the duty pertaining to the handling of complaints of energy



consumers about their difficulties and damage as well as disputes between energy consumers and licensees; the deliberation of appeals on compensation for property covered by energy network system areas; and the improvement of the process of appeal deliberation on immovable property utilization to be rapid and within the timeframe stipulated by law.

The overall performance of the Power Development Fund (the Fund) management involved the allocation of the Fund monies to compensate the electricity industry licensees who had provided extensive electrification or supported the policy on development decentralization to provincial areas and to subsidize electricity industry licensees who had provided services for underprivileged power consumers. In this regard, the total amount of monies via account transaction and allocation in Fiscal Year 2015 was over 18,000 million Baht. Moreover, two new Fund allocation programs were introduced, via the ERC announcement on sending contributions to the Fund imposed on electricity supply licensees with the objective to promote the use of renewable energy and technologies for electricity industry operation that have minimal impact on the environment, and another ERC announcement on sending contributions to the Fund imposed on electricity supply licensees with the objective to increase knowledge, awareness and participation of the general public in power-related issues. Besides, the ERC gave importance to the standard of internal audit of the Fund for the sake of transparency.

The ERC is determined to revolutionize the national energy industry regulation by making further strides to attain regulatory excellence, with the accomplishment of convenient and rapid license granting services, the establishment of energy service provision standards, and the effective enforcement of criteria, rules and regulations pertaining to energy industry regulation. Moreover, the ERC will illustrate its trustworthiness via transparent and fair energy tariff determination as well as the undertaking of research and development work to enhance its regulatory efficiency. Another dimension of attaining energy regulatory excellence is the success in creating trust of stakeholders by implementing the power purchase program, particularly the purchase of renewable energy generation, with clarity, transparency and efficiency. In addition, protection of energy consumers' rights will be undertaken via the participatory process, and potential development will be enhanced with regard to the regulation of the natural gas industry of the country to increase competition and reduce monopoly. Moreover, fairness for all stakeholders is another factor contributing to regulatory excellence, no matter whether it involves the management of Power Development Fund, which will create sustainability, the creation of strategic networks, and work plans that support and promote genuine development of a locality. Finally, regulatory excellence of the ERC will be attained through acceptance of stakeholders, based on the professionalism of the organization, its being the information center of energy industry regulation of the country and its management and administration standards pursuant to the internationally accepted quality criteria.



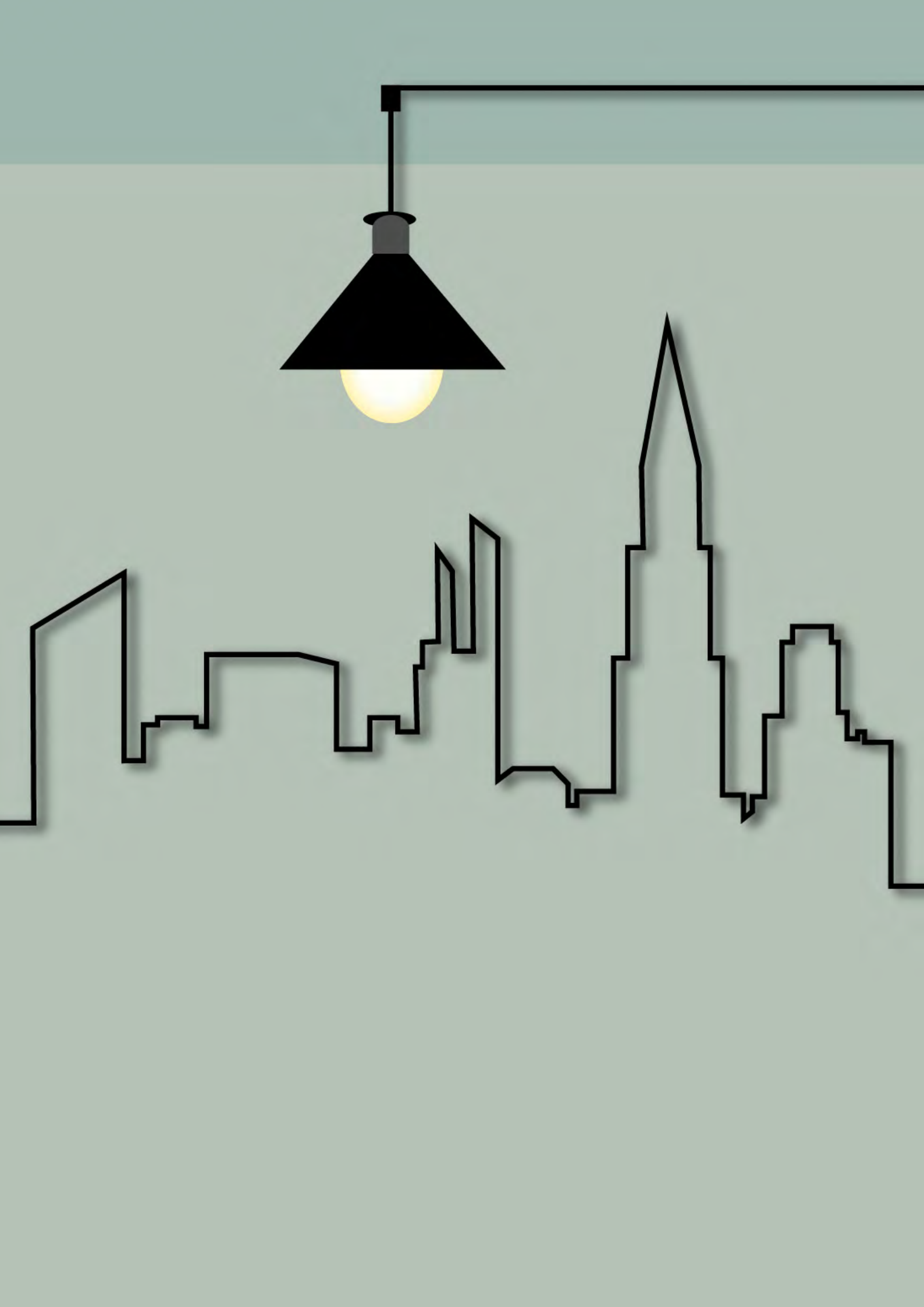


# Tasks and Performances

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Pertaining  
to Energy  
Industry  
Regulation







## Tasks and Performances Pertaining to Energy Industry Regulation

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### Regulation of Energy Industry Standards

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The ERC has regulated the energy industry, focusing on the improvement of licensing process to be rapid and modern, concurrently with the development of personnel potential to handle the work execution, and the enhancement of engineering and safety standards, including service quality standards. Major achievements in this aspect include the following.

#### **1) Improvement of Licensing Process to Be Up to Standard, Fair and Accountable**

(1.1) Promotion of energy industry licensing to be up to standard via the introduction of one-stop service (OSS) licensing process. By this means, operators could submit applications for and obtain relevant licenses at the OERC (Central Office) or a relevant OERC Regional Office in all 13 Regional Areas, exclusively for power generation projects using solar PV rooftop systems. In this connection, the OERC had provided training to increase potential of the personnel of all 13 OERC Regional Offices to be able to properly and efficiently handle the operators' applications for licenses.

(1.2) Development of on-line licensing via the electronic system, or "e-Licensing," to support license issuance for energy industry operation pursuant to Section 47 and Section 48, which can quickly serve the operators who apply for licenses via the e-Licensing system with more convenience, and the status of license application processing can be tracked via the system; moreover, it has eased the burden of duplicate document preparation for license application. The scope of e-Licensing system has been extended to accommodate the handling of notifications of operation commencement, requests to change information of items already approved, the transfer of rights under a license, collection of fees, receipt of notification of exemption from energy industry license application, and the development of environmental database (EIA/CoP), for instance. Currently, the OERC has completed the e-Licensing development and improvement of three systems, i.e. 1) the system for receipt of notification of exemption from energy industry license application for Solar PV Rooftop projects, 2) the notification of annual fees, and 3) the development of environmental database (EIA/CoP).

(1.3) Development and improvement of licensing process for power generation facility operation and other activities pursuant to Section 48 to be efficient and clear in terms of implementation procedures of concerned agencies under the Factory Act B.E. 2535 (1992) and the Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003). In this regard, the ERC enhanced cooperation with the Ministry of Industry by executing a Memorandum of Cooperative Agreement on Guidelines for Licensing Power Generation Facility Operation and Other Activities on 15 October 2014. In addition, the OERC completed the preparation of Draft Memorandum of Cooperative Agreement with the Department of Energy Business on Determination of Guidelines for Regulating the Natural Gas Transportation through Pipelines Business, with the expected signing date within 2016.

(1.4) Implementation pursuant to the Licensing Facilitation Act B.E. 2558 (2015), which was published in the Government Gazette on 22 January 2015 with the objective to be a central law that clearly sets the work flow and period of time for the granting of license since there had been difficulties in applying for licenses and hence making it inconvenient for the general public in applying for official permission; it was then essential to enact this law to remove obstacles, and concerned public sector agencies were required to prepare licensing manuals within 180 days as from the day this Act was published in the Government Gazette. As the Licensing Facilitation Act also applies to the OERC, 18 licensing manuals for the public pursuant to the aforementioned Act were prepared by the OERC and publicized via the OERC website, involving the following matters: licensing

for energy industry operation under Section 47 and Section 48 (totaling 12 manuals) and other relevant Sections in Division 3: Regulation of the Energy Industry Operation (totaling 3 manuals) and licensing for utilization of immovable property under Section 105, Section 106 and Section 112 (totaling 3 manuals).

(1.5) Improvement of the licensing process for energy industry operation pursuant to Section 47. For example, the OERC must prepare opinions, for presentation to the ERC for consideration of license granting, within 45 days as from the day the OERC or the concerned OERC Regional Office receives an application together with all required documents and evidences. The ERC shall then complete considering the license application within 30 days as from the date of receipt of the OERC's opinions. As for the application for relevant licenses under Section 48, e.g. licensing under the law on factories, the law on building control and the law on energy development and promotion, the license granting is under the authority and duties of the ERC; however, comments from the authoritative agencies under those respective laws must also be obtained. In this regard, the OERC was able to issue licenses within the specified timeframe. Furthermore, the ERC granted energy industry operation licenses and improved the process of licensing granting for concerned agencies under Section 48 of the Act in accordance with the standard timeframe stipulated in the Regulation of the ERC on Application for License and Permission for Energy Industry Operation B.E. 2551 (2008). In Fiscal Year 2015, a total of 97 licenses were granted, divided into 92 licenses for electricity industry operation and 5 licenses for natural gas industry operation.



Table 1: Issuance of Energy Industry Licenses in Fiscal Year 2015

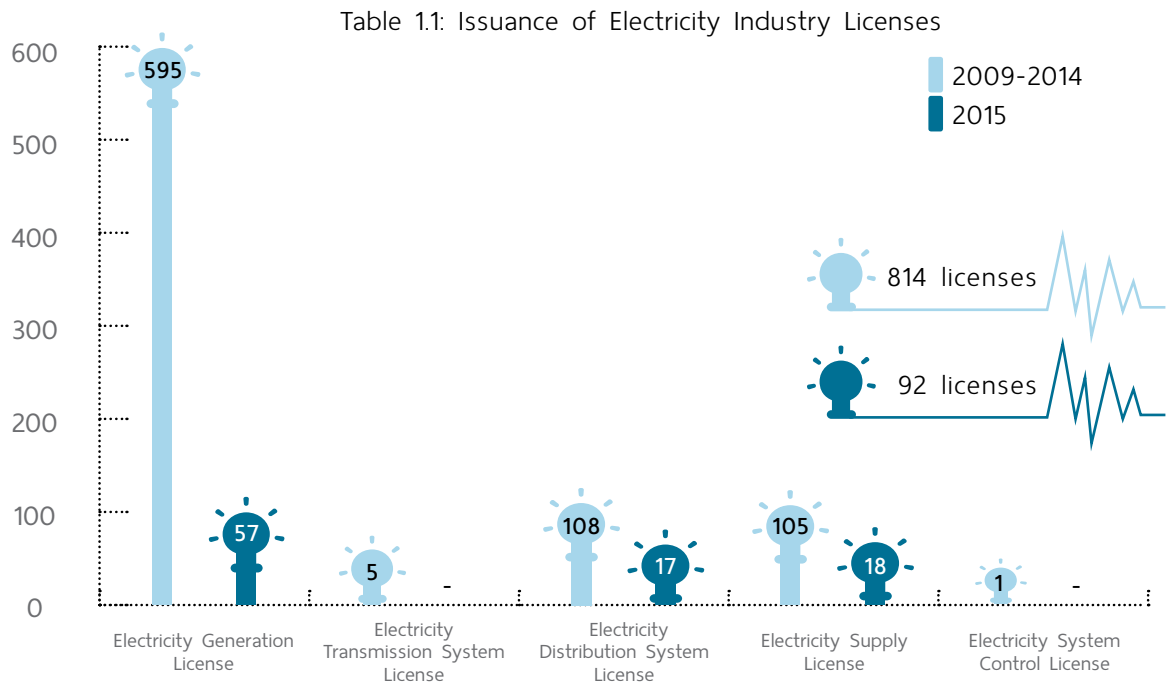
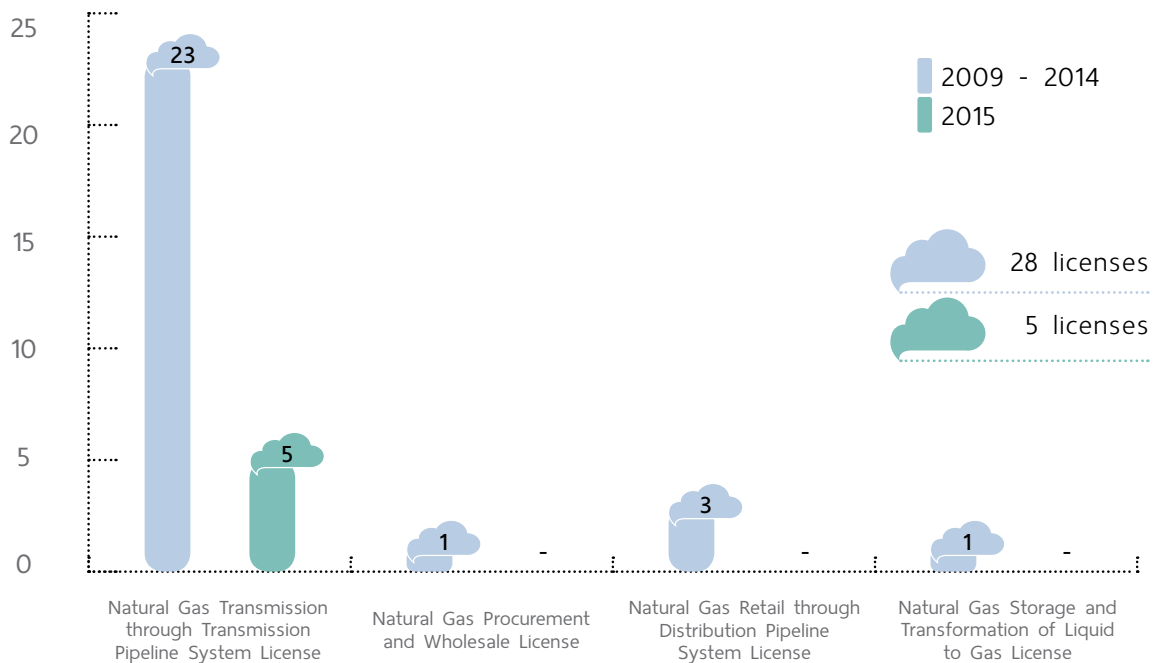
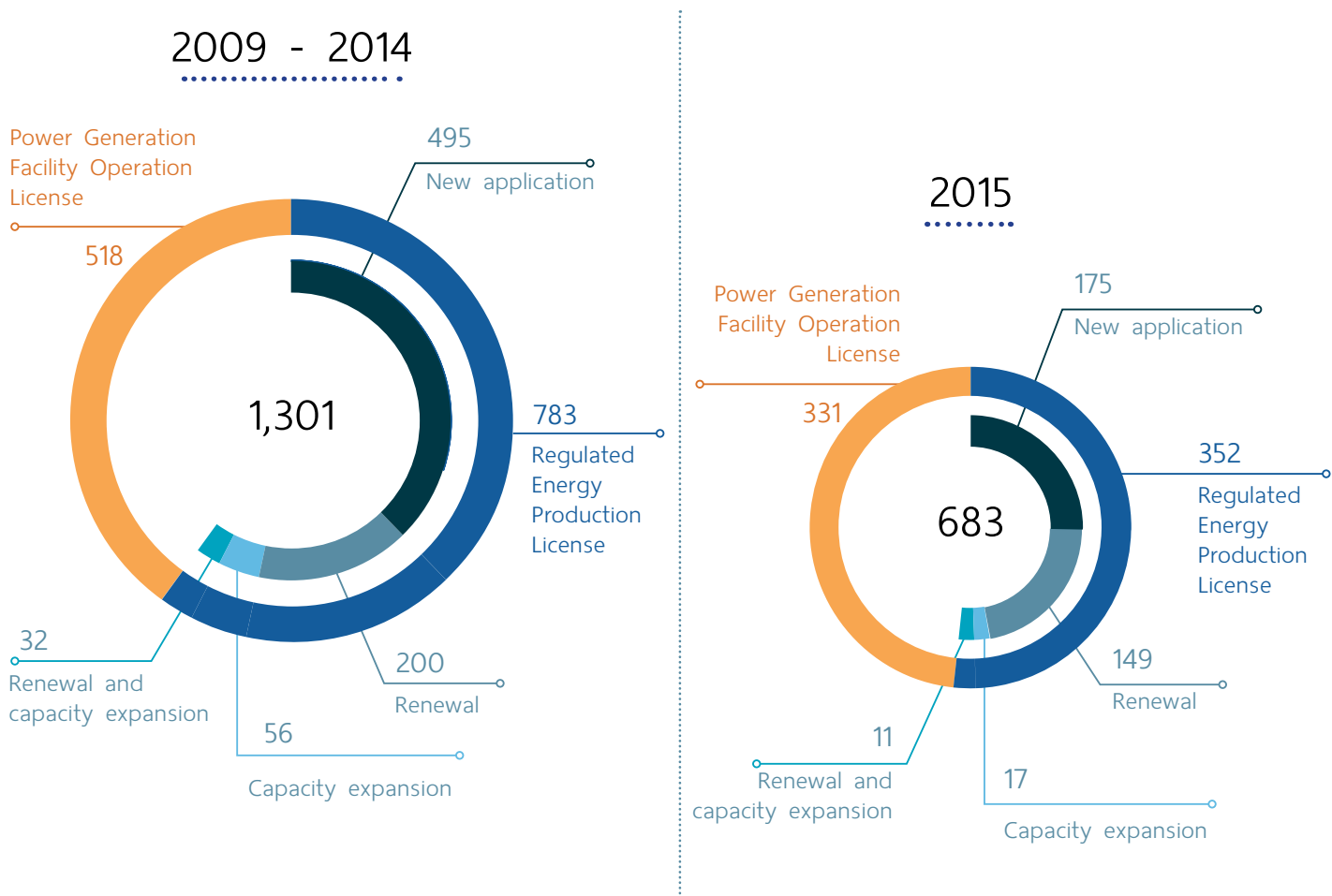


Table 1.2: Issuance of Natural Gas Industry Licenses



In addition, in Fiscal Year 2015 the ERC issued 352 licenses for regulated energy production pursuant to the law on energy development and promotion and 331 licenses for power generation facility operation pursuant to the law on factories.

Table 2: Issuance of Regulated Energy Production Licenses & Power Generation Facility Operation Licenses in Fiscal Year 2015



**2) Regulation and Inspection of Engineering, Safety and Environmental Standards** to ensure that electricity and natural gas industry operation would meet both technical and service quality standards, including improvement of the process of inspection and monitoring of the operators' business operations to be in compliance with stipulated standards. In view of the foregoing, review was undertaken on the criteria and standards of equipment to be connected to energy network systems, as well as inspection methods and certification of inspection results, including the criteria for license application to be an inspection and standard certification agency for equipment to be connected to an energy network system, to be up to standard. Currently,

the drafting of the regulation on standards of equipment to be connected to an energy network system and the drafting of the regulation on license application to be an inspection and standard certification agency is already underway to be in accordance with Section 73, Section 76, Section 77 and Section 78 of the Act. In addition, the ERC Regulation on Service Provision Standards under an Electricity Supply License B.E. 2558 (2015) has already been announced, and the regulations on energy service provision standards for the operations of electricity distribution systems, electricity transmission systems, electricity generation systems and electricity system control are already underway to be in compliance with Section 89 of the Act.



(2.1) Regulation of electricity industry operation to be in compliance with the ERC regulation on measures to protect, solve and monitor environmental impact imposed on those who are exempt from the EIA report preparation pursuant to the notification issued under the Enhancement and Conservation of National Environmental Quality Act, B.E. 2535 (1992). As the ERC recognizes that the protection, solution and reduction of potential environmental impact is vital, the Code of Practice (CoP) for each fuel type will be developed to help manage the environmental aspect for electricity industry operation with an installed generating capacity lower than 10 MW, which will not be required to prepare an EIA report. The environmental measures in this respect will be standardized, from the pre-construction stage, under-construction stage to operational stage, or in the case where part or all of the facility is demolished. The objective of the CoP is to provide electricity generation

operators with appropriate and systematic environmental management standards. In Fiscal Year 2015, the ERC already announced the CoP for solar PV producers (using photovoltaic panel technology), both for those who are required of and those who are exempt from license application. It is expected that the CoP for power producers using municipal solid waste, with a generating capacity lower than 10 MW can be announced within 2016.

(2.2) Development of the criteria for determining the distance between the locations of wind power projects and the installed generating capacity to be applied to power producers using wind energy in order that such producers could arrange for the management of environment, safety and potential impact on the community in the vicinities of their energy industry operation facilities. The said criteria were published in the Government Gazette with effectiveness as from 27 June 2015 onwards.



## Regulation of Tariffs

The ERC has emphasized regulation of tariffs to reflect the actual costs of energy industry operation, which is fair for both energy consumers and energy industry operators. Major performances in this aspect include the following.

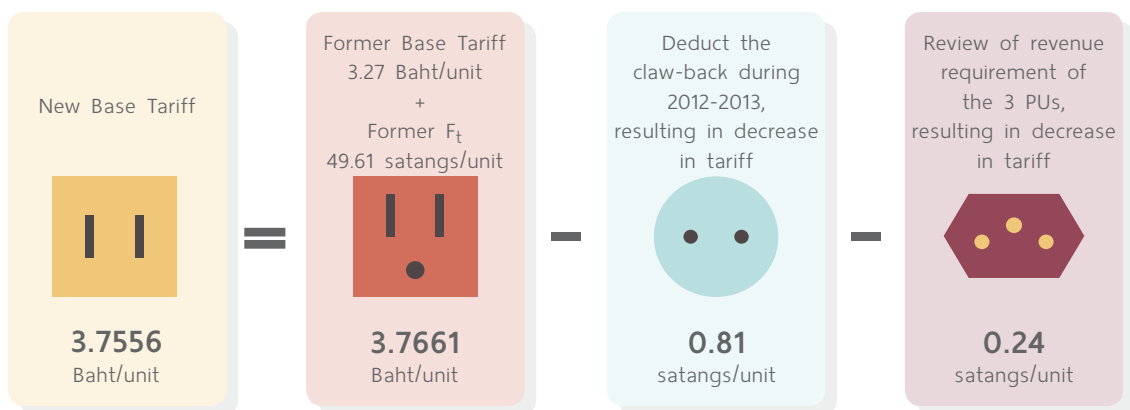
### 1) Regulation of Power Tariffs

(1.1) On 29 September 2015, the ERC passed a resolution approving power tariffs for the year 2015, comprising the wholesale and retail power tariff structures, the automatic power

tariff adjustment ( $F_t$ ) formula, the financial transfer among the Power Utilities and the guidelines for regulating the implementation according to investment plans, so that the determination of power tariffs would correspond with the economic situation, investment capital, with prime consideration of fairness for power consumers and power supply operators. The new power tariff rates would be effective as from the billing of November 2015 onwards.

### Decrease in the New Base Tariff by 1.05 satangs/unit (effective November 2015 onwards)

by combining the Former Base Tariff with the  $F_t$  for the round of May-August 2015, i.e. 0.4961 Baht/unit, and deducting the claw-back (investment capital which was lower than planned) together with reviewing revenue of the three Power Utilities (PUs), resulting in a decrease in the New Base Tariff by 1.05 satangs/unit



### Interesting information about the New Base Tariff



PEA absorbs the burden of bank transaction charge for power consumers, similar to the MEA practice.



Adjust the Time of Use (TOU) rate to reflect the generation costs at a given period of time.

\* Tariff during Peak period is higher than that during Off-peak  
**Increase**



Review the policy on 50-unit Free-of-charge: must not be a juristic person and power consumption shown in the bill not exceeding 50 units/month for no less than 3 consecutive months.

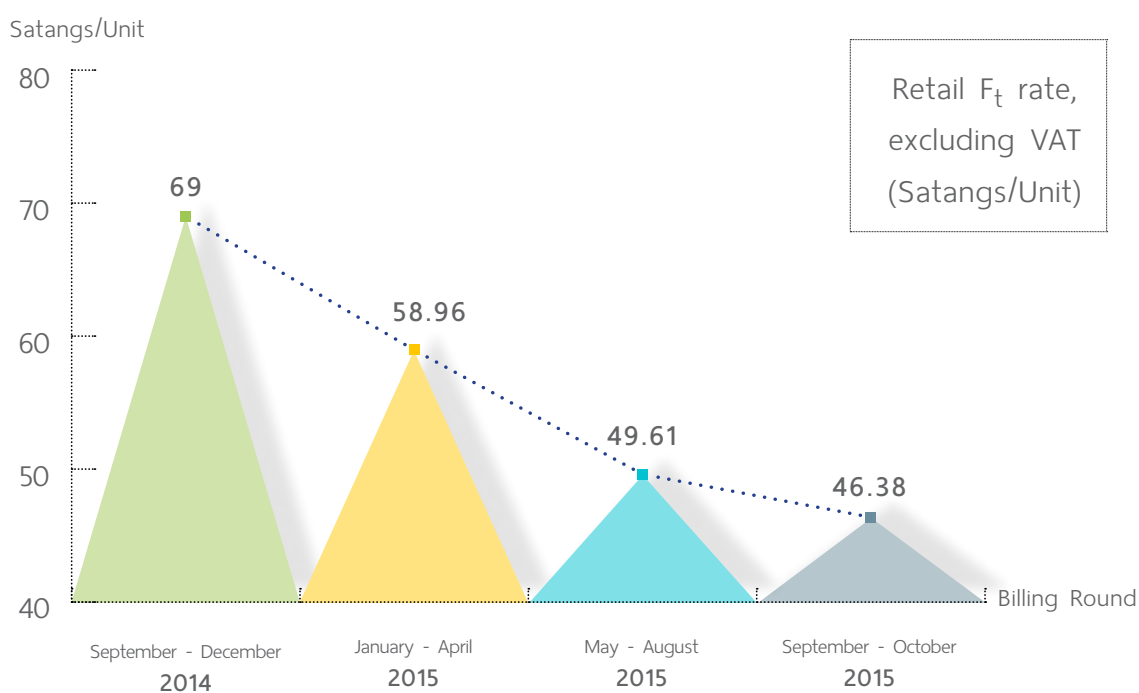
\* Burden of commercial/industrial power users **decreased by 0.07 satangs/unit**

(1.2) The ERC has reviewed power tariff adjustment according to the automatic power tariff adjustment ( $F_t$ ) formula every four months so that the tariffs would reflect changes in the costs which are beyond control and reflect variable costs that fluctuate in line with fuel costs, power purchase costs, impact of currency exchange rates, and impact of state policies such as contributions to the Power Development Fund pursuant to Section 97 of the Act and “Adder” for the purchase of power generated from renewable energy. Besides, hearings are held and opinions and suggestions obtained from energy consumers are taken into account. In Fiscal Year 2015, the ERC considered adjusting the  $F_t$  four times.

(1.3) The measure on power consumption free of charge for residential power users with consumption not exceeding 50 units/month was reviewed by the ERC, by setting additional conditions pursuant to the NEPC resolution of 13 August 2015. That is, as from the billing of January 2016 on-

wards, those who are eligible for free-of-charge power consumption shall have the following qualifications, “being residential power users, including temples and churches/religious sanctuaries together with related premises, with the installation of a power meter not exceeding 5 amps; not being a juristic person; and consuming power not exceeding 50 units/month for no less than three (3) consecutive months.” This is aimed to enable greater support for those who genuinely have low income. With the application of these conditions, it is expected that the number of subsidized residential power users will decrease from presently 4.4 million users to around 3.3 million users, and hence reduction of the power tariff subsidization burden of other power user categories (medium general services, large general services, specific business services, non-profit organizations, temporary power customers, reserve power customers, interruptible rate customers) from presently 2.65 satangs/unit to 2.58 satangs/unit, or a decrease of 0.07 satangs/unit.

Table 3: Retail  $F_t$  Rates Charged to Power Consumers





## 2) Regulation of Natural Gas Transmission Tariffs

(2.1) The natural gas transmission tariffs of PTT Public Company Limited (PTT) were adjusted by the ERC to appropriately reflect the costs and related expense burdens. Consideration of the calculation method was based on the Manual for Calculating Natural Gas Prices and Natural Gas Transmission Tariffs issued by the Energy Policy and Planning Office, Ministry of Energy. The natural gas transmission tariffs comprise two parts, i.e. the charge for fixed costs (Demand Charge: Td), which will be reviewed every 3-5 years, and that for variable costs (Commodity Charge: Tc), which will be reviewed every year. The variable costs used in the calculation

comprised the operating costs which varied according to the volume of natural gas transmitted through the natural gas transmission pipeline system and the growth rate of Consumer Price Index (CPI) announced by the Ministry of Commerce. In this connection, the ERC had closely followed up and inspected PTT's operation in providing natural gas transmission services in order to obtain the facts incurred and the difference between the facts and the assumptions used in calculating natural gas transmission tariffs, in terms of both investment and expenses under variable costs, to ensure fairness for service users. In 2015, the natural gas transmission tariffs were as follows:

Table 4: Natural Gas Transmission Tariffs based on the Use of Natural Gas Transmission Pipeline Systems in 5 Zones

(Unit: Baht per Million BTU)

Zone	Fixed Cost (Td)	Variable Cost (Tc)
(1) Offshore natural gas transmission pipeline system, in Rayong (Zone 1)	8.5899	1.3045
(2) Offshore natural gas transmission pipeline, at Khanom (Zone 2)	14.2177	1.3045
(3) Onshore natural gas transmission pipeline (Zone 3)	12.0654	1.3045
(4) Onshore natural gas transmission pipeline, at Chana (Zone 4)	2.4855	0.1283
(5) Onshore natural gas transmission pipeline, at Namphong (Zone 5)	1.1299	0.0000

(2.2) The ERC granted approval for PTTLNG Co., Ltd. to temporarily collect a tariff for liquefied natural gas (LNG) truck loading at the same rate as the tariff for natural gas storage and transformation of liquid to gas (LNG Receiving Terminal tariff) until the amount of truck loading service reached the licensed amount of 10,000 tons, whereby the tariff under fixed costs (Demand Charge: Td) was set at 24.9320 Baht/MMBTU and that under

variable costs (Commodity Charge: Tc) at 0.8226 Baht/MMBTU. However, if there was any review on the LNG Receiving Terminal tariff in the meantime, the aforesaid tariffs would be revised according to the newly announced rates as well. In this regard, the PTTLNG was directed to provide detailed clarification of the cost calculation for setting the LNG Truck Loading tariff for further presentation to the ERC.





## Regulation of Power Purchase and Management to Enhance Energy Security

The ERC regulated power purchase from Small Power Producers (SPPs) and Very Small Power Producers (VSPPs) so as to enhance energy security and to be in compliance with the national energy management plan. Major performances are as follows.

**1) Regulation of Power Purchase** to ensure commercial supply to the grid in accordance with the Thailand Power Development Plan and the Alternative Energy Development Plan (AEDP), which can be summarized as follows:

(1.1) Implementation with regard to SPPs, by preparing guidelines on extension of the power plant operation terms of SPPs under firm contracts, using cogeneration system (in the case where PPAs will expire in 2017-2018) and guidelines on power plant construction (in the case where PPAs will expire in 2019-2025), within the year 2015 to be used for reviewing relevant regulations to be concise and to enhance regulation of cogeneration SPPs' operation to effectively produce electricity and steam so as to meet the objective of power generation using cogeneration system.

(1.2) Power purchase from SPPs and VSPPs to promote power generation from renewable energy

- Purchase of power from Solar PV Rooftop projects (residential category) under the Feed-in Tariff (FIT) scheme – the Distribution Utilities (MEA and PEA) conducted power purchase from Solar PV Rooftop projects pursuant to the Regulation of the ERC on Purchase of Power Generated from Solar PV Rooftops (for additional purchase to fill up the 100-MW quota) B.E. 2557 (2014) as well as the announcement issued under the said regulation. To date, there has been purchase of power pursuant to the mentioned regulation and announcement from 7,434 projects, accounting for a total installed generating capacity of 58 MW.

- Purchase of power generated from renewable energy (excluding solar power projects) during the transitional period from Adder to Feed-in Tariff (FIT) scheme – the ERC issued the Announcement on Purchase of Power Generated from Renewable Energy (excluding Solar Energy) during the Transitional Period from Adder to Feed-in Tariff (FIT)



Scheme B.E. 2558 (2015), effective 24 January 2015. According to the announcement, renewable VSPPs wishing to participate in the power purchase program under the FiT scheme were required to cancel their former PPAs, without any deduction of their performance security, and to submit an application to sell power under the FiT scheme by 31 March 2015, as the case may be, divided into the following three groups:

Group 1: For projects supplying power to the grid, they had to remain under the former Adder scheme.

Group 2: For projects having not yet supplied power to the grid pursuant to the PPA or having received notification of power purchase acceptance in 2014, of which the project term had never been extended or the scheduled commercial operation date (SCOD) had not yet been due, they could submit a request to cancel the former PPAs, without any deduction of their performance security, and they had to submit an application to sell power under the FiT scheme; the purchasing rate would be based on the new FiT rate.

Group 3: For projects having submitted applications to sell power, pending notification of power purchase acceptance, they could switch to the FiT scheme, by submitting a request to cancel the former applications within the stipulated period of time, without any deduction of their performance security, and they had to submit a new application to sell power under the FiT scheme. The power purchase would be conducted via competitive bidding as if they were new applicants.

Subsequently, the Distribution Utilities would examine their power purchase applications as well as prepare PPA amendment or notify power purchase acceptance under the FiT scheme, to be completed by April 2015 so that PPA signing with those having been notified of power purchase acceptance could be made by June 2015.

- Purchase of power from VSPP projects using renewable energy (excluding solar power projects) under the FiT scheme via competitive bidding – the ERC issued the Regulation on Purchase of Power from Very Small Power Producer Projects Using Renewable Energy under the Feed-in Tariff Scheme (excluding Solar Power Projects) B.E. 2558 (2015), which was published in the Government Gazette with effectiveness as from 6 March 2015. Presently, the ERC is carrying out the execution pursuant to the NEPC resolution of 13 August 2015, regarding special measures to promote biomass and biogas power plants in three southern border provinces and four districts in Songkhla province, by commencing power purchase from VSPP renewable energy projects (excluding solar power projects) under the FiT scheme (Phase 1 for areas in the three southern border provinces (i.e. Pattani, Yala and Narathiwat provinces) and four districts in Songkhla province (i.e. Chana, Thepha, Saba Yoi and Na Thawi districts), with a total installed capacity of about 50 MW (biomass: 30-40 MW and biogas: 10-20 MW). It is expected that the announcement on this matter could be issued within 2016.



Table 5: Feed-in Tariff Rates for Renewable Energy VSPP Projects (exclusive of Solar Power Projects) (pursuant to the NEPC Resolution of 15 December 2014)

Generating Capacity (MW)	FIT (Baht/Unit)			Support Duration (Year)	FIT Premium (Baht/Unit)	
	FIT <sub>F</sub>	FIT <sub>V,2017</sub>	FIT <sup>(1)</sup>		For Projects Using Bio-fuel (first 8 years)	For Projects in Southern Border Provinces <sup>(2)</sup> (throughout project life)
<b>1) MSW (Intergrated Solid Waste Management)</b>						
Installed Capacity ≤ 1 MW	3.13	3.21	6.34	20	0.70	0.50
Installed Capacity > 1-3 MW	2.61	3.21	5.82	20	0.70	0.50
Installed Capacity > 3 MW	2.39	2.69	5.08	20	0.70	0.50
<b>2) MSW (Landfill)</b>	5.60	-	5.60	10	-	0.50
<b>3) Biomass</b>						
Installed Capacity ≤ 1 MW	3.13	2.21	5.34	20	0.50	0.50
Installed Capacity > 1-3 MW	2.61	2.21	4.82	20	0.40	0.50
Installed Capacity > 3 MW	2.39	1.85	4.24	20	0.30	0.50
<b>4) Biogas (Wastewater/Manure)</b>	3.76	-	3.76	20	0.50	0.50
<b>5) Biogas (Energy Crops)</b>	2.79	2.55	5.34	20	0.50	0.50
<b>6) Hydropower</b>						
Installed Capacity ≤ 200 kW	4.90	-	4.90	20	-	0.50
<b>7) Wind Power</b>	6.06	-	6.06	20	-	0.50

Remarks: (1) The FIT rate will apply to projects that supply power to the grid by 2017; after 2017 the FIT rate will continually increase in line with the core inflation rate only for projects using MSW (intergrated solid waste management), biomass, biogas (energy crops).

(2) Projects in the areas of Pattani, Yala and Narathiwat provinces and four districts in Songkhla province, i.e. Chana, Thepha, Saba Yoi and Na Thawi districts

• Purchase of power from ground-mounted solar power projects for those having submitted applications to sell electricity under the former Adder scheme (“Residual Adder Solar Farms”) – the ERC announced clarification of the ERC Regulation on Purchase of Power from Ground-mounted Solar Power Projects for Applicants Having Applied to Sell Electricity under the Former Adder Scheme B.E. 2557 (2014). The essence of the announcement was that, if any project participant could not commercially supply power to the grid by the SCOD, the Power Utility would be able to impose a fine

at a rate of 1.11% of the security amount per day. However, if the fine calculation up to 31 December 2015 accounted for an amount of fine that was still lower than the security value and the project participant still could not commence supplying electricity, the Power Utility would be able to confiscate the remaining value of the security and it would be regarded that the PPA was terminated. That is, if any project participant could not commercially supply electricity to the grid by 31 December 2015, the PPA would be terminated. In this regard, the ERC had complied with the policy

directive of the Minister of Energy, by affirming termination of PPA of solar power projects under the former Adder scheme (“Residual Adder Solar Farms”) in the case where such projects could not comply with their respective SCOD by 31 December 2015. However, the operators would be given opportunities to appeal and explain reasons on a case by case basis. If the obstacles preventing such a project from proceeding were caused by the public sector policy, consideration would be made to extend the SCOD. Presently, the information from the PEA about “Residual Adder Solar Farms” which could supply power as scheduled by 31 December 2015 is being summarized.

- Purchase of power from ground-mounted solar power projects of government agencies or agricultural cooperatives – the ERC issued an announcement on purchase of power from ground-mounted solar power projects operated by government agencies or agricultural cooperatives,

with an installed capacity not exceeding 5 MW per project, at a total purchase volume of 800 MW, with support duration of 25 years and the SCOD by September 2016 for Phase 1 and by 30 June 2018 for Phase 2. At the preliminary stage, the target of power purchase in Phase 1 was 600 MW in total, distributed to three areas, comprising: responsible areas of the Metropolitan Electricity Authority (MEA), 200 MW; those of the Provincial Electricity Authority (PEA), 389 MW; and those of Sattahip Electric Welfare (SEW), 11 MW. The opening for application submission together with relevant documents was scheduled during 1 - 10 November 2015.

- Regulation of power purchase pursuant to the Regulations on Power Purchase from SPPs and VSPPs can be summarized as follows:



Electricity Industry and Natural Gas Industry

Table 6: Status of Power Purchase from SPPs and VSPPs

Status of Power Purchase	SPP						VSPP					
	Firm		Non-Firm		Total		Cogeneration		Renewable		Total	
	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)	No. of Projects	Capacity (MW)
1. Pending notification of purchase acceptance	1	25	18	624	19	649	5	38	78	430	83	468
2. Pending PPA signing	0	0	8	535	8	535	0	0	114	601	114	601
3. PPA signed	38	3,420	19	1,143	57	4,563	9	45	267	1,156	276	1,201
4. Supplying power to grid	62	3,817	30	1,123	92	4,940	6	21	574	1,970	580	1,991
Total	101	7,262	75	3,425	176	10,687	20	103	1,033	4,158	1,053	4,261

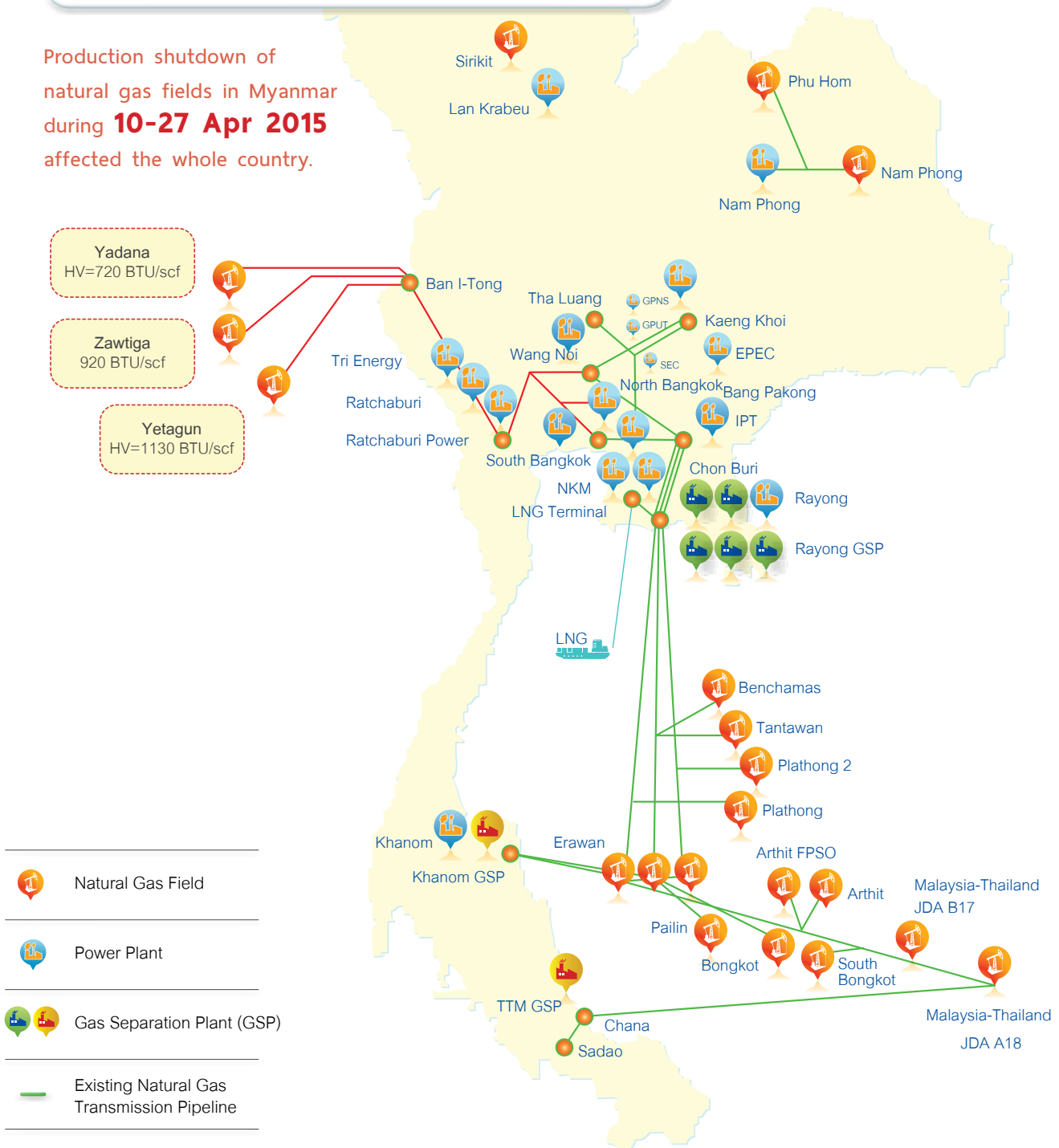
Remarks: 1. EGAT data from *Summary Report on Progress of Small Power Producer (SPP) Projects*, July 2015; and data on VSPP from MEA data of July 2015 and PEA data as at 13 August 2015.  
 2. Firm SPP means a private power producer whose proposed sale capacity to the EGAT system is more than 10 MW, but not exceeding 90 MW, with a PPA term of 20-25 years.  
 3. Non-Firm SPP means a private power producer whose proposed sale capacity to the EGAT system is more than 10 MW, but not exceeding 90 MW, with a PPA term of 5 years.



## 2) Energy Crisis Management Measure (Demand Response)

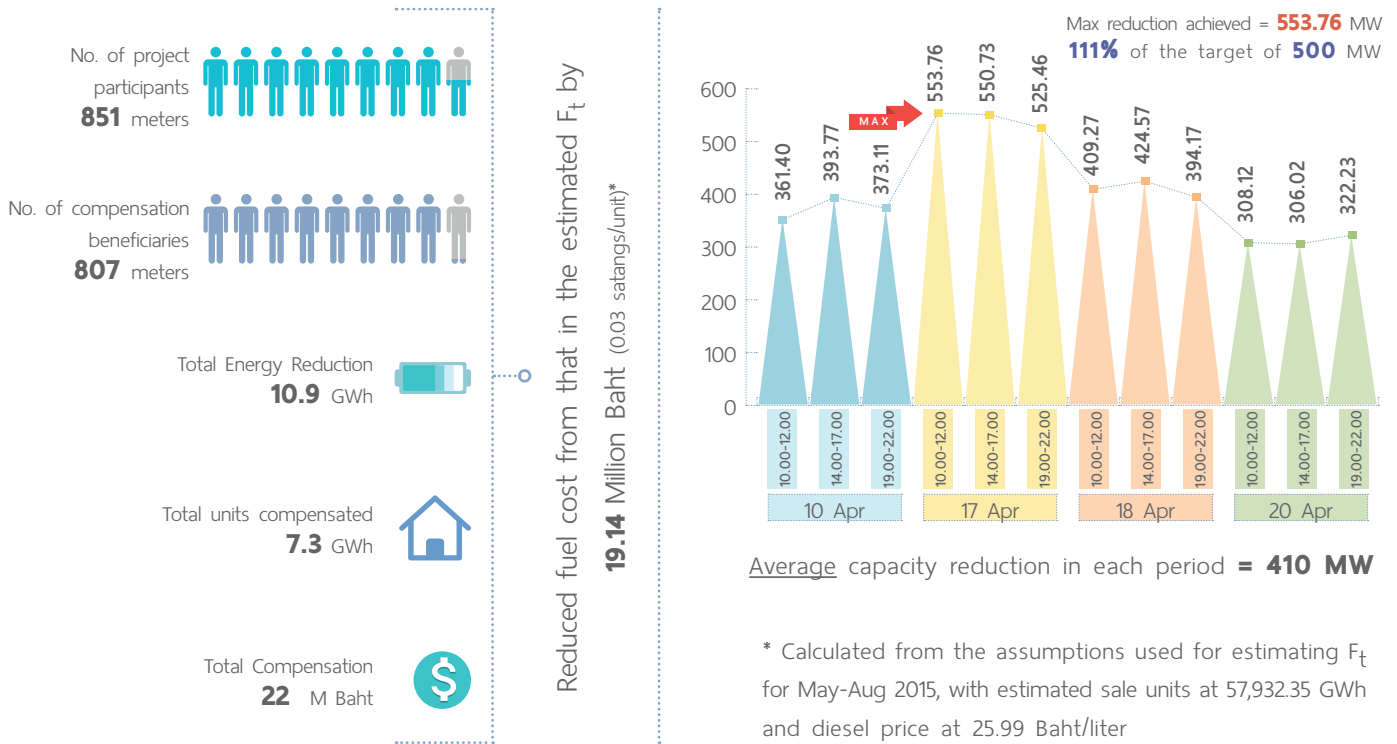
The ERC had implemented measures to manage an energy crisis situation, or the so-called “Demand Response” Program, in continuation from the year 2014, so as to manage the energy demand during the period where there is energy security risk of the power system. In 2015, the OERC exercised the Demand Response Program twice, which can be briefed as follows.

Production shutdown of natural gas fields in Myanmar during **10-27 Apr 2015** affected the whole country.



## 1) Demand Response Program No. 1/2015

Result of DR Implementation to Reduce Peak Demand  
on 10, 17, 18 and 20 April 2015



Demand Response Program No. 1/2015, due to the disruption of natural gas supply from Yadana and Zawtika gas fields during 10, 17, 18 and 20 April 2015. The implementation could reduce power consumption by 10.9 GWh nationwide and could considerably reduce power demand by 417 MW (average).

Cooperation was received from power consumers in all regions who had expressed their interest to participate in the program and whose qualifications met the criteria, accounting for a total of 851 meters. Participants in this Demand Response exercise would receive compensation at a rate of 3.00 Baht/unit.

Table Summarizing Implementation Results of Demand Response Program No. 1/2015

	EGAT	PEA	MEA	Total
No. of applicants (meters)	4	895	38	937 meters
No. of qualified applicants	4	810	37	851 meters
No. of beneficiaries of compensation	3	769	36	808 meters
Proposed MW reduced (max.)	35.04	675.99	36.61	748 MW
Proposed MW reduced (average)	32.01	527.15	21.45	581 MW
Actual MW reduced (max.)	50.46	479.97	30.24	561 MW
Actual MW reduced (average)	44.63	355.52	16.97	417 MW
Actual units reduced	1,436,972.00	9,012,797.32	463,251.54	10,913,021 Units
No. of units compensated	1,227,059.72	5,761,144.82	331,216.00	7,319,421 Units
Compensation amount	3,681,179.16	17,283,434.46	993,648.00	21,958,262 Baht

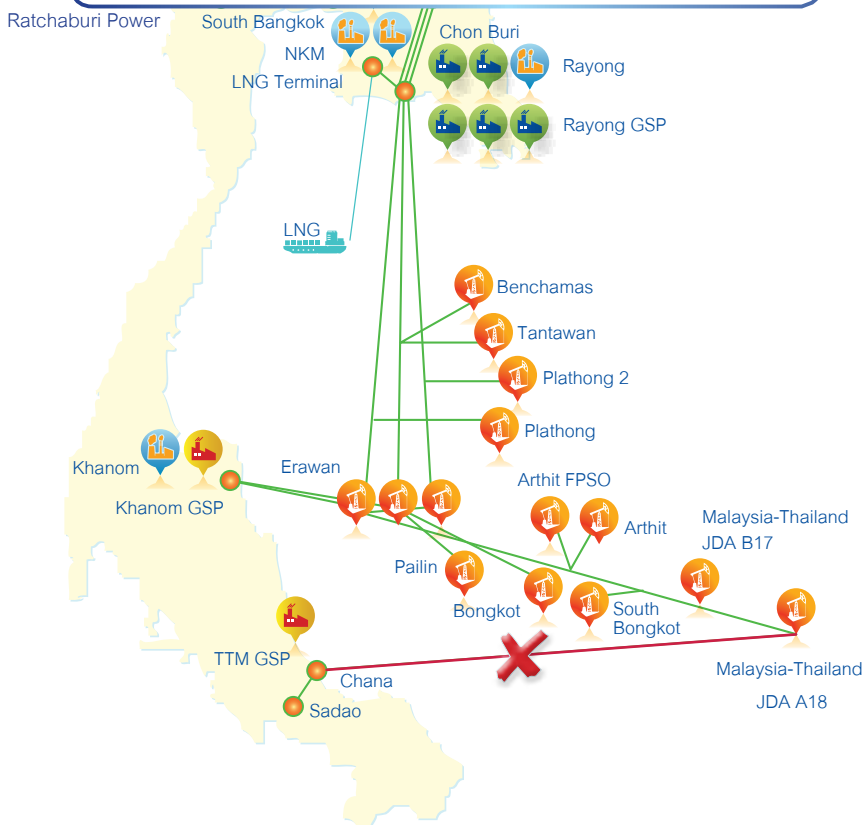
## 2) Demand Response Program No. 2/2015 (Southern Region)



### Implementation Details

- Target:** 100 MW  
(application acceptance up to 200 MW)
- Application Period:** 29 Jun – 3 Jul 2015
- Data Collection of Baseline Capacity Demand:** 20 Jun – 17 Jul 2015 (divided into weekdays and Saturday-Sunday)
- Qualifications of Applicants:**
  1. Being power customers of the Power Utilities under Schedules 3, 4 and 5
  2. Having AMR meters
- Compensation Rate:** 3.40 Baht/unit

### Halt in Production of JDA-A18 Gas Field 21-25 Jul 2015



### Impact of natural gas supply disruption from JDA-A18 Gas Field

- 🏠 Chana Power Plant, Block 1, had to run on diesel, and Chana Power Plant, Block 2, had to halt operation.
- 🏠 Estimated peak load in the southern region during the shutdown of JDA-A18 gas field = 2,350 MW
- 🏠 Generating capacity in the south, of which the generation cost was lower than that run by diesel = 2,138 MW

### Backup Measure

Purchase additional power from the excess capacity of renewable VSPPs in the southern region on the date and time of DR implementation, by determining the purchasing price for the excess capacity according to the rate specified in the PPAs, without Adder.



**Demand Response Program No. 2/2015**, to reduce power consumption in the 14 southern provinces of Thailand during the production shutdown of JDA-A18 gas field for 5 days, during 21-25 July 2015 (postponed from the initial scheduled period of 19-23 July 2015 due to the weather conditions which did not allow transportation of equipment to undertake repairing work on the site). From the program implementation by EGAT and the PEA, there were 206 qualified applicants; of these only 191 applicants could reduce energy consumption according to the specified criteria, resulting in a reduction of 228,103.57 energy units to be compensated and the compensation amount was 775,552.13 Baht. Moreover, additional purchase of power from Very Small Power Producers (VSPPs) was made at the amount of 19,011 units, accounting for compensation of 76,402.63 Baht. As a result, the compensation was 851,954.76 Baht in total and the impact on the  $F_t$  was about 0.0016 satang/unit (estimated sale units in the round of September – December 2015 = 54,030.64 GWh), accounting for the avoided amount of diesel use of about 54,584.16 liters, which would be worth around 1,200,720.59 Baht. When compared with the compensation of 775,552.13 Baht paid to the program participants for their power consumption reduction, the fuel cost for power generation during the crisis could be reduced by about 425,168.46 Baht, rendering the  $F_t$  reduction by about 0.0008 satangs/unit. (The average diesel price of EGAT power plants in July 2015 was 21.9976 Baht/liter.)

Table Summarizing Implementation Results of Demand Response Program No. 2/2015

	EGAT	PEA	Total
No. of applicants (meters)	1	205	206 meters
No. of qualified applicants	1	205	206 meters
No. of beneficiaries of compensation	1	190	191 meters
Actual MW reduced (max.)	15	10.47	25.47 MW
Actual units reduced	137,818.00	129,644.40	267,462.40 Units
No. of units compensated	131,731.18	96,372.39	228,103.57 Units
Compensation amount	447,886.00	327,666.13	775,552.13 Baht
Additional purchase units: Peak = 14,693 units Off Peak = 4,318 units	-	19,011.00	19,011.00 Units
Compensation for additional power purchase (including VAT) Peak = 4.1674 Baht/unit Off Peak = 2.3552 Baht/unit	-	76,402.63	76,402.63 Baht
Total compensation amount	447,886.00	404,068.76	851,954.76 Baht

\* In this connection, the OERC will further examine the Demand Response measure as a permanent approach to be enforced in the future.





## Promotion of Energy Industry and Enhancement of Competition

The ERC promoted open access to the use of energy network systems to create optimum benefits and enhance competition in the use of energy network systems and strengthened cooperation in energy industry regulation with other countries as well as international organizations, which can be summarized as follows:

**1) Utilization of Energy Network Systems to Optimize Benefits and Enhance Competition in the Use of Energy Network Systems** by focusing on the enhancement of competition in the natural gas industry as well as fair and transparent service provision of energy network systems. In this regard, the Third Party Access Code (TPA Code) on the use or connection to onshore natural gas transmission pipeline system of PTT Plc. and the TPA Code on LNG terminal service provision and connection to Map Ta Phut LNG Terminal of PTTLNG were approved by the ERC. The mentioned TPA Codes contain operational requirements and conditions that the owners of natural gas transmission pipeline systems or LNG terminal have developed to provide access for a third party who obtains a natural gas procurement and wholesale license from the ERC or other energy industry operators to use or connect to the natural gas transmission pipeline systems or LNG terminal. This will reduce monopoly and will enhance competition in the natural gas

industry of the country, and natural gas consumers will receive benefits in terms of prices as a result of the mentioned competition mechanism.

Additionally, support was given by the ERC to the principles of PTT's Natural Gas Infrastructure Master Plan B.E. 2558 (2015) because the plan would help strengthen security of the national energy network systems in the long term and would create security of natural gas transmission via natural gas transmission pipeline networks so as to accommodate increasing natural gas demand in the future, and would be able to replace the natural gas transmission capacity of the natural gas transmission pipelines No. 1 and No. 2, which will be decommissioned in 2021 and 2035 respectively. Moreover, the plan would bring about integration of the natural gas distribution system management and the natural gas quality management in the whole system to be of the same quality so as to maximize efficiency of energy service provision of the country.

**2) Build-up of Cooperation with ASEAN Member States** via the ASEAN Energy Regulators' Network (AERN), with the establishment of two AERN Working Groups, i.e. AERN Working Group 1 (AWG1): Technical and Regulatory Harmonization and AERN Working Group 2 (AWG2): Legal and Commercialization. AWG1 and AWG2 will provide

support to the operation of two Working Groups under the Heads of ASEAN Power Utilities/Authorities (HAPUA), i.e. HWG 2: Transmission and HWG 4: Policy Study and Commercial Development, respectively. Furthermore, at the 33<sup>rd</sup> Senior Officials Meeting on Energy (SOME) during 25-28 May 2015 in Kota Kinabalu City in Malaysia, the Meeting gave consent for AERN to operate as a Taskforce working jointly with the ASEAN Power Grid Consultative Committee (APGCC) of HAPUA and the ASEAN Gas Consultative Committee (AGCC) with regard to the Trans-ASEAN Gas Pipeline (TAGP) so as to monitor the regulatory work in relation to the power grid and natural gas pipeline cooperation in the region. The role of AERN in this regard, being the regulatory body of the public sector, is to support the regulatory function of the two energy infrastructure bodies in connection with the Regulatory Framework and Harmonization. In addition, during 1-2 October 2015, the ERC organized the 5<sup>th</sup> international academic seminar on energy (International Forum 2015) and Capacity Building in regulatory work of ASEAN members. The ERC, in its capacity as Thailand representative, hosted the seminar and was honored by the presence of General Anantaporn Kanjanarat, Minister of Energy, who presided over the opening session of the seminar, with over 250 participants, comprising delegates from government agencies, private sector, universities, energy industry operators and delegates from six AERN Member States, i.e. Cambodia, Indonesia, Laos, Malaysia, Philippines and Vietnam.



3) The ERC gave consent to the PEA's Agricultural Land Electrification Project, 2<sup>nd</sup> Stage, which is a project under the Power System Development Plan during the 11<sup>th</sup> National Economic and Social Development Plan (2012-2016), with investment cost of 2,030 million Baht, divided into 1,522 million Baht from domestic loans and 508 million Baht from PEA revenue. This project is aligned with the government policy to help reduce the production cost and contributes to sufficiency economy development of agricultural-based households. In addition, it will enhance energy efficiency and better environment.

4) The OERC was tasked by the ERC to review and improve the Regulation of the ERC on Establishment of Criteria to Prevent Merger, Competition Lessening or Restriction in Energy Service B.E. 2552 (2009) so that deliberation on a merger, which, by nature, may create monopoly, lessen competition or restrict competition in energy service provision, would be fully comprehensive.

5) Consent was given to the principle of distinct separation of accountability between the ERC and the Office of Atoms for Peace (OAP) pursuant to the draft of Nuclear Energy Act B.E. .... so as to avoid problems in the implementation. In relation to the determination of powers and duties in the regulation of nuclear power plants, the ERC shall have the authority and duties to regulate the energy stability aspect while the OAP shall have the authority and duties to regulate the safety and security aspect of nuclear power plants.



Third Party Access (TPA)



"Regulator" Journal

## Energy Consumers' Rights Protection

Upgrading protection of energy consumers and stakeholders in the dimension of energy industry regulation was intensified by the ERC via the development of standards of energy service provision contracts, the establishment of energy consumer protection networks and participatory process of stakeholders in the energy industry, such as the organization of forums to build up knowledge and awareness of energy-related issues, the development of energy consumer network database and the provision of training to improve potential of energy consumer representatives, which would contribute to the participatory process and energy consumers' rights protection under the umbrella of energy regulatory work. In addition, the work process relating to energy industry regulation and service provision of the OERC was continually developed and improved to be able to create satisfaction and to respond to expectations of stakeholders that keep increasing each year. Major performances can be summarized in the following.

**1) Protection of the Rights of Energy Consumers and Stakeholders in the Energy Regulation Dimension** – the undertaking of complaint deliberation was improved to be finalized within the stipulated timeframe (60 days), together with the reporting of up-to-date information and hence follow-ups on the deliberation status could be rapidly made via the e-Petition system. Moreover, improvement was made in the deliberation

process of appeals on energy network system boundaries and appeals on compensation for land and property to be in compliance with the timeframe stipulated by law (60 days).

Furthermore, upgrading was made to power consumer protection measures. During 2013-2015 the OERC conducted a study and developed the standard forms of contracts on energy service provision with a view to providing protection and fairness to power consumers, and on 6 August 2015 the ERC Announcement on Standards of Contracts on Energy Service Provision was enforced, which would improve power service provision contracts of Distribution Utilities to provide greater fairness to power users. This task was the output of cooperation with concerned agencies in various sectors, e.g. the Provincial Electricity Authority (PEA), Metropolitan Electricity Authority (MEA), Sattahip Electric Welfare (SEW), Office of the Attorney General, and Regional Energy Consumer Committees (RECCs). In this regard, the three Distribution Utilities (PEA, MEA and SEW) were required to review their power service provision contracts in accordance with the stipulated standards, to be applied to retail power consumers (Residential and Small General Services customers), the number of which is over 20 million nationwide.

The essence of the standards of power service provision contracts, which will improve energy consumer protection, consists of the following 12 issues:

1. The Power Utilities have the duty to establish obligations under such service provision contracts with all retail power consumers (both existing and new) and to publicize their respective contract forms so that power consumers would be informed.

2. The Power Utilities have the duty to inspect meters every three years to ensure the accuracy of measurement, according to the specified inspection criteria and methods.

3. Change in power tariff and service charge rates must be announced in advance.

4. With regard to the sending of power bills, apart from sending the bills to the venues where electricity is consumed, power consumers can request to have the bills sent to other places as agreed upon.

5. The Power Utilities must keep historical power consumption data at least in the past two years to allow power consumers to check their consumption data.

6. Determination of the period of time for power bill payment must be no less than 10 days as from the invoice date; if no payment is made after the due date, a written warning must be issued at least five (5) days before the power supply is disconnected.

7. Power supply disconnection procedures must be in compliance with the criteria and timeframe specified by the ERC (about 5-6 days); the concerned power consumer will be required to pay for the power supply disconnection/reconnection fees only in the case where power supply disconnection has actually occurred.

8. In the case where there was an error of or a discrepancy in metering, causing the collection of power bills to be lower than the actual consumption, the adjustment of consumption amount to be retroactively charged can be made for the period of time the error or discrepancy was detected, but not exceeding three (3) years.

9. The Power Utilities must pay the interest incurred from the customer guarantee deposits to power consumers every five (5) years' round.

10. Power supply reconnection after the supply has been disconnected must be carried out immediately (within one day).

11. The Power Utilities must provide services in general according to service provision standards, as stipulated by the ERC.

12. If a complaint is lodged by a power consumer, it must be resolved in accordance with the criteria and method, which must be announced and must specify the timeframe and procedures so that power consumers would be informed.

It is to be noted that the enforcement of standards of power service provision contracts by the ERC was only one of the five major tasks under the "Energy Consumer Protection Plan." The other four important tasks included: 1) energy consumer protection by the RECC, 2) (power) tariff determination, 3) service quality standards, and 4) the use of IT systems to interconnect data pertaining to complaints among the ERC, PEA and MEA. Such implementation was continually carried out as the ERC had designated the years 2013 - 2015 to be the "Years of Energy Consumer Protection."

On 11 June 2015, the Regulation of the ERC on Criteria on Lodging, Receipt and Deliberation of Complaints of Energy Consumers on Difficulties and Disputes between Energy Consumers and Licensees (No. 2) B.E. 2558 (2015) was issued. In Fiscal Year 2015, the ERC completed deliberation on a total of 88 complaints, comprising 86 complaints from energy consumers on difficulties, damage and disputes between energy consumers and licensees and two (2) complaints against operators regarding wastewater disposal and soot emission, as shown below.





Table 7: Performance on Complaint Deliberation in Fiscal Year 2015

Complaint Issue	Deliberation Completed	Under Deliberation	Total
Complaints under Sections 100 and 103 of the Act – in the case where energy consumers have difficulties as a result of service provision of the licensees	86	11	97
Complaints under Section 90 of the Act – in the case where electrification expansion is requested or where the service exists but is inadequate to meet energy consumers' demand	-	5	5
Complaints against operators regarding wastewater disposal and soot emission	2	2	4
Complaints against operators regarding objection to license issuance/power plant construction	-	25	25
<b>Total</b>	<b>88</b>	<b>46</b>	<b>131</b>

**2) Development of Participatory Process to Enhance Energy Industry Regulation** – In Fiscal Year 2015, the OERC continued conducting the project on organizing forums to build up knowledge and awareness of energy matters and to promote public participation in support of energy regulatory work in the Energy Consumer Region 7, which covers areas of seven (7) provinces, i.e. Ayutthaya, Pathum Thani, Saraburi, Ang Thong, Sa Kaeo, Prachin Buri and Nakhon Nayok, during June - July 2015, to communicate energy regulatory work to the people as well as listen to problems and obtain suggestions from participants who came from various sectors – power consumers, government agencies, local administration, industrial entrepreneurs, Provincial Chambers of Commerce and the RECC – with the ERC presiding over the forums together with participation of the OERC management and representatives of the Power Utility in the respective areas. A total of about 1,400 participants attended the organized forums and recording was made in the database of energy consumer networks pursuant to the OERC system.

The organization of the above-mentioned project is a proactive activity which has continually been undertaken since 2010 and, to date, it has been implemented across most of the country, covering now 11 Energy Consumer Regions (i.e. Regions 1-9, 11 and 12) accounting for 68 provinces.

Additionally, a training project, entitled “RECC Knowledge Sharing,” was organized by the OERC to enhance potential of the Regional Energy Consumer Committee in all 13 Regions, consisting of two courses, namely:

(1) “Basic Knowledge for the RECC” (March - April

2015), by providing training in knowledge of various relevant issues which would contribute to the RECC’s execution of their tasks according to the given authority and duties and which was a means to mutually exchange knowledge between the OERC and RECC, who are representatives of the people’s sector and serve as a mechanism to assist the ERC with the regulation of energy consumer protection to the benefit of coordination in the task of energy consumers’ rights protection. Opportunities for knowledge sharing were provided in the following sessions: “RECC role in support of the task of energy industry regulation” and “what the RECC should know (to keep abreast with energy regulatory work).” In addition, training was organized in “negotiation procedures to reconcile disputes” together with the arrangement of forum simulations of dispute reconciliation negotiation for the RECC to practice, and there was exchange of concepts regarding knowledge management in carrying out civil society activities.

(2) “Knowledge about Energy Systems” (July – August 2015), by educating the RECC on the topic of “Universal Energy” by Mr. Manoon Siriwan, an independent academic, and “Thailand’s Power Generation Systems” by an EGAT representative, including exchange of knowledge about renewable energy in Thailand, by a speaker from the Association of Private Power Producers. In addition, study visits were arranged to learn about power generation process of hydropower plants operated by EGAT and about biomass-fuelled power generation process of power generating companies in the private sector in each Region, so as to create understanding of the RECC about the overview of energy system of the country.



## Regulation of the Use of Immovable Property

The ERC regulated the use of immovable property for construction of energy network system areas by improving the process of deliberation on appeals pertaining to the use of immovable property to be rapid and to comply with the timeframe stipulated by law (60 days), with the adjustment of the sending method of licensees' information for preliminary consideration via digital files. Performances in Fiscal Year 2015 can be summarized as follows:

■ Announcement on demarcation of areas to be surveyed for energy network systems	33	network systems
■ Announcement on demarcation of energy network system areas	57	network systems
■ Cancellation of electricity network system boundary	12	network systems
■ Determination of compensation prices for land and assets	7	provinces
■ Deliberation on appeals against energy network system areas and objections to energy network system installation	957	cases
■ Deliberation on appeals on compensation	221	cases
■ Permission for acts to be taken in energy network system areas	34	cases



## Organizational Development

e-Learning Website



The ERC placed emphasis on the organizational development towards regulatory excellence, by improving work process, building up human resources capacity and developing the database system to be efficiently utilized for regulatory work. Major performances can be briefed as follows:

■ **Development towards a High Performance Organization pursuant to the PMQA Criteria** – The OERC followed the roadmap for organizational development towards a high performance organization (HPO) by the year 2017, by developing an Opportunity for Improvement (OFI) Plan to enable continual improvement of the organization to eventually attain sustainable development and regulatory excellence, being able to provide professional services to the public in accordance with the good governance principles.

■ **Human Resources Development** – Personnel capacity building was undertaken so that the personnel would be well-versed in their work in compliance with the Strategic Plan of the OERC. Plans on career development and succession to higher positions were developed to provide inspiration and motivation for the staff in carrying out their duties. Moreover, personnel competency was developed by providing knowledge and enhancing skills in the law on administrative execution via the preparation of a handbook on administrative execution and knowledge transfer by organizing training for the OERC personnel.

■ **Development of the Database Management System** – This aims to provide efficient support to the OERC's operations and to be the center of energy information and knowledge. Data cleansing was completed for two systems, i.e. the SPP, VSPP and IPP system and the e-Licensing system, to be accurate and fully comprehensive.

■ **Implementation according to the Plan for Procurement of Permanent OERC Premises instead of Renting Office Space at Chamchuri Square Building** – Presently, the OERC is located in a rented office building, causing the lack of agility in the management and administration to accommodate service provision to interested persons and general public who made official contact with the office in relation to various matters. In addition, the annual office space rental is considerably high. In 2015 the OERC had to pay about 47.66 million Baht in total for the office lease, services and utilities expense. Therefore, it was deemed appropriate to procure permanent OERC premises as this would be more beneficial than paying the lease without acquiring ownership of the property, and the OERC already purchased a piece of land for this purpose. In Fiscal Year 2015 the selection of a contractor for office design together with interior decoration was conducted, and the designing work is expected to complete by September 2016.





## Power Development Fund Performance in Fiscal Year 2015

The Power Development Fund (the Fund) has been established under the Energy Industry Act of 2007, with the main source of fund from contributions delivered by electricity industry licensees in accordance with the announcements issued by the ERC, and power consumers will have to bear the burden of such contributions via power tariffs. Other sources of fund are from fines and donated money or assets, including interest or any benefit incurred from the money or assets of the Fund.

The Fund operations are regulated by the ERC under the policy framework of the National Energy Policy Council (NEPC). The OERC is responsible for the receipt, disbursement, keeping and management of the Fund money in conformity with the regulations set forth by the ERC. The Fund monies are separated from the OERC budget and are subject to auditing by the Office of the Auditor General of Thailand (OAG). The Fund has been in operation since Fiscal Year 2011, with the following objectives: to support extensive electrification to various localities; to subsidize underprivileged power consumers; to develop local communities which are affected by power plant operation; to promote the use of renewable energy and technologies for electricity industry operation that have minimal impact on the environment; and to increase knowledge, awareness and participation in power-related matters of the general public.

Major performances of the Fund in Fiscal Year 2015 included the following. Review, improvement and issuance of rules and regulations pertaining to the Fund operations to be more appropriate and to cover various tasks of the Fund, such as, the issuance of the ERC order on sending of contributions and disbursement of money from the Fund pursuant to Section 97(1) for revenue compensation among the Power Utilities (2015); the issuance of

two ERC announcements – one on sending of contribution to the Fund imposed on electricity supply licensees to promote the use of renewable energy and technologies for electricity industry operation that have minimal impact on the environment, and the other on sending of contribution to the Fund imposed on electricity supply licensees to increase knowledge, awareness and participation in power-related matters of the general public – including the drafting of two ERC regulations on criteria and procedures for allocating money from the Fund to promote the use of renewable energy and technologies for electricity industry operation that have minimal impact on the environment and to increase knowledge, awareness and participation in power-related matters of the general public. Furthermore, more powers pertaining to management and administration of the Fund have been decentralized to communities surrounding power plants, by delegating to each Community Development Committee (CDC) for areas surrounding power plants the authority to consider and approve small-scale community projects with a budget not exceeding 300,000 Baht each. In order that the community project implementation would be developed in a sustainable manner and correspond, to a greater extent, with the strategic plan of each Power Development Fund in the designated areas, criteria were established for the development of work plans for Fiscal Year 2016 to include large-scale community projects with a budget over 300,000 Baht each, in response to the policy which has designated the Fiscal Year 2016 as the Year of Health, with importance given to community projects relating to the following five major aspects: 1) enhancement of quality of life, health and well-being; 2) career development; 3) quality of life improvement; 4) development of education, religion, cultures & traditions; and 5) environmental conservation and rehabilitation.

### 1. The Fund Implementation for Operations under Section 97(1)

The OERC allocated money from the Fund to compensate electricity industry licensees who had provided extensive electrification or supported the policy on development decentralization to provincial areas and to subsidize electricity industry licensees who had provided services for underprivileged power consumers, as follows:

**(1.1) Revenue compensation among the Power Utilities to compensate electricity industry licensees for having provided extensive power services.** The ERC issued an order requiring that EGAT and the MEA send contributions to the Fund to be spent under Section 97(1), i.e. to be used as revenue compensation among the Power Utilities (PUs) for enhancement of extensive electrification. Since Fiscal Year 2011, EGAT and the MEA have sent contributions to be used as revenue compensation to the PEA. Up to Fiscal Year 2015, the total Fund allocation for this purpose was about 64,209 million Baht, or an annual average of about 13,000 million Baht.

**(1.2) Subsidization for underprivileged power consumers pursuant to state policy.** The ERC issued an order requiring that electricity supply licensees send contributions to the Fund to be spent under Section 97(1), i.e. to subsidize underprivileged power consumers. Four electricity supply licensees that are state agencies, i.e. EGAT, MEA, PEA and Sattahip Electric Welfare (SEW), and around 100 electricity supply licensees in the private sector had delivered contributions to subsidize free-of-charge power consumption for residential power customers with consumption not exceeding 90 units/month (pursuant to the former state policy) during July 2011 – May 2012, and for those with power consumption not exceeding 50 units/month (pursuant to the revised state policy) during June 2012 - September 2015, accounting for about 21,862 million Baht in total, or an annual average of over 4,000 million Baht.

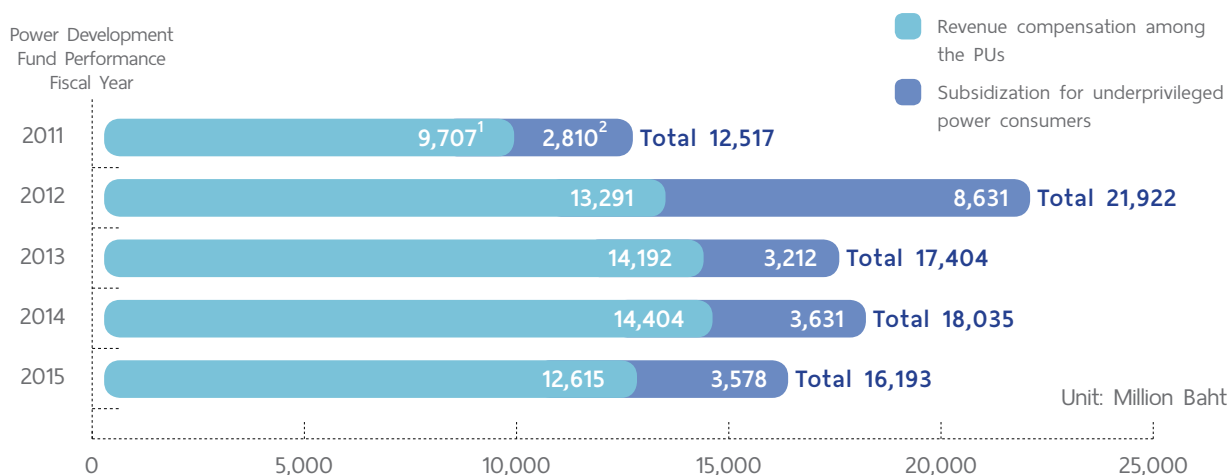
The Fund performance under Section 97(1) regarding revenue compensation among the Power Utilities to enhance extensive electrification and subsidization for electricity industry licensees who had provided services for underprivileged power consumers pursuant to the state policy can be summarized in the following table.



Designated Areas of Local Power Development Funds

Table 1: Allocation of the Fund Monies under Section 97(1)

Regarding revenue compensation among the Power Utilities to enhance extensive electrification and subsidization for electricity industry licensees who had provided services for underprivileged power consumers pursuant to the state policy during Fiscal Years 2011 - 2015



Remarks: 1/ 9-month data (Contribution collection to the Fund started January 2011.)  
2/ 3-month data (Contribution collection to the Fund started July 2011.)

## 2. The Fund Implementation for Operations under Section 97(2)

The objective of the implementation under Section 97(2) is to compensate power consumers who have to pay a higher electricity rate because the licensee who has an electricity system operator breaches Section 87, paragraph two, of the Energy Industry Act B.E. 2550 (2007), by ordering electricity generation licensees to generate electricity in an unfair and discriminatory manner. However, having regulated the automatic power tariff adjustment ( $F_T$ ), the ERC has, so far, not encountered any case where the licensee breaches the operation stipulated by law.

Fact Sheet on the Power Development Fund



## 3. The Fund Implementation for Operations under Section 97(3)

The OERC allocated money from the Fund for operations under Section 97(3), i.e. to support development or rehabilitation of localities affected by power plant operation. The implementation progress can be summarized as follows:

### (3.1) Collection of contributions to the Fund.

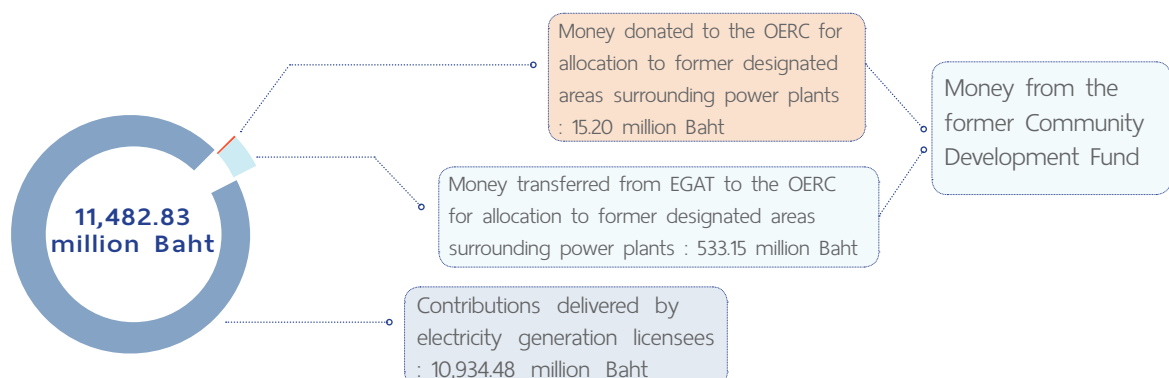
The ERC issued an announcement under the policy framework of the NEPC, requiring that electricity generation licensees send contributions to the Fund, divided into two stages, i.e. during power plant construction at a rate of 50,000 Baht/MW/year, and during the commissioning stage, based on types of fuel used for electricity generation at a rate ranging from 1-2 satangs/kWh (satangs/unit), as shown below:

Table 2: Rates of Contributions to the Power Development Fund Imposed on Electricity Generation Licensees during the Commissioning Stage

Fuel Type	Satang/Unit	Fuel Type	Satang/Unit
Coal, Lignite	2.00	Wind and Solar	1.00
Hydropower	2.00	Biogas, Biomas	1.00
Fuel Oil, Diesel	1.50	Residues and Wastes	1.00
Natural gas	1.00	Municipal Solid Waste	1.00
		Other Renewables	1.00

The OERC has collected contributions from electricity generation licensees based on the amount of their energy generation as from January 2011 onwards, starting mid-March 2011 (within 45 days after the end of the month in which electricity was generated). As at 30 September 2015, about 666 electricity generation licensees delivered contributions to the Fund, accounting for about 11,482.83 million Baht in total, for development or rehabilitation of localities affected by power plant operation, as shown below.

Table 3: Sources and Monies of the Fund for Operations under Section 97(3) from March 2011 to 30 September 2015



**(3.2) Announcement of designated areas and appointment of Community Development Committee for areas surrounding power plants (CDC).**

The OERC, with ERC approval, issued announcements on designated areas which are beneficiaries of 293 local Power Development Funds (PDFs), classified into 12 Category A Funds, 55 Category B Funds and 226 Category C Funds. In addition, the administrative authority of the PDFs was decentralized to the community level with a view to creating participation of the local community. Recruitment and appointment of CDC members,

comprising 15-35 persons each, was completed; the CDCs would be responsible for the administration of 55 Category A and B Funds. Representatives from the people’s sector constituted no less than two thirds of the CDC members; others were representatives of the government sector and qualified persons. Arrangement of no more than three representatives of relevant Sub-district Administration Organizations (SAO) or municipalities to administer Category C Funds was completed for 186 Funds. Progress of the establishment of local PDFs and CDC appointment can be summarized as shown in Table 4.

Table 4: Summary of the Status of Local PDF Establishment and Appointment of Community Development Committee in Fiscal Year 2015

Unit: Fund

Fund Category	Category A	Category B	Category C	Total
No. of Established PDFs	12	55	226	293
Implementation Progress				
- CDC Recruitment & Appointment Completed	11	44		55
- CDC Recruitment & Appointment Underway	1	11		12
- SAO/Municipality Representatives Appointment Completed			186	186
- SAO/Municipality Representatives Appointment Underway			40	40

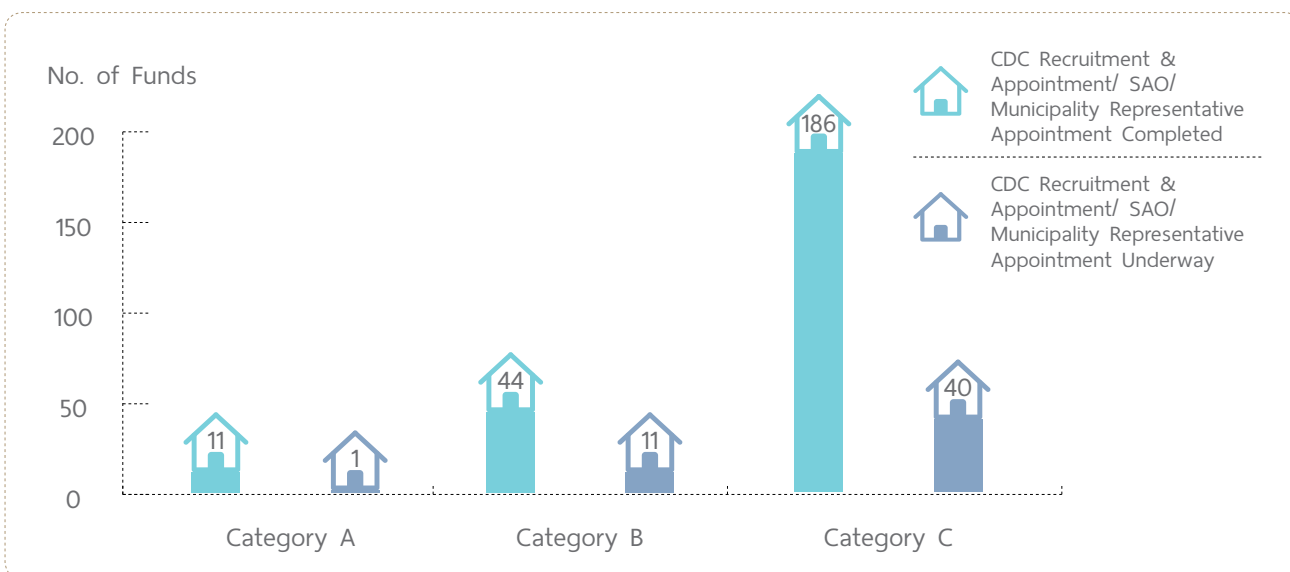


Figure 1: Progress of the Appointment of PDF Committee Components in 2015 by Fund Category



### (3.3) Budget allocation for development of communities surrounding power plants.

The ERC has set the budget framework for the use of local PDF monies, which can be divided into two main portions:

(1) The budget for annual administration of the CDC – at a maximum rate of 15% of the allocated budget in each year, based on the amount of allocated money. The budget for CDC administration will have to comply with the ERC Announcement on Administrative Cost for Operations of Power Development Fund in a Designated Area, B.E. 2555 (2012), and as amended.

(2) The budget for community project operation – at a rate of no less than 85% of the allocated budget in each year. The concerned CDC or Tambon (Sub-district) Development Committee (TDC) (in the case of a Category A Fund) must organize a civil society forum at village or sub-district level to survey the needs of the people and allow those who wish to propose a project to prepare a paper on the proposed community project, pursuant to the format prescribed by the OERC. The project

proposals for funding from local PDFs have been in line with the criteria set forth by the ERC for the fund spending, involving such activities as enhancement of quality of life, health and well-being; career development; quality of life improvement; development of education, religion, local cultures and traditions; and environmental conservation and rehabilitation.

With regard to the Fund performance, from Fiscal Year 2012 to Fiscal Year 2015 the ERC had approved a budget of over 7,618 million Baht for allocation to a total of 55 local PDFs under Category A and Category B, divided into the administrative cost at about 788 million Baht and the community project operation cost for over 22,000 projects at about 6,830 million Baht. In Fiscal Year 2015, the ERC approved a budget of about 2,280 million Baht to be allocated to 55 local PDFs under Category A and Category B, divided into the budget for administrative costs at about 196 million Baht and the budget for community project operation, covering 6,109 projects, at about 2,084 million Baht, as shown in Table 5.

Table 5: Budget Allocation to Category A and Category B Local PDFs under Annual Work Plans 2012-2015, totaling 55 PDFs

Annual Work Plan Approval	Fiscal Year				Total Fiscal Year 2012-2015
	2012	2013	2014	2015	
Budget for administrative costs (Million Baht)	141	202	249	196	788
Budget for community project operation (Million Baht)	1,540	1,400	1,806	2,084	6,830
Total (Million Baht)	1,681	1,602	2,055	2,280	7,618
No. of Projects*	4,524	5,362	6,398	6,109	22,393
No. of Approved PDFs	37	50	53	55	55

Remarks: \* Excluding community projects that the CDCs requested cancellation.

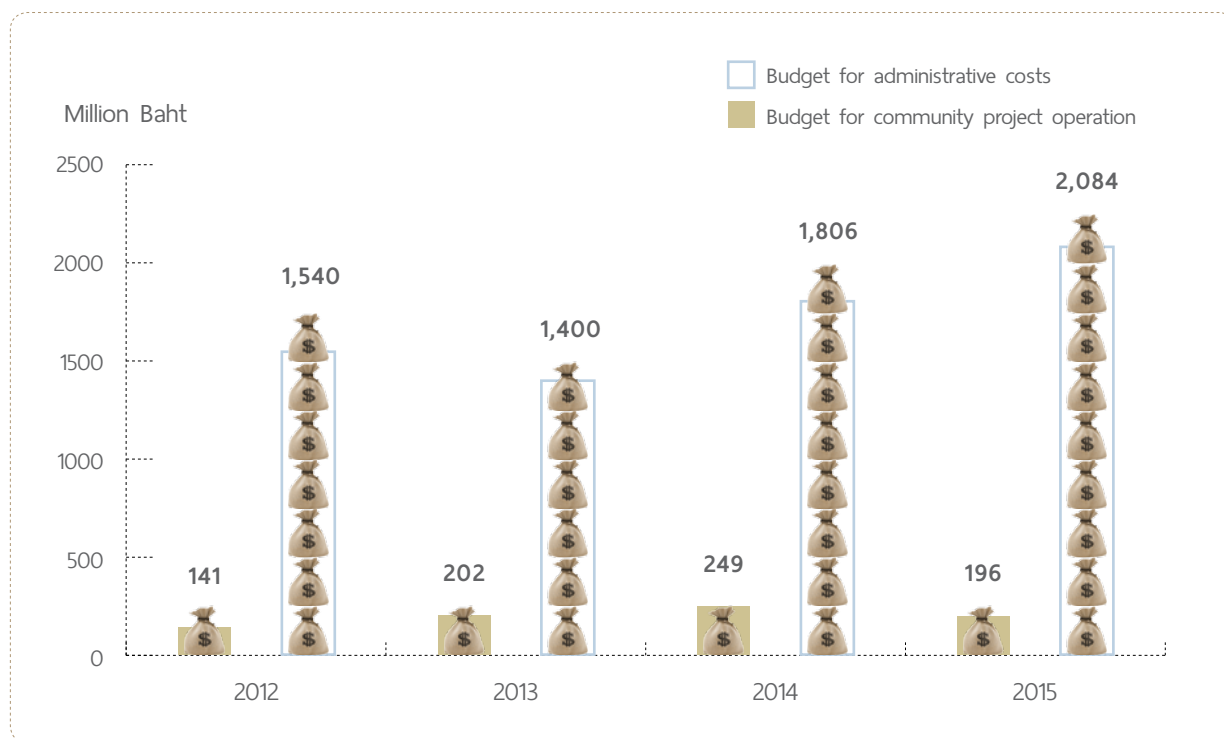


Figure 2: Budget Allocation to Local PDFs according to Annual Work Plans for Fiscal Years 2012-2015

**4. The Fund Implementation pursuant to Section 97(4) – to promote the use of renewable energy and technologies for electricity industry operation that have minimal impact on the environment**

The ERC issued the Announcement on Sending Contribution to Power Development Fund Imposed on Electricity Supply Licensees to Promote the Use of Renewable Energy and Technologies for Electricity Industry Operation with Minimal Environmental Impact B.E. 2557 (2014), which was published in the Government Gazette on 30 December 2014 and became effective as from 31 December 2014. As a result, electricity supply licensees started sending contributions to the Fund pursuant to Section 97(4) as from the electricity billing of January 2015. Up to 30 September 2015, the total amount of contributions to the Fund for this purpose was about 170 million Baht.

Recently, the OERC had finished drafting the regulation on criteria and procedures for allocating

money from Power Development Fund to promote the use of renewable energy and technologies for electricity industry operation with minimal environmental impact, and a hearing on the draft regulation was held on 28 August 2015 at Crowne Plaza Bangkok Lumpini Park Hotel, with a total of 109 participants. The draft regulation as well as the hearing outcome was then presented to the ERC for consideration at the ERC Meeting No. 45/2015 (355<sup>th</sup>) on 23 September 2015, and the ERC gave consent for the OERC to present the draft Regulation of the ERC on Criteria and Procedures for Allocating Money from Power Development Fund to Promote the Use of Renewable Energy and Technologies for Electricity Industry Operation with Minimal Environmental Impact B.E. .... to the Sub-committee Deliberating Appeals on Decisions and Screening Orders, Regulations, Rules, Announcements or Codes to consider prior to submission to the ERC for further consideration.

### 5. The Fund Implementation pursuant to Section 97(5) – to increase knowledge, awareness and participation of the public in power-related issues

The ERC issued the Announcement on Sending Contribution to Power Development Fund Imposed on Electricity Supply Licensees to Increase Knowledge, Awareness and Participation of the Public in Power-related Issues B.E. 2557 (2014), which was published in the Government Gazette on 30 December 2014 and became effective as from 31 December 2014. As a result, electricity supply licensees started sending contributions to the Fund pursuant to Section 97(5) as from the electricity billing of January 2015. Up to 30 September 2015, the total amount of contribution to the Fund for this purpose was about 68 million Baht.

Recently, the OERC had developed the draft regulation on criteria and procedures for allocating money from Power Development Fund to increase knowledge, awareness and participation of the public in power-related issues, and a hearing on the draft

regulation was held on 28 August 2015 at Crowne Plaza Bangkok Lumpini Park Hotel, with a total of 109 participants. The draft regulation as well as the hearing outcome was then presented to the ERC for consideration at the ERC Meeting No. 45/2015 (355<sup>th</sup>) on 23 September 2015, and the ERC gave consent for the OERC to present the draft Regulation of the ERC on Criteria and Procedures for Allocating Money from Power Development Fund to Increase Knowledge, Awareness and Participation of the Public in Power-related Issues B.E. .... to the Sub-committee Deliberating Appeals on Decisions and Screening Orders, Regulations, Rules, Announcements or Codes to consider prior to submission to the ERC for further consideration.

In this connection, the ERC granted approval for EGAT, MEA and PEA to include the costs incurred from sending contributions to the Power Development Fund for operations under Section 97(4) and 97(5) in the tariff calculation as the policy expense in the  $F_t$  formula.



### 6. The Fund Implementation pursuant to Section 97(6)

The OERC has allocated 5% of the contributions obtained from electricity generation licensees as the Fund administrative costs. In this regard, the OERC will have to present its expenditure plan to the ERC for approval of a budget to be spent on operations regarding three major matters, namely: 1) as the cost

of Power Development Fund administration, 2) as a reserve in case of emergency, and 3) as subsidies to localities for which the allocated money from the Fund is insufficient for local development or rehabilitation (Category C Funds for which the allocated money is less than 500,000 Baht/year.)

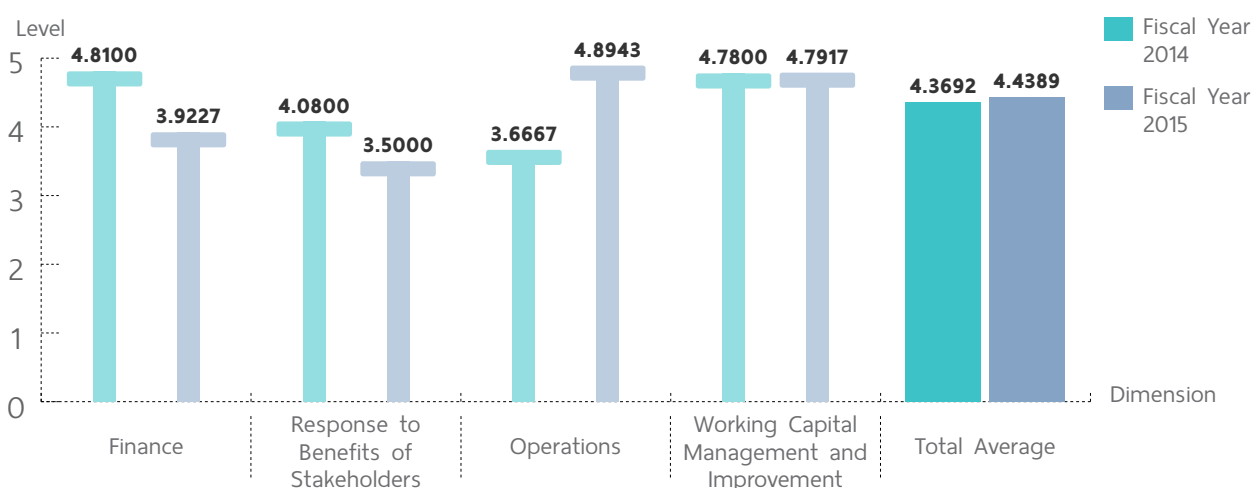
## Performance Evaluation of the Power Development Fund as Working Capital

Since the nature of Power Development Fund is considered as working capital pursuant to Section 3 of the Treasury Balance Act, B.E. 2491 (1948), which, according to the cabinet resolution of 30 September 2003, is required to arrange for a working capital performance evaluation system that is up to international standard and to establish indicators for measurement of efficiency and effectiveness of the performance. However, the Power Development Fund has its own evaluation system under the legislation and thus is not subject to the evaluation system set by the Comptroller General’s Department (CGD). In this regard, the Fund has set up its evaluation system that is up to international standard by applying the Balanced Scorecard (BSC) principles, with adjustment to suit the purpose, and the CGD has reviewed the completeness of the evaluation system. Moreover, a Third Party

has been appointed to conduct the evaluation and report the performance evaluation outcome to the CGD so that the latter could collect the information and prepare a report summarizing the outcome of overall evaluation of this working capital for presentation to the cabinet at the end of each fiscal year.

The OERC has conducted the performance evaluation of the Power Development Fund (as working capital) since Fiscal Year 2014. The score of performance in Fiscal Year 2014 was 4.3692 and increased to 4.4389 in Fiscal Year 2015. The performance evaluation was undertaken according to the BSC criteria, comprising the following four aspects: finance, response to benefits of stakeholders, operations and working capital management and improvement, which can be summarized in the table below.

Table 6: Summary of Performance Evaluation of the Power Development Fund (as Working Capital)



Remarks: Performance evaluation in Fiscal Year 2014 was conducted by TRIS Corporation Limited Company  
 Performance evaluation in Fiscal Year 2015 was conducted by FPRI Advisory Co., Ltd.



## Performance Evaluation of Local Power Development Funds and Community Projects in Designated Areas

The OERC hired Suan Dusit Rajabhat University as Consultant to assist with the follow-up and evaluation of Power Development Fund performance pursuant to Section 97(3). The Consultant evaluated the performance of 26 local Power Development Funds in designated areas (PDFs) and 376 community projects, classified into: 1) 10 Category A Funds and 237 community projects; and 2) 16 Category B Funds and 139 community projects, by collecting relevant data from four target groups, via a total of 4,486 questionnaires, comprising: 1) staff members of OERC

Regional Offices, 29 questionnaires; 2) PDF personnel, CDC and TDC members of 26 PDFs, 147 questionnaires; 3) community project responsible persons of 376 projects, 699 questionnaires; and 4) communities in relevant designated areas and community project participants, 3,611 questionnaires. The evaluation included the PDF performance and community project performance, including the outcome of surveys on attitudes of the local community in areas surrounding power plants, which can be summarized as follows:

### Evaluation of PDF Performance, using the Balanced Scorecard (BSC)

This is aimed to evaluate the performance in the following four aspects, involving 15 indicators: **1) effectiveness**, by evaluating the community project result, the disbursement of Fund monies and the achievement in improving quality of life of the communities in terms of economics, public utilities, environment and health; **2) stakeholders**, by evaluating stakeholders' satisfaction towards the PDFs, the procedures of community project implementation, service provision of the PDF personnel, PDF facilities and benefits obtained from the community projects; **3) administration**, by evaluating the administration of the PDFs as a whole, i.e. the sending of reports on the community project status, review of the PDF strategic plans, public relations to disseminate information about the PDFs, regulation of the PDFs in terms of risk management and internal control of the PDFs, and

transparency of the PDFs via disclosure of information, and complaint handling; and **4) human resources development**, by evaluating from the development of human resources and the improvement of PDF working system. The evaluation outcome derived from the analysis was divided into five levels, namely:

Evaluation Outcome Level	Score Range
Level 1: Very Poor	1.00 - 1.80
Level 2: Poor	1.81 - 2.60
Level 3: Fair	2.61 - 3.40
Level 4: Good	3.41 - 4.20
Level 5: Very Good	4.21 - 5.00

Based on the mentioned evaluation criteria, the PDF performance evaluation, classified into Category A and Category B Funds, can be summarized as follows.



**1. Category A Funds.** The overall evaluation outcome was Good (3.52), based on the evaluation outcome of the following four aspects: administration, Good (3.87); effectiveness, stakeholders and human resources development, Fair (3.18, 3.30 and 3.27 respectively), as the PDF size was large and hence enabling good capability in the administration in terms of the budget, human resources, and continual and corresponding implementation system planning. However, the budget disbursement and community project implementation of Category A Funds were rather slow, and stakeholders' satisfaction with the fund implementation was less than that with Category B Fund implementation.

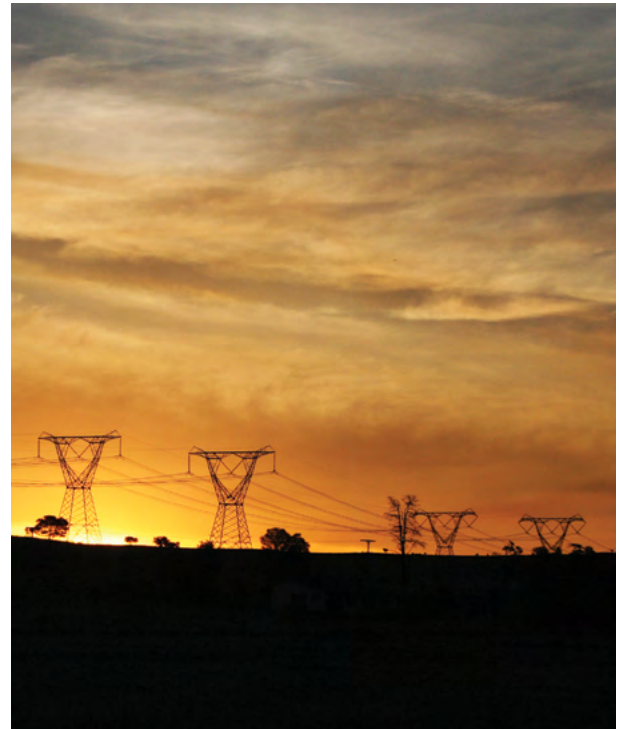
**2. Category B Funds.** The overall evaluation outcome was Fair (3.38), based on the evaluation outcome of the following four aspects: effectiveness and stakeholders, Good (3.92 and 3.69 respectively); administration, Fair (3.20); and human resources development, Poor (2.79). The reasons included budget constraints and administrative structure, including human resources development and application of technologies in the operations of the PDFs. Human resources development still focused on the PDF personnel, hardly extended to include CDC/TDC members, community leaders and communities as well as staff members of OERC Regional Offices. However, Category B Funds could disburse budget and forge ahead with community project implementation to be accomplished as planned and gained more satisfaction from local people towards the fund implementation, when compared with Category A Funds.

## Evaluation of Community Project Performance

The evaluation outcome was classified into two groups, by work program and by project type, as follows.

**1. Community Project Classified by Work Program.** From the follow-ups and evaluation of 376 community projects, which were divided into 10 programs, the derived overall evaluation outcome was at Good level (4.14), comprising the following aspects: effectiveness and efficiency at Very Good level (4.70 and 4.28 respectively); impact and correspondence with needs, Good (3.96 and 3.90 respectively); and sustainability, Fair (3.20).

*The program attaining the highest score of community project evaluation outcome* was Program No. 9: Expenditures on an emergency and a relief for those in trouble, obtaining the overall evaluation outcome at Very Good level (4.45), with effectiveness, efficiency and correspondence with needs at Very Good level (5.00, 4.63 and 4.50 respectively); impact, Good (4.17); and sustainability, Fair (3.33). The reasons were that most projects could serve the needs of the community, corresponded with the situations and could timely solve problems of the community. In addition, the projects required urgent implementation to enable their operation by the specified period of time; the budget disbursement could be made as scheduled; and people in the community were satisfied with the projects. Nevertheless, the sustainability of projects under this program was rated at Fair level because most projects were of purchase and construction types, which involved product distribution or construction for people in the community, particularly to alleviate difficulties of people affected by disasters, and hence lack of planning/sustainability management after the project completion.



*As for the program attaining the lowest score of community project evaluation outcome* was Program No. 10: Capacity Building of persons dealing with Power Development Funds, obtaining the overall evaluation outcome at Good level (3.99), with effectiveness and efficiency at Very Good level (4.67 and 4.38 respectively); impact and correspondence with needs, Good (3.96 and 3.75 respectively); and sustainability, Very Poor (1.42). Projects under this program helped equip people in the community with better knowledge for further self-development and community improvement. People could apply the knowledge obtained to bring about benefits to their community, and there was exchange of knowledge within the community. However, the sustainability of the project was Very Poor because most lacked follow-up and evaluation of project participants after completion of study visits/training/seminars and lacked wrapping up the lessons learned as well as follow-up and evaluation after project completion.



## 2. Community Project Classified by Project Type.

From the follow-ups and evaluation of 376 community projects, which were divided into six project types, it was found that ***the project type attaining the best evaluation outcome*** was Livelihood Enhancement, obtaining the overall evaluation outcome at Very Good level (4.38), with effectiveness and efficiency at Very Good level (5.00 and 4.45 respectively); impact, correspondence with needs and sustainability, Good (4.00). The reasons were that the outcome of such projects corresponded with the way of life of people in the community, resulting in greater income of the local community and/or reduction of their expenditures. In addition, the projects would be sustainable because the knowledge or benefits obtained were applied to their daily life; knowledge exchange was made with each other in the group or members to improve, develop their products so as to increase value or amount of their products.

***The project type attaining the lowest evaluation outcome*** was Construction, obtaining the overall evaluation outcome at Good level (4.00), with effectiveness at Very Good level (4.40); efficiency, impact and correspondence with needs, Good (4.10, 3.94 and 3.93 respectively); and sustainability, Fair (3.22). This resulted from the fact that, although most of the projects under this type were construction projects which had extensively provided benefits to the community, corresponded with their needs and created confidence in terms of safety for the local community, they were mostly large-scale projects which required lengthy implementation duration and hence delay in disbursement. Moreover, project sustainability was rated at Fair level because a number of projects had not yet been delivered to concerned agencies; there was no responsible person for project implementation, no maintenance budget and no clear project management plan.



### Attitudes of the Local Community in Areas Surrounding Power Plants

Following the surveys of attitudes of the local community in areas surrounding power plants, involving 26 PDFs, towards the operations of the PDFs and power plants, by using a total of 3,611 questionnaires, the outcome can be summarized as follows.

**1. Attitudes of the Local Community towards the PDFs.** It was found that the community had a positive attitude towards the PDFs at High level. The issue with which agreement was rated at Highest level was that cooperation between the PDFs and the power plants would render greater development of the community. Next to this were the following issues: the community would be willing to participate in activities held by the PDFs; the Fund monies helped to develop the community; and the PDFs played a role in the community development – all of which were rated at High level.

**2. Attitudes of the Local Community towards the Power Plants.** It was found that the community

had a positive attitude towards the power plants at Good level and a negative attitude at Fair level. The community opined that power plants were important to them, which received the highest score at High level. Next were the following issues: the community would be willing to participate in activities held by the power plants; the power plants could pleasantly co-exist with the community; and the power plants generated employment – all were rated at High level. However, it was noted that the community agreed with construction of more power plants only at Fair level. Furthermore, the local community in areas surrounding power plants also gave interesting recommendations, i.e. the power plants should organize CSR activities jointly with the community, being rated at Highest level. Next to this were that the power plants should be “Green” and that the power plants should approach the community to reduce conflicts, all of which were rated at High level.

## Highlights of ERC Missions and Activities throughout Fiscal Year 2015

### On Ceremonial Occasions and Important Events



**10 October 2014:** The ERC together with OERC management humbly blessed good health to His Majesty King Bhumibol Adulyadej at Siriraj Hospital.



**4 November 2014:** The ERC recorded a video tape blessing on the occasion of H.M. the King's Birthday, at the National Broadcasting Services of Thailand (Channel 11).



**8 December 2014:** ERC Visit to PEA – The ERC paid a visit to the executives of the Provincial Electricity Authority (PEA) to get a briefing on the PEA's operation overview and to exchange views as well as obtain recommendations pertaining to energy industry regulation.



**11 December 2014:** 7<sup>th</sup> anniversary of the OERC establishment – The ERC together with OERC management and staff members paid homage to the image of the solar deity Surya. The ERC Chairman also gave special advice to OERC management and staff on this occasion.

## Highlights of ERC Missions and Activities throughout Fiscal Year 2015

### On Ceremonial Occasions and Important Events

**17 December 2014:** The Standing Committee on Energy of the National Legislative Assembly met the ERC to discuss and exchange views on energy industry regulation and other relevant issues.



**22 December 2014:** ERC Visit to EGAT – The ERC met with the executives of the Electricity Generating Authority of Thailand (EGAT) to get a briefing on EGAT's operations and to exchange views, including obtaining recommendations on relevant issues from EGAT.



**24 December 2014:** ERC Visit to MEA – The ERC paid a visit to the executives of the Metropolitan Electricity Authority (MEA) to get a briefing on the MEA's operations and to exchange views, including obtaining recommendations pertaining to energy industry regulation from the MEA.



**6 January 2015:** ERC Visit to PTT – The ERC met with the executives of the PTT Plc. to get a briefing on PTT's operations and to exchange views, including obtaining recommendations pertaining to energy industry regulation from the PTT.



## Highlights of ERC Missions and Activities throughout Fiscal Year 2015

### On Ceremonial Occasions and Important Events



**7 January 2015:** ERC Visit to the Ministry of Industry – The ERC paid a visit to the Minister of Industry to discuss the approach for joint operation between the two agencies as well as exchange views and obtain recommendations pertaining to energy industry regulation from the executives of the Ministry.



**13 January 2015:** The ERC welcomed the Bangladesh Energy Regulatory Commission (BERC) Delegation and exchanged views and knowledge pertaining to energy industry regulation, particularly in the issuance of regulations and rules, including licensing process and tariff regulation.



**23 July 2015:** The ERC recorded a video tape blessing to Her Majesty Queen Sirikit on the occasion of H.M. the Queen's Birthday, at the National Broadcasting Services of Thailand (Channel 11).



**9 September 2015:** The ERC welcomed General Anantaporn Kanjanarat, Minister of Energy, together with his team and gave a briefing on operational overview pursuant to the Energy Industry Act 2007 and major urgent tasks, including the future action plan, and got the policy of the new Energy Minister, especially on the issue of energy security.

## Tasks pertaining to Energy Industry Regulation

2014



**15 October 2014:** Signing ceremony of the Memorandum of Cooperative Agreement on Guidelines for Licensing Power Generation Facility Operation and Other Activities between the ERC and the Ministry of Industry.

**27-29 October 2014:** The OERC held the RECC Capacity Building, Class 2, covering 13 Regions nationwide to provide information about RECC roles and duties, including operational guidelines, and to learn about the tasks regarding energy industry regulation and energy consumer protection. The seminar was honored by the presence of ERC Commissioner Vachara Kunawatanawuti (seated 2<sup>nd</sup> from right), who presided over the opening session at Mandarin Hotel.



**9-11 November 2014:** The OERC held a Training Seminar on Finance, Accounting, Procurement and Budgeting (Class 1), which was honored by the participation of ERC Commissioner Duangmanee Komaratat (2<sup>nd</sup> row, seated 4<sup>th</sup> from left) and Commissioner Pajchima Tanasanti (2<sup>nd</sup> row, seated 5<sup>th</sup> from left), at Baan Rabiang Dao Garden & Resort, Khao Yai, Nakhon Ratchasima Province.

**12-13 November 2014:** ERC Chairman received the AFEO Honorary Fellow Award for outstanding knowledge, capability, expertise and achievements, including devotion to activities beneficial to the society and the nation in the field of engineering, and attended the Conference of ASEAN Federation of Engineering Organization (CAFEO) in the Republic of the Union of Myanmar.



**1 December 2014:** The OERC jointly with the Renewable Energy Industry Club, Federation of Thai Industries (FTI), held an academic seminar on “Criteria and Regulation for Power Purchase from Solar PV Generation” at Holiday Inn Bangkok Silom Hotel.

**1-3 December 2014:** The OERC held a Seminar on Finance, Accounting, Procurement and Budgeting (Class 2), which was honored by the participation of ERC Commissioner Duangmanee Komaratat (2<sup>nd</sup> row, seated 5<sup>th</sup> from right) at The Richy Field Resort, Suan Phueng, Ratchaburi Province.



## Tasks pertaining to Energy Industry Regulation

2015



**19-20 January 2015:** The OERC organized a seminar on the Use of Power Development Fund Information System for Electricity Generation Licensees and Electricity Supply Licensees, which was honored by the presence of Ms. Narupat Amornkosit, Secretary General of the OERC, who presided over the opening session, at Mandarin Hotel, Bangkok.



**2 February 2015:** All 7 ERC Commissioners, led by ERC Chairman Mr. Pornthape Thunyapongchai (middle), joined the press conference on “Direction of Energy Industry Regulation in 2015,” at Centara Grand at Central Plaza Ladprao Bangkok Hotel.



**24 February 2015:** The OERC held a seminar on “Guidelines on the Operation of Solar PV Generation Industry,” at Montien Hotel, Surawongse Road, Bangkok, to provide knowledge and create understanding of the said guidelines in all dimensions, including the One Stop Service licensing. ERC Commissioners, Mrs. Duangmanee Komaratat (3<sup>rd</sup> from right), Mrs. Pajchima Tanasanti (3<sup>rd</sup> from left) and Mr. Viraphol Jirapraditkul (4<sup>th</sup> from right) also attended the seminar.



**2-3 March 2015:** The OERC held a training seminar on how to prepare a community project proposal, project monitoring and evaluation, and the spending of Power Development Fund money pursuant to Section 97(3), with participation of ERC Commissioners, Mrs. Duangmanee Komaratat (middle row, 5<sup>th</sup> from right) and Ms. Wilaiporn Liwgasemsan (middle row, 6<sup>th</sup> from right), at Rama Gardens Hotel, Bangkok.

## Tasks pertaining to Energy Industry Regulation

2015

**5 March 2015:** The ERC arranged the Power Purchase Agreement (PPA) signing between the Metropolitan Electricity Authority (MEA) and Eastern Energy Plus Co., Ltd., which is the 1<sup>st</sup> waste-to-energy power plant having requested to switch from the former “Adder” scheme to the Feed-in Tariff (FIT) scheme.



**16 March 2015:** A press conference was held by the ERC on the launch of Demand Response Program No. 1/2015, in cooperation with the three Power Utilities (EGAT, MEA and PEA), the Federation of Thai Industries and the Thai Chamber of Commerce, to request cooperation in reducing power consumption across the country to maintain the power system security in April 2015 when the power consumption volume would be high.



**28 May 2015:** The ERC jointly with the Electrical Engineering Committee of the Engineering Institute of Thailand under H.M. the King’s Patronage (EIT) organized a forum to provide information about safe and cost-effective solar PV rooftop system installation.



**28 May 2015:** The OERC held a training seminar on Community Project Proposal, Project Monitoring and Evaluation, and Utilization of Power Development Fund Money pursuant to Section 97(3), with participation of Mrs. Ruedee Paringkan, Director of Power Development Fund Management Department (middle in the middle row) and Mr. Pairaj Suwanaratana, Director of the OERC Regional Office, Region 9 (Kanchanaburi), at Comsaed River Kwai Resort, Kanchanaburi Province.



**17 June 2015:** The OERC organized a forum in the Energy Consumer Region 7 to create knowledge and awareness of energy issues and to promote public participation in order to enhance support to energy industry regulatory work. The event was honored by the presence of Mr. Atiluck Attapich, Deputy Secretary General of the OERC, who presided over the opening session at the conference room, Ang Thong Provincial Administrative Organization, Mueang District, Ang Thong Province.



## Tasks pertaining to Energy Industry Regulation

2015



15 - 18 July 2015: The OERC carried out a project, entitled “RECC Knowledge Sharing 2: Knowledge about Energy Systems,” (the northeast region) in Khon Kaen Province, with the presence of Ms. Narupat Amornkosit, OERC Secretary General, who presided over the opening ceremony, and Mr. Prated Srichomphu, Director of Rights Protection Department, who was also a speaker on this occasion.



19 - 22 August 2015: The OERC organized training under the project “RECC Knowledge Sharing 2: Knowledge about Energy Systems” (the central region) in Kanchanaburi Province. Mr. Prated Srichomphu, Director of Rights Protection Department, participated in the event as a speaker.



26 - 29 August 2015: The OERC organized training under the project “RECC Knowledge Sharing 2: Knowledge about Energy Systems” (the southern region) in Surat Thani Province, with the presence of ERC Commissioner Ms. Wilaiporn Liwgasemsan, who presided over the opening ceremony, and Mr. Prated Srichomphu, Director of Rights Protection Department, who was a speaker on this occasion.



28 September 2015: The OERC held a seminar on “Casting Light on Solar Power Opportunity for Government Agencies & Agricultural Cooperatives” to create understanding of detailed criteria and steps of power purchase from solar farm projects operated by government agencies and agricultural cooperatives and to be a forum for exchanging views and questions & answers which were beneficial to the project. The seminar was honored by the presence of ERC Commissioners Mr. Kraisi Karnasuta (4<sup>th</sup> from right), Mrs. Pajchima Tanasanti (2<sup>nd</sup> from right), Mr. Vachara Kunawatanawuti (3<sup>rd</sup> from right), Ms. Wilaiporn Liwgasemsan (4<sup>th</sup> from left) and Mr. Viraphol Jirapraditkul (far right), at Montien Hotel, Surawongse Road, Bangkok.

## Cooperation, Sharing and Giving a Hand to the Society

During 1-31 January 2015 the “ERC Sharing Happiness” activities were organized for the ERC, OERC management and staff members to share happiness by giving presents, diaries and calendars to each other in the OERC office as well as delivering over presents, diaries and calendars to the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen and the Teaching Program for Chronically Ill Children, Chulalongkorn Hospital; Wat Puak Chang Municipal School in Mueang District, Chiang Mai Province; and Ban Huai Hia School in Nakhon Thai District, Phitsanulok Province.



6 - 7 June 2015: CSR activities were organized, i.e. “ERC Sharing for Society: Join Hands in Cultivating 80,000 Coral Branches in Commemoration of Their Majesties” together with assembling asthma spacers (Thai Kid Spacer program) to be distributed to hospitals in need, including a study visit to the turtle conservation project and releasing sea turtles back to the sea, at Ta-lu Island, Bang Saphan District, Prachuap Khiri Khan Province.

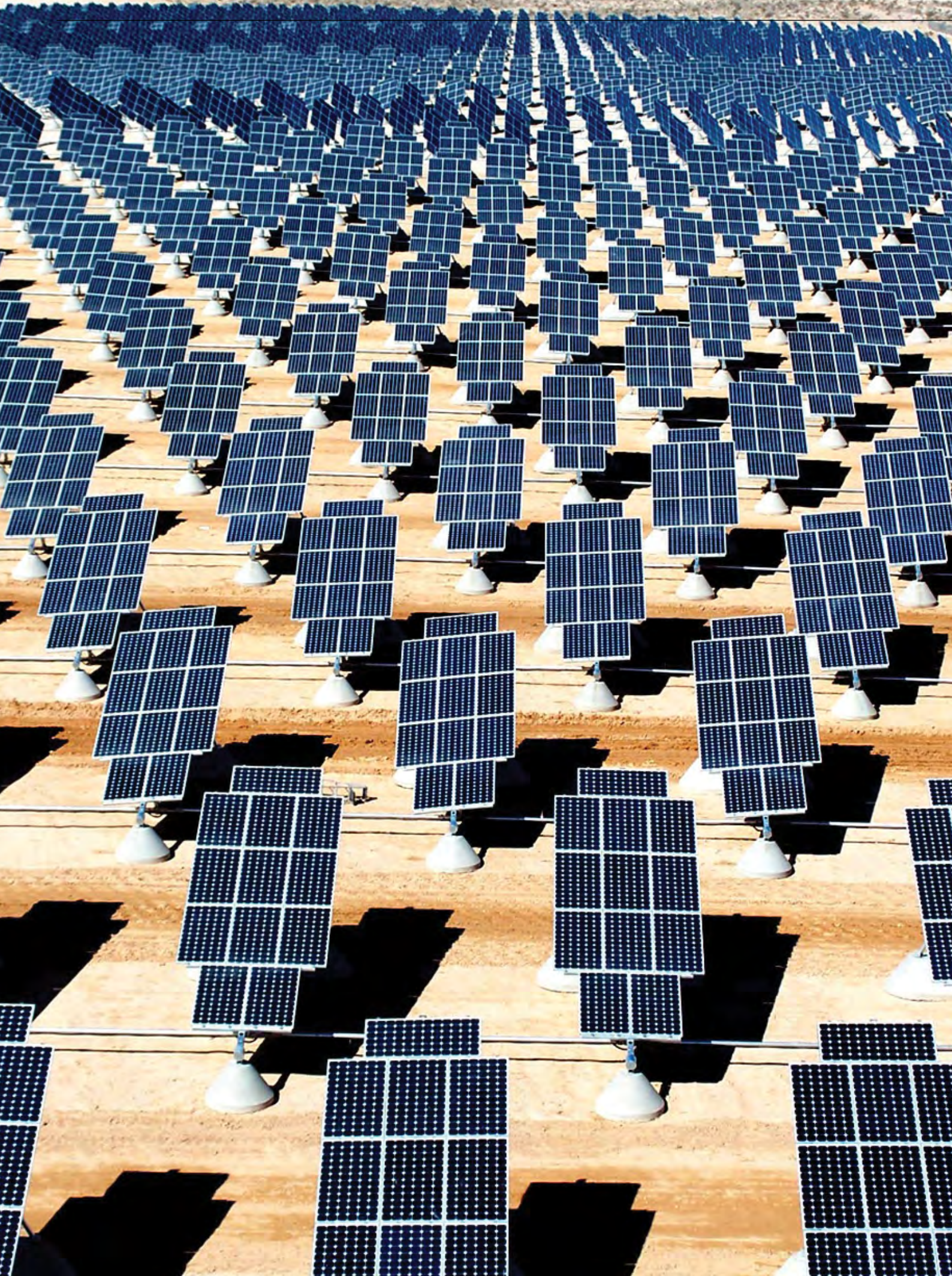


3 July 2015: “ERC Sharing for Society: for Pupils at Ban Nong Done School” at Ban Nong Done School, Bo Thong Sub-district, Kabin Buri District, Prachin Buri Province. OERC management and staff members jointly renovated and painted playground equipment and delivered sports equipment and stationery, including giving scholarships to poor pupils of Ban Nong Done School.



25 - 26 September 2015: The OERC organized an activity, “ERC Meets the Staff,” in Chonburi Province, to tighten the relationship between the ERC, OERC management and staff members, together with a CSR activity, “ERC Sharing for Society: ERC United in Fostering Environmental Conservation Consciousness.” On this occasion, OERC management and staff members were briefed about conservation of marine environment and tourist attractions by growing mangrove apple trees, and were demonstrated how to plant mangrove apple trees, at the Marine and Coastal Environmental and Mangrove Forest Education Center, Ban Laem Chabang Community, Chonburi Province.







## Action Plan for Fiscal Year 2016

The Action Plan for Fiscal Year 2016 emphasizes effectiveness of the energy industry regulatory process, starting with license issuance that is convenient and rapid and is decentralized nationwide; then monitoring, inspection and creation of energy industry standards via concrete regulation and systematic reporting of the outcome. In particular, the ERC will focus on natural gas industry regulation so as to enhance tariff regulation in both natural gas and power sectors. Furthermore, the ERC has introduced the use of selection method via “Competitive Bidding” for the purchase of power generated from renewable energy. With regard to the rights protection aspect, efficiency of the complaint handling process will be enhanced to reflect problems of energy consumers, and policy-oriented energy industry regulation will be escalated. In addition, the implementation according to the Power Development Fund action plan pursuant to Section 97(4) of the Act to promote renewable energy utilization and Section 97(5) to increase knowledge and awareness of power-related issues will commence. Concurrently, the work on organizational development will continue, by giving importance to human resources development in research and development skills, including work process that is up to standard with the use of electronic tools to facilitate the work. The essence of the Action Plan pursuant to the Strategic Plan for Energy Industry Regulation, No. 2 (2013-2017) can be summarized in the following:

**1) Enhancement of energy industry regulation that is up to standard, fair and reliable**, via pursuing further development of “Smart Licensing” by enhancing the One Stop Service (OSS) licensing process so that an operator could submit his application and obtain relevant licenses either at the OERC (Central Office) or at a relevant OERC Regional Office, as well as increasing the efficiency of licensing data inspection and follow-up of license application status via the e-Licensing system. Publicity campaigns will be conducted to communicate

the information about OSS licensing to all concerned and further cooperation with relevant agencies will be reinforced. In addition, emphasis will be given to other permission granting, i.e. the announcement on Codes of Practice (CoP) to be imposed on electricity generation operators using waste and biogas as fuel with a view to addressing environmental impact management of electricity generation business having an installed generating capacity lower than 10 MW and hence is not subject to the preparation of an EIA report.

Energy industry regulation will be carried out in a continual and systematic manner. Improvement will be reinforced for the whole process, both pre-licensing and post-licensing & monitoring stages, i.e. before an energy industry license is issued and after a license has been issued by monitoring and inspecting engineering and environmental standards pursuant to the license type as well as upgrading efficiency and standards to be imposed on licensees. In this connection, improvement will be made on the interconnection of licensing data, from the stage of license application submission to the stage of inspection pursuant to the conditions for license application and license granting; the criteria and standards pertaining to engineering, safety, environment as well as service quality of energy industry operation under all license types. Reports will be prepared to provide feedback so that improvement could be made and problems caused by licensees could be addressed. Furthermore, the regulation of energy tariffs will be improved to be accountable and transparent, by establishing criteria for determining natural gas tariffs, examining the framework of accounting system standards to the benefit of energy industry regulation, and examining the criteria for determining cost-reflective power tariffs for the period 2017-2020, including communicating information about energy tariffs between the OERC (Central Office) and the OERC Regional Offices.

**2) Promotion of efficient energy industry and enhancement of fair competition,** by improving the issuance of power purchase criteria to be in line with PDP 2015 and AEDP 2015, i.e. to issue the regulations for power purchase by using the competitive bidding method and to purchase power generated by ground-mounted solar PV projects operated by government agencies and agricultural cooperatives. Further improvement will be made on the regulation of energy network systems. In this regard, analysis of power generation system and network system security will be undertaken in order to properly examine the plan for network system expansion and to set up the operational guidelines on Smart Grid so as to enhance the grid capacity to accommodate power generation from renewable energy.

Moreover, continued cooperation will be given to ASEAN Energy Regulators' Network (AERN), via meetings of AERN Working Group 1 (AWG1): Technical and Regulatory Harmonization of the ASEAN Power Grid Project and the development of AWG1 Terms of Reference (TOR). Support will also be given to the pilot project on power network interconnection among four countries, i.e. the Lao PDR – Thailand – Malaysia – Singapore Power Integration Project (LTMS-PIP). In addition, implementation will continue with regard to the Third Party Access to the use or connection to onshore natural gas transmission system and recommendations on the guidelines for promoting competition in the natural gas industry.



**3) Protection of energy consumers and stakeholders' rights,** via regulation, follow-up and evaluation of the standards of contracts on energy service provision, which were developed in the preceding year; organizing forums to create energy-related knowledge and awareness in the Energy Consumer Region 13 (covering areas in three provinces, i.e. Pathum Thani, Nonthaburi and Bangkok), which will be the last of the overall 13 Energy Consumer Regions; and addressing all types of relevant complaints in all regions, by setting up an e-Petition center and manager to enable follow-ups via the e-Petition system, as well as enhancing knowledge, awareness and creating channels for public participation. Further improvement will be made on the complaint deliberation process regarding immovable property by building up cooperation with concerned agencies to ensure that licensees submit correct and complete required documents. In addition, efficiency of communications and public-relations activities will be improved, emphasizing communications on regulatory impact assessment, preparation of an event calendar pertaining to energy industry regulation, and strengthening relationship with counterpart agencies.

“Regional Upgrade” will be forged ahead regarding service provision in regional areas to attain greater efficiency, by reviewing the work process to be in compliance with the Licensing Facilitation Act, B.E. 2558 (2015), evaluating and reporting the performance outcome pursuant to relevant licensing manuals for the public, and increasing energy regulatory services in regional areas. Additionally, preparedness to support the work of Power Development Fund under Section 97(4) and 97(5) will be enhanced by upgrading the role and services of all OERC Regional Offices; preparing relevant regulations, criteria, announcements, manuals and



disseminating information to create knowledge and understanding, together with publicizing the work and activities under the Fund implementation under Section 97(4) and 97(5); providing training on the use of information system of the Fund as a tool to support duty execution of local Power Development Fund staff; and enhancing the relationship between OERC Central Office and OERC Regional Offices. Additionally, improvement of the work process of the Fund will be speeded up to make it convenient, rapid and efficient, and the sharing of knowledge and experience among concerned agencies, organizations and local communities will also be promoted to enhance the strength of local Power Development Fund network members. Importance will be placed on the development of personnel potential, creation of joint learning process and activities among stakeholders involved in the Fund implementation at all stages, and development of interconnection of the Fund's information network system to be efficient and to cover all transaction activities so that the Fund implementation could efficiently respond to stakeholders' needs. Review will also be made on the regulations and announcements related to the Fund operations to be more appropriate, including review and improvement of the policy and guidelines on the Fund utilization under Section 97(3) to enhance greater sustainability of community project implementation and to support the creation of positive attitudes towards the co-existence of the community and power plants.



**4) Organizational Development towards Regulatory Excellence**, by arranging for human resources development in response to the outcome of the examination and assessment of impact of the issuance of regulations and criteria pertaining to energy industry regulation (Regulatory Impact Assessment: RIA); supporting research and development work on a continual basis; building up personnel competency towards energy regulatory excellence by providing training in necessary and crucial skills to increase their expertise in energy industry regulation; analyzing and improving the organizational structure to respond to the strategic goals and future needs; including proceeding with the designing and construction of the permanent OERC office as well as developing the OERC to be the national energy industry regulation information center. Development will also be made on the information system to be interconnected and ready for use in the analysis, research and development in response to the execution of every core task, which includes the information system for supporting the operations and the monetary and fiscal system as well.





## Financial Statements and Worksheet of the Office of the Energy Regulatory Commission and the Power Development Fund in Fiscal Year 2015

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### Performance on revenue collection and expenses of the Office of the Energy Regulatory Commission in Fiscal Year 2015

From the operations in Fiscal Year 2015, the OERC had total operating revenues of 774.375 million Baht. Income from fee collection constituted the majority share of 98.99%, comprising fees from electricity and natural gas industry licenses, fees from electricity industry operation and fees from natural gas industry operation, and the remaining 1.01% was from other incomes. The total revenues of the OERC increased from that in the preceding year by 5.87 million Baht, or 0.76%.

The total operating expenses of the OERC was 608.427 million Baht. Major expenses consisted of the following: expense on operations, accounting for 51.40%, and expense on human resources, 45.88%. The expenses of the OERC decreased from that in the preceding year by 60.25 million Baht, or a decrease of 9.01%.

### Performance on revenue collection and expenses of the Power Development Fund in Fiscal Year 2015

In Fiscal Year 2015, the Power Development Fund had total operating revenues of about 19,771.309 million Baht and total operating expenses of about 18,485.594 million Baht, with revenue higher than net expenses at about 1,285.715 million Baht, which was mainly the revenue earmarked for the operations of the Fund for activities under Section 97(1) and Section 97(3).

As at 30 September 2015, the Power Development Fund had total assets of 11,764.217 million Baht, an increase from that in the preceding year by about 695.201 million Baht, and total liabilities of 2,193.826 million Baht, a decrease from that in the preceding year by about 590.515 million Baht. The total capital (assets surplus to liabilities) was about 9,570.390 million Baht, an increase from that in the preceding year by about 1,285.715 million Baht.



## Auditor's Report

### To: The Energy Regulatory Commission

The Office of the Auditor General of Thailand has audited the consolidated financial statements of the Office of the Energy Regulatory Commission (OERC) and the Power Development Fund (the Fund) and the separate financial statements of the OERC, which comprise the consolidated and separate statements of financial position of the OERC as at 30 September 2015, the consolidated and separate statements of financial performance of the OERC, the consolidated and separate statements of changes in capital position of the OERC, the consolidated and separate statements of cash flows for the year then ended, including the notes on the summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for the internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these consolidated and separate financial statements based on the result of its audit. The Office of the Auditor General of Thailand has conducted the audit in accordance with Thai Standards on Auditing. The standards require that the Office of the Auditor General of Thailand comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements of the OERC are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making the risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances,



but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements of the OERC.

The Office of the Auditor General of Thailand believes that the audit evidence that it has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor of Thailand's audit opinion.

## Opinion

In the opinion of the Office of the Auditor General of Thailand, the aforementioned consolidated and separate financial statements of the OERC present fairly, in all material respects, the consolidated financial position of the OERC and the Fund, and the separate financial position of the OERC, respectively, as at 30 September 2015, and the consolidated and separate performance and the consolidated and separate cash flows of the OERC for the year then ended, in accordance with Thai Financial Reporting Standards.

(Mr. Adisorn Puawaranukroh)

Director of Financial Audit Office No. 8

(Mrs. Krannaporn Dumrongkitjakan)

Auditor-in-Charge



**OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2015**

Unit: Baht

	Note	2015		2014	
		Consolidated	Separated for OERC	Consolidated	Separated for OERC
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5.1	5,915,671,819.07	551,124,809.96	4,005,044,178.61	408,658,057.93
Account receivable	5.2	1,158,279,732.43	1,328,634.53	481,482,340.97	14,421,947.50
Account receivable – internal borrowings	5.3	3,820,931.00	3,813,251.00	10,896,526.94	10,550,566.94
Accrued revenues	5.4	1,355,813,912.59	966,814.15	1,543,923,462.51	1,305,516.66
Temporary investments	5.5	3,850,000,000.00	-	5,430,000,000.00	-
Supplies	5.6	3,792,847.94	3,663,483.44	3,587,268.27	3,204,645.27
Other current assets	5.7	9,960,268.39	1,379,630.21	9,419,654.62	926,458.22
<b>Total Current Assets</b>		<b>12,297,339,511.42</b>	<b>562,276,623.29</b>	<b>11,484,353,431.92</b>	<b>439,067,192.52</b>
<b>Non-current Assets</b>					
Property, plant and equipment	5.8	345,910,378.17	317,905,237.17	346,934,355.96	324,365,785.54
Intangible assets	5.9	1,655,060.74	1,627,998.25	2,705,060.17	2,646,990.05
Other non-current assets	5.10	10,337,037.23	9,215,546.03	10,318,737.23	9,215,546.03
<b>Total Non-current Assets</b>		<b>357,902,476.14</b>	<b>328,748,781.45</b>	<b>359,958,153.36</b>	<b>336,228,321.62</b>
<b>Total Assets</b>		<b>12,655,241,987.56</b>	<b>891,025,404.74</b>	<b>11,844,311,585.28</b>	<b>775,295,514.14</b>
<b>Liabilities and Capital</b>					
<b>Current Liabilities</b>					
Account payable	5.11	288,882,146.67	8,509,891.28	378,437,040.87	32,075,987.60
Accrued expenses	5.12	1,819,545,951.68	3,803,931.00	2,358,748,939.16	10,550,566.94
Deferred state revenue to the Ministry of Finance	5.13	18,675,689.88	18,675,689.88	21,253,350.11	21,253,350.11
Other current liabilities	5.14	68,110,515.48	2,965,132.36	73,288,093.51	4,540,701.92
<b>Total Current Liabilities</b>		<b>2,195,214,303.71</b>	<b>33,954,644.52</b>	<b>2,831,727,423.65</b>	<b>68,420,606.57</b>
<b>Non-current Liabilities</b>					
Employee benefit obligations	5.15	60,855,220.72	59,915,696.42	45,161,048.98	44,698,653.98
Other non-current liabilities	5.16	36,039,274.62	4,412,268.43	28,257,365.33	7,685,886.91
<b>Total Non-current Liabilities</b>		<b>96,894,495.34</b>	<b>64,327,964.85</b>	<b>73,418,414.31</b>	<b>52,384,540.89</b>
<b>Total Liabilities</b>		<b>2,292,108,799.05</b>	<b>98,282,609.37</b>	<b>2,905,145,837.96</b>	<b>120,805,147.46</b>
<b>Capital</b>					
Surplus to accumulated expense		10,363,133,188.51	792,742,795.37	8,939,165,747.32	654,490,366.68
<b>Liabilities and Capital</b>		<b>12,655,241,987.56</b>	<b>891,025,404.74</b>	<b>11,844,311,585.28</b>	<b>775,295,514.14</b>

The accompanying notes are an integral part of these financial statements.

(Miss Narupat Amornkosit)  
Secretary General of the OERC

(Mrs. Panadda Darachai)  
Director, Accounting, Finance and Budget Division  
Acting Director, Administration Department



**OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 September 2015**

Unit: Baht

	Note	2015		2014	
		Consolidated	Separated for OERC	Consolidated	Separated for OERC
<b>Operating Revenues</b>					
Income from fees/contributions	5.17	20,301,062,196.88	766,539,404.80	20,665,878,234.22	761,307,491.40
Other incomes	5.18	244,621,960.95	7,836,104.48	227,623,304.92	7,198,138.89
<b>Total Operating Revenue</b>		<b>20,545,684,157.83</b>	<b>774,375,509.28</b>	<b>20,893,501,539.14</b>	<b>768,505,630.29</b>
<b>Operating Expenses</b>					
Expense on human resources	5.19	342,763,443.02	279,134,608.44	303,542,700.01	257,422,065.51
Expense on operations	5.20	451,186,145.74	312,724,031.07	539,906,052.05	384,604,747.33
Depreciation and amortization	5.8, 5.9	25,124,799.35	15,073,859.79	28,881,585.95	23,131,579.03
Cost subsidies	5.21	16,039,256,825.43	1,495,000.00	18,043,166,128.93	3,510,000.00
Expense on money allocation to Power Development Funds in designated areas		2,235,689,921.81	-	2,397,993,881.63	-
Other expenses		38.00	38.00	10,003.87	10,003.87
<b>Total Operating Expenses</b>		<b>19,094,021,173.35</b>	<b>608,427,537.30</b>	<b>21,313,500,352.44</b>	<b>668,678,395.74</b>
<b>Revenue Higher (Lower) than Expenses</b>		<b>1,451,662,984.48</b>	<b>165,947,971.98</b>	<b>(419,998,813.30)</b>	<b>99,827,234.55</b>

The accompanying notes are an integral part of these financial statements.

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**OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND**  
**STATEMENT OF CHANGES IN CAPITAL POSITION**  
**for the Year Ended 30 September 2015**

Unit: Baht

	Note	2015		2014	
		Consolidated	Separated for OERC	Consolidated	Separated for OERC
<b>Surplus to accumulated expense at the beginning balance</b>		8,939,165,747.32	654,490,366.68	9,411,987,574.47	607,486,145.98
<b>Less</b> Additional remittance of previous-year state revenue to the Ministry of Finance	5.13	(8,786,833.51)	(8,786,833.51)	(31,488,663.74)	(31,488,663.74)
Additional remittance of state revenue to the Ministry of Finance (VAT returned from Revenue Department)	5.13	(193,131.32)	(193,131.32)	-	-
Additional remittance of state revenue to the Ministry of Finance (Marginal deposits)	5.13	-	-	(81,000.00)	(81,000.00)
VAT not returned from Revenue Department		(39,888.58)	(39,888.58)	-	-
		8,930,145,893.91	645,470,513.27	9,380,417,910.73	575,916,482.24
Revenue higher (lower) than expenses		1,451,662,984.48	165,947,971.98	(419,998,813.30)	99,827,234.55
<b>Less</b> Deferred state revenue to the Ministry of Finance	5.13	(18,675,689.88)	(18,675,689.88)	(21,253,350.11)	(21,253,350.11)
<b>Surplus to accumulated expense at the ending balance</b>		<b>10,363,133,188.51</b>	<b>792,742,795.37</b>	<b>8,939,165,747.32</b>	<b>654,490,366.68</b>

The accompanying notes are an integral part of these financial statements.

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**OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND**  
**STATEMENT OF CASH FLOWS**  
**for the Year Ended 30 September 2015**

Unit: Baht

	Note	2015		2014	
		Consolidated	Separated for OERC	Consolidated	Separated for OERC
<b>Cash Flows from Operating Activities</b>					
Revenue higher (lower) than net expenses		1,451,662,984.48	165,947,971.98	(419,998,813.30)	99,827,234.55
Adjustments for:					
Depreciation and amortization		25,124,799.35	15,073,859.79	28,881,585.95	23,131,579.03
Revenue from donated land		-	-	(312,000.00)	-
Recognized revenue from donation		(1,082,248.70)	(208,099.63)	(472,100.11)	(224,541.51)
Employee benefit obligations	5.15	27,082,299.58	26,570,210.58	26,819,144.58	26,356,749.58
Loss from assets amortization		38.00	38.00	10,003.87	10,003.87
Interest income	5.18	(189,162,508.01)	(5,645,709.45)	(207,000,448.80)	(6,378,340.15)
VAT not returned from Revenue Department		(39,888.58)	(39,888.58)	-	-
Revenue Higher (Lower) than Net Expense from Operating Activities		1,313,585,476.12	201,698,382.69	(572,072,627.81)	142,722,685.37
before Changes in Operating Assets and Liabilities					
(Increase) Decrease in account receivable		(676,797,391.46)	13,093,312.97	116,374,527.61	10,269,759.84
Decrease in accrued revenues		160,826,969.92	-	99,370,143.32	-
Decrease in borrowing account receivable		7,075,595.94	6,737,315.94	2,455,380.08	2,187,020.08
Increase in supplies		(205,579.67)	(458,838.17)	(302,902.59)	(271,951.59)
(Increase) Decrease in other current assets		(540,613.77)	(453,171.99)	4,810,292.14	677,782.44
Increase in other non-current assets		(18,300.00)	-	(166,920.80)	(148,920.80)
(Decrease) Increase in account payable (excluding asset payable)		(89,496,579.20)	(23,507,781.32)	109,169,555.47	20,321,330.71
(Decrease) Increase in accrued expenses		(539,202,987.48)	(6,746,635.94)	99,266,717.84	(2,187,020.08)
(Decrease) Increase in other current liabilities		(5,177,578.03)	(1,575,569.56)	47,741,132.68	(1,817,747.95)
(Decrease) Increase in other non-current liabilities		(5,339,323.48)	(3,305,798.85)	11,193,846.60	(1,837,020.70)
Employee benefit payment	5.15	(11,388,127.84)	(11,353,168.14)	(1,858,095.60)	(1,858,095.60)
State revenue remittance to the Ministry of Finance		(30,232,552.80)	(30,232,552.80)	(87,577,917.58)	(87,577,917.58)
Cash Inflows (payment) from Operating Activities		123,089,008.25	143,895,494.83	(171,596,868.64)	80,479,904.14
Actual interest income		216,444,317.87	5,983,641.82	185,243,095.50	7,490,975.43
Deferred cash inflow from donation	B	11,701,415.37	-	2,617,126.72	-
Deferred cash payment for donation		-	-	(118,537.00)	-
Net Cash Provided by Operating Activities		351,234,741.49	149,879,136.65	16,144,816.58	87,970,879.57
<b>Cash Flows from Investing Activities</b>					
Cash payment for fixed assets	C, D	(20,420,556.03)	(7,225,839.62)	(320,488,853.33)	(308,074,789.03)
Cash payment for intangible assets	C, D	(186,545.00)	(186,545.00)	(2,928,572.00)	(2,877,582.00)
Cash inflow (payment) for temporary investments		1,580,000,000.00	-	(1,200,000,000.00)	-
Cash inflow for long-term investments		-	-	300,000,000.00	-
Net Cash Provided by (Used for) Investment Activities		1,559,392,898.97	(7,412,384.62)	(1,223,417,425.33)	(310,952,371.03)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>1,910,627,640.46</b>	<b>142,466,752.03</b>	<b>(1,207,272,608.75)</b>	<b>(222,981,491.46)</b>
<b>Cash &amp; Cash Equivalents at Beginning of the Year</b>		<b>4,005,044,178.61</b>	<b>408,658,057.93</b>	<b>5,212,316,787.36</b>	<b>631,639,549.39</b>
<b>Cash and Cash Equivalents at Ending of the Year</b>	5.1	<b>5,915,671,819.07</b>	<b>551,124,809.96</b>	<b>4,005,044,178.61</b>	<b>408,658,057.93</b>

The accompanying notes are an integral part of these financial statements.



OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND

STATEMENT OF CASH FLOWS

for the Year Ended 30 September 2015

Notes to the Statement of Cash Flows

A. In the consolidated financial statements in Fiscal Year 2015, there was the depreciation of assets from donation at the amount of 1,082,248.70 Baht. The assets from donation comprised: office building, worth 533,105.58 Baht; building improvement, 167,300.81 Baht; and other equipment, 1,801,679.71 Baht.

B. In the consolidated financial statements as at 1 October 2014, the Power Development Fund had the revenue from deferred cash inflow from donation, which was worth 3,111,716.43 Baht, with additional donated money during the year at 11,701,415.37 Baht, which was deferred revenue during the year because payment or transfer of money had not yet been made pursuant to the objective; therefore, as at 30 September 2015, the remaining revenue from deferred cash inflow from donation was 14,813,131.80 Baht.

C. Details in the year 2015 are as follows:

(1) For the consolidated financial statements, there was no asset payable at the beginning balance as at 1 October 2014, and during the year, fixed assets increased by 22,922,642.13 Baht, comprising: assets from donation, 2,502,086.10 Baht; payment for assets, 20,420,556.03 Baht. There was no accrued asset payable.

(2) For the separate financial statements of the OERC, there was no asset payable at the beginning balance as at 1 October 2014, and during the year, fixed assets increased by 7,466,139.62 Baht, comprising: assets from donation, 240,300.00 Baht; payment for assets, 7,225,839.62 Baht. There was no accrued asset payable.

(3) For the consolidated financial statements, the intangible asset payable at the beginning balance as at 1 October 2014 was at the amount of 95,765.00 Baht. During the year, intangible assets increased by 128,230.00 Baht; payment for intangible assets was made at the amount of 186,545.00 Baht; and the accrued intangible asset payable was 37,450.00 Baht.

(4) For the separate financial statements of the OERC, the intangible asset payable at the beginning balance as at 1 October 2014 was at the amount of 95,765.00 Baht. During the year, intangible assets increased by 128,230.00 Baht; payment for intangible assets was made at the amount of 186,545.00 Baht; and the accrued intangible asset payable was

37,450.00 Baht.

(5) Revision was made to the separate financial statements of the OERC by increasing the entry of Office Equipment while decreasing that of Donated Assets at the amount of 254,200.00 Baht due to the previous misrecording of asset classification on the date the OERC donated assets to Phradabos Foundation, as per OERC letter No. 5510.3/0535 dated 28 April 2014, and by decreasing the account of accumulated depreciation of donated assets while increasing the account of accumulated depreciation of office equipment by 254,192.00 Baht.

D. Details in the year 2014 are as follows:

(1) For the consolidated financial statements, the asset payable at the beginning balance as at 1 October 2013 was at the amount of 1,495,753.00 Baht. During the year, fixed assets increased by 331,132,193.01 Baht, comprising: donated assets, worth 5,493,298.29 Baht; improvement work in process transferred to the asset account, 6,645,794.39 Baht; payment for assets, 320,488,853.33 Baht; and there was no accrued asset payable.

(2) For the separate financial statements of the OERC, the asset payable at the beginning balance as at 1 October 2013 was at the amount of 1,495,753.00 Baht. During the year, fixed assets increased by 308,835,146.42 Baht, comprising: donated assets, worth 610,316.00 Baht; improvement work in process transferred to the asset account, 1,645,794.39 Baht; payment for assets, 308,074,789.03 Baht; and there was no accrued asset payable.

(3) For the consolidated financial statements, there was no intangible asset payable at the beginning balance as at 1 October 2013. During the year, intangible assets increased by 3,024,337.00 Baht; payment for intangible assets was made at the amount of 2,928,572.00 Baht; and the accrued intangible asset payable was 95,765.00 Baht.

(4) For the separate financial statements of the OERC, there was no intangible asset payable at the beginning balance as at 1 October 2013. During the year, intangible assets increased by 2,973,347.00 Baht; payment for intangible assets was made at 2,877,582.00 Baht; and the accrued intangible asset payable was 95,765.00 Baht

The accompanying notes are an integral part of these financial statements.

(Miss Narupat Amornkosit)  
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**OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**for the Year Ended 30 September 2015**

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OFFICE OF THE ENERGY REGULATORY COMMISSION AND POWER DEVELOPMENT FUND  
NOTES TO FINANCIAL STATEMENTS  
for the Year Ended 30 September 2015

**1. General Information**

**1.1 The Office of the Energy Regulatory Commission (OERC)** is a state agency which is not considered a government agency or state-owned enterprise under the law on budgetary procedure. The OERC is a juristic person under the supervision of the ERC, with an OERC Secretary General, selected and appointed by the ERC, being responsible for operations of the OERC and being the commanding officer of the officials and employees of the OERC.

**OERC Responsibilities** include the administrative work of the ERC; receiving fees as prescribed by law or specified by the ERC; receiving complaints about energy industry operation; studying, compiling, analyzing and disseminating information about energy industry operation, competitive conditions, electricity demand forecast (load forecast) and other relevant information; preparing revenue and expenditure estimates of the OERC; and performing any other task as assigned by the ERC.

**1.2 The Power Development Fund (the Fund)** is established and regulated by the ERC according to the Act with the following objectives:

(1) To provide funding to encourage service provision for underprivileged power consumers or to enhance extensive electrification and to decentralize development to provincial areas;

(2) To compensate power consumers for having to pay higher electricity bills because the electricity system

control licensee instructs electricity industry licensees to generate electricity in an unfair and discriminatory manner;

(3) To develop local communities affected by the power plant operation;

(4) To promote the use of renewable energy and technologies for electricity industry operation that have minimal environmental impact, taking into consideration the balance of natural resources and fairness to power consumers;

(5) To increase knowledge, awareness and participation of the public in power-related issues.

**1.3 Revenue of the OERC/ Money and Assets of the Fund**

All revenues of the OERC, except donated money or assets, after deducting the operating expense of the OERC and other appropriate costs, will be remitted to the Ministry of Finance as state revenue. In the event that the OERC revenue is inadequate for the operating costs, the government will allocate government budget to the OERC at an amount deemed necessary.

The money and asset belonging to the Fund are not subject to remittance to the Ministry of Finance as state revenue under the law on treasury balance and the law on budgetary procedure. The OERC shall receive, disburse, keep and manage the money of the Fund separately from budget of the OERC. The receipt, disbursement, keeping and management of the money of the Fund shall comply with the ERC regulations.

**2. Basis of Financial Statement Preparation**

The consolidated and separate financial statements of the OERC and the Fund have been prepared by illustrating details in the statement of financial position, statement of financial performance, statement of changes in capital

position, and statement of cash flows in compliance with Thai Financial Reporting Standards, which correspond with the accounting principles for state organizations as stipulated by the Ministry of Finance.

**3. New and Revised Thai Financial Reporting Standards**

Thai Accounting Standards, Thai Financial Reporting Standards, Thai Standing Interpretations and Thai Financial Reporting

Interpretations issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King, were adopted.



With effectiveness for the accounting periods beginning on or after 1 January 2014:

<b>Thai Accounting Standards (TAS)</b>	<b>Subject</b>
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investment in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
<b>Thai Financial Reporting Standards (TFRS)</b>	
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 4	Insurance Contracts
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segment
<b>Thai Standing Interpretations Committee (TSIC) Interpretations</b>	
TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs
<b>Thai Financial Reporting Interpretations Committee (TFRIC) Interpretations</b>	
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers



The OERC has adopted the above-mentioned TAS, TFRS, TSIC and TFRIC interpretations since 1 October 2014, with no material impact on the financial statements for the period to which the said standards were applied.

With effectiveness for the accounting periods beginning on or after 1 January 2015:

Conceptual Framework for Financial Reporting (Revised 2014)

<b>Thai Accounting Standards (TAS)</b>	<b>Subject</b>
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investment in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property

#### **Thai Financial Reporting Standards (TFRS)**

TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations



TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segment
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
<b>TSIC Interpretations</b>	
TSIC 10 (revised 2014)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases – Incentives
TSIC 25 (revised 2014)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangement: Disclosures
TSIC 31 (revised 2014)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets – Web Site Costs
<b>TFRIC Interpretations</b>	
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement Contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (revised 2014) Employee Benefits
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine



With effectiveness for the accounting periods beginning on or after 1 January 2016:  
Conceptual Framework for Financial Reporting (Revised 2015)

<b>Thai Accounting Standards (TAS)</b>	<b>Subject</b>
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
<b>Thai Financial Reporting Standards (TFRS)</b>	
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segment
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement



### TSIC Interpretations

TSIC 10 (revised 2015)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Agreements: Disclosures
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs

### TFRIC Interpretations

TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Agreements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (revised 2015) Employee Benefits
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The Federation of Accounting Professions under the Royal Patronage of His Majesty the King has issued new and revised TAS, TFRS and TFRIC Interpretations, which are effective for the financial statements with the accounting periods beginning on or after 1 January 2015 and 1 January 2016. In this connection, OERC management had assessed the impact of these standards and believed that there would be no material impact on the presented consolidated and separate financial statements of the OERC.



## 4. Summary of Significant Accounting Policy

### 4.1 Cash and cash equivalents

Cash and cash equivalents mean cash, cash at bank under a current deposit, savings deposits and a fixed deposit of no more than 3 months.

### 4.2 Supplies

The total value of supplies is recorded as supplies account on the date of purchase or acquisition and the supplies account will be adjusted as expense when the supplies are used as at the end of accounting period. The method used for supply cost valuation is First In, First Out (FIFO).

### 4.3 Property, plant and equipment (PPE) and intangible assets

The PPE and intangible assets are presented based on the costs as at the purchasing date or the date of acquisition or at completion of construction.

4.3.1 Record is made only for PPE and intangible assets with value per unit, when acquired, from 20,000 Baht up.

4.3.2 Depreciation of building/plant & equipment and amortization of intangible assets are calculated by using the straight-line method (estimated useful life basis) according to the ERC resolution at its Meetings No. 26/2009 (65<sup>th</sup>) on 29 September 2009 and No. 24/2011 (133<sup>rd</sup>) on 30 June 2011; and on the part of the Power Development Fund, according to the Memorandum of the Administration Department No. OERC 5510/0181 dated 31 May 2012, as follows:

(1) Property, plant and equipment (PPE)

(1.1) Building Useful life: 15 years

(1.2) Building improvements Useful life: 3 years

(Useful life was calculated as per the Office Space Lease Agreement)

(1.3) Office equipment

(1.3.1) Mobile phones Useful life: 3 years

(1.3.2) Others Useful life: 8 years

(Delivered in Fiscal Year 2009-2011)

(1.3.3) Others Useful life: 5 years

(Delivered since Fiscal Year 2012)

(1.4) Office appliances

(1.4.1) Office appliances Useful life: 5 years

(Delivered in Fiscal Year 2009-2011)

(1.4.2) Office appliances Useful life: 2 years  
(Delivered since Fiscal Year 2012)

(1.5) Vehicles and transportation

Useful life: 5 years

(1.6) Audio-visual aids Useful life: 5 years

(1.7) Electronic devices Useful life: 5 years

(1.8) Computers

(1.8.1) Computers Useful life: 3 years

(Delivered since Fiscal Year 2009)

(1.8.2) Computers Useful life: 5 years

(Delivered in Fiscal Year 2008)

(1.9) Sports equipment Useful life: 2 years

(2) Intangible asset

Computer software Useful life: 3 years

### 4.4 Employee benefit obligations

The OERC has recognized the liabilities resulting from employee severance benefits recorded in the Statement of Financial Position under the item “Employee benefit obligations” and the write-off as liabilities during the transaction as expenses in the Statement of Financial Performance, using the straight-line method, within 5 years.

The liability obligation of the OERC and the Power Development Fund (Central) pursuant to the employees’ defined-benefit severance plan has been calculated by an actuary, using the projected unit credit method. The OERC and the Power Development Fund (Central) will evaluate and review the employee benefit obligations every 5 years or when there are indications.

The OERC and the Power Development Fund (Central) pay the employee severance benefit as per the Regulation of the Energy Regulatory Commission on Personnel Management of the Office of the Energy Regulatory Commission B.E.2551 (2008) in one lump sum to employees when they leave office after having worked for at least one complete year, in accordance with their entitlements and length of service.

In the event that the payment of employee benefits actually occurs, the amount of money shall be deducted from the employee benefit obligations, which is recognized as liabilities in the Statement of Financial Position.

#### 4.5 Revenue and expense recognition based on the accrual basis

4.5.1 The income from fees of the OERC is the income or benefits derived from the execution of the authority and duties of the ERC and the OERC pursuant to the Energy Industry Act B.E. 2550 (2007). The income is recognized when the ERC passes a resolution approving license issuance and when the annual fee payments are due.

4.5.2 The revenue of the Power Development Fund obtained from electricity industry licensees is recognized by using the calculation method as per the ERC order for any operation under Section 97, as follows:

##### Operation under Section 97(1)

The revenue from electricity supply licensees to be used for revenue compensation among the Power Utilities is recognized as per the amount of contributions sent by the Metropolitan Electricity Authority (MEA) together with the amount calculated from the actual units of electricity purchased from the Electricity Generating Authority of Thailand (EGAT), as reported, at the rate determined by the ERC and the amount of contributions sent by EGAT to compensate for the power tariff reduction for the portion that was lower than the amount of contributions determined by the ERC.

For revenue from electricity supply licensees to be used for subsidizing service provision for underprivileged power consumers, the revenue recognition is calculated from the actual units of electricity sale as reported, at the specified rate pursuant to the ERC order on sending contributions to and disbursement of money from the Power Development Fund by public and private organizations to pay as compensation to electricity supply licensees who provide services for underprivileged power consumers whose electricity consumption does not exceed 50 units in compliance with the government policy.

##### Operation under Section 97(3) and operation under Section 97(6)

The revenue from electricity generation licensees is recognized based on calculation of the actual units of electricity generated, as reported, at the rate specified by the ERC. Of this, 95% shall be used for development and rehabilitation of localities affected by power plant operation for any operation under Section 97(3) and 5% will be allocated for the Fund administration cost for any operation under Section 97(6).

##### Operation under Section 97(4)

The revenue from electricity supply licensees to be used for promotion of the use of renewable energy and technologies for electricity industry operation which have minimal environmental impact is recognized by calculating from the net

sale units as reported by the electricity supply licensees, at the rate specified by the ERC, as from the electricity tariff billing in the month of January 2015 onwards.

##### Operation under Section 97(5)

The revenue from electricity supply licensees to be used for increasing knowledge, awareness and participation of the public in power-related issues is recognized by calculating from the net sale units as reported by the electricity supply licensees, at the rate specified by the ERC, as from the electricity tariff billing in the month of January 2015 onwards.

4.5.3 Interest income is recognized based on a time proportion basis, taking into account the rates of returns specified by financial institutions.

4.5.4 Revenue from donation, for equipment with value per unit lower than 20,000 Baht, is recognized on the date of acquisition.

4.5.5 Revenue from donation, for equipment with value per unit from 20,000 Baht up, is recognized as unrealized revenue from donation on the date of acquisition and as revenue from donation in proportion of depreciation calculated for each type of equipment. As for donated money, it is recognized based on the donors' objectives and the write-off as revenue from donation will be made at donation payment or when the donated money is transferred to local Power Development Funds in designated areas to be incorporated into the preparation of the budget framework in the next fiscal year.



4.5.6 Utilities expenses are recognized as expenses in the fiscal year in which billing is received.

4.5.7 Expenditure requiring a borrowing or cash advance authorized in the present fiscal year to be used in the following fiscal year is recognized as an expense of the fiscal year in which the borrowing is authorized, as follows:

- Travel expense for a period not exceeding 60 days;
- Other operating expenses for a period not exceeding 15 days.

4.5.8 Cost subsidies from the Power Development Fund for revenue compensation among the Power Utilities and for underprivileged power consumers:

- Cost subsidies for revenue compensation among the Power Utilities are recognized as per the amount of money disbursed to the PEA, deducted by the amount calculated from the actual units of electricity purchased from EGAT, as reported, at the rate specified by the ERC, and the amount of money disbursed to EGAT to compensate for the power tariff reduction in the portion that was higher than the amount of contributions determined by the ERC;

- Cost subsidies for underprivileged power consumers, that is, power consumers under the residential category, with the installation of a 5(15)-ampere meter and with electricity usage not exceeding the stipulated ceiling, shall be paid to the electricity supply licensees who provide services to the underprivileged power consumers according to the actual expense incurred thereby in each month, in order to support the government policy.

4.5.9 Expense on fund allocation to local Power Development Funds in designated areas means the money according to the work plans and annual budgets, approved for spending on the fund administration and operating costs of community projects and paid to local Power Development Funds in designated areas. The expense is recognized when the work plans for a given fiscal year are approved by the ERC and the money is transferred to the concerned local Power Development Funds in designated areas.

#### **4.6 Deferred state revenue to the Ministry of Finance**

All revenue, except donated money or assets, if it has not been spent or only part of it has been spent and after appropriate and necessary costs have been deducted, the remaining amount will be remitted to the Ministry of Finance as state revenue within 45 days as from the date the auditor has certified the financial statements of the OERC. However, if the auditor cannot certify the report on financial statements of the preceding fiscal year within the specified timeframe, the OERC shall remit the remaining amount to the Ministry of Finance as state revenue within that

fiscal year, at the amount shown in the report on financial statements before being certified by the auditor. In this regard, while pending delivery of the remittance as state revenue to the Ministry of Finance, the money may be disbursed by the OERC as advanced money for expenses in that fiscal year.

The Regulation of the Energy Regulatory Commission on Delivery of State Revenue to the Ministry of Finance and Deduction of Operating Expenses and Other Appropriate Costs of the Office of the Energy Regulatory Commission, B.E. 2556 (2013), has defined appropriate costs as follows:

4.6.1 Obligated liabilities committed by the OERC prior to the end of fiscal year through ordering purchase, hiring, engagement of consultants or leasing of assets, etc., with purchase orders, job orders, contracts or agreements already made, but the payment for which could not be settled by the fiscal year end. Such purchasing orders, job orders, contracts or agreements are considered supporting documents for requesting reserves for outstanding disbursement in following fiscal years until such obligations expire.

4.6.2 Expenses which have not yet incurred as obligated liabilities but a budget is to be reserved for their payment after the fiscal year end and for which reserves for outstanding disbursement in following fiscal years have been requested.

4.6.3 Other necessary obligations, as approved by the ERC.

#### **4.7 Reserves for outstanding disbursement in following fiscal years**

Reserves for outstanding disbursement in following fiscal years refer to items of appropriate costs which are obligated liabilities of the OERC before the end of fiscal year but the payment for which could not be settled by the fiscal year end, or expenses which have not yet incurred as obligated liabilities but a budget is to be reserved for their payment after the fiscal year end, pursuant to the Notes to Financial Statements Items 4.6.1 – 4.6.3, for which the ERC will have to approve the reserve of a budget for disbursement in following fiscal years according to the expense plan presented by the Secretary General, at the latest, before the last business day of the fiscal year. The amount of the reserved budget for outstanding disbursement in following fiscal years must be within the budget for the annual expense estimate, already approved by the cabinet.

The total amount of the above-mentioned reserves for outstanding disbursement in following fiscal years is included in accounting item “Surplus to accumulated expense.”



## 5. Additional Information

### 5.1 Cash and cash equivalents consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Cash on hand and petty cash	814,118.53	200,000.00	614,118.53	6,709,786.55	200,000.00	6,509,786.55
Cash at bank – Savings deposits	3,197,002,455.48	350,924,809.96	2,846,077,645.52	3,305,483,131.13	258,458,057.93	3,047,025,073.20
Cash at bank – Current deposit	(32,144,754.94)	-	(32,144,754.94)	(57,148,739.07)	-	(57,148,739.07)
Cash at bank – ≤3-month fixed deposit	2,750,000,000.00	200,000,000.00	2,550,000,000.00	750,000,000.00	150,000,000.00	600,000,000.00
<b>Total</b>	<b>5,915,671,819.07</b>	<b>551,124,809.96</b>	<b>5,364,547,009.11</b>	<b>4,005,044,178.61</b>	<b>408,658,057.93</b>	<b>3,596,386,120.68</b>



For the savings deposits, the interest rate was floated according to the rates specified by the financial institutions. For the fixed deposit of no more than 3 months, the interest rate received was 2.10% p.a., and the maturity date was 18 November 2015. For the bank deposits of the Power Development Fund, the rates were 1.55 - 2.10% p.a., and the maturity dates were 14 November 2015, 19 November 2015, 2 December 2015, 7 December 2015, 8 December 2015, 9 December 2015, 15 December 2015, 16 December 2015 and 24 December 2015.



Cash at bank by financial institution can be shown below.

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
<b>Cash at bank – Savings deposits</b>						
Krung Thai Bank	3,192,672,433.13	350,924,809.96	2,841,747,623.17	3,290,263,934.21	258,458,057.93	3,031,805,876.28
Siam Commercial Bank	4,139,014.20	-	4,139,014.20	4,123,536.45	-	4,123,536.45
Government Savings Bank	128,933.76	-	128,933.76	10,942,007.87	-	10,942,007.87
TISCO Bank	2,006.98	-	2,006.98	-	-	-
Islamic Bank of Thailand	7,539.46	-	7,539.46	7,501.90	-	7,501.90
Agricultural and Agricultural Cooperative Bank	52,527.95	-	52,527.95	146,150.70	-	146,150.70
<b>Total</b>	<b>3,197,002,455.48</b>	<b>350,924,809.96</b>	<b>2,846,077,645.52</b>	<b>3,305,483,131.13</b>	<b>258,458,057.93</b>	<b>3,047,025,073.20</b>
<b>Cash at bank – Current deposit</b>						
Krung Thai Bank	(32,144,754.94)	-	(32,144,754.94)	(56,506,342.57)	-	(56,506,342.57)
Government Savings Bank	-	-	-	(642,396.50)	-	(642,396.50)
<b>Total</b>	<b>(32,144,754.94)</b>	<b>-</b>	<b>(32,144,754.94)</b>	<b>(57,148,739.07)</b>	<b>-</b>	<b>(57,148,739.07)</b>
<b>Cash at bank – ≤3-month fixed deposit</b>						
Siam Commercial Bank	1,550,000,000.00	200,000,000.00	1,350,000,000.00	250,000,000.00	150,000,000.00	100,000,000.00
Government Savings Bank	1,000,000,000.00	-	1,000,000,000.00	500,000,000.00	-	500,000,000.00
TISCO Bank	100,000,000.00	-	100,000,000.00	-	-	-
Land and House Bank	100,000,000.00	-	100,000,000.00	-	-	-
<b>Total</b>	<b>2,750,000,000.00</b>	<b>200,000,000.00</b>	<b>2,550,000,000.00</b>	<b>750,000,000.00</b>	<b>150,000,000.00</b>	<b>600,000,000.00</b>



## 5.2 Account receivable consists of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Account receivable – Income from fees	1,328,634.53	1,328,634.53	-	14,421,947.50	14,421,947.50	-
Account receivable – Income from electricity supply licensees	239,595,302.07	-	239,595,302.07	237,024,902.87	-	237,024,902.87
Account receivable – Income from electricity supply licensees for Section 97(4)	441,539,097.81	-	441,539,097.81	-	-	-
Account receivable – Income from electricity supply licensees for Section 97(5)	176,615,639.89	-	176,615,639.89	-	-	-
Account receivable – Income from electricity generation licensees for Section 97(3)	284,241,005.90	-	284,241,005.90	218,536,411.74	-	218,536,411.74
Account receivable – Income from electricity generation licensees for Section 97(6)	14,960,052.23	-	14,960,052.23	11,499,078.86	-	11,499,078.86
<b>Total</b>	<b>1,158,279,732.43</b>	<b>1,328,634.53</b>	<b>1,156,951,097.90</b>	<b>481,482,340.97</b>	<b>14,421,947.50</b>	<b>467,060,393.47</b>

Pursuant to the Announcement of the Energy Regulatory Commission on Sending Contributions to Power Development Fund for Electricity Industry Licensees with Electricity Generation Licenses, during power plant construction, an Electricity Generation Licensee must send contributions to the Fund on an annual basis, within the first five (5) working days of each year, and during the plant's commissioning, the Licensee must send contributions to the Fund on a monthly basis, within 45 days as from the end of each month.

Account receivable can be classified by aging, as follows:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Account receivable not yet due	659,306,373.28	1,233,147.73	658,073,225.55	422,110,291.76	10,779,455.17	411,330,836.59
Outstanding payment ≤ 3 months	108,892,746.65	76,435.45	108,816,311.20	11,386,629.99	3,375,124.97	8,011,505.02
Outstanding payment > 3 months - 6 months	351,205,981.58	15,038.85	351,190,942.73	3,040,583.19	72,267.57	2,968,315.62
Outstanding payment > 6 months	31,853,863.50	4,012.50	31,849,851.00	20,100,484.67	195,099.79	19,905,384.88
<b>Total Accounts Receivable</b>	<b>1,151,258,965.01</b>	<b>1,328,634.53</b>	<b>1,149,930,330.48</b>	<b>456,637,989.61</b>	<b>14,421,947.50</b>	<b>442,216,042.11</b>
Plus: Accounts receivable in installments	7,020,767.42	-	7,020,767.42	24,844,351.36	-	24,844,351.36
<b>Total</b>	<b>1,158,279,732.43</b>	<b>1,328,634.53</b>	<b>1,156,951,097.90</b>	<b>481,482,340.97</b>	<b>14,421,947.50</b>	<b>467,060,393.47</b>

Accounts receivable in installments are those approved by the ERC to have the debt payment period extended, but not exceeding two (2) years.



## 5.3 Account receivable – internal borrowings consists of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
<b>Account receivable</b>						
Official domestic travel expense	202,960.00	202,960.00	-	449,170.00	449,170.00	-
Official overseas travel expense	-	-	-	6,287,315.00	6,287,315.00	-
Training and seminar expense	2,856,490.00	2,856,490.00	-	3,573,221.94	3,573,221.94	-
Meeting expense	633,801.00	633,801.00	-	110,860.00	110,860.00	-
Office operating expense	127,680.00	120,000.00	7,680.00	475,960.00	130,000.00	345,960.00
<b>Total</b>	<b>3,820,931.00</b>	<b>3,813,251.00</b>	<b>7,680.00</b>	<b>10,896,526.94</b>	<b>10,550,566.94</b>	<b>345,960.00</b>

Account receivable can be classified by aging, as follows:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Immature debt as per the regulation	3,719,340.00	3,711,660.00	7,680.00	3,040,639.84	2,694,679.84	345,960.00
Overdue debt as per the regulation, not exceeding 3 months	101,591.00	101,591.00	-	7,855,887.10	7,855,887.10	-
<b>Total</b>	<b>3,820,931.00</b>	<b>3,813,251.00</b>	<b>7,680.00</b>	<b>10,896,526.94</b>	<b>10,550,566.94</b>	<b>345,960.00</b>



#### 5.4 Accrued revenue consists of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Accrued revenue from electricity supply licensees for Section 97(1) for revenue compensation among Power Utilities	770,107,570.61	-	770,107,570.61	982,795,770.22	-	982,795,770.22
Accrued revenue from electricity supply licensees for Section 97(1) for subsidizing underprivileged power consumers	286,620,295.57	-	286,620,295.57	310,636,528.76	-	310,636,528.76
Accrued revenue from electricity generation licensees for Section 97(3)	176,748,837.03	-	176,748,837.03	181,674,476.65	-	181,674,476.65
Accrued revenue from electricity supply licensees for Section 97(4)	57,901,676.21	-	57,901,676.21	-	-	-
Accrued revenue from electricity supply licensees for Section 97(5)	23,160,670.42	-	23,160,670.42	-	-	-
Accrued revenue from electricity generation licensees for Section 97(6)	9,302,570.27	-	9,302,570.27	9,561,814.40	-	9,561,814.40
	1,323,841,620.11	-	1,323,841,620.11	1,484,668,590.03	-	1,484,668,590.03
Accrued interest receivable	31,972,292.48	966,814.15	31,005,478.33	59,254,872.48	1,305,516.66	57,949,355.82
<b>Total</b>	<b>1,355,813,912.59</b>	<b>966,814.15</b>	<b>1,354,847,098.44</b>	<b>1,543,923,462.51</b>	<b>1,305,516.66</b>	<b>1,542,617,945.85</b>



## 5.5 Temporary investments consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
6-month bank deposit	3,250,000,000	-	3,250,000,000	2,130,000,000	-	2,130,000,000
8-month bank deposit	-	-	-	1,100,000,000	-	1,100,000,000
11-month bank deposit	100,000,000	-	100,000,000	-	-	-
12-month bank deposit	500,000,000	-	500,000,000	2,200,000,000	-	2,200,000,000
<b>Total</b>	<b>3,850,000,000</b>	<b>-</b>	<b>3,850,000,000</b>	<b>5,430,000,000</b>	<b>-</b>	<b>5,430,000,000</b>

For temporary investments, the interest rates received were in a range of 1.75-3.00% p.a., and the maturity dates were:

13 October 2015, 20 October 2015, 6 January 2016,  
21 January 2016, 14 February 2016, 17 February 2016,  
19 February 2016, 21 February 2016, 24 February 2016,  
26 February 2016, 27 February 2016, 7 March 2016,  
24 March 2016 and 20 April 2016.



## 5.6 Supplies consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Office supplies	2,425,863.74	2,296,499.24	129,364.50	2,403,382.15	2,020,759.15	382,623.00
Computers	1,309,935.00	1,309,935.00	-	1,166,700.00	1,166,700.00	-
Office appliances	8,640.00	8,640.00	-	9,920.00	9,920.00	-
Electronic devices	-	-	-	7,266.12	7,266.12	-
Audio-visual aids	48,409.20	48,409.20	-	-	-	-
<b>Total</b>	<b>3,792,847.94</b>	<b>3,663,483.44</b>	<b>129,364.50</b>	<b>3,587,268.27</b>	<b>3,204,645.27</b>	<b>382,623.00</b>

## 5.7 Other current assets consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
VAT – Input tax	-	-	-	1,540.00	1,540.00	-
VAT – Deferred input tax	115,617.71	115,617.71	-	626,044.40	626,044.40	-
VAT surplus payment	1,264,012.50	1,264,012.50	-	298,873.82	298,873.82	-
Other current assets	8,580,638.18	-	8,580,638.18	8,493,196.40	-	8,493,196.40
<b>Total</b>	<b>9,960,268.39</b>	<b>1,379,630.21</b>	<b>8,580,638.18</b>	<b>9,419,654.62</b>	<b>926,458.22</b>	<b>8,493,196.40</b>

Included in “Other current assets” is “Cash advance receivable” of local Power Development Funds in designated areas, accounting for 7,590,552.00 Baht.

**5.8 Property, Plant and Equipment (PPE) consist of:**

Unit: Baht

	Account Balance as at 1 October 2014			Change during the Year			Transfer/ Change of Entry Category Net Increase (Decrease)			Account Balance as at 30 September 2015		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Increase		Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
					Separated for OERC	Separated for Power Development Fund						
<b>Historical Cost</b>												
Property	299,085,820.00	299,085,820.00	-	-	-	-	-	-	-	299,085,820.00	299,085,820.00	-
Donated property	312,000.00	-	312,000.00	-	-	-	-	-	-	312,000.00	-	312,000.00
Donated office building	2,895,200.00	-	2,895,200.00	533,105.58	533,105.58	-	-	-	-	3,428,305.58	-	3,428,305.58
Leasehold improvement	55,089,702.79	48,384,148.68	6,705,554.11	2,408,128.62	188,186.92	2,219,941.70	-	(210,000.00)	-	57,287,831.41	48,572,335.60	8,715,495.81
Donated building improvement	-	-	-	167,300.81	-	167,300.81	-	-	-	167,300.81	-	167,300.81
Equipment - Computers	53,947,988.98	42,619,978.39	11,328,010.59	16,179,384.73	6,840,214.39	9,339,170.34	(1,533,247.00)	-	-	68,594,126.71	47,926,945.78	20,667,180.93
Office equipment	15,100,247.31	11,209,072.81	3,891,174.50	785,068.31	155,038.31	630,030.00	-	440,200.00	254,200.00	16,325,515.62	11,618,311.12	4,707,204.50
Equipment - Office appliances	1,556,495.39	1,527,116.39	29,379.00	20,000.00	-	20,000.00	-	24,000.00	-	1,600,495.39	1,527,116.39	73,379.00
Equipment - Audio-visual aids	16,875,643.64	14,487,975.67	2,387,667.97	638,400.20	42,400.00	596,000.20	-	79,000.00	-	17,593,043.84	14,530,375.67	3,062,668.17
Equipment - Vehicles & transportation	28,629,630.84	27,702,130.84	927,500.00	-	-	-	-	-	-	28,629,630.84	27,702,130.84	927,500.00
Equipment - Electronic devices	581,282.30	-	581,282.30	-	-	-	-	(79,000.00)	-	502,282.30	-	502,282.30
Equipment - Sports	937,200.00	937,200.00	-	-	-	-	-	-	-	937,200.00	937,200.00	-
Equipment - Survey	-	-	-	389,574.17	-	389,574.17	-	-	-	389,574.17	-	389,574.17
Equipment - Others	1,005,397.20	972,897.20	32,500.00	-	-	-	-	-	-	1,005,397.20	972,897.20	32,500.00
Assets from donation	3,093,177.05	1,417,394.76	1,675,782.29	1,801,679.71	240,300.00	1,561,379.71	(284,682.00)	(254,200.00)	(254,200.00)	4,355,974.76	1,118,812.76	3,237,162.00
<b>Total</b>	<b>479,109,785.50</b>	<b>448,343,734.74</b>	<b>30,766,050.76</b>	<b>22,922,642.13</b>	<b>7,466,139.62</b>	<b>15,456,502.51</b>	<b>(1,817,929.00)</b>	<b>-</b>	<b>-</b>	<b>500,214,498.63</b>	<b>453,991,945.36</b>	<b>46,222,553.27</b>



Unit: Baht

	Account Balance as at 1 October 2014			Change during the Year						Transfer/ Change of Entry Category Net Increase (Decrease)			Account Balance as at 30 September 2015		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Increase			Decrease			Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
				Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for Power Development Fund	Separated for Power Development Fund						
<b>Accumulated Depreciation</b>															
Donated office building	(24,589.37)	-	(24,589.37)	(188,809.07)	-	(188,809.07)	-	-	-	-	-	(213,398.44)	-	-	(213,398.44)
Leasehold improvement	(44,916,814.34)	(42,794,908.36)	(2,121,905.98)	(6,261,829.85)	(3,685,546.90)	(2,576,282.95)	-	53,315.08	-	-	53,315.08	(51,125,329.11)	(46,480,455.26)	-	(4,644,873.85)
Donated building improvement	-	-	-	(6,264.23)	-	(6,264.23)	-	-	-	-	-	(6,264.23)	-	-	(6,264.23)
Equipment – Computers	(39,464,796.14)	(35,160,411.92)	(4,304,384.22)	(9,593,510.02)	(4,793,426.10)	(4,800,093.92)	1,533,209.00	-	-	-	-	(47,525,097.16)	(38,420,629.02)	-	(9,104,468.14)
Office equipment	(6,262,455.99)	(5,465,304.68)	(797,151.31)	(2,525,224.82)	(1,660,163.66)	(865,061.16)	-	(272,345.94)	(254,192.00)	-	(18,153.94)	(9,060,026.75)	(7,379,660.34)	-	(1,680,366.41)
Equipment – Office appliances	(1,289,564.19)	(1,289,282.47)	(281.72)	(270,089.79)	(232,082.32)	(38,037.47)	-	(6,093.18)	-	-	(6,093.18)	(1,565,747.16)	(1,521,384.79)	-	(44,412.37)
Equipment – Audio-visual aids	(10,964,958.05)	(10,411,071.90)	(553,886.15)	(2,714,693.19)	(2,161,174.61)	(553,518.58)	-	76.34	-	-	76.34	(13,679,574.90)	(12,572,246.51)	-	(1,107,328.39)
Equipment – Vehicles & transportation	(26,794,784.82)	(26,753,596.84)	(41,187.98)	(1,134,016.05)	(948,516.00)	(185,500.05)	-	-	-	-	-	(27,928,800.87)	(27,702,112.84)	-	(226,688.03)
Equipment – Electronic devices	(117,573.87)	-	(117,573.87)	(100,456.49)	-	(100,456.49)	-	(29,144.30)	-	-	(29,144.30)	(247,174.66)	-	-	(247,174.66)
Equipment – Sports	(851,789.36)	(851,789.36)	-	(43,292.65)	(43,292.65)	-	-	-	-	-	-	(895,082.01)	-	-	-
Equipment – Survey	-	-	-	(20,342.26)	-	(20,342.26)	-	-	-	-	-	(20,342.26)	-	-	(20,342.26)
Equipment – Others	(366,363.23)	(352,812.72)	(13,550.51)	(200,866.10)	(194,366.12)	(6,499.98)	-	-	-	-	-	(567,229.33)	(547,178.84)	-	(20,050.49)
Assets from donation	(1,121,740.18)	(899,770.95)	(222,969.23)	(887,175.40)	(208,099.63)	(679,075.77)	284,670.00	254,192.00	254,192.00	-	-	(1,470,053.58)	(568,008.58)	-	(902,045.00)
<b>Total</b>	<b>(132,175,429.54)</b>	<b>(123,977,949.20)</b>	<b>(8,197,480.34)</b>	<b>(23,946,569.92)</b>	<b>(13,926,637.99)</b>	<b>(10,019,931.93)</b>	<b>1,817,879.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(154,304,120.46)</b>	<b>(136,086,708.19)</b>	<b>-</b>	<b>(18,217,412.27)</b>
<b>PPE - net</b>	<b>346,934,355.96</b>	<b>324,365,785.54</b>	<b>22,568,570.42</b>									<b>345,910,378.17</b>	<b>317,905,237.17</b>		<b>28,005,141.00</b>

**Depreciation**

For the Year Ended 30 September 2015																(23,946,569.92)	(13,926,637.99)	(10,019,931.93)
For the Year Ended 30 September 2014																(28,174,882.46)	(22,447,779.03)	(5,727,103.43)

## 5.9 Intangible assets consist of:

	Account Balance			Change during the Year			Account Balance		
	as at 1 October 2014			Increase			as at 30 September 2015		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
<b>Historical Cost</b>									
Computer software	3,520,037.00	3,439,047.00	80,990.00	128,230.00	128,230.00	-	3,648,267.00	3,567,277.00	80,990.00
<b>Total</b>	<b>3,520,037.00</b>	<b>3,439,047.00</b>	<b>80,990.00</b>	<b>128,230.00</b>	<b>128,230.00</b>	<b>-</b>	<b>3,648,267.00</b>	<b>3,567,277.00</b>	<b>80,990.00</b>
<b>Accumulated amortization</b>									
Computer software	(814,976.83)	(792,056.95)	(22,919.88)	(1,178,229.43)	(1,147,221.80)	(31,007.63)	(1,939,206.26)	(1,939,278.75)	(53,927.51)
<b>Total</b>	<b>(814,976.83)</b>	<b>(792,056.95)</b>	<b>(22,919.88)</b>	<b>(1,178,229.43)</b>	<b>(1,147,221.80)</b>	<b>(31,007.63)</b>	<b>(1,939,206.26)</b>	<b>(1,939,278.75)</b>	<b>(53,927.51)</b>
<b>Intangible Assets</b>	<b>2,705,060.17</b>	<b>2,646,990.05</b>	<b>58,070.12</b>				<b>1,655,060.74</b>	<b>1,627,998.25</b>	<b>27,062.49</b>
<b>Amortization</b>									
For the Year Ended 30 September 2015							<b>(1,178,229.43)</b>	<b>(1,147,221.80)</b>	<b>(31,007.63)</b>
For the Year Ended 30 September 2014							<b>(706,703.49)</b>	<b>(683,800.00)</b>	<b>(22,903.49)</b>

Unit: Baht

## 5.10 Other non-current assets consist of:

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Deposits	139,200.00	-	139,200.00	122,900.00	-	122,900.00
Marginal deposits under lease and service agreements	10,197,837.23	9,215,546.03	982,291.20	10,195,837.23	9,215,546.03	980,291.20
<b>Total</b>	<b>10,337,037.23</b>	<b>9,215,546.03</b>	<b>1,121,491.20</b>	<b>10,318,737.23</b>	<b>9,215,546.03</b>	<b>1,103,191.20</b>

Unit: Baht



### 5.11 Account payable consists of:

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Account Payable - State agencies	3,426,219.00	3,397,682.63	28,536.37	20,563,407.22	20,509,935.37	53,471.85
Account Payable - External entities	23,321,819.05	5,112,208.65	18,209,610.40	89,975,364.85	11,566,052.23	78,409,312.62
Account Payable - Fund subsidies for underprivileged power consumers	262,134,108.62	-	262,134,108.62	267,898,268.80	-	267,898,268.80
<b>Total</b>	<b>288,882,146.67</b>	<b>8,509,891.28</b>	<b>280,372,255.39</b>	<b>378,437,040.87</b>	<b>32,075,987.60</b>	<b>346,361,053.27</b>

Unit: Baht

### 5.12 Accrued expenses consist of:

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Subsidy expense	1,810,859,708.29	-	1,810,859,708.29	2,343,845,982.33	-	2,343,845,982.33
Travel expense	200,480.00	200,480.00	-	6,736,485.00	6,736,485.00	-
Meeting expense	626,961.00	626,961.00	-	110,860.00	110,860.00	-
Training and seminar expense	2,856,490.00	2,856,490.00	-	3,573,221.94	3,573,221.94	-
Operating expense	5,002,312.39	120,000.00	4,882,312.39	4,482,389.89	130,000.00	4,352,389.89
<b>Total</b>	<b>1,819,545,951.68</b>	<b>3,803,931.00</b>	<b>1,815,742,020.68</b>	<b>2,358,748,939.16</b>	<b>10,550,566.94</b>	<b>2,348,198,372.22</b>

Unit: Baht

The subsidy expense is an accrued subsidy for revenue compensation among the Power Utilities and for subsidizing underprivileged power consumers.



## 5.13 Deferred state revenue to the Ministry of Finance consists of:

Unit: Baht

	2015	2014
<b>Beginning surplus to accumulated expense</b>	654,490,366.68	607,486,145.98
<b>Less</b> Additional preceding-year state revenue remittance to the Ministry of Finance (MoF)	(8,786,833.51)	(31,488,663.74)
Additional state revenue remittance to the MoF (VAT received back from the Revenue Department)	(193,131.32)	-
Additional state revenue remittance to the MoF (Marginal deposits)	-	(81,000.00)
VAT not returned from the Revenue Department	(39,888.58)	-
	645,470,513.27	575,916,482.24
Operating revenues	774,375,509.28	768,505,630.29
Operating expenses	(608,427,537.30)	(668,678,395.74)
	811,418,485.25	675,743,716.79
<b>Plus</b> Accumulated depreciation of purchased equipment	137,457,978.36	123,871,235.20
	948,876,463.61	799,614,951.99
<b>Less</b> Reserves for outstanding disbursement in following fiscal years (Note 6)	(459,501,704.45)	(314,649,565.38)
Supplies at end of year	(3,663,483.44)	(3,204,645.27)
Marginal deposits under lease and service agreements*	(9,215,546.03)	(9,215,546.03)
VAT – Input tax	-	(1,540.00)
VAT – Deferred input tax	(115,617.71)	(626,044.40)
VAT – Surplus payment	(1,264,012.50)	(298,873.82)
Property	(299,085,820.00)	(299,085,820.00)
Leasehold improvement	(48,572,335.60)	(48,384,148.68)
Equipment purchase expense	(108,782,254.00)	(102,895,418.30)
<b>Deferred State Revenue to the Ministry of Finance</b>	<b>18,675,689.88</b>	<b>21,253,350.11</b>

\* Marginal deposits under lease and service agreements must be remitted as state revenue upon the expiry of the agreements.



#### 5.14 Other current liabilities consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Accrued vouchers	2,405,492.20	714,696.17	1,690,796.03	3,867,272.06	862,572.37	3,004,699.69
Deposit	1,254,254.40	-	1,254,254.40	727,046.64	-	727,046.64
Unearned revenue	34,120,000.00	-	34,120,000.00	42,195,986.50	-	42,195,986.50
Deferred withholding income tax	2,358,018.93	1,463,140.17	894,878.76	2,190,071.82	1,268,697.26	921,374.56
Accrued social insurance	558,729.00	420,376.00	138,353.00	433,974.00	378,474.00	55,500.00
Transferred money awaiting checking	-	-	-	17,466.41	17,466.41	-
Performance retention	1,691,688.20	-	1,691,688.20	630,252.16	-	630,252.16
Contract guarantee	18,624,033.63	-	18,624,033.63	10,716,580.84	-	10,716,580.84
Other guarantees	7,011,379.10	280,000.00	6,731,379.10	11,565,951.20	1,070,000.00	10,495,951.20
VAT – Accrued output tax	86,920.02	86,920.02	-	943,491.88	943,491.88	-
<b>Total</b>	<b>68,110,515.48</b>	<b>2,965,132.36</b>	<b>65,145,383.12</b>	<b>73,288,093.51</b>	<b>4,540,701.92</b>	<b>68,747,391.59</b>

## 5.15 Employee benefit obligations

The OERC has complied with the Thai Accounting Standards No.19 (revised 2012) on “Employee Benefits.” In this regard, the OERC commenced recognizing and allocating the expenditure budget in relation to employee benefits in Fiscal Year 2013 and has selected to record the recognition of liabilities incurred during the transitional period, on the date of change in accounting policies, as expenses by using the straight-line method within 5 years. In Fiscal Year 2015, the recognized expenses and liabilities amounted to 8,450,375.58 Baht.

The Power Development Fund (Central) commenced recognizing and allocating the expenditure budget in relation to employee benefits in Fiscal Year 2014 because the length of service of employees engaged by using the Fund money, pursuant to Section 97(6), started reaching one year.

Employee benefit obligations as at 30 September 2015 are shown in the Statement of Financial Position. The details can be illustrated as follows:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
<b>Employee benefit obligations at beginning of the year</b>	<b>45,161,048.98</b>	<b>44,698,653.98</b>	<b>462,395.00</b>	<b>20,200,000.00</b>	<b>20,200,000.00</b>	<b>-</b>
<b>Plus</b> Expenses recognized in the Statement of Financial Performance	18,631,924.00	18,119,835.00	512,089.00	18,368,769.00	17,906,374.00	462,395.00
Expenses and liabilities during the transitional period averagely recognized in the year	8,450,375.58	8,450,375.58	-	8,450,375.58	8,450,375.58	-
<b>Less</b> Employee benefits paid during the year	(11,388,127.84)	(11,353,168.14)	(34,959.70)	(1,858,095.60)	(1,858,095.60)	-
<b>Employee benefit obligations at ending of the year</b>	<b>60,855,220.72</b>	<b>59,915,696.42</b>	<b>939,524.30</b>	<b>45,161,048.98</b>	<b>44,698,653.98</b>	<b>462,395.00</b>

Expenses recognized in the Statement of Financial Performance for the year ended 30 September 2015 consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Current service cost	15,679,269.00	15,206,325.00	472,944.00	15,894,170.00	15,450,016.00	444,154.00
Interest on obligations	2,952,655.00	2,913,510.00	39,145.00	2,474,599.00	2,456,358.00	18,241.00
Liabilities during the transitional period recognized in the year	8,450,375.58	8,450,375.58	-	8,450,375.58	8,450,375.58	-
<b>Expenses recognized in the Statement of Financial Performance</b>	<b>27,082,299.58</b>	<b>26,570,210.58</b>	<b>512,089.00</b>	<b>26,819,144.58</b>	<b>26,356,749.58</b>	<b>462,395.00</b>



### Assumptions used in the estimation according to the actuarial principles:

#### Financial Assumptions:

Discount rate:	4.7% p.a. (average rate of returns of government bonds)
Rate of salary raise:	9.5% p.a. for employees aged <30 years old; 9.0% p.a. for employees aged 30 - <40 years old; 7.0% p.a. for employees aged 40 - <55 years old; 4.0% p.a. for employees aged 55 years old and above.
Inflation rate:	3.0% p.a.

#### Demographic Assumptions:

Employee turnover rate:	classified by age range, as follows: 5.0% p.a. for employees aged < 30 years old; 2.0% p.a. for employees aged 30 - <55 years old; 0.0% p.a. for employees aged 55 years old and above.
Mortality rate:	Thai Mortality Table B.E. 2551 (2008)

### 5.16 Other non-current liabilities consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Contract guarantee	12,360,876.60	1,258,062.93	11,102,813.67	14,765,105.28	1,677,237.98	13,087,867.30
Performance retention	2,603,401.32	2,603,401.32	-	5,490,025.12	5,490,025.12	-
Other guarantees	-	-	-	48,471.00	-	48,471.00
Deferred revenue from donation	21,074,996.70	550,804.18	20,524,192.52	7,953,763.93	518,623.81	7,435,140.12
<b>Total</b>	<b>36,039,274.62</b>	<b>4,412,268.43</b>	<b>31,627,006.19</b>	<b>28,257,365.33</b>	<b>7,685,886.91</b>	<b>20,571,478.42</b>

5.17 Income from fees/contributions consists of:

	2015				2014			Unit: Baht
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund		
Fees from electricity industry licenses	2,185,000.00	2,185,000.00	-	2,410,000.00	2,410,000.00	-	-	
Fees from natural gas industry licenses	250,000.00	250,000.00	-	250,000.00	250,000.00	-	-	
Fees from electricity industry operation	548,101,059.19	548,101,059.19	-	544,900,291.21	544,900,291.21	-	-	
Fees from natural gas industry operation	213,883,645.61	213,883,645.61	-	213,722,200.19	213,722,200.19	-	-	
Fees from electricity industry license renewal	5,000.00	5,000.00	-	25,000.00	25,000.00	-	-	
Fees from power procurement from IPPs	2,114,700.00	2,114,700.00	-	-	-	-	-	
Contributions from electricity supply licensees for Section 97(1) for revenue compensation among Power Utilities	12,440,090,986.65	-	12,440,090,986.65	13,967,394,512.95	-	13,967,394,512.95	-	
Contributions from electricity supply licensees for Section 97(1) for subsidizing underprivileged power consumers	3,424,473,788.37	-	3,424,473,788.37	3,337,593,036.45	-	3,337,593,036.45	-	
Contributions from electricity generation licensees for Section 97(3)	2,596,796,009.50	-	2,596,796,009.50	2,469,604,035.67	-	2,469,604,035.67	-	
Contributions from electricity supply licensees for Section 97(4)	668,920,376.23	-	668,920,376.23	-	-	-	-	
Contributions from electricity supply licensees for Section 97(5)	267,568,150.18	-	267,568,150.18	-	-	-	-	
Contributions from electricity generation licensees for Section 97(6)	136,673,481.15	-	136,673,481.15	129,979,157.75	-	129,979,157.75	-	
<b>Total</b>	<b>20,301,062,196.88</b>	<b>766,539,404.80</b>	<b>19,534,522,792.08</b>	<b>20,665,878,234.22</b>	<b>761,307,491.40</b>	<b>19,904,570,742.82</b>		



5.17.1 Contributions from electricity supply licensees pursuant to Section 94(1) to spend under Section 97(1) for revenue compensation among the Power Utilities:

Unit: Baht

	2015	2014
<b>Contributions from the Electricity Generating Authority of Thailand and the Metropolitan Electricity Authority</b>	12,440,090,986.65	13,967,394,512.95
<b>Less</b> Cost subsidies – revenue compensation among the Power Utilities	(12,455,639,699.16)	(14,404,308,619.23)
<b>Balance</b>	<b>(15,548,712.51)</b>	<b>(436,914,106.28)</b>

5.17.2 Contributions from electricity supply licensees pursuant to Section 94(1) to spend under Section 97(1) to subsidize underprivileged power consumers:

Unit: Baht

	2015	2014
<b>Contributions from electricity supply licensees</b>	3,424,473,788.37	3,337,593,036.45
<b>Less</b> Cost subsidies – subsidization for underprivileged power consumers	(3,578,416,414.77)	(3,631,092,779.90)
<b>Balance</b>	<b>(153,942,626.40)</b>	<b>(293,499,743.45)</b>

5.17.3 Contributions from electricity generation licensees pursuant to Section 94(1) to spend under Section 97(3):

Unit: Baht

Classified by Operation	2015	2014
<b>95% of contributions to spend under Section 97(3)</b>	2,596,796,009.50	2,469,604,035.67
<b>Less</b> Expense pursuant to work plans on community projects	(2,235,689,921.81)	(2,397,993,881.63)
Administrative expense of local Power Development Funds	(150,699,818.15)	(168,758,543.32)
<b>Balance</b>	<b>210,406,269.54</b>	<b>(97,148,389.28)</b>

The classification by operation illustrates expense pursuant to the work plans on community projects, which includes expense pursuant to the work plans, both in the previous fiscal year and in the present fiscal year which have been implemented in the current accounting period. The administrative expense of local Power Development Funds includes the work plans for which approval has been given to use the remaining budget from the previous fiscal year and the work plans pursuant to the annual budget which have been implemented in the current accounting period.

Unit: Baht

Classified by Budget	2015	2014
<b>95% of contributions to spend under Section 97(3)</b>	2,596,796,009.50	2,469,604,035.67
<b>Less</b> Allocated expense – community project operating expense	(1,986,888,226.09)	(1,669,441,282.73)
Allocated expense – administrative expense of local Power Development Funds	(191,429,614.61)	(157,542,916.48)
<b>Balance</b>	<b>418,478,168.80</b>	<b>642,619,836.46</b>

The classification by budget illustrates the expenses allocated to local Power Development Funds by the central Power Development Fund, pursuant to the annual work plans in a fiscal year, as already approved, comprising the administrative expense and the community project operating expense.

5.17.4 Contributions from electricity generation licensees pursuant to Section 94(1) to spend under Section 97(6):

Unit: Baht

	2015	2014
<b>5% of contributions to spend under Section 97(6)</b>	136,673,481.15	129,979,157.75
<b>Less</b> Administrative expense of the Power Development Fund (Central)	(65,147,662.16)	(42,668,132.62)
<b>Balance</b>	<b>71,525,818.99</b>	<b>87,311,025.13</b>



## 5.18 Other incomes consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Interest income from financial institutions	189,162,508.01	5,645,709.45	183,516,798.56	207,000,448.80	6,378,340.15	200,622,108.65
Income from donation	1,276,046.30	208,099.63	1,067,946.67	4,037,488.00	224,541.51	3,812,946.49
Other incomes	53,981,901.84	1,780,790.60	52,201,111.24	16,304,418.72	314,307.83	15,990,110.89
Income from returned budget in previous year (return from internal borrowings)	201,504.80	201,504.80	-	280,949.40	280,949.40	-
<b>Total</b>	<b>244,621,960.95</b>	<b>7,836,104.48</b>	<b>236,785,856.47</b>	<b>227,623,304.92</b>	<b>7,198,138.89</b>	<b>220,425,166.03</b>

## 5.19 Expense on human resources consists of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Salary and wage	218,076,094.96	162,664,382.26	55,411,712.70	188,218,421.33	149,875,672.39	38,342,748.94
Commissioners' remuneration and other benefits	21,750,000.00	21,750,000.00	-	21,749,999.01	21,749,999.01	-
Overtime compensation	2,450,410.50	1,894,421.92	555,988.58	2,747,304.19	1,439,847.26	1,307,456.93
Bonus	22,924,901.72	21,514,639.94	1,410,261.78	22,157,965.69	21,238,702.69	919,263.00
Severance pay and termination pay	27,082,299.58	26,570,210.58	512,089.00	26,819,144.58	26,356,749.58	462,395.00
Medical treatment expense	1,075,247.00	1,075,247.00	-	934,175.00	934,175.00	-
Welfare expense	16,807,747.98	15,400,743.66	1,407,004.32	12,836,888.97	12,015,844.10	821,044.87
Contribution to social insurance and Provident Fund	17,193,056.87	15,587,191.23	1,605,865.64	13,702,357.62	12,973,083.72	729,273.90
Health, accident and life insurance premiums	6,646,890.75	5,306,027.48	1,340,863.27	5,103,303.82	4,297,603.32	805,700.50
Other human resource expenses	8,756,793.66	7,371,744.37	1,385,049.29	9,273,139.80	6,540,388.44	2,732,751.36
<b>Total</b>	<b>342,763,443.02</b>	<b>279,134,608.44</b>	<b>63,628,834.58</b>	<b>303,542,700.01</b>	<b>257,422,065.51</b>	<b>46,120,634.50</b>

**Additional Information** (exclusively for the OERC): In Fiscal Year 2015, expense on human resources significantly increased from that in Fiscal Year 2014 due to the following:

**Salary and wage:** The expense increased due to the annual salary increment of staff and the recruitment of additional staff.

**Severance pay:** The OERC allocated the expenditure budget in relation to employee benefits according to the estimation based on actuarial principles, divided into:

- Employee benefit obligations for the year 2015, totaling 18,119,835.00 Baht
- Employee benefit obligations to be recognized during the transitional period, totaling 8,450,375.58 Baht.



## 5.20 Expenses on operations consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Meeting allowance	27,392,128.00	12,159,150.00	15,232,978.00	27,720,090.00	11,290,490.00	16,429,600.00
Other compensation	2,317,612.00	36,050.00	2,281,562.00	2,702,984.38	890,384.38	1,812,600.00
Official domestic travel	43,440,498.43	32,509,128.42	10,931,370.01	40,047,115.16	33,049,876.58	6,997,238.58
Official overseas travel	4,837,048.84	4,110,448.84	726,600.00	21,911,975.02	17,639,237.02	4,272,738.00
Meetings and training/seminars	49,876,868.31	17,268,717.56	32,608,150.75	72,859,652.96	26,255,614.51	46,604,038.45
Office lease and services	55,690,060.56	48,148,614.56	7,541,446.00	54,017,970.95	47,796,791.49	6,221,179.46
Office equipment rent	20,557,414.23	12,095,363.84	8,462,050.39	16,739,069.66	10,863,130.94	5,875,938.72
Accidental insurance	234,023.00	234,023.00	-	349,818.00	349,818.00	-
Contracted services and public relations	85,964,940.05	72,966,478.00	12,998,462.05	92,804,070.94	69,964,685.94	22,839,385.00
Hiring of advisors, experts and ERC's secretaries	112,778,024.35	86,243,193.49	26,534,830.86	162,591,717.00	146,102,597.42	16,489,119.58
Insurance premiums - Office assets / Liabilities	2,770,393.28	2,621,846.00	148,547.28	387,703.67	308,244.00	79,459.67
Miscellaneous expenses	6,527,438.75	3,535,036.89	2,992,401.86	10,508,563.16	3,857,682.72	6,650,880.44
Supplies expense	19,096,107.99	7,620,175.98	11,475,932.01	17,215,931.41	7,001,352.56	10,214,578.85
Equipment with value lower than specified standard	3,989,048.92	632,646.11	3,356,402.81	9,079,293.58	827,544.34	8,251,749.24
Utilities expense	15,714,539.03	12,543,158.38	3,171,380.65	10,970,096.16	8,407,297.43	2,562,798.73
<b>Total</b>	<b>451,186,145.74</b>	<b>312,724,031.07</b>	<b>138,462,114.67</b>	<b>539,906,052.05</b>	<b>384,604,747.33</b>	<b>155,301,304.72</b>

**Additional Information** (exclusively for the OERC): Hiring of advisors, experts and ERC's secretaries in Fiscal Year 2015 totaled 86,243,193.49 Baht, comprising:

1. Hiring of advisors by project, accounting for 74,884,161.29 Baht;
2. Hiring of ERC's advisors, experts, professionals and ERC's secretaries, pursuant to the regulation on hiring of experts/professionals and the regulation on the appointment of advisors and secretaries to the ERC, accounting for 11,359,032.20 Baht.

## 5.21 Cost subsidies consist of:

Unit: Baht

	2015			2014		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
Cost subsidies	5,200,711.50	1,495,000.00	3,705,711.50	7,764,729.80	3,510,000.00	4,254,729.80
Cost subsidies for revenue compensation among the Power Utilities	12,455,639,699.16	-	12,455,639,699.16	14,404,308,619.23	-	14,404,308,619.23
Cost subsidies for underprivileged power consumers	3,578,416,414.77	-	3,578,416,414.77	3,631,092,779.90	-	3,631,092,779.90
<b>Total</b>	<b>16,039,256,825.43</b>	<b>1,495,000.00</b>	<b>16,037,761,825.43</b>	<b>18,043,166,128.93</b>	<b>3,510,000.00</b>	<b>18,039,656,128.93</b>

## 5.22 Other expenses

### Fiscal Year 2015

**5.22.1** The OERC amortized a lap-top computer from the asset account due to loss. In this regard, the OERC had taken action according to the ERC Regulation on the Procurement of the Office of the Energy Regulatory Commission B.E. 2553 (2010), as per OERC Letter No. 5510.3/0362 dated 13 March 2015; the mentioned asset had book value (scrap value) of one baht.

**5.22.2** The OERC donated the following assets to Phradabos Foundation, as per OERC Letter No. 5510.3/0638 dated 19 May 2015:

- (1) Nine (9) lap-top computers, with book value of 9 Baht;
- (2) Twelve (12) mobile telephones (donated assets), with book value of 12 Baht.

**5.22.3** The OERC donated 28 micro-computers, with book value of 28 Baht, to educational institutions, as per OERC Letter No. 5510/0278 dated 24 June 2015.

The above-mentioned assets were amortized by the OERC according to the book value of the assets as at the date of donation, accounting for a total of 50 Baht, divided into: donated assets obtained by the OERC, worth 12 Baht, and assets procured by the OERC, worth 38 Baht.



## 6. Reserves for Outstanding Disbursement in Following Fiscal Years (exclusively for OERC) consist of:

Unit: Baht

	2015		2014	
<b>Beginning Reserves for Outstanding Disbursement in Following Fiscal Years</b>		<b>314,649,565.38</b>		<b>554,023,776.27</b>
<b>Less</b> Disbursement during the year				
Obligated liabilities	(112,730,931.93)		(182,994,760.60)	
Non-obligated liabilities	(57,590,898.88)	(170,321,830.81)	(285,711,453.59)	(468,706,214.19)
Additional delivery as at 30 September 2015				
Additional delivery during the year	(8,786,833.51)		(31,488,663.74)	
Deferred additional delivery	(1,032,869.91)	(9,819,703.42)	(1,083,449.80)	(32,572,113.54)
<b>Balance reserves for outstanding disbursement from previous years</b>		<b>134,508,031.15</b>		<b>52,745,448.54</b>
<b>Plus</b> Present year reserves for outstanding disbursement in following fiscal years				
Obligated liabilities	77,141,573.30		73,984,401.84	
Non-obligated liabilities	247,852,100.00	324,993,673.30	187,919,715.00	261,904,116.84
<b>Ending reserves for Outstanding Disbursement in Following Fiscal Years as at 30 September 2015</b>		<b>459,501,704.45</b>		<b>314,649,565.38</b>

The amount of reserves for outstanding disbursement is included in the entries of “cash and cash equivalents” and “surplus to accumulated expense.”

According to the Minutes of Meeting No. 43/2015 (353<sup>rd</sup>) on 16 September 2015, Meeting No. 44/2015 (354<sup>th</sup>) on 21 September 2015 and Meeting No. 55/2015 (365<sup>th</sup>) on 4 November 2015, the ERC approved the reserves for outstanding disbursement in Fiscal Year 2015. As at 30 September 2015, the Fiscal Year 2015 reserve for non-obligated liabilities was 247,852,100.00 Baht and that for obligated liabilities was 77,141,573.30 Baht, totaling 324,993,673.30 Baht.

As for the balance of reserves for outstanding disbursement from previous years, totaling 134,508,031.15 Baht, comprising: the 2012 reserve for outstanding disbursement, for obligated liabilities at the amount of 2,745,600.00 Baht; the 2013 reserve for outstanding disbursement, for non-obligated liabilities at the amount of 3,000,000.00 Baht; and the 2014 reserve for outstanding disbursement, totaling 128,762,431.15 Baht, for obligated liabilities at 28,862,431.15 Baht and for non-obligated liabilities at 99,900,000.00 Baht. In deliberating this matter, the ERC also approved further reserve for non-obligated liabilities.



Details of the reserves for outstanding disbursement in Fiscal Year 2015, totaling 324,993,673.30 Baht, are as follows:

Unit: Baht

	2015	2014
<b>Obligated Liabilities:</b>		
Office management and administrative expense	42,385,423.80	47,318,051.84
Capital budget expense	1,847,864.00	1,592,360.00
Other expenses	32,908,285.50	25,073,990.00
<b>Total Obligated Liabilities</b>	<b>77,141,573.30</b>	<b>73,984,401.84</b>
<b>Non-obligated Liabilities:</b>		
Human resources expense	23,882,100.00	23,609,715.00
Office management and administrative expense	-	11,600,000.00
Capital budget expense	148,520,000.00	81,510,000.00
Other expenses	75,450,000.00	71,200,000.00
<b>Total Non-obligated Liabilities</b>	<b>247,852,100.00</b>	<b>187,919,715.00</b>
<b>Grand Total</b>	<b>324,993,673.30</b>	<b>261,904,116.84</b>

Details of the reserves for outstanding disbursement as at 30 September 2015, divided by fiscal year in which the reserves were made, are as follows:

Unit : Baht

	2015	2014
Reserves for outstanding disbursement in Fiscal Year 2011	-	6,021,588.25
Reserves for outstanding disbursement in Fiscal Year 2012	2,745,600.00	23,451,788.50
Reserves for outstanding disbursement in Fiscal Year 2013	3,000,000.00	23,272,071.79
Reserves for outstanding disbursement in Fiscal Year 2014	128,762,431.15	261,904,116.84
Reserves for outstanding disbursement in Fiscal Year 2015	324,993,673.30	-
<b>Total</b>	<b>459,501,704.45</b>	<b>314,649,565.38</b>



## 7. Employee Provident Fund

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The OERC and the Power Development Fund have established the Employee Provident Fund (EPF) for all of their permanent staff members as per the provisions contained in the Provident Fund Act B.E. 2530 (1987).

Staff members and the OERC as well as the Power Development Fund contribute to the EPF under this scheme at a rate of 5-10% of individual staff salaries. The staff members will be beneficiaries of contributions made to the EPF by the OERC and the Power Development Fund pursuant to the regulation and rules of the EPF and subject to the length of service with the OERC and the Power Development Fund of each staff member. The OERC and the Power Development Fund have appointed a fund manager to manage the EPF, as required by the Provident Fund Act (1987).

The contributions made by the OERC and the Power Development Fund to the EPF for the year ended 30 September 2015 amounted to 13,771,319.37 Baht in total.

## 8. Account Reclassification

The OERC and the Power Development Fund have reclassified certain transactions in the financial statements for the year 2014 in order to make them correspond with the classification of transactions in the financial statements for the year 2015, with no impact on the net surplus to expense or the capital formerly presented.

30 September 2014									
	Before Reclassification			Reclassified			After Reclassification		
	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund	Consolidated	Separated for OERC	Separated for Power Development Fund
<b>Statement of Financial Position</b>									
Other current liabilities	81,241,857.44	5,059,325.73	76,182,531.71	(7,953,763.93)	(518,623.81)	(7,435,140.12)	73,288,093.51	4,540,701.92	68,747,391.59
Other non-current liabilities	20,303,601.40	7,167,263.10	13,136,338.30	7,953,763.93	518,623.81	7,435,140.12	28,257,365.33	7,685,886.91	20,571,478.42
<b>Statement of Financial Performance</b>									
Expense on human resources	284,737,038.57	240,151,378.47	44,585,660.10	18,805,661.44	17,270,687.04	1,534,974.40	303,542,700.01	257,422,065.51	46,120,634.50
Expense on operations	558,711,713.49	401,875,434.37	156,836,279.12	(18,805,661.44)	(17,270,687.04)	(1,534,974.40)	539,906,052.05	384,604,747.33	155,301,304.72

Unit: Baht



## 9. Obligations

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As at 30 September 2015, the Power Development Fund had its obligations resulting from execution of purchase orders, job orders or contracts/agreements, for which payment has to be made in the future, at a total amount of 32,991,192.47 Baht, comprising:

9.1 The Power Development Fund (Central) has remaining obligated car rental fees of no more than five years pursuant to the contracts, totaling 1,021,796.55 Baht (Agreements No. Kor For 2-4/2557, with the rental duration of five years, starting on the delivery date, i.e. 16 September 2014).

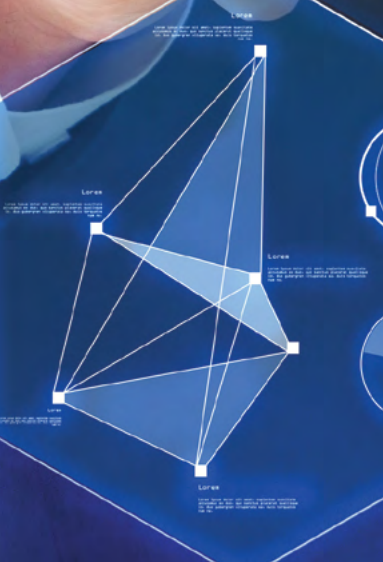
9.2 The Power Development Fund (Central) has remaining obligated fees of no more than one year pursuant to the contracts for consultant engagement, contracted services and rental agreements, accounting for a total amount of 31,969,395.92 Baht.



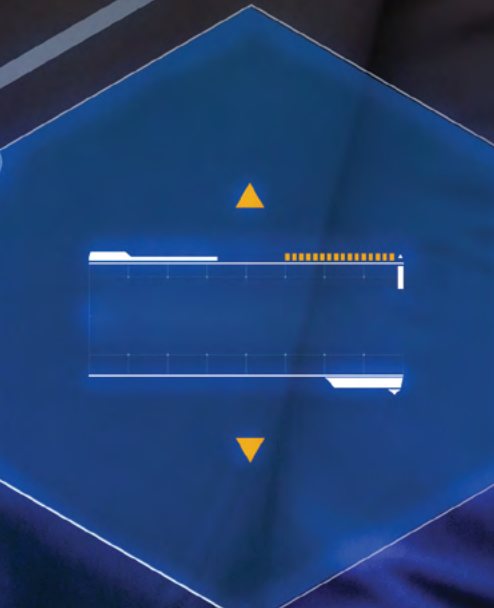
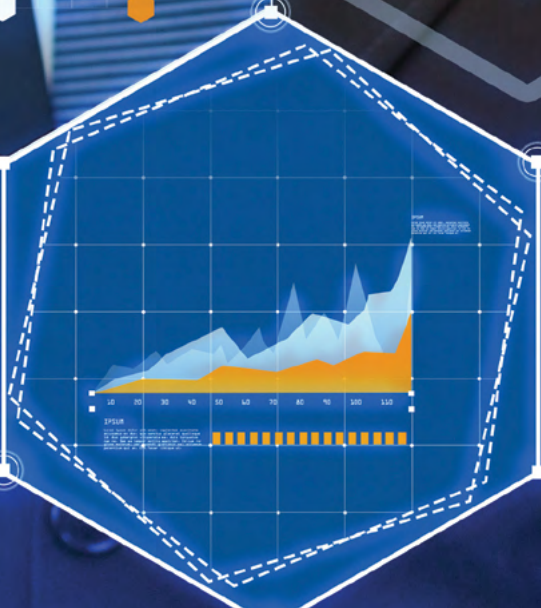
## 10. Approval of Financial Statements

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These financial statements were approved by the Secretary General of the Office of the Energy Regulatory Commission on 12 July 2016.



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# Appendixes

## Appendix 1 Summary of the Minutes of Meetings of the Energy Regulatory Commission in Fiscal Year 2015

## Appendix 2 Summary of the Meetings of the Sub-committees under Section 24 of the Energy Industry Act B.E. 2550 (2007)

### ABBREVIATIONS

Adder	Additional energy purchasing price
The Act	Energy Industry Act B.E. 2550 (A.D. 2007)
CDC	Community Development Committee for areas surrounding power plants
COD	Commercial Operation Date
DIW	Department of Industrial Works
EGAT	Electricity Generating Authority of Thailand
EIA Report	Environmental Impact Assessment Report
EPPO	Energy Policy and Planning Office
ERC	Energy Regulatory Commission
$F_t$	Automatic Power Tariff Adjustment Mechanism
The Fund	Power Development Fund
IEE Report	Initial Environmental Examination Report
IPP	Independent Power Producer or Large-scale Power Producer
Managing Committee	Managing Committee on Power Generation from Renewable Energy Promotion
MEA	Metropolitan Electricity Authority
NEPC	National Energy Policy Council
OERC	Office of the Energy Regulatory Commission
ONEP	Office of Natural Resources and Environmental Policy and Planning
PDP	Thailand Power Development Plan
PEA	Provincial Electricity Authority
Por Kor 2 License	Regulated Energy Production License
PPA	Power Purchase Agreement
PTT	PTT Public Company Limited
RECC	Regional Energy Consumer Committee
ROIC	Return on Invested Capital
Ror Ngor 4: Factory Category No. 88 License	Power Generation Facility Operation License
SCOD	Scheduled Commercial Operation Date
SPP	Small Power Producer
TDC	Tambon (Sub-district) Development Committee for areas surrounding power plants
VSPP	Very Small Power Producer
WACC	Weighted Average Cost of Capital

# Appendixes

## Appendix 1 Summary of the Minutes of Meetings of the Energy Regulatory Commission in Fiscal Year 2015

### 1. Summary of Meeting Attendance of the Energy Regulatory Commission in Fiscal Year 2015

Name - Surname	Position	No. of Attendance/ No. of Meetings
1 Mr. Pornthape Thunyapongchai	ERC Chairman	67/68
2 Mr. Kraisi Karnasuta	Commissioner	66/68
3 Mrs. Duangmanee Komaratat	Commissioner	66/68
4 Mrs. Pajchima Tanasanti	Commissioner	65/68
5 Mr. Vachara Kunawatanawuti	Commissioner	67/68
6 Ms. Wilaiporn Liwgasemsan	Commissioner	62/68
7 Mr. Viraphol Jirapraditkul	Commissioner	66/68

### 2. Summary of the Minutes of Meetings of the Energy Regulatory Commission in Fiscal Year 2015

In Fiscal Year 2015, a total of 68 meetings were held by the Energy Regulatory Commission (ERC). The contents of the minutes of meetings can be categorized into four major aspects, comprising:

#### 1) Enhancement of Energy Industry Regulation that Is Up to Standard, Fair and Reliable

1.1 A total of 97 licenses for energy industry operation were issued, divided into 92 electricity industry licenses and 5 natural gas industry licenses.

1.2 A total of 352 licenses for regulated energy production under the law on energy development and promotion and 331 licenses for power generation facility operation under the law on factories were issued.

1.3 Consideration was given to the development and improvement of One Stop Service (OSS) licensing process.

1.4 Measures were established to protect, remedy as well as monitor and inspect environmental impact, via the issuance of Codes of Practice (COP) imposed on entrepreneurs exempted from the EIA report requirement, especially power producers with a generating capacity lower than 10 MW.

1.5 Consideration was made on the determination of quality standards in terms of engineering, safety and environment so that electricity industry operation would be up to standard in both technical and service provision quality aspects. Improvement was also made regarding the process of inspection and monitoring the entrepreneurs' operations to meet the stipulated standards, by reviewing the criteria and standards of equipment to be connected to an energy network system, including the method of inspection and inspection outcome certification as



well as the criteria for applying for a license to be an agency responsible for inspection and standard certification of equipment to be connected to an energy network system to be up to standard.

1.6 Consideration was made on energy tariffs of both power services and natural gas transmission services (throughput tariffs), to reflect the cost of energy industry operation and efficiency improvement to be fair for both energy consumers and energy industry operators.

1.7 Adjustment was made to power tariffs according to the Automatic Power Tariff Adjustment Mechanism ( $F_t$ ) so that the influential factors to the  $F_t$  rate calculation would reflect the actual costs.

1.8 Adjustment was made to natural gas transmission tariffs of PTT so as to appropriately reflect the costs and expense burden, based on the calculation method pursuant to the Manual for Calculating Natural Gas Prices and Natural Gas Transmission Tariffs issued by the Energy Policy and Planning Office, Ministry of Energy.

1.9 Approval was given to the calculation of Weighted Average Cost of Capital (WACC), using the targeted debt to equity (D/E) ratio at 60:40 percent and the adjusted asset beta value for the distribution system business at 0.24 for reference in determining the Return on Invested Capital (ROIC) during 2015 - 2017 of the Power Utilities. Approval was also given to the use of claw-back money (the amount of investment capital that was lower than planned) during 2011 - 2013, totaling 3,220 million Baht, to reduce the base power tariff to help stabilize the power tariff and to avoid impact on the financial status of the Power Utilities, resulting in a reduction of retail power tariff by about 0.75 satang/unit.

1.10 Approval was given to the approach

for wholesale power tariff restructuring, by calculating from the wholesale power tariff in the month of July 2011 (current) plus the wholesale  $F_t$  in the round of May - August 2015 at 0.3581 Baht/unit, and the increase (decrease) in power tariff, as approved by the ERC. In this connection, the wholesale  $F_t$  (0.3581 Baht/unit) would be allocated to be at a rate of 0.3907 Baht/unit during the peak period, higher than that during the off-peak period, which would be at 0.3355 Baht/unit, with reference to the averaged marginal energy cost of the power system during 2016 - 2017, i.e. 1.165 times. Approval was also given to the approach for retail power tariff restructuring, by maintaining the current monthly service charge for each power consumer category, and the adjustment of the Time of Use Rate (TOU) by allocating the retail  $F_t$ , which was at 0.4961 Baht/unit in the round of May - August 2015, to be at a rate of 0.5413 Baht/unit during the peak period, higher than that during the off-peak period, which would be at 0.4647 Baht/unit, with reference to the averaged marginal energy cost of the power system during 2016 - 2017, i.e. 1.165 times, similar to the wholesale power tariff structure.

1.11 Approval was given to the practice pertaining to provision of comments on the power development plan, the investment plans in the electricity industry, the natural gas procurement plan and the energy network system expansion plans to be corroborating information for consideration by the cabinet.

1.12 Consideration and consent was given to the exercise of Demand Response Program No. 2/2015 to reduce power consumption in the areas of 14 southern provinces during the production shutdown of JDA-A18 gas field for 5 days, i.e. during 21-25 July 2015.

## 2) Promotion of Efficient Energy Industry and Enhancement of Fair Competition

2.1 Consideration and regulation was undertaken regarding power purchase to ensure commercial power supply to the grid according to the PDP 2010 (3<sup>rd</sup> Revision) and the AEDP, which involved the following:

2.1.1 Implementation pertaining to Small Power Producers (SPPs), by establishing guidelines on contract renewal for cogeneration SPP power plants with firm contracts (of which the PPAs will expire in 2017-2018) and guidelines on power plant construction (for those of which the PPAs will expire in 2019-2025), to be completed within 2015.

2.1.2 Power purchase from solar PV rooftop generation projects (Residential Category) under the Feed-in Tariff (FiT) scheme.

2.1.3 Power purchase from renewable energy generation (excluding solar power projects) during the transitional period from the Adder scheme to the FiT scheme.

2.1.4 Power purchase from ground-mounted solar PV generation projects, for those having submitted proposals to sell electricity under the former Adder scheme (“Residual Adder Solar Farm” projects).

2.1.5 Power purchase from ground-mounted solar PV generation projects, for government agencies and agricultural co-operatives.

2.2 Approval was given to the Third Party Access Code (TPA Code) of PTT Plc. on the use of or connection to onshore natural gas transmission pipelines and the TPA Code of PTT LNG Company Limited (PTTLNG) on LNG terminal services provision to a third party and connection to Map Ta Phut LNG terminal.

2.3 Consent was given to the methodology framework for paying compensation for impact incurred from delay in the construction of the 4<sup>th</sup> onshore natural gas transmission pipeline, totaling four items, and EGAT was directed to use the compensation received from PTT to alleviate the power tariff burden via the  $F_T$  formula.

2.4 Approval was given to the layouts showing detailed characteristics of the directions and right-of-way boundaries for laying energy network systems of PTT, and the OERC was instructed to prepare the announcement on the natural gas network system boundaries pursuant to Section 106 of the Act.

2.5 Cooperation with ASEAN was reinforced via the ASEAN Energy Regulators’ Network (AERN) and the appointment of two AERN Working Groups (AWG), i.e. AWG 1: Technical and Regulatory Harmonization and AWG 2: Legal and Commercialization. AWG 1 and AWG 2 would provide support to the operations of two working groups of the Heads of ASEAN Power Utilities/ Authorities (HAPUA), i.e. HWG 2: Transmission and HWG 4: Policy Study and Commercial Development.

## 3) Protection of Rights of Energy Consumers and Stakeholders in the Energy Regulation Dimension

3.1 The ERC Announcement on Standards of Contracts on Energy Service Provision B.E. 2558 (2015) was issued, aiming to improve protection of over 20 million retail power consumers nationwide. According to the said ERC announcement, the three power service providers (the PEA, MEA and Sattahip Electric Welfare) were required to review their power service provision contracts, including the criteria and practice methods, in accordance with the stipulations in the standard contracts.

3.2 Consent was given to the approach for encouraging participation of various sectors by creating Stakeholder Rights Protection Networks.

3.3 Deliberation was made on complaints from energy consumers and those affected from energy industry operation, in accordance with the ERC Regulation on Criteria on Lodging, Receipt and Deliberation of Complaints of Energy Consumers on Difficulties and Disputes between Energy Consumers and Licensees B.E. 2553 (2010). In 2015, deliberation was finalized for 88 cases.

3.4 Consideration of the announcement on energy network system areas was finalized for 19 systems.



Determination of land and property compensation prices was completed in 11 provinces and was underway in 6 provinces. In addition, deliberation on appeals against energy network system areas, opposition to the construction and objections to locations of power pole installation was completed for 261 cases; and deliberation on appeals against offered compensation for property covered by energy network systems was completed for 827 cases.

3.5 Approval was given to the following operations pertaining to Power Development Fund administration:

3.5.1 Operations under Section 97(1) of the Act – to compensate electricity supply licensees who had provided power services for underprivileged power consumers or to enhance extensive electrification or to decentralize development to provincial areas, divided into: revenue compensation among the Power Utilities about 12,000 million Baht, and subsidies for underprivileged power consumers about 3,500 million Baht.

3.5.2 Operations under Section 97(2) of the Act – to compensate power consumers who have to pay a higher rate of electricity because the licensee having an electricity system operator has ordered electricity generation in an unfair manner. In the operation so far, however, not a case of such nature which would require compensation via the  $F_t$  had been encountered.

3.5.3 Operations under Section 97(3) of the Act – to support development or rehabilitation of localities affected by power plant operation. In Fiscal Year 2015, the ERC approved the budget framework for allocation to 55 local Power Development Funds, accounting for about 2,280 million Baht.

3.5.4 Operations under Section 97(4) of the Act – the draft regulation on criteria and procedures of money allocation from the Power Development Fund to promote the use of renewable energy and technologies for electricity industry operation that have minimal impact on the environment was under preparation by the OERC.

3.5.5 Operations under Section 97(5) of the Act – the draft regulation on criteria and procedures of

money allocation from the Power Development Fund to increase knowledge, awareness and participation of the public in power-related issues was under preparation by the OERC.

3.5.6 Issuance was made of the regulation on allocation of contributions obtained from electricity generation licensees at a rate of 5% to be spent on operations, pursuant to the NEPC resolution, in the following three major matters: 1) as the cost of Power Development Fund administration, 2) as a reserve in case of emergency to primarily remedy or alleviate damage caused by impact of power plant operation, and 3) as subsidies for development or rehabilitation of localities which were affected by power plant operation but for which the allocated money from the Fund is insufficient for local development or rehabilitation.

#### 4) Organizational Development towards Regulatory Excellence

4.1 The OERC has implemented the roadmap for organizational development towards a high performance organization (HPO) by the year 2017; an Opportunity for Improvement (OFI) Plan has been developed to keep improving the organization on a continual basis.

4.2 Development of personnel potential has been ongoing to equip the personnel with knowledge essential to their work, in line with the Strategic Plan of the OERC, and the career development plan has also been developed.

4.3 Improvement of the database management system has been undertaken to provide efficient support to the OERC's operations and to be the center of energy-related information and knowledge.

Summary of the Minutes of Meetings  
of the Energy Regulatory Commission  
in Fiscal Year 2015



# Appendixes

## Appendix 2 Summary of the Meetings of the Sub-committees under Section 24 of the Energy Industry Act B.E. 2550 (2007)

1. Sub-committee Regulating Power Procurement from Private Power Producers
2. Sub-committee Regulating Energy Tariffs and Service Charges
3. Sub-committee on the Screening of Energy Industry License Issuance
4. Sub-committee Regulating Power Generation Systems, Energy Network Systems and Energy Network System Operator
5. Sub-committee on Deliberation of Appeals on an Energy Network System Area
6. Sub-committee Deliberating Layout of Directions and Boundary of an Energy Network System and Screening Prices of Land and Property in an Energy Network System Area
7. Sub-committee on Deliberation of Appeals on Compensation
8. Sub-committee on Complaint Deliberation and Energy Consumer Protection
9. Sub-committee on Evaluation of Power Development Fund Performance
10. Sub-committee on the Screening of Work Plans and Projects under Power Development Fund for Operations under Section 97(3)
11. Sub-committee Deliberating Appeals on Decisions and Screening Orders, Regulations, Rules, Announcements or Codes
12. Audit Committee

### 1. Sub-committee Regulating Power Procurement from Private Power Producers Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mr. Kraisi Karnasuta	Chairman	17/17
2 Mr. Viraphol Jirapraditkul	1 <sup>st</sup> Vice Chairman	15/17
3 Mr. Vachara Kunawatanawuti	2 <sup>nd</sup> Vice Chairman	14/17
4 OERC Deputy Secretary General (Mr. Pornchai Patiparnprechavut)	Member	15/17
5 OERC Assistant Secretary General (Mr. Choosak Wongsavat)*	Member	6/7
6 Mr. Amnat Chotchai	Member	14/17
7 Representative of the Energy Policy and Planning Office (Mr. Suchalee Sumamal)	Member	8/13
8 Representative of the Energy Policy and Planning Office (Mr. Prasert Sinsukprasert)**	Member	1/4
9 Representative of the Department of Alternative Energy Development and Efficiency (Mr. Yongyut Jantararotai)	Member	14/17



## 1. Sub-committee Regulating Power Procurement from Private Power Producers (Cont.)

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
10 Associate Prof. Kulyos Audomvongseree, Ph.D. Deputy Director of the Energy Research Institute	Member	11/17
11 Mr. Pipat Hongladarom	Member	16/17
12 Mr. Vuthinanda Surapolchai***	Member	4/10
13 Mr. Naris Srinual	Member	14/17
14 Mr. Pongsak Harnboonyanon	Member	14/17
15 Mr. Chatchai Triwittayapoom	Member	9/17
16 Mr. Pinij Siripuekpong****	Member	17/17
17 Director, Electricity and Natural Gas Industry Regulatory Department (Mr. Manayos Vardhanabhuti, Acting Director)	Member and Secretary	16/17
18 Director, Licensing Department (Mr. Khomgrich Tantravanich)	Member and Assistant Secretary	14/17

\* Mr. Choosak Wongsavat was appointed pursuant to the ERC Order No. 55/2558 dated 29 June 2015.

\*\* Mr. Prasert Sinsukprasert was appointed Representative of the Energy Policy and Planning Office, replacing Mr. Suchalee Sumamal, pursuant to the Ministry of Energy's letter No. Por Nor 0605/4112 dated 20 August 2015.

\*\*\* Mr. Vuthinanda Surapolchai resigned as Sub-committee Member.

\*\*\*\* Mr. Pinij Siripuekpong was appointed pursuant to the ERC Order No. 138/2557 dated 4 November 2014.

The Sub-committee Regulating Power Procurement from Private Power Producers was appointed on 31 July 2014 (ERC Order No. 083/2557), to provide opinions and recommend guidelines on the development of regulations and criteria concerning power procurement and the preparation of Request for Proposals for power purchase, including procedures for selection of private power producers, and to investigate and consider problems arising from compliance with relevant regulations, announcements and agreements, for submission to the ERC for deliberation. In Fiscal Year 2015, the Sub-committee considered the following issues: the ERC regulation on power purchase from ground-mounted solar power projects for the applicants having submitted applications to sell electricity under the former Adder scheme (2014);

the regulation and announcement on power purchase from producers using solar PV rooftop systems (2015) (additional purchase to fill up the quota of 100 MW); the announcement on power purchase from renewable energy generation (excluding solar power) during the transitional period from subsidization under the Adder scheme to the Feed-in Tariff (FIT) scheme (2015); the regulation on power purchase from renewable energy generation (excluding solar power) (2015); and the regulation and announcement on power purchase from ground-mounted solar power projects for government agencies and agricultural cooperatives (2015). In addition, consideration was made on issues of appeals, complaints and recommendations obtained from various cases, for presentation to the ERC.

## 2. Sub-committee Regulating Energy Tariffs and Service Charges

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mr. Viraphol Jirapraditkul	Chairman	8/8
2 Mr. Kraisi Karnasuta	1 <sup>st</sup> Vice Chairman	8/8
3 Mr. Vachara Kunawatanawuti	2 <sup>nd</sup> Vice Chairman	8/8
4 Mrs. Duangmanee Komaratat	3 <sup>rd</sup> Vice Chairman	7/8
5 OERC Secretary General (Ms. Narupat Amornkosit)	Member	7/8
6 Representative of the Office of the National Economic and Social Development Board (Mr. Danucha Pichayanan)	Member	8/8
7 Representative of the Department of Mineral Fuels (Mrs. Premrutai Vinaiphat)	Member	5/8
8 Representative of the Energy Policy and Planning Office (Mr. Prasert Sinsukprasert)	Member	7/8
9 Representative of the Public Debt Management Office (Mr. Teeralak Sangsnit)	Member	8/8
10 Representative of the State Enterprise Policy Office (Mrs. Pantip Sripimol)	Member	8/8
11 Representative of the Office of the Consumer Protection Board (Mr. Umpon Wongsiri)	Member	5/8
12 Representative of the Federation of Thai Industries (Mr. Pairat Tangkaseranee)	Member	8/8
13 Representative of the Board of Trade of Thailand (Somsak Wiwatpanachart Ph.D.)	Member	7/8
14 Representative of the Thai Bankers' Association (Mr. Kobsak Duangdee)	Member	3/8
15 Mr. Thienchai Chongpeepien	Member	8/8
16 Mr. Kawee Jongkongkawutthi	Member	8/8
17 Director, Electricity and Natural Gas Industry Regulatory Department (Mr. Manayos Vardhanabhuti, Acting Director)	Member and Secretary	7/8

The Sub-committee Regulating Energy Tariffs and Service Charges was appointed on 20 August 2014 (ERC Order No. 091/2557) to assist the ERC with the regulation of energy tariffs and service charges in energy industry operation to enhance efficiency and fairness for both energy consumers

and energy industry operators. In Fiscal Year 2015, the Sub-committee considered the estimation of power tariffs according to the automatic power tariff adjustment formula ( $F_T$ ) for collection in the billing round of January – April 2015 (at a rate of 58.96 satangs/unit), May – August 2015 (at 49.61



satangs/unit), and September – October 2015 (at 46.38 satangs/unit). In addition, consideration was made on other issues, such as the draft criteria for determining the power tariff structure for the period 2015 – 2017, which would be announced and enforced in November 2015; the result of PTT's calculation of natural gas transmission tariffs in the part of variable costs (Commodity Charge) to be applied in the year 2015; and the operating guidelines on the Demand Response Program No. 2/2015.

### 3. Sub-committee on the Screening of Energy Industry License Issuance Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mr. Viraphol Jirapraditkul	Chairman	45/45
2 Mr. Kraisi Karnasuta	1 <sup>st</sup> Vice Chairman	30/45
3 Mrs. Pajchima Tanasanti	2 <sup>nd</sup> Vice Chairman	36/45
4 OERC Secretary General (Ms. Narupat Amornkosit)	Member	8/45
5 Deputy Secretary General (Mr. Pornchai Patiparnprechavut)	Member	5/45
6 Director, Electricity and Natural Gas Industry Regulatory Department (Mr. Manayos Vardhanabhuti, Acting Director)	Member	29/45
7 Director, Energy and Environmental Engineering Department (Mr. Tongkum Piyateravong)	Member	41/45
8 Director, Legal Department (Mr. Prapas Thammapala)	Member	44/45
9 Director, Regional Office Department (Mr. Werasak Werathammo)	Member	41/45
10 Director, Licensing Department (Mr. Khomgrich Tantravanich)	Member and Secretary	25/45
11 Staff Member of the Licensing Department	Member and Assistant Secretary	44/45

The Sub-committee on the Screening of Energy Industry License Issuance was appointed on 7 August 2014 (ERC Order No. 082/2557) to screen and consider the applications for energy industry licenses pursuant to the Act so as to provide corroborating comments to the ERC for the latter's consideration of license granting. In Fiscal Year 2015, the Sub-committee provided corroborating comments on a total of 516 cases for the ERC's deliberation and approval of license granting.

#### 4. Sub-committee Regulating Power Generation Systems, Energy Network Systems and Energy Network System Operator

##### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mr. Kraisi Karnasuta	Chairman	13/13
2 Mr. Viraphol Jirapraditkul	1 <sup>st</sup> Vice Chairman	12/13
3 Mr. Vachara Kunawatanawuti	2 <sup>nd</sup> Vice Chairman	12/13
4 OERC Deputy Secretary General (Mr. Pornchai Patiparnprechavut)	Member	4/13
5 Representative of the Office of the National Economic and Social Development Board	Member	9/13
6 Representative of the Energy Policy and Planning Office	Member	11/13
7 Mr. Bundhit Eua-arporn	Member	2/13
8 Mr. Prutichai Chonglertvanichkul	Member	12/13
9 Mr. Maitree Laksanakoses	Member	10/13
10 Mr. Unggoon Mondhatuplin	Member	13/13
11 Mr. Witoon Chongcharoenpornchai	Member	13/13
12 Mr. Weerachai Koykul	Member	12/13
13 Mr. Patana Sangsrirojana	Member	10/13
14 Mr. Vuthinanda Surapolchai*	Member	7/13
15 Mr. Kanjit Laksanakoses	Member	13/13
16 Mr. Suthipong Promsutt	Member	11/13
17 Mr. Pipat Hongladarom**	Member	2/13
18 Director, Energy and Environmental Engineering Department (Mr. Tongkum Piyateravong)	Member and Secretary	13/13

\* Mr. Vuthinanda Surapolchai resigned as Sub-committee Member.

\*\* Mr. Pipat Hongladarom was appointed pursuant to ERC Order No. 62/2558 dated 4 August 2015.

The Sub-committee Regulating Power Generation Systems, Energy Network Systems and Energy Network System Operator was appointed on 6 August 2014 (ERC Order No. 080/2557) to perform, among others,

the following duties: 1) to consider investment plans, energy network system expansion plans, investment plans and projects in the electricity generation business of a licensee who owns an energy network system



and who is a state agency, including providing the ERC with opinions for further presentation to the Minister; 2) to consider investment plans and energy network system expansion plans of a licensee who owns an energy network system and who is not a state agency, for presentation to the ERC for approval, pursuant to the scope and criteria stipulated by the ERC; 3) to consider the code on connection to an energy network system, the code on utilization of energy network system facilities and the code on energy network system operation of a licensee who owns an energy network system, to be in compliance with Section 81 of the Act, and provide opinions to the ERC; and 4) to consider and study the regulatory guidelines on Thailand Smart Grid Development Project to ensure the system integration and interconnection, including the system interoperability. In Fiscal Year 2015, the Sub-committee considered the following matters:

- 1) Considered providing opinions on fuel utilization of Very Small Power Producers (VSPPs);
- 2) Presented opinions on EGAT's Ban Janday Hydropower Plant Project;
- 3) Considered electricity transmission service quality standards;
- 4) Deliberated the revision and addition to the (Draft) PEA Regulation on the Code on Electricity Network System Connection (2014) (VSPP Grid Code);
- 5) Provided opinions on the electricity transmission system projects in northeastern, lower northern and central regions and in Bangkok for power system security enhancement;
- 6) Considered the change in the framework of authority, duties and responsibilities under the Order on Appointment of Working Group on Handbook on ASEAN Power Grid Regulation;
- 7) Provided opinions on the Micro Grid Development Project, Mae Sariang District;
- 8) Considered the format for reporting the outcome of inspection and measurement of generation process characteristics of Small Power Producers;
- 9) Considered the registration of neutral agencies to carry out the measurement of supplementary fuel used by Small Power Producers holding non-firm contracts and using biomass and municipal solid waste as fuel;
- 10) Considered the handbook for providing opinions on Smart Grid projects pursuant to the NEPC resolution on Thailand Smart Grid Development Master Plan;
- 11) Provided opinions on the construction of a 115-kV transmission system with submarine cable to enhance power supply to Samui Island in Surat Thani province;
- 12) Studied and developed the regulation on safety standards in energy industry operation, under the electricity generation category, for biogas power plants;
- 13) Regulated and followed up the outcome of implementation pursuant to environmental measures of power plants;
- 14) Regulated and monitored service quality standards in natural gas industry operation;
- 15) Considered the indicators of service provision standards of electricity industry operation under an electricity distribution system license;
- 16) Considered the Handbook for Presenting a Smart-grid Development Project;
- 17) Monitored and inspected the implementation pursuant to environmental standards of facilities that are required to comply with the Code of Practice (COP) and engineering standards;



- 18) Monitored and inspected the electricity generation performance of EGAT and IPPs as well as SPPs with firm contracts in 2015 (during the first half of the year);
- 19) Provided technical opinions in the case of complaints about power purchase refusal;
- 12) Presented opinions on the Project on Transmission System Development to Accommodate the Special Economic Zone Establishment, Phase 1;
- 21) Considered the power service quality criteria to be imposed on electricity supply licensees;
- 22) Provided opinions on the Bang Pakong Power Plant Project (Unit 1-2 Replacement);
- 23) Provided opinions on the Coal-fired Power Plant Project, Krabi Province;
- 24) Considered the standard, methods of inspection and certification of electricity distribution system transformers;
- 25) Considered the standard of inspection and certification of low-voltage inverters, with a capacity not exceeding 10 kW;
- 26) Coordinated the provision of technical opinions on the draft Connection Codes of the PEA and MEA for renewable energy power plants;
- 27) Studied and developed the Handbook for Regulating Electricity System Operators;
- 28) Provided opinions on the South Bangkok Power Plant Replacement Project, Phase 1 and Phase 2;
- 29) Reviewed the indicators of service quality standards of EGAT and Distribution Utilities pursuant to the resolution of the Committee on Energy Policy Administration (CEPA);
- 30) Considered the request for exemption from the preparation of Third Party Access Code (TPA Code) of the natural gas transportation through transmission pipeline system licensee;
- 31) Considered the principles of the Draft Revised Codes of Connection to an Electricity Network System of the PEA and MEA to accommodate renewable energy power plants under the present situation; and
- 32) Considered providing opinions on EGAT's monthly generation output and generation plan.

## 5. Sub-committee on Deliberation of Appeals on an Energy Network System Area

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Ms. Wilaiporn Liwgasemsan	Chairman	12/12
2 Mrs. Duangmanee Komaratat	Vice Chairman	11/12
3 OERC Deputy Secretary General (Mr. Atiluck Attapich)	Member	5/12
4 Mr. Suttipong Teppitak	Member	12/12
5 Mrs. Chomsri Arayasiri	Member	12/12
6 Representative of the Ministry of Energy	Member	9/12
7 Director, Land and Property Management Department (Mr. Surasak Ruangchan)	Member and Secretary	12/12
8 Staff Member of the Land and Property Management Department (Mr. Chaksawat Sucharitpanit)	Member and Assistant Secretary	12/12



The Sub-committee on Deliberation of Appeals on an Energy Network System Area was appointed on 22 August 2014 (ERC Order No. 094/2557), to consider appeals lodged by owners or occupiers of immovable property or other right holders regarding announcements on demarcation of energy network system areas, including objections of licensees, property owners, occupiers or other right holders concerning the operations pursuant to Section 107 of the Act. The Sub-committee also has the powers to summon a state agency or a person or a juristic person to furnish a statement in person, to submit a written statement to clarify facts or to submit relevant corroborating documents and evidence for consideration and for further presentation of facts together with opinions to the ERC for deliberation. In Fiscal Year 2015, 12 meetings of the Sub-committee were held and the outcomes can be summarized as follows:

■ Dismissed deliberation on appeals against energy network system areas	268 cases
■ Disposed of appeals against energy network system areas	99 cases
■ Dismissed appeals against energy network system areas	222 cases
■ Dismissed objections against energy network system areas	16 cases
■ Approved adjustments to energy network system boundaries	27 cases

## 6. Sub-committee Deliberating Layout of Directions and Boundary of an Energy Network System and Screening Prices of Land and Property in an Energy Network System Area\*

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mr. Vachara Kunawatanawuti	Chairman	12/12
2 Mr. Kraisi Karnasuta	Vice Chairman	10/12
3 Deputy Secretary General (Mr. Atiluck Attapich)	Member	10/12
4 Representative of the Office of the National Economic and Social Development Board (Mr. Danucha Pichayanan)	Member	12/12
5 Representative of the Energy Policy and Planning Office (Mr. Prasert Sinsukprasert)	Member	10/12
6 Representative of the Treasury Department (Mr. Werawut Sriporaya)	Member	9/11
7 Representative of the Department of Lands (Mr. Sujit Jongprasert)	Member	10/11
8 Mr. Suwit Singhachan	Member	11/12
9 Mr. Phichai Piemfa	Member	11/11
10 Director, Land and Property Management Department (Mr. Surasak Ruangchan)	Member and Secretary	11/12
11 Staff Member of the Land and Property Management Department (Mr. Kijjar Limsangchai)	Member and 1 <sup>st</sup> Assistant Secretary	12/12
12 Staff Member of the Land and Property Management Department (Mr. Panu Uthayaratana)	Member and 2 <sup>nd</sup> Assistant Secretary	11/12

\* The ERC Order No. 092/2557 dated 21 August 2014 on Appointment of the Sub-committee on Deliberation of Layout of Directions and Boundary of an Energy Network System was annulled, and the Sub-committee Deliberating Layout of Directions and Boundary of an Energy Network System and Screening Prices of Land and Property in an Energy Network System Area was appointed by the ERC Order No. 140/2557 dated 17 November 2014.

The Sub-committee Deliberating Layout of Directions and Boundary of an Energy Network System and Screening Prices of Land and Property in an Energy Network System Area was appointed on 17 November 2014 (ERC Order No. 140/2557) to consider and provide opinions on requests for approval to announce the demarcation of an area to be surveyed for the purpose of exploring or locating a site for an energy network system of a licensee, for presentation to the ERC for consideration and approval in accordance with Section 105 of the Act, as well as to consider and provide opinions on the layout showing directions and boundary for construction of an energy network system of

a licensee, for presentation to the ERC for further consideration and approval as stipulated in Section 106 of the Act. In addition, the Sub-committee is tasked with deliberation on and screening of the information about land and property prices to be used for calculation of compensation for the operations pursuant to Section 107 (2) (3) or (4) of the Act, as proposed by the Committee on Land and Property Price. In Fiscal Year 2015, the Sub-committee considered and provided opinions on a total of 61 energy networks; resolutions were passed giving approval to 59 energy networks and declining the other 2 networks. Deliberation and comments were given to price determination for 7 cases, in total.

## 7. Sub-committee on Deliberation of Appeals on Compensation

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mrs. Pajchima Tanasanti	Chairman	12/12
2 Mrs. Duangmanee Komaratat	Vice Chairman	12/12
3 OERC Deputy Secretary General (Mr. Atiluck Attapich)	Member	10/12
4 General Surin Pikulthong	Member	12/12
5 Representative of the Treasury Department (Mr. Werawut Sripaoraya)	Member	11/12
6 Representative of the Department of Lands (Mr. Sujit Jongprasert)	Member	10/12
7 Director, Legal Department (Mr. Prapas Thammapala)	Member	12/12
8 Director, Land and Property Management Department (Mr. Surasak Ruangchan)	Member and Secretary	12/12
9 Staff Member of the Land and Property Management Department (Mr. Panu Uthayaratana)	Member and Assistant Secretary	12/12
10 Mr. Noppadol Srawasri	Advisor	12/12

The Sub-committee on Deliberation of Appeals on Compensation was appointed on 22 August 2014 (ERC Order No. 093/2557), to assist with the ERC's deliberation of appeals against the amount of compensation or the utilization charge for the use of

immovable property so that the matters would be solved smoothly and effectively in accordance with the intention and objectives of the Act. In Fiscal Year 2015, a total of 190 appeals were considered by the Sub-committee.



## 8. Sub-committee on Complaint Deliberation and Energy Consumer Protection

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mr. Vachara Kunawatanawuti	Chairman	6/6
2 Mrs. Pajchima Tanasanti	1 <sup>st</sup> Vice Chairman	6/6
3 Ms. Wilaiporn Liwgasemsan	2 <sup>nd</sup> Vice Chairman	6/6
4 OERC Secretary General. (Ms. Narupat Amornkosit)	Member	1/6
5 OERC Deputy Secretary General (Mr. Atiluck Attapich)	Member	2/6
6 OERC Assistant Secretary General (Mr. Choosak Wongsavat)	Member	5/6
7 Representative of the Office of the Consumer Protection Board (Sub.It. Phairoj Kanungsup)	Member	5/6
8 Representative of the Office of the Attorney General (Mr. Poemsin Vijitnaga)	Member	6/6
9 Representative of the Federation of Thai Industries (Mr. Hin Nawawongse)	Member	5/6
10 Mr. Ausa Duangchan	Member	6/6
11 Mr. Sukan Intarakanchit	Member	6/6
12 Director, Rights Protection Department (Mr. Prated Srichomphu)	Member and Secretary	6/6
13 Staff Member of the Rights Protection Department (Mr. Akprapan Aksornpan)	Member and Assistant Secretary	6/6

The Sub-committee on Complaint Deliberation and Energy Consumer Protection was appointed on 14 August 2014 (ERC Order No. 085/2557) to consider and screen the following matters for presentation to the ERC: 1) complaints related to the policy on energy consumer protection, 2) arguments of licensees against decisions of the Regional Energy Consumer Committee (RECC), and 3) comments or recommendations from the RECC regarding measures on energy consumer protection. In Fiscal Year 2015, the Sub-committee considered various matters, of which significant ones were, for example: 1) the criteria for standard contracts on energy service provision for retail power consumers; 2) the revision to the ERC regulation on receipt and deliberation of complaints, by

prescribing the code of practice for terminating or holding consideration in the event that the complainant has brought the issue of complaint to a court of law; 3) the service provision standards to be imposed on energy supply licensees in order to improve the former operating criteria (pursuant to the resolution of the Committee on Energy Policy Administration, or CEPAA) which had been enforced since 2009, so that the standards and compensation rates would be more appropriate; and 4) the return of interest earned from the customer guarantee deposit (of retail power consumers), by requiring that the Power Utilities pay back the interest earned from the customer guarantee deposit to power consumers every 5-year period, starting the first return in 2020.

## 9. Sub-committee on Evaluation of Power Development Fund Performance

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Ms. Wilaiporn Liwgasemsan	Chairman	10/10
2 Mrs. Duangmanee Komaratat	Vice Chairman	10/10
3 Representative of the Ministry of Interior	Member	9/10
4 Representative of the Ministry of Energy	Member	10/10
5 Representative of the Bureau of the Budget	Member	10/10
6 Representative of the Office of the National Economic and Social Development Board	Member	9/10
7 Representative of the Comptroller General's Department	Member	8/10
8 Mrs. Chantima Sirisaengtaksin	Member	6/10
9 Mr. Worapat Todhanakasem	Member	5/10
10 Mr. Sudhiporn Patumtaewapibal	Member	10/10
11 Mr. Vongsak Swasdipanich	Member	8/10
12 Mr. Sura-at Thongniramon	Member	10/10
13 Mr. Chareon Prajumtan	Member	10/10
14 OERC Deputy Secretary General (Mr. Atiluck Attapich)	Secretary	10/10
15 Director, Power Development Fund Management Department (Mrs. Ruedee Paringkan)	Assistant Secretary	7/10
16 Director, Regional Office Department (Mr. Werasak Werathammo)	Assistant Secretary	10/10

The Sub-committee on Evaluation of Power Development Fund Performance was appointed on 18 August 2014 (ERC Order No. 088/2557) and its subsequent amendment on 25 November 2014 (ERC Order No. 141/2557), to consider determining the framework, guidelines, criteria and key performance indicators for evaluating the performance of the Power Development Fund and projects or activities financed by the Power Development Fund, as deemed appropriate, including reporting the outcome of its duty execution and providing recommendations to the ERC for consideration and decision. In addition, the Sub-committee has the powers to summon a state agency, a person, a group of persons or a juristic person to submit a written statement to clarify facts, to furnish a statement in person or to send relevant corroborating documents and evidence for consideration,

and to appoint a working group or a person to consider or to take any action as assigned by the Sub-committee. In Fiscal Year 2015, the Sub-committee held altogether 10 meetings to consider such matters as the guidelines on evaluation of Power Development Fund performance, the selection of local Power Development Funds in designated areas and community projects to be evaluated, the evaluation of Power Development Fund performance (as working capital), the performance evaluation of local Power Development Funds in designated areas and community projects, and the outcome of field surveys to monitor and evaluate the performance of local Power Development Funds in designated areas, undertaken by the Working Group on Monitoring and Evaluating Community Projects under Power Development Fund for Operations under Section 97(3).



## 10. Sub-committee on the Screening of Work Plans and Projects under Power Development Fund for Operations under Section 97(3)

### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Mrs. Pajchima Tanasanti	Chairman	14/14
2 Mr. Viraphol Jirapraditkul	Vice Chairman	10/14
3 Representative of the Ministry of Interior	Member	12/14
4 Representative of the Ministry of Finance	Member	12/14
5 Representative of the Office of the National Economic and Social Development Board	Member	13/14
6 Representative of the Ministry of Energy	Member	13/14
7 Representative of the Energy Policy and Planning Office	Member	12/14
8 Representative of the Bureau of the Budget	Member	13/14
9 Deputy Secretary General (Mr. Atiluck Attapich)	Member and Secretary	10/14
10 Director, Power Development Fund Management Department	Member and 1 <sup>st</sup> Assistant Secretary	14/14
11 Director, Regional Office Department	Member and 2 <sup>nd</sup> Assistant Secretary	14/14

The Sub-committee on the Screening of Work Plans and Projects under Power Development Fund for Operations under Section 97(3) was appointed on 14 August 2014 (ERC Order No. 086/2557) to consider and screen the strategic plan, annual work plan and budget allocation framework of each local Power Development Fund in designated areas (PDF) and to recommend to the ERC policy guidelines and approach for regulating the Fund operations and the Fund money spending to be efficient. In Fiscal Year 2015, the Sub-committee considered annual work plans in Fiscal Year 2015 of local PDFs during September 2014 - June 2015, and the ERC passed a resolution approving the budget for 55 PDFs, accounting for a total fund of 2,279.586 million

Baht, divided into: 1) the administrative budget, 195.589 million Baht, and 2) the budget for operation of 6,109 community projects, 2,083.996 million Baht (including the approval of annual work plans in Fiscal Year 2015 of 6 PDFs that the Sub-committee considered in September 2014, with a total budget of 12.537 million Baht). Consideration was also given to annual work plans in Fiscal Year 2016 of local PDFs during August - September 2015, and the ERC passed a resolution approving the budget for 54 PDFs, accounting for a total fund of 808.558 million Baht, divided into: 1) the administrative budget, 162.099 million Baht; and 2) the budget for operation of 3,583 community projects, 646.458 million Baht.

## 11. Sub-committee Deliberating Appeals on Decisions and Screening Orders, Regulations, Rules, Announcements or Codes

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### Meeting Attendance Report

Sub-committee Components	Position	No. of Attendance/ No. of Meetings
1 Ms. Wilaiporn Liwgasemsan	Chairman	13/13
2 Mrs. Pajchima Tanasanti	Vice Chairman	13/13
3 OERC Secretary General (Ms. Narupat Amornkosit)	Member	4/13
4 OERC Assistant Secretary General (Mr. Choosak Wongsawat)	Member	12/13
5 Representative of the Office of the Council of State (Mr. Niphon Hakimi)	Member	11/13
6 Representative of the Office of the Attorney General (Mr. Amnat Chotchai)	Member	8/13
7 Representative of the Faculty of Law, Public Law Program, Chulalongkorn University (Associate Prof. Manit Jumpa)	Member	13/13
8 Director, Legal Department (Mr. Prapas Thammapala)	Member and Secretary	12/13
9 Representative of the Legal Department (Mr. Nantawit Chansawang)	Member and Assistant Secretary	13/13

The Sub-committee Deliberating Appeals on Decisions and Screening Orders, Regulations, Rules, Announcements or Codes was appointed on 7 August 2014 (ERC Order No. 081/2557) to deliberate appeals relating to any orders, regulations, rules, announcements or codes of the ERC; to deliberate appeals against RECC decisions; and to screen and provide opinions on the amendment, addition or revision to regulations, rules, announcements and codes so that the regulatory work would be carried out with efficiency, clarity and fairness in ac-

cordance with the intention and objectives of the Energy Industry Act B.E. 2550. In Fiscal Year 2015, the Sub-committee held 13 meetings and a total of 76 cases were considered, which can be divided into the following two categories:

1) Deliberation of appeals on any orders, regulations, rules, announcements or codes of the ERC: 55 cases

2) Screening and provision of opinions on the amendment, addition or revision to regulations, rules, announcements and codes: 21 cases.

Remarks: In Fiscal Year 2015, there was no deliberation on appeals against RECC decisions.



## 12. Audit Committee

### Meeting Attendance Report

Audit committee Components	Position	No. of Attendance/ No. of Meetings
1 Mrs. Duangmanee Komaratat	Chairman	10/10
2 Ms. Wilaiporn Liwgasemsan	Vice Chairman	10/10
3 Ms. Atchara Suttisirikul	Member	10/10

The Audit Committee was appointed on 18 August 2014 (ERC Order No. 089/2557), to regulate the internal audit and independently provide recommendations about the financial reports, internal control and risk management, including regulating the duty execution of the Internal Audit Department, to enhance efficiency and create confidence in the operation of the OERC and the Power Development Fund (the Fund).

In Fiscal Year 2015 (1 October 2014 – 30 September 2015), the Audit Committee examined the audit report on the performance of the OERC and the Fund, including the consolidated financial statements of the OERC and the Fund in

Fiscal Year 2014, the financial statements of the OERC and the financial statements of the Fund for Quarter 1, Quarter 2 and Quarter 3 of Fiscal Year 2015, and the Audit Committee was of the opinion that the OERC and the Fund had performed their duties according to the stipulated duty execution procedures in compliance with relevant laws and regulations, with adequate internal control, and that the financial reports of the OERC and the Fund in Fiscal Year 2014 and the financial reports of the OERC and the Fund for Quarter 1, Quarter 2 and Quarter 3 of Fiscal Year 2015 were correct and reliable in accordance with the generally accepted accounting practice (GAAP).

Energy Regulatory Commission  
and Office of the Energy Regulatory Commission

# Annual Report 2015

**Office of the Energy Regulatory Commission (OERC)**

319 19<sup>th</sup> Floor Chamchuri Square, Phayathai Rd., Pathumwan, Bangkok 10330, Thailand

Tel : 0 2207 3599, Fax : 0 2207 3502 , 0 2207 3508 , Call Center : 1204

E-mail : [support@erc.or.th](mailto:support@erc.or.th), [www.erc.or.th](http://www.erc.or.th)





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