



Auditor's Report and Financial Statements

The Provincial Electricity Authority

For the year ended December 31, 2013

สำนักงานการตรวจเงินแผ่นดิน



(TRANSLATION)
AUDITOR'S REPORT

To the Board of Directors of the Provincial Electricity Authority

The Office of the Auditor General of Thailand has audited the accompanying consolidated financial statements of the Provincial Electricity Authority and its subsidiary, and separate financial statements of the Provincial Electricity Authority, which comprise the consolidated and separate statements of financial position as at December 31, 2013, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 such internal control as management determines is 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 audit. The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. Those 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 are free from material misstatement.

An 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



those risk assessments, 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. An 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.

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

Opinion

In the Office of the Auditor General of Thailand's opinion, the above mentioned consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Provincial Electricity Authority and its subsidiary, and separate financial position of the Provincial Electricity Authority, respectively, as at December 31, 2013, and their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Signed) *Prapee Ankinandana*
(Ms. Prapee Ankinandana)
Deputy Auditor General
Acting Auditor General

(Signed) *Manee Vacharakijja*
(Mrs. Manee Vacharakijja)
Director of Financial Audit Office No. 13

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

ASSETS	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Current Assets					
Cash and cash equivalents	4.1	4,245,816,770	3,218,239,211	3,937,816,382	3,146,739,436
Trade accounts receivable	4.2	31,365,038,600	31,926,699,005	31,364,675,999	31,923,282,164
Materials and supplies	4.3	2,870,330,999	2,799,669,962	2,870,330,999	2,799,669,962
Special - purpose deposits					
at financial institutions	4.4	28,075,718,393	18,987,887,526	28,075,718,393	18,987,887,526
Accrued revenues	4.5	4,484,878,207	4,326,193,134	4,486,300,207	4,326,193,134
Undue input VAT		1,801,919,384	2,021,313,770	1,801,903,986	2,021,227,683
Advance payments to suppliers		1,512,612,016	1,766,045,311	1,512,612,016	1,766,045,311
Other current assets	4.6	1,317,440,898	1,059,171,165	1,316,279,432	1,057,935,968
Total Current Assets		75,673,755,267	66,105,219,084	75,365,637,414	66,028,981,184
Non - current Assets					
Investment in subsidiary	4.7	-	-	344,875,000	100,000,000
Investment property	4.8	72,424,757	693,446,633	72,424,757	693,446,633
Property, plant and equipment	4.9	219,470,102,217	204,641,290,606	219,469,731,478	204,640,978,241
Constructions in progress	4.10	29,532,559,615	34,673,329,141	29,532,559,615	34,673,329,141
Intangible assets	4.11	2,702,639,731	2,935,074,335	2,702,597,575	2,935,074,335
Other non - current assets	4.12	87,525,765	93,599,483	87,479,059	93,552,777
Total Non-current Assets		251,865,252,085	243,036,740,198	252,209,667,484	243,136,381,127
Total Assets		327,539,007,352	309,141,959,282	327,575,304,898	309,165,362,311

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

(TRANSLATION)

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THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

Liabilities and Equity	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Current Liabilities					
Bank overdrafts		-	4,337,553,013	-	4,337,553,013
Trade accounts payable	4.13	32,334,507,027	34,369,122,121	32,334,216,629	34,366,480,934
Current portion of long - term loans	4.14	7,395,857,717	7,540,233,535	7,395,857,717	7,540,233,535
Current portion of financial lease liabilities	4.15	1,024,314,264	1,208,830,092	1,024,314,264	1,208,830,092
Other payables		338,151,039	126,365,645	338,151,039	126,365,645
Accrued interest payable on loans		809,261,091	744,296,969	809,261,091	744,296,969
Accrued remittance to the Ministry of Finance	5	8,561,778,000	4,490,392,000	8,561,778,000	4,490,392,000
Advance received per contract		1,056,938,839	1,121,703,521	1,056,938,839	1,121,703,521
Deposits payable	4.16	631,544,628	1,402,119,737	631,544,628	1,402,119,737
Accrued expenses		3,224,951,479	2,539,932,355	3,224,410,919	2,538,355,146
Other current liabilities	4.17	817,256,530	969,855,596	817,052,342	969,651,409
Total Current Liabilities		56,194,560,614	58,850,405,190	56,193,525,468	58,845,982,001
Non - current Liabilities					
Long - term loans	4.14	71,989,407,090	66,974,575,041	71,989,407,090	66,974,575,041
Long - term provisions	4.18	8,069,616	25,340,357	8,069,616	25,340,357
Construction obligations	4.19	8,990,892,743	7,519,214,443	8,990,892,743	7,519,214,443
Financial lease liabilities	4.15	1,423,300,273	1,661,065,991	1,423,300,273	1,661,065,991
Deferred revenues	4.20	36,035,621,414	33,937,623,249	36,035,621,414	33,937,623,249
Electricity usage guarantee	4.21	20,315,665,562	18,521,726,059	20,315,665,562	18,521,726,059
Sales and service guarantee		483,134,381	346,859,213	482,848,806	346,140,742
Employee gratuity fund	4.22	16,895,856	20,802,830	16,895,856	20,802,830
Employee benefit obligations	4.23	9,995,858,597	8,900,604,742	9,995,609,735	8,900,502,104
Total Non - current Liabilities		149,258,845,532	137,907,811,925	149,258,311,095	137,906,990,816
Total Liabilities		205,453,406,146	196,758,217,115	205,451,836,563	196,752,972,817
Equity					
Initial capital		87,003,887	87,003,887	87,003,887	87,003,887
Contributions from the government		4,802,500,915	4,802,500,915	4,802,500,915	4,802,500,915
Unappropriated retained earnings		117,196,096,404	107,494,237,365	117,233,963,533	107,522,884,692
Total Equity		122,085,601,206	112,383,742,167	122,123,468,335	112,412,389,494
Total Liabilities and Equity		327,539,007,352	309,141,959,282	327,575,304,898	309,165,362,311

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

(Signed) Wiboon Sanguanpong
(Mr. Wiboon Sanguanpong)
Chairman of the Board of Directors
The Provincial Electricity Authority

(Signed) Numchai Lowattanatakul
(Mr. Numchai Lowattanatakul)
PEA Governor

(TRANSLATION)

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THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Revenues					
Sales of electricity energy		418,887,943,305	375,188,400,592	418,887,943,305	375,188,400,592
Other operating revenues		12,462,841,800	10,650,733,303	12,461,765,785	10,648,510,343
Total Operating Revenues		431,350,785,105	385,839,133,895	431,349,709,090	385,836,910,935
Other revenues		2,721,835,495	2,329,048,833	2,720,495,949	2,326,245,263
Total Revenues		434,072,620,600	388,168,182,728	434,070,205,039	388,163,156,198
Expenses					
Cost of sales and services		384,925,942,636	347,528,165,287	384,923,592,739	347,525,605,287
Administrative expenses		19,309,433,231	17,362,442,811	19,301,363,974	17,350,572,850
Selling expenses		5,105,519,024	4,958,942,705	5,105,519,024	4,958,942,705
Executive remuneration	4.24	136,188,298	120,335,685	134,972,089	118,569,885
Other expenses		72,984,690	-	72,984,690	-
Financial costs		3,456,387,957	3,234,148,946	3,456,387,957	3,234,148,946
Total Expenses		413,006,455,836	373,204,035,434	412,994,820,473	373,187,839,673
Income for the year	4.25	21,066,164,764	14,964,147,294	21,075,384,566	14,975,316,525
Other comprehensive income (loss):					
Actuarial gain (loss) on post - employment benefit plan	4.23	(781,919,725)	(202,713,422)	(781,919,725)	(202,713,422)
Total comprehensive income (loss) for the year		20,284,245,039	14,761,433,872	20,293,464,841	14,772,603,103

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

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

Unit: Baht

	Consolidated financial statements		
	Initial Capital and Contributions from the Government	Unappropriated Retained Earnings	Total Equity
Balance as at January 1, 2012	4,889,504,802	101,190,179,493	106,079,684,295
Accumulated amount from			
Remittance to the Ministry of Finance for the year 2011 (addition)	-	(966,984,000)	(966,984,000)
Balance after adjustments	4,889,504,802	100,223,195,493	105,112,700,295
Interim remittance to the Ministry of Finance from net income for the year 2012	-	(3,913,000,000)	(3,913,000,000)
Reserve for remittance to the Ministry of Finance from net income for the year 2012	-	(3,577,392,000)	(3,577,392,000)
Total comprehensive income for the year 2012	-	14,761,433,872	14,761,433,872
Balance as at December 31, 2012	4,889,504,802	107,494,237,365	112,383,742,167
Accumulated amount from			
Remittance to the Ministry of Finance for the year 2012 (addition)	-	(20,608,000)	(20,608,000)
Balance after adjustments	4,889,504,802	107,473,629,365	112,363,134,167
Interim remittance to the Ministry of Finance from net income for the year 2013	-	(5,386,000,000)	(5,386,000,000)
Reserve for remittance to the Ministry of Finance from net income for the year 2013	-	(5,175,778,000)	(5,175,778,000)
Total comprehensive income for the year 2013	-	20,284,245,039	20,284,245,039
Balance as at December 31, 2013	4,889,504,802	117,196,096,404	122,085,601,206

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

Unit: Baht

	Notes	Separate financial statements		
		Initial Capital and Contributions from the Government	Unappropriated Retained Earnings	Total Equity
Balance as at January 1, 2012		4,889,504,802	101,207,657,589	106,097,162,391
Accumulated amount from				
Remittance to the Ministry of Finance for the year 2011 (addition)		-	(966,984,000)	(966,984,000)
Balance after adjustments		4,889,504,802	100,240,673,589	105,130,178,391
Interim remittance to the Ministry of Finance from net income for the year 2012		-	(3,913,000,000)	(3,913,000,000)
Reserve for remittance to the Ministry of Finance from net income for the year 2012		-	(3,577,392,000)	(3,577,392,000)
Total comprehensive income for year 2012	5	-	14,772,603,103	14,772,603,103
Balance as at December 31, 2012		4,889,504,802	107,522,884,692	112,412,389,494
Accumulated amount from				
Remittance to the Ministry of Finance for the year 2012 (addition)		-	(20,608,000)	(20,608,000)
Balance after adjustments		4,889,504,802	107,502,276,692	112,391,781,494
Interim remittance to the Ministry of Finance from net income for the year 2013		-	(5,386,000,000)	(5,386,000,000)
Reserve for remittance to the Ministry of Finance from net income for the year 2013		-	(5,175,778,000)	(5,175,778,000)
Total comprehensive income for the year 2013	5	-	20,293,464,841	20,293,464,841
Balance as at December 31, 2013		4,889,504,802	117,233,963,533	122,123,468,335

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

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash Flows from Operating Activities:				
Income for the year	21,066,164,764	14,964,147,294	21,075,384,566	14,975,316,525
Adjustments of net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	16,771,709,428	14,992,611,930	16,771,579,378	14,992,514,547
Loss on impairment of assets	-	(16,181,139)	-	(16,181,139)
Bad debts and doubtful accounts	687,935,504	97,307,007	687,935,504	97,307,007
Provision for obsolete materials and supplies	10,016,211	(5,797,508)	10,016,211	(5,797,508)
Amortization of deferred revenues	(3,176,470,690)	(2,981,821,707)	(3,176,470,690)	(2,981,821,707)
Employee benefit obligations	313,334,131	119,490,606	313,187,907	119,387,968
Long - term provisions	(17,811,007)	(8,634,152)	(17,811,007)	(8,634,152)
Loss (gain) on disposal of assets	48,337,383	(25,928,313)	48,337,383	(25,928,313)
Loss (gain) on disposal of materials and supplies	144,886	(6,061,939)	144,886	(6,061,939)
Loss (gain) on foreign exchange	113,716,996	(699,365,843)	113,716,996	(699,365,843)
Interest income	(1,226,576,370)	(1,041,739,090)	(1,226,016,654)	(1,041,248,068)
Interest expense	3,449,349,144	3,215,440,364	3,449,349,144	3,215,440,364
Income from operating activities before changes in operating assets and liabilities	38,039,850,380	28,603,467,510	38,049,353,624	28,614,927,742
Changes in operating assets (increase) decrease				
Trade accounts receivable	(115,882,605)	(4,953,252,958)	(118,936,844)	(4,957,631,106)
Materials and supplies	259,888,286	(1,914,117,926)	259,888,286	(1,914,117,926)
Special - purpose deposits at financial institutions	(9,087,830,867)	(3,054,545,596)	(9,087,830,867)	(3,054,545,596)
Accrued revenues	(95,575,586)	19,247,305,658	(96,997,586)	19,247,305,658
Interest received	1,163,466,884	631,772,977	1,162,907,168	631,281,955
Undue input VAT	219,394,387	(503,269,683)	219,323,697	(503,214,891)
Advance payments to suppliers	253,433,295	341,310,924	253,433,295	341,310,924
Other current assets	(269,350,786)	1,068,026,701	(269,424,517)	1,068,374,056
Other non - current assets	6,762,276	14,309,681	6,762,276	14,356,387
Change in operating liabilities increase (decrease)				
Trade accounts payable	(2,034,615,700)	8,899,481,423	(2,032,264,305)	8,903,940,107
Other payables	211,785,394	(122,402,350)	211,785,394	(122,402,350)
Advance received per contract	(64,764,683)	180,130,116	(64,764,683)	180,130,116
Deposits payable	(770,575,109)	(21,112,847)	(770,575,109)	(21,112,847)

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

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	Consolidated financial statements		Separate financial statements		Unit: Baht
		2013	2012	2013	2012	
Accrued expenses		685,019,125	302,734,853	686,055,773	302,716,223	
Other current liabilities		(152,058,801)	492,677,724	(152,058,801)	492,967,388	
Construction obligations		1,471,678,300	1,704,029,568	1,471,678,300	1,704,029,568	
Deferred revenues		5,274,468,856	3,914,550,915	5,274,468,856	3,914,550,915	
Electricity usage guarantee		1,793,939,502	1,511,503,385	1,793,939,502	1,511,503,385	
Sales and service guarantee		136,275,168	11,359,691	136,708,064	11,235,691	
Employee gratuity fund		(3,906,974)	(6,030,071)	(3,906,974)	(6,030,071)	
Net cash provided by operating activities		<u>36,921,400,742</u>	<u>56,347,929,695</u>	<u>36,929,544,549</u>	<u>56,359,575,328</u>	
Cash Flows from Investing Activities:						
Payment of investment in subsidiary		-	-	(244,875,000)	-	
Payment of property, plant and equipment		(4,504,835,496)	(2,754,643,428)	(4,504,651,916)	(2,754,643,428)	
Payment for constructions in progress		(20,498,223,809)	(21,945,997,423)	(20,498,223,809)	(21,945,997,423)	
Interest expense capitalized to constructions in progress		(259,399,255)	(354,573,092)	(259,399,255)	(354,573,092)	
Proceeds from disposal of property, plant and equipment		26,550	9,839	26,550	9,839	
Payment of intangible assets		(731,887,827)	(255,186,024)	(731,840,827)	(255,186,024)	
Payment of investment property		(1,023,000)	(84,162,000)	(1,023,000)	(84,162,000)	
Net cash used in investing activities		<u>(25,995,342,837)</u>	<u>(25,394,552,128)</u>	<u>(26,239,987,257)</u>	<u>(25,394,552,128)</u>	
Cash Flows from Financing Activities:						
Increase in bank overdrafts		(4,337,553,013)	2,509,785,269	(4,337,553,013)	2,509,785,269	
Payment of short - term loans		-	(11,191,498,429)	-	(11,191,498,429)	
Interest paid		(3,201,134,171)	(3,255,963,024)	(3,201,134,171)	(3,255,963,024)	
Payment of long - term loans		(11,743,260,765)	(16,741,086,308)	(11,743,260,765)	(16,741,086,308)	
Proceeds from long - term loans		16,500,000,000	7,930,000,000	16,500,000,000	7,930,000,000	
Proceeds from (payment of) financial lease liabilities		(605,532,397)	194,678,503	(605,532,397)	194,678,503	
Remittance to the Ministry of finance		(6,511,000,000)	(8,264,210,000)	(6,511,000,000)	(8,264,210,000)	
Net cash used in financing activities		<u>(9,898,480,346)</u>	<u>(28,818,293,989)</u>	<u>(9,898,480,346)</u>	<u>(28,818,293,989)</u>	
Net increase in cash and cash equivalents		<u>1,027,577,559</u>	<u>2,135,083,578</u>	<u>791,076,946</u>	<u>2,146,729,211</u>	
Cash and cash equivalents at the beginning of the period		<u>3,218,239,211</u>	<u>1,083,155,633</u>	<u>3,146,739,436</u>	<u>1,000,010,225</u>	
Cash and cash equivalents at the end of the period	4.1	<u><u>4,245,816,770</u></u>	<u><u>3,218,239,211</u></u>	<u><u>3,937,816,382</u></u>	<u><u>3,146,739,436</u></u>	

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

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

1. Operations of PEA

The Provincial Electricity Authority (PEA) was established as a state enterprise for public utility under the Provincial Electricity Authority Act, B.E. 2503 (1960) and is located at 200 Ngamwongwan Road, Ladyao, Chatuchak, Bangkok 10900. The main objective of PEA is to generate, obtain, distribute and sell electricity energy to people, businesses and industrial sectors in 74 provinces throughout Thailand, with the exception of Bangkok, Nonthaburi and Samut Prakan provinces.

PEA has extensive transactions and relationships with the Electricity Generating Authority of Thailand (EGAT). Most of electricity energy sold to customers by PEA was purchased from EGAT. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if PEA had operated without such affiliations.

2. Basis of Financial Statement Presentation

2.1 The consolidated and the separate financial statements have been prepared in Thai Baht and in Thai language in accordance with accounting standards and practices generally accepted in Thailand. The accounting transactions of the PEA's employee gratuity fund are included.

2.2 The Federation of Accounting Professions announced Thai Accounting Standards, Thai Financial Reporting Interpretations, Thai Standing Interpretations and Thai Financial Reporting Standards as follows:

2.2.1 Effective for the accounting periods beginning on or after January 1, 2014

Thai Accounting Standards	Title
- NO. 1 (revised 2012)	Presentation of Financial Statements
- NO. 12 (revised 2012)	Income Taxes
- NO. 17 (revised 2012)	Leases
- NO. 24 (revised 2012)	Related Party Disclosures
- NO. 34 (revised 2012)	Interim Financial Reporting

Thai Financial Reporting Interpretations	Title
- NO. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities

Thai Financial Reporting Interpretations	Title
- NO. 4	Determining Whether an Arrangement Contains a Lease
- NO. 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- NO. 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- NO. 10	Interim Financial Reporting and Impairment
- NO. 12	Service Concession Arrangements
- NO. 13	Customer Loyalty Programmes
- NO. 17	Distributions of Non-cash Assets to Owners
- NO. 18	Transfers of Assets from Customers
Thai Standing Interpretations	Title
- NO. 15	Operating Leases – Incentives
- NO. 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
- NO. 29	Service Concession Arrangements: Disclosures
- NO. 32	Intangible Assets – Web Site Costs
2.2.2 Effective for the accounting periods beginning on or after January 1, 2016	
Thai Financial Reporting Standards	Title
- NO. 2 (revised 2012)	Share - based Payment
- NO. 4 (revised 2012)	Insurance Contracts
- NO. 5 (revised 2012)	Non - Current Assets Held for Sale and Discontinued Operations

The management of PEA and its subsidiary plans to apply accounting standards, financial reporting standards, financial reporting interpretations and standing interpretations which are effective on the financial statements of PEA and its subsidiary. The management of PEA assessed that these financial reporting standards will not have significant impacts on the financial statements for the period when they are initially applied.

2.3 The consolidated financial statements include financial statements of PEA and PEA Encom International Company Limited after eliminating inter - company transactions. PEA Encom International Co., Ltd. was established in Thailand which controlled by PEA and PEA' s shareholding over 50% of paid - up share capital.

3. Summary of Significant Accounting Policies

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits at banks and financial institutions with original maturities of 3 months or less, excluding deposits at banks used as collateral.

3.2 Allowance for doubtful accounts

Allowance for doubtful accounts is based on contingent loss from uncollectible receivables which is estimated from historical collection experiences and a review of the current status of the non - governmental or state enterprise receivables outstanding at the statement of financial position dates, after deducting electricity usage guarantee in accordance with the regulation of the Ministry of Finance regarding "Accounting and Finance of Government Enterprise, B.E. 2548 (2005)" and a resolution of PEA's Audit Committee Meeting No. 3/2549 dated on March 10, 2006 as follows:

Overdue period	Percentage of allowance for doubtful accounts
Over 6 months - 1 year	50
Over 1 year	100

Increases and decreases in allowance for doubtful accounts are recognized as expenses or income for the period when incurred.

3.3 Materials and supplies

Materials and supplies are stated at the lower of the cost or net realizable value. Cost is determined using the weighted average cost method. Allowance is made in full for obsolete, materials and supplies under investigation and materials and supplies pending for claim.

3.4 Special – purpose deposits at financial institutions

Special – purpose deposits at financial institutions which are deposits to be used within one accounting period and with the specific purposes and conditions such as use for the benefits of electricity users, use in the Government grant projects, use for training, analysis and research scholarships, etc., such deposits include interest from KFW Fund, interest from electricity usage guarantee, subsidy from Energy Conservation Policy of the Energy Policy and Planning Office and other governmental agencies, deposits that PEA can use as its working capital when having the deficits in working capital such as electricity usage guarantee fund, sinking fund for repayment of bonds and employees' loan guarantee are classified as special – purpose deposits at financial institutions under current assets.

Special – purpose deposits at financial institutions which are deposits to be used longer than one accounting period and cannot be used for operating activities such as employee gratuity fund, are classified as special – purpose deposits at financial institutions under other non-current assets.

3.5 Investment in subsidiary

Investment in subsidiary is presented in the separate financial statements under the cost method.

In case the impairment of investment occurred, impairment losses will be recognized in the statements of comprehensive income.

3.6 Investment property

Investment property comprises property and plant used in the operation but not yet available for use and/or property and plant owned to earn rentals. PEA has selected to measured using the cost method. Subsequently, the investment property is presented at cost after deducting accumulated depreciation (if any).

3.7 Property, plant and equipment

PEA's policies for property, plant and equipment, and depreciation are summarized as follows:

Property, plant and equipment are initially recognized at cost which is calculated from purchase prices plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operation in the manner intended. Self - constructed assets are recorded at construction costs, consisting of material costs, direct labor and construction related expenses.

Property is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses of assets (if any).

Property comprises land used in the operation and land derived by operating objective with certain plan of usage within one year.

Depreciation of plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Percentage per annum
Buildings and constructions	3 and 6.25
Electricity generating systems	3 - 20
Electricity distributing systems	4 - 20
Furniture, tools, equipment and vehicles	4 - 20

When property, plant and equipment are impaired, the impairment losses will be recognized in the statements of comprehensive income.

In case of disposal, PEA writes off cost of assets and its accumulated depreciation from the accounts, and recognized gain or loss on disposal of assets as other income or other expenses in the statements of comprehensive income

3.8 Constructions in progress

Constructions in progress include construction costs, borrowing costs incurred on directly costs associated with the borrowings for the construction and other costs that directly related to construction or prepare the property for its intended use are completed. Constructions in progress are not included to calculating depreciation.

3.9 Intangible assets

Intangible assets comprise computer software licenses and computer software systems for core business that are stated at cost less accumulated amortization and allowance for impairment of intangible assets (if any).

Amortization of computer software licenses and computer software systems for core business is calculated using the straight – line method over the lease period and recognized expenses in the statements of comprehensive income.

Intangible assets which are impaired will be recognized the impairment losses as other operating expenses in the statements of comprehensive income when incurred.

3.10 Foreign currency transactions

Foreign currency transactions are translated into Thai Baht by the exchange rates prevailing at the transaction date. Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into Baht at the reference exchange rates announced by the Bank of Thailand at such date. Gains or losses on exchange arising on settlements and translation are recognized as revenues or expenses for the period when incurred.

3.11 Financial instruments

Financial assets at the statement of financial position date of PEA comprise cash and cash equivalents, and trade accounts receivable. Whilst financial liabilities are obligations under contracts comprising trade accounts payable, other payables, other current liabilities, Short - term loans and long - term loans.

3.12 Provisions

PEA records the provisions in the statements of financial position when ever contingent liabilities arising from legal claims or estimated from past events are created, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and such amount of the obligations can be estimated with sufficient reliability. The actual results may differ from those estimates.

PEA recognizes as a provision should be the best estimate of the expenditure required to settle the present obligation at the statement of financial position date by considering risks and uncertainties that inevitably surround of obligations, to recognize the expected cash flows associated with the present obligation as present value of the expected cash flows associated with that present obligation.

Provisions which due within one year are classified as Short - term provisions and provisions which due more than one year are classified as long - term provisions.

3.13 Deferred revenues

3.13.1 Contributions for constructing electricity distribution systems represent cash collected from people who request to use the electricity in order to reduce the burden of PEA for construction of the electricity distribution systems. Ownership of the systems including responsibility maintenance and repair thereof belong to PEA. Such contributions are presented as deferred revenues in the statements of financial position and recognized as revenues at the rate of 5% per annum (equal to the depreciation rate of PEA's electricity distribution systems)

3.13.2 Contribution revenues represent assets received from donation which are used in operations. Most of such assets are electricity distribution systems that the electricity users donate to PEA, which PEA is responsible for maintenance. Such assets are presented as deferred revenues from donated assets in the statements of financial position and recognized as revenues at the rate in accordance with depreciation rates of such assets over their useful lives.

Assets received from donation which are not used in operations are recognized as other non-operating revenues in the statements of comprehensive income in the period of acquisition.

3.13.3 Contribution revenues from foreign financial institutions represent contributions made by foreign financial institutions in form of interest discount for uses for various purposes of PEA. Such revenues are presented as deferred revenues in the statements of financial position and recognized as revenues based on the actual amount of expenses as incurred.

3.14 Electricity usage guarantee

According to the Regulation of the Provincial Electricity Authority effective from August 23, 2000 regarding "Electricity Usage Guarantee Administration, B.E. 2543 (2000)", the Governor has to deposit Baht 600 million of working capital in the bank account named "Electricity Usage Guarantee Fund" to reserve a fund for refunding of electricity usage guarantee to electricity users, and interest income is separately deposited in the bank account named "Interest from Electricity Usage Guarantee Fund." The remaining electricity usage guarantee after deducting reserve for refunding of electricity usage guarantee to electricity users can be used as working capital under the consideration and approval of the Board of Directors of PEA by paying a return to the fund at the same interest rate established by Krung Thai Bank Public Company Limited for savings account of state enterprises by depositing in the "Interest from Electricity Usage Guarantee" account on a monthly basis. PEA also has to transfer its working capital equal to the net increase in electricity usage guarantee in each month to the "Electricity Usage Guarantee Fund" account and to repay electricity usage guarantee fund which was used as working capital to the "Electricity Usage Guarantee Fund" account not less than Baht 100 million each month until the electricity usage guarantee received from electricity users is fully covered. In case of working capital deficiency or liquidity difficulty, the repayment can be postponed with the approval of the Governor and reporting to the Board of Directors. PEA can use interest from electricity usage guarantee fund in activities that are beneficial directly to electricity users and/or other public interests as specified by the Governor and approved by the Board of Directors.

3.15 Employee gratuity fund

PEA establishes employee gratuity fund for the purpose of giving aid to employees in case of termination without guilt in accordance with the Regulations of the Provincial Electricity Authority on Employee Gratuity Fund and Benefit for PEA Employees, B.E. 2522 (1979). PEA pays monthly contribution at the rate of 10% of monthly employee salaries and recognizes as an expense in the statements of comprehensive income. In this regard, the financial statements of PEA include transactions of the fund and also eliminate the related party transactions.

3.16 Employee benefits

3.16.1 Short - term employee benefits

Short - term employee benefits comprise salaries, overtimes, bonuses, compensated absences and other short - term benefits. Short - term employee benefits will be recognized as employee expenses in the statements of comprehensive income on accrual basis.

3.16.2 Post - employment benefits

3.16.2.1 Defined contribution plan

PEA has established the provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Employees have option to pay into the fund accumulated at the rate of 3 – 11% of the salary of each and PEA will pay into the fund at the rate of 9 – 11% of salary of members of the Fund to defined contribution plans.

PEA's contributions are recognized as employee expenses in the statements of comprehensive income. PEA also established employee gratuity fund according to Note 3.15.

3.16.2.2 Defined benefit plan

PEA's defined benefit plan comprises remuneration under the State Enterprise Labor Relations Act, B.E. 2543 (2000), compensation under Labor Law, compensated absences of employees who are dismissed without committing an offense under the law, souvenir for retired employees and other post – employment benefits in accordance with the contract of employment.

Since January 1, 2011, PEA has provisions for defined benefit plan are calculated by the actuarial technique by using projected unit credit method. The estimated future cash flows shall reflect which estimated from the present value of employee salaries, turnover rate, mortality, length of service and other factors.

PEA recognized provisions for defined benefit plan in the statements of financial position at net present value of employee benefit obligations based on past services and fair value of project assets (if any). PEA also recognized defined benefit plan expenses as expenses related to employment in the statements of comprehensive income.

Actuarial gains/ losses occurred will be recognized in the statements of comprehensive income.

3.16.3 Other long - term employee benefits

PEA has estimated other long - term employee benefits based on number of years that employees worked for PEA. PEA accounts these employee benefits by using projected unit credit method which calculated by the actuary.

3.17 Technology research and development fund

PEA establishes technology research and development fund, according to the policy of the Office of the National Economic and Social Development Board to continuously promote and support existing and new technology research and development in high efficiency manner. The fund aims to reduce the dependence and the importation of technology from abroad. Consequently, PEA enables to apply the results of research and development to PEA's operations in the highest efficiency. PEA has contributed from its budget as a funding for domestic education and research and development institutions and business units within PEA.

The contributions of technology research and development will be recognized as an expense when incurred.

3.18 Revenue recognition

Sales of electricity energy are recognized on a monthly basis as cycle time recording of electricity usage units from customers' electric meters.

Sales of electricity equipment are recognized when goods are delivered, and ownership is transferred to customers.

Income from constructions for electricity users is recognized in proportion of actual costs incurred.

Deferred contributions for construction is recognized as income at the rate of 5% per annum (equaled to depreciation rate of related assets).

Interest income is recognized on a time proportion basis using the effective yields of interest bearing assets.

3.19 Executive remuneration

Executive remuneration represents the compensation paid to directors and management who have the power to decide, both in monetary and remuneration benefit.

3.20 Financial costs

Financial costs represent costs incurred from seeking operational funds including interest expense and fee paid.

Interest and other expenses incurred on buildings, electricity generating and electricity distributing systems under construction related to long - term loans made specifically for the purpose of acquiring fixed assets are capitalized as costs of asset and related to long - term loans made general purpose are capitalized as part of the cost of that asset at the capitalization rate. Interest and other expenses incurred subsequent to the completion of construction are recognized as expenses in the statements of comprehensive income.

3.21 Related party transactions

Related party transactions are enterprises or individuals that control or are controlled, directly or indirectly by PEA, or are under common control with PEA, including associates and individuals who have directly or indirectly voting rights that result in significant influence PEA, executives, directors or employees and close member of that person's family is related to PEA's executives have control over PEA.

3.22 Use of judgments and significant accounting estimates

To prepare of financial statements in conformity with generally accepted accounting principles, management have to make estimates and several assumptions that affect amounts of revenues, expenses, assets and liabilities and disclosure contingent assets and liabilities. Actual results may differ from estimates such as allowance for doubtful accounts, allowance for obsolete materials and supplies and allowance for loss or misstated or lost materials.

3.23 Operating Segments

PEA presents operating segments by geographical segment information and based on PEA's internal management and financial reporting structure.

PEA has 5 geographical segment information which are northern, northeastern, central, southern areas and headquarter. Each area is responsible for distributing electricity in its own area. The headquarter is responsible for setting plans and policies as well as providing all necessary materials to the regional areas.

According to PEA accounting policies for operating segments, PEA recognizes its revenues based on the business areas. PEA also allocates its cost of sales to the regional areas based on actual cost occurred.

Operating income of each segment derives from total revenues deducted by cost of sales and operating expenses.

Assets of each regional area are those assets used in related operating activities.

Liabilities of each regional area are those liabilities used in related operating activities except accounts payable - electricity, long - term loans, accrued remittance to the Ministry of Finance and liabilities under financial leases which the headquarter does not allocate those items to the regional areas.

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4. Supplementary information

4.1 Cash and cash equivalents consist of:

Unit: Million Baht

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Cash	55.14	80.56	55.10	80.53
Cash at banks: - Current accounts	1.19	0.39	1.19	0.39
- Savings accounts	4,189.49	3,137.29	3,881.53	3,065.82
Total	4,245.82	3,218.24	3,937.82	3,146.74

4.2 Trade accounts receivable consist of:

Unit: Million Baht

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Accounts receivable from sales of electricity	29,982.64	30,656.56	29,982.64	30,656.56
Accounts receivable from sales of equipment and rendering of services	1,382.40	1,270.14	1,382.04	1,266.72
Total	31,365.04	31,926.70	31,364.68	31,923.28

4.2.1 Accounts receivable from sales of electricity are as follows:

Unit: Million Baht

	Consolidated and separate financial statements			
	Dec. 31, 2013			Dec. 31, 2012
	Public Sector	Private Sector	Total	Total
Outstanding period				
1 month - 6 months	4,052.15	27,375.30	31,427.45	32,088.05
Over 6 months - 1 year	291.47	166.77	458.24	713.32
Over 1 year	166.80	1,262.64	1,429.44	545.51
	4,510.42	28,804.71	33,315.13	33,346.88
<u>Less</u> Undue VAT from sales	289.57	1,868.85	2,158.42	2,162.96
	4,220.85	26,935.86	31,156.71	31,183.92
<u>Less</u> Allowance for doubtful accounts	-	1,174.07	1,174.07	527.36
Total	4,220.85	25,761.79	29,982.64	30,656.56

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4.2.2 Accounts receivable from sales of equipment and rendering of services are as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Receivables from sales and rendering of services	679.43	322.82	679.07	319.34
Receivables from construction obligations	775.41	959.39	775.41	959.39
Receivables from construction obligations due from TT&T PLC.	938.76	938.88	938.76	938.88
Other receivables	96.61	119.41	96.61	119.41
	2,490.21	2,340.50	2,489.85	2,337.02
<u>Less</u> Undue VAT from sales	162.56	152.16	162.56	152.10
	2,327.65	2,188.34	2,327.29	2,184.92
<u>Less</u> Allowance for doubtful accounts	945.25	918.20	945.25	918.20
Total	1,382.40	1,270.14	1,382.04	1,266.72

Receivables from construction obligations due from TT&T PLC. are receivables that were authorized by the Telephone Organization of Thailand to carry out business relating to obtaining permission to put up the distribution poles and lines, payment for expenses relating to such putting up, communicating and coordinating with PEA for expansion of the one million telephone lines within the provinces project.

As at December 31, 2013, receivables from construction obligations due from TT&T PCL. amounting to Baht 938.76 million include receivables from construction obligations amounting to Baht 877.35 million and undue output VAT from sales amounting to Baht 61.41 million, which PEA has made full provision of Baht 877.35 million.

PEA prosecuted the civil suit against the Telephone Organization of Thailand (currently, TOT Corporation Public Company Limited) in case of ignoring of making a payment and on November 1, 2001, the public prosecutor filed the accusation against the Telephone Organization of Thailand to the Civil Court as undecided case No. 5389/2544. Subsequently, on May 17, 2006, the Civil Court had an order No. 6554/2545 to the defendant (Telephone Organization of Thailand) to make a payment to the plaintiff (PEA) amounting to Baht 229.77 million with interest at the rate of 7.5% per annum of the principal of Baht 192.25 million from the date the Central Bankruptcy Court had an order to file for rehabilitation (May 5, 2000) onwards until full payment. And the Appeal Court had an order No. 11396/2553 to adjudge to dismiss the plaintiff's claim. Currently, the lawsuit is in the process of filing to the Supreme Court.

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4.3 Materials and supplies consist of:

	Unit: Million Baht	
	Consolidated and separate financial statements	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Materials and supplies		
Operating materials and supplies	735.11	703.76
Materials and supplies for construction and maintenance	654.85	626.90
Materials and supplies for repair	1,278.81	1,262.82
Demolition materials and supplies, and obsolete materials and supplies	203.07	197.02
Materials and supplies pending for adjustments	85.68	80.63
	<u>2,957.52</u>	<u>2,871.13</u>
Materials and supplies in transit	10.00	15.71
	<u>2,967.52</u>	<u>2,886.84</u>
<u>Less</u> Allowance for obsolete materials and supplies	11.52	6.54
Allowance for loss or misstated or lost materials and supplies under investigation	85.67	80.63
Total	<u><u>2,870.33</u></u>	<u><u>2,799.67</u></u>

For the years ended December 31, 2013 and 2012, PEA had recognized expenses (decrease in expenses) amounting to Baht 10.02 million and Baht (5.80) million, respectively.

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4.4 Special – purpose deposits at financial institutions consist of:

Unit: Million Baht

Consolidated and separate financial statements

	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Electricity usage guarantee fund (Note 4.21)		
Current accounts	0.001	0.001
Savings accounts	0.012	0.013
Fixed deposits	<u>20,177.05</u>	<u>17,192.56</u>
	<u>20,177.06</u>	<u>17,192.57</u>
Sinking fund for repayment of bonds		
Current accounts	0.001	0.001
Savings accounts	463.45	107.83
Fixed deposits	<u>5,110.00</u>	<u>-</u>
	<u>5,573.45</u>	<u>107.83</u>
Interest from electricity usage guarantee		
Current accounts	0.001	0.001
Savings accounts	1.67	1.42
Fixed deposits	<u>2,167.97</u>	<u>1,536.88</u>
	<u>2,169.64</u>	<u>1,538.30</u>
Interest from KFW Fund		
Current accounts	0.002	0.002
Savings accounts	22.08	12.60
Fixed deposits	<u>132.21</u>	<u>132.21</u>
	<u>154.29</u>	<u>144.81</u>
Subsidy from Energy Conservation Policy from the Energy Policy and Planning Office and other governmental agencies		
Savings accounts	<u>1.05</u>	<u>4.38</u>
	<u>1.05</u>	<u>4.38</u>
PEA fund for guarantee of employees' loans		
Savings accounts	<u>0.23</u>	<u>0.005</u>
	<u>0.23</u>	<u>0.005</u>
Total	<u><u>28,075.72</u></u>	<u><u>18,987.89</u></u>

Electricity usage guarantee fund and sinking fund for repayment of bonds are deposits at financial institutions that can be used in PEA's activities in case of PEA having deficits in working capital. Interest from electricity usage guarantee, interest from KFW Fund, subsidy from Energy Conservation Policy from the Energy Policy and Planning Office and PEA fund for guarantee of employees' loans are deposits at financial institutions which are restricted for specific purposes as determined by PEA.

Sinking fund for repayment of bonds is used as PEA guarantee for repayment of bonds at the maturity date. PEA will periodically deposit to the account for repayment of bonds with maturity period within 3 years.

4.5 Accrued revenues consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Accrued interest	780.96	717.85	780.96	717.85
Accrued revenues from the Power Development Fund	3,534.34	3,445.09	3,534.34	3,445.09
Other accrued revenues	169.58	163.25	171.00	163.25
Total	4,484.88	4,326.19	4,486.30	4,326.19

4.6 Other current assets consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Employee receivables	91.51	75.69	91.51	75.52
Other receivables	1,119.90	919.87	1,119.28	919.32
Prepaid expenses	50.16	25.67	49.75	25.26
Suspense accounts	55.74	37.84	55.74	37.84
Withholding income tax	0.13	0.10	-	-
Total	1,317.44	1,059.17	1,316.28	1,057.94

4.7 Investment in subsidiary

Investment in subsidiary represented an investment in PEA Encom International Company Limited. The Company registered in Thailand with a purpose of investing in electricity-related businesses and conducting training services concerning electricity systems and other private organizations both domestically and internationally. PEA acquired its shareholding of 100%. The investment in subsidiary is accounted using the cost method.

PEA's Board of Directors had the resolution of the meeting No. 8/2012 and No. 4/2013 on August 22, 2012 and April 24, 2013, respectively, approved to increase authorized share capital of Baht 347.38 million. PEA already paid the additional authorized share capital of Baht 244.88 million on November 22, 2013.

As at December 31, 2013 and 2012, Investment in subsidiary amounting to Baht 344.88 million and Baht 100 million, respectively.

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4.8 Investment property

As at December 31, 2013, investment property consist of:

Unit: Million Baht

	Consolidated and separate financial statements			
	Cost			Ending balance as at Dec. 31, 2013
	Beginning balance as at Jan. 1, 2013	Additions	Decreases	
Land and land improvements	693.45	-	621.03	72.42
Total	693.45	-	621.03	72.42

As at December 31, 2012, investment property consist of:

Unit: Million Baht

	Consolidated and separate financial statements			
	Cost			Ending balance as at Dec. 31, 2012
	Beginning balance as at Jan. 1, 2012	Additions	Decreases	
Land and land improvements	541.98	151.47	-	693.45
Total	541.98	151.47	-	693.45

As at December 31, 2013 and 2012, according to the Treasury department, investment property have total fair value of Baht 289.53 million and Baht 1,280.04 million, respectively.

PEA has land rental income for the years ended December 31, 2013 and 2012, amounting to Baht 2.90 million and Baht 2.16 million, respectively. The costs of land for rent are Baht 42.73 million and Baht 43.68 million, respectively.

4.9 Property, plant and equipment

As at December 31, 2013, property, plant and equipment consist of:

Consolidated financial statements										Unit: Million Baht
Beginning balance as at Jan. 1, 13	Cost			Accumulated depreciation			Allowance for impairment		Property, plant and equipment as at Dec. 31, 13	
	Ending balance as at Dec. 31, 13	Additions	Decreases	Beginning balance as at Jan. 1, 13	Additions	Decreases	Ending balance as at Dec. 31, 13	Beginning balance as at Jan. 1, 13		Decreases
9,108.27	1,142.56	0.80		905.28	96.61	0.42	1,001.47	-	-	9,248.56
12,637.76	658.61	12.88		3,919.05	402.50	6.05	4,315.50	-	-	8,967.99
2,120.00	95.48	21.23		751.74	99.06	18.75	832.05	-	-	1,362.20
330,423.36	26,513.05	1,592.66		152,488.04	13,540.01	1,225.05	164,803.00	-	-	190,540.75
15,512.59	1,784.22	298.82		16,997.99	8,099.87	297.75	9,062.00	-	-	7,935.99
7,364.00	715.90	94.33		7,985.57	303.57	93.32	6,570.96	-	-	1,414.61
377,165.98	30,909.82	2,020.72		172,524.69	15,701.63	1,641.34	186,584.98	-	-	219,470.10

Separate financial statements										Unit: Million Baht
Beginning balance as at Jan. 1, 13	Cost			Accumulated depreciation			Allowance for impairment		Property, plant and equipment as at Dec. 31, 13	
	Ending balance as at Dec. 31, 13	Additions	Decreases	Beginning balance as at Jan. 1, 13	Additions	Decreases	Ending balance as at Dec. 31, 13	Beginning balance as at Jan. 1, 13		Decreases
9,108.27	1,142.56	0.80		905.28	96.61	0.42	1,001.47	-	-	9,248.56
12,637.76	658.61	12.88		3,919.05	402.50	6.05	4,315.50	-	-	8,967.99
2,120.00	95.48	21.23		751.74	99.06	18.75	832.05	-	-	1,362.20
330,423.36	26,513.05	1,592.66		152,488.04	13,540.01	1,225.05	164,803.00	-	-	190,540.75
15,512.10	1,784.04	298.82		16,997.32	8,099.69	297.75	9,061.70	-	-	7,935.62
7,364.00	715.90	94.33		7,985.57	303.57	93.32	6,570.96	-	-	1,414.61
377,165.49	30,909.64	2,020.72		172,524.51	15,701.51	1,641.34	186,584.68	-	-	219,469.73

As at December 31, 2012, property, plant and equipment consist of:

Consolidated financial statements											Unit: Million Baht
	Cost			Accumulated depreciation			Allowance for impairment		Property, plant and equipment as at	Dec. 31, 12	
	Beginning balance as at Jan. 1, 12	Additions	Decreases	Ending balance as at Dec. 31, 12	Beginning balance as at Jan. 1, 12	Additions	Decreases	Ending balance as at Dec. 31, 12			
											Dec. 31, 12
Land and land improvements	8,762.48	359.04	13.25	9,108.27	813.93	92.24	0.89	905.28	-	8,202.99	
Buildings and constructions	11,939.53	714.55	16.32	12,637.76	3,550.15	380.98	12.08	3,919.05	-	8,718.71	
Electricity generating systems	2,033.56	94.87	8.43	2,120.00	669.83	90.31	8.40	751.74	-	1,368.26	
Electricity distributing systems	309,374.81	22,942.74	1,894.19	330,423.36	141,774.75	13,051.82	2,338.53	152,488.04	15.96	177,935.32	
Furniture and tools	14,532.58	1,221.42	241.41	15,512.59	7,316.64	1,025.21	241.98	8,099.87	0.22	7,412.72	
Vehicles	7,424.89	54.21	115.10	7,364.00	6,211.19	262.92	113.40	6,360.71	-	1,003.29	
Total	354,067.85	25,386.83	2,288.70	377,165.98	160,336.49	14,903.48	2,715.28	172,524.69	16.18	204,641.29	

Separate financial statements											Unit: Million Baht
	Cost			Accumulated depreciation			Allowance for impairment		Property, plant and equipment as at	Dec. 31, 12	
	Beginning balance as at Jan. 1, 12	Additions	Decreases	Ending balance as at Dec. 31, 12	Beginning balance as at Jan. 1, 12	Additions	Decreases	Ending balance as at Dec. 31, 12			
											Dec. 31, 12
Land and land improvements	8,762.48	359.04	13.25	9,108.27	813.93	92.24	0.89	905.28	-	8,202.99	
Buildings and constructions	11,939.53	714.55	16.32	12,637.76	3,550.15	380.98	12.08	3,919.05	-	8,718.71	
Electricity generating systems	2,033.56	94.87	8.43	2,120.00	669.83	90.31	8.40	751.74	-	1,368.26	
Electricity distributing systems	309,374.81	22,942.74	1,894.19	330,423.36	141,774.75	13,051.82	2,338.53	152,488.04	15.96	177,935.32	
Furniture and tools	14,532.09	1,221.42	241.41	15,512.10	7,316.56	1,025.11	241.98	8,099.69	0.22	7,412.41	
Vehicles	7,424.89	54.21	115.10	7,364.00	6,211.19	262.92	113.40	6,360.71	-	1,003.29	
Total	354,067.36	25,386.83	2,288.70	377,165.49	160,336.41	14,903.38	2,715.28	172,524.51	16.18	204,640.98	

As of December 31, 2012, PEA had written off the damaged assets from flooding comprising cost of assets Baht 52.87 million and accumulated depreciation Baht 36.69 million.

Fixed assets that are fully depreciated but are continuing use for PEA and its subsidiary as at December 31, 2013 and 2012, are Baht 0.44 million and Baht 0.41 million, respectively.

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4.10 Constructions in progress

As at December 31, 2013 constructions in progress consist of:

Unit: Million Baht

	Consolidated and separate financial statements			
	Beginning	Additions	Decreases	Ending
	balance as at			balance as at
	Jan. 1, 2013	Dec. 31, 2013		
Constructions in Progress				
- PEA capital budget	31,610.86	14,477.03	21,025.21	25,062.68
- Partially funded by electricity users	3,034.43	6,320.20	4,884.86	4,469.77
- Funded by interest from electricity usage guarantee	28.04	0.28	28.21	0.11
Total	<u>34,673.33</u>	<u>20,797.51</u>	<u>25,938.28</u>	<u>29,532.56</u>

As at December 31, 2012 constructions in progress consist of:

Unit: Million Baht

	Consolidated and separate financial statements			
	Beginning	Additions	Decreases	Ending
	balance as at			balance as at
	Jan. 1, 2012	Dec. 31, 2012		
Constructions in Progress				
- PEA capital budget	30,344.25	19,524.53	18,257.92	31,610.86
- Partially funded by electricity users	2,536.78	4,970.98	4,473.33	3,034.43
- Funded by interest from electricity usage guarantee	4.39	24.22	0.57	28.04
Total	<u>32,885.42</u>	<u>24,519.73</u>	<u>22,731.82</u>	<u>34,673.33</u>

4.11 Intangible assets

As at December 31, 2013, intangible assets consist of:

Consolidated financial statements										Unit: Million Baht
Beginning balance as at	Cost			Accumulated amortization			Ending balance as at	Intangible assets as at		
	Jan. 1, 13	Additions	Decreases	Dec. 31, 13	Jan. 1, 13	Additions				Decreases
2,587.57	295.96	3.39		2,880.14	1,733.23	479.83	3.45	2,209.61	670.53	
2,675.22	650.29	-		3,325.51	594.49	698.91	-	1,293.40	2,032.11	
5,262.79	946.25	3.39		6,205.65	2,327.72	1,178.74	3.45	3,503.01	2,702.64	
Computer software licenses										
Computer software systems for core business										
Total										

Separate financial statements										Unit: Million Baht
Beginning balance as at	Cost			Accumulated amortization			Ending balance as at	Intangible assets as at		
	Jan. 1, 13	Additions	Decreases	Dec. 31, 13	Jan. 1, 13	Additions				Decreases
2,587.57	295.91	3.39		2,880.09	1,733.23	479.82	3.45	2,209.60	670.49	
2,675.22	650.29	-		3,325.51	594.49	698.91	-	1,293.40	2,032.11	
5,262.79	946.20	3.39		6,205.60	2,327.72	1,178.73	3.45	3,503.00	2,702.60	
Computer software licenses										
Computer software systems for core business										
Total										

As at December 31, 2012, intangible assets consist of:

Consolidated and separate financial statements										Unit: Million Baht
Beginning balance as at	Cost			Accumulated amortization			Ending balance as at	Intangible assets as at		
	Jan. 1, 12	Additions	Decreases	Dec. 31, 12	Jan. 1, 12	Additions				Decreases
2,303.87	289.07	5.37		2,587.57	1,376.34	362.26	5.37	1,733.23	854.34	
-	2,675.22	-		2,675.22	-	594.49	-	594.49	2,080.73	
2,303.87	2,964.29	5.37		5,262.79	1,376.34	956.75	5.37	2,327.72	2,935.07	
Computer software licenses										
Computer software systems for core business										
Total										

Intangible assets that are fully amortized but are continuing use for PEA and its subsidiary as at December 31, 2013 and 2012, are approximately Baht 0.002 million

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4.12 Other non – current assets consist of:

Unit: Million Baht

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Employee receivables	54.64	57.21	54.64	57.21
Deferred expenses	10.09	10.03	10.09	10.03
Retentions and deposits	2.02	0.62	1.97	0.57
PEA employee gratuity fund				
Cash	0.004	0.004	0.004	0.004
Current accounts	0.011	0.011	0.011	0.011
Savings accounts	0.77	2.28	0.77	2.28
Fixed deposits	20.00	23.44	20.00	23.44
Total	<u>87.53</u>	<u>93.60</u>	<u>87.48</u>	<u>93.55</u>

4.13 Trade accounts payable consist of:

Unit: Million Baht

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Accounts payable - electricity	31,040.24	32,811.66	31,040.24	32,811.66
Accounts payable - domestic	534.10	550.07	533.81	547.43
Accounts payable - foreign	0.03	-	0.03	-
Accounts payable - unbilled	760.14	1,007.39	760.14	1,007.39
Total	<u>32,334.51</u>	<u>34,369.12</u>	<u>32,334.22</u>	<u>34,366.48</u>

Consolidated and separate financial statements as at December 31, 2013 and 2012, suspense payables – unbilled amounting to Baht 760.14 million and Baht 1,007.39 million, respectively, represent payables for goods or services received but not recorded as accounts payable.

4.14 Long – term loans are as follows:

Unit: Million Baht

Consolidated and separate financial statements

Type of loans	Repayment terms	Currency	Fixed interest rate per contract (%)	Dec. 31, 2013	Dec. 31, 2012
Domestic loans					
- Financial institutions	2003 – 2014	Baht	2.45 *	282.72	719.24
- Ministry of Finance	1988 – 2031	Canadian Dollar	Interest free	333.33	354.09
	2013 – 2023	Baht	3.6675 **	3,325.00	-
- Bonds	2003 – 2028	Baht	2.57 – 6.84	74,291.00	67,773.00
Total domestic loans				<u>78,232.05</u>	<u>68,846.33</u>
Foreign loans					
- Financial institutions	2003 - 2013	Yen	2.20 - 2.70	-	4,486.09
	1993 - 2020	Euro	2.00	710.23	743.13
	2007 - 2023	Euro	8.00 ***	442.99	439.26
Total foreign loans				<u>1,153.22</u>	<u>5,668.48</u>
Total long - term loans				<u>79,385.27</u>	<u>74,514.81</u>
Less Current portion				<u>7,395.86</u>	<u>7,540.23</u>
Total				<u><u>71,989.41</u></u>	<u><u>66,974.58</u></u>

* Thanachart Bank Public Company Limited, borrowing interest rate equals to three - month fixed deposit interest rate for personal plus 0.7% per annum.

** Borrowing interest rate equals to reference interest rate (average minimum six - month fixed deposit rate for personal during seven days of Bangkok Bank Public Company Limited, KrungThai Bank Public Company Limited, Kasikom Bank Public Company and Siam Commercial Bank Public Company Limited plus 1.68% per annum).

*** Borrowing interest rate of 8% per annum under the contract included interest expense that PEA paid to KFW fund at the rate of 6% per annum.

PEA used loan borrowed to construct building, electricity generating and electricity distribution system related to loans made specific purpose are capitalized as cost of assets with interest rates of 2.20% – 6.84% per annum.

Interest expense on loans for the years 2013 and 2012, amounting to Baht 3,524.17 million and Baht 3,372.47 million, respectively, were capitalized as cost of construction in progress amounting to Baht 259.40 million and Baht 354.57 million and were recognized as expenses in the Statements of Comprehensive Income for Baht 3,264.77 million and Baht 3,017.90 million, respectively.

4.15 Financial lease liabilities

PEA has leased the computer software systems for core business and payment, print electricity bill and receipt systems which has the present value of the minimum payment amount as follow:

		Unit: Million Baht	
		Consolidated and separate financial statements	
		Dec. 31, 2013	Dec. 31, 2012
Less than 1 year		1,153.20	1,347.73
Over 1 year but less than 5 years		1,526.30	1,844.27
		2,679.50	3,192.00
<u>Less</u> Deferred interest under financial lease		231.89	322.10
		2,447.61	2,869.90
<u>Less</u> Current portion of liabilities under financial leases		1,024.31	1,208.83
Liabilities under financial leases		1,423.30	1,661.07

As at December 31, 2013, liabilities under financial leases amounting to Baht 2,447.61 million consisting of liabilities under financial leases Baht 2,371.91 million and Interest (unpaid) Baht 75.70 million.

4.16 Deposits payable consist of:

		Unit: Million Baht	
		Consolidated and separate financial statements	
		Dec. 31, 2013	Dec. 31, 2012
Accrued remittance to the Power Development Fund		317.30	1,114.94
Pending repayment electricity usage guarantee		183.13	169.51
Other deposits payable		131.11	117.67
Total		631.54	1,402.12

4.17 Other current liabilities consist of:

		Unit: Million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Unearned revenues		100.96	158.69	100.76	158.48
Retentions and deposits		302.27	243.09	302.27	243.09
Suspense accounts		413.18	565.25	413.18	565.25
Inter – account between PEA and SAT		0.82	2.27	0.82	2.27
Provisions		0.02	0.56	0.02	0.56
Total		817.25	969.86	817.05	969.65

4.18 Long – term provisions

Consolidated and separate financial statements as at December 31, 2013 and 2012, amounting to Baht 8.07 million and Baht 25.34 million, respectively, represent the provisions that PEA was filed in litigation as a defendant, which PEA assessed the status of the lawsuits and estimated that 18 lawsuits and 17 lawsuits, respectively.

4.19 Construction obligations

Consolidated and separate financial statements as at December 31, 2013 and 2012, amounting to Baht 8,990.89 million and Baht 7,519.21 million, respectively, represent the obligations for PEA to expand the electricity distribution areas for electricity users which the electricity users fully or partially funded the construction costs. The ownership of the assets belongs to PEA.

4.20 Deferred revenues consist of:

	Unit: Million Baht	
	Consolidated and separate financial statements	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Contributions for construction	34,551.86	32,576.08
Deferred revenues from donated assets	1,483.76	1,361.54
Total	<u><u>36,035.62</u></u>	<u><u>33,937.62</u></u>

4.21 Electricity usage guarantee represent cash received from electricity users to guarantee their electricity usage, which are deposited at financial institutions and used as working capital, is as follows:

	Unit: Million Baht	
	Consolidated and separate financial statements	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Electricity usage guarantee (Note 4.4)	20,177.06	17,192.57
Electricity usage guarantee - used as PEA's working capital	-	1,200.00
Electricity usage guarantee - additional deposits by PEA	138.61	129.16
Total	<u><u>20,315.67</u></u>	<u><u>18,521.73</u></u>

As at December 31, 2012, electricity usage guarantee - used as PEA's working capital was Baht 1,200 million approved by the Board of Directors of PEA by paying a return to the fund at the same interest rate established by Krung Thai Bank Public Company Limited for savings account of state enterprises (currently interest rate of 0.25% - 0.5% per annum) by depositing in the Interest from Electricity Usage Guarantee account on a monthly basis. The principal is payable by depositing in the Electricity Usage Guarantee account not less than Baht 100 million each month.

4.22 Employee gratuity fund

As at December 31, 2013 and 2012, employee gratuity fund are as follows:

	Unit: Million Baht	
	Consolidated and separate financial statements	
	Dec. 31, 2013	Dec. 31, 2012
Beginning balance	20.80	26.83
<u>Add</u> Contributions during the year	0.77	1.02
Payments for shortage from PEA	0.99	1.19
Excess of revenues over expenses for the year	0.67	0.77
	<u>23.23</u>	<u>29.81</u>
<u>Less</u> Payments to employees and provident fund	5.66	8.24
Repayments for surplus of the gratuity fund over obligations	0.67	0.77
Ending balance of fund equal to obligations to be paid to resigned or retired employees	<u>16.90</u>	<u>20.80</u>

4.23 Employee benefit obligations

Employee benefits of PEA and its subsidiary consist of post - employment include defined contribution plans (provident fund), defined benefit plans and other long - term employee benefits according to the State Enterprise Labor Relations Act, B.E. 2543 (2000).

As at December 31, 2013 and 2012, employee benefit obligations are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Post – employment benefits under defined benefit plans				
Retirement pension	8,892.53	7,803.95	8,892.28	7,803.85
Souvenir when retired	130.35	156.91	130.35	156.91
Vacation leave remains when retired	889.28	780.47	889.28	780.47
<u>Total post – employment benefits under defined benefit plans</u>	<u>9,912.16</u>	<u>8,741.33</u>	<u>9,911.91</u>	<u>8,741.23</u>
Other long – term employee benefits				
Souvenir due to working for long time	83.70	159.27	83.70	159.27
<u>Total other long – term employee benefits</u>	<u>83.70</u>	<u>159.27</u>	<u>83.70</u>	<u>159.27</u>
<u>Total</u>	<u>9,995.86</u>	<u>8,900.60</u>	<u>9,995.61</u>	<u>8,900.50</u>

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Post – employment benefits under defined benefit plans and other long – term employee benefits in the statements of comprehensive income as at December 31, 2013 and 2012, are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Current service costs	424.29	376.98	424.15	376.88
Interest on obligations	400.53	386.03	400.52	386.03
Actuarial losses	781.92	202.71	781.92	202.71
Total	1,606.74	965.72	1,606.59	965.62

Movement in the present value of provisions for employee benefits for the year ended December 31, 2013 and 2012, are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Beginning balance of provision for employee benefits	8,900.60	8,578.40	8,900.50	8,578.40
Current service costs	424.29	376.98	424.15	376.88
Interest on obligations	400.53	386.03	400.52	386.03
Actual cost	(511.48)	(643.52)	(511.48)	(643.52)
Actuarial losses	781.92	202.71	781.92	202.71
Ending balance of provision for employee benefits	9,995.86	8,900.60	9,995.61	8,900.50

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Actuarial assumptions for the calculation of provisions under post – employment benefits plan as at December 31, 2013 and 2012, are as follows:

	Consolidated and Separate financial statements	
	Dec. 31, 2013 (percentage)	Dec. 31, 2012 (percentage)
Discount rate	4.00	4.50
Future salary incremental rate	7.50	7.50
Employee turnover rate	0.29	0.33

Post – employment benefits under defined contribution plans, PEA has established the provident fund. The fund is monthly contributed by employees and by PEA. PEA registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987).

For the year ended December 31, 2013 and 2012, PEA contributed to the provident fund amounting to Baht 1,332.41 million and Baht 1,307.55 million, respectively.

4.24 Executives' remunerations consists of:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Directors' remunerations	29.22	18.46	28.00	16.70
Management's remunerations	106.97	101.87	106.97	101.87
Total	136.19	120.33	134.97	118.57

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4.25 Operational results

4.25.1 Operating results for the years ended December 31, 2013 and 2012, are as follows:

Unit: Million Baht

Consolidated financial statements

	Dec. 31, 2013	Dec. 31, 2012	Increase (Decrease)	Percentage
Operating revenues	431,350.78	385,839.13	45,511.65	11.80
Cost of sales and services	384,925.94	347,528.17	37,397.77	10.76
Gross profit	46,424.84	38,310.96	8,113.88	21.18
Administrative expenses	19,309.43	17,362.44	1,946.99	11.21
Selling expenses	5,105.52	4,958.94	146.58	2.96
Directors' remuneration	136.19	120.33	15.86	13.18
Operating income	21,873.70	15,869.25	6,004.45	37.84
Other revenues	2,721.83	2,329.05	392.78	16.86
Other expenses	72.98	-	72.98	100.00
Financial costs	3,456.39	3,234.15	222.24	6.87
Income for the year	21,066.16	14,964.15	6,102.01	40.78

In the year 2013, PEA and its subsidiary have income for the year of Baht 21,066.16 million which increased from the same period of prior year by Baht 6,102.01 million. The increase is attributable to increase in operating income by Baht 6,004.45 million, increase in other revenues by Baht 392.78 million, increase in other expenses by Baht 72.98 million and increase in financial costs by Baht 222.24 million.

Unit: Million Baht

Separate financial statements

	Dec. 31, 2013	Dec. 31, 2012	Increase (Decrease)	Percentage
Operating revenues	431,349.71	385,836.91	45,512.80	11.80
Cost of sales and services	384,923.59	347,525.61	37,397.98	10.76
Gross profit	46,426.12	38,311.30	8,114.82	21.18
Administrative expenses	19,301.37	17,350.57	1,950.80	11.24
Selling expenses	5,105.52	4,958.94	146.58	2.96
Directors' remuneration	134.97	118.57	16.40	13.83
Operating income	21,884.26	15,883.22	6,001.04	37.78
Other revenues	2,720.49	2,326.25	394.24	16.95
Other expenses	72.98	-	72.98	100.00
Financial costs	3,456.39	3,234.15	222.24	6.87
Income for the year	21,075.38	14,975.32	6,100.06	40.73

In the year 2013, PEA has income of Baht 21,075.38 million which increased from the same period of prior year by Baht 6,100.06 million. The increase is attributable to increase in operating income by Baht 6,001.04 million, increase in other revenues by Baht 394.24 million, increase in other expenses by Baht 72.98 million and increase in financial costs by Baht 222.24 million.

The National Telecommunications Commission allowed PEA to run telecommunication business (fiber optic) since March 1, 2007. In the year 2013, PEA had revenue from telecommunication business amounting to Baht 277.24 million which was included in other operating revenues.

According to the resolution of Energy Regulatory Commission No. ERC 5502/3289.2 on July 31, 2012, agreed on refunding interest from electricity usage guarantee to PEA customers who paid the deposit in cash annually at the annual average interest rate of Krung Thai Bank Public Company Limited for savings account of state enterprises for medium general services, large general services and specific business. The customers who discontinued using the electricity during the year would not receive this benefit. In the year 2013, PEA has refunded the benefit to the customers amounting to Baht 21.81 million and accounts as other expenses.

4.25.2 Transaction classified by expense characteristics.

Some transactions included in the statements of comprehensive income for the years ended December 31, 2013 and 2012 classified by expense characteristics are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Depreciation of property, plant and equipment	15,593.03	14,035.84	15,592.91	14,035.74
Amortization of intangible assets	1,178.68	956.77	1,178.67	956.77
Impairment losses of assets	-	(16.18)	-	(16.18)
Employee expenses	22,513.82	21,792.02	22,508.43	21,789.21

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4.26 Financial Information of Operating Segments

4.26.1 Statements of Financial position of operating segments are as follows:

Information from statements of financial position	North			Northeast			Central			South			Headquarter			Unit: Million Baht financial statements		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	
Trade accounts receivable	4,734.14	5,216.05	4,414.41	4,348.02	16,653.99	16,965.77	5,328.50	5,179.84	234.00	217.02	31,365.04	31,926.70						
Other current assets	1,052.14	1,258.35	1,380.56	1,668.47	1,140.42	1,076.52	852.10	870.95	39,883.50	29,304.23	44,308.72	34,178.52						
Property, plant and equipment	46,400.35	44,479.06	47,560.55	43,998.36	67,610.06	63,811.43	55,015.05	49,917.72	2,884.09	2,434.72	219,470.10	204,641.29						
Other non - current assets	6,263.51	6,006.10	5,748.44	7,082.75	10,220.55	11,503.57	5,827.02	8,439.00	4,335.63	5,364.03	32,395.15	38,395.45						
Total Assets	58,450.14	56,959.56	59,103.96	57,097.60	95,625.02	93,357.29	67,022.67	64,407.51	47,337.22	37,320.00	327,539.01	309,141.96						
Current Liabilities	39,474.38	38,551.31	45,049.55	44,279.28	(88,442.55)	(60,735.12)	23,879.69	24,531.29	36,233.49	12,223.65	56,194.56	58,850.41						
Long - term loans									71,989.41	66,974.57	71,989.41	66,974.57						
Other non - current liabilities	14,730.52	13,551.85	16,865.09	15,137.83	26,752.51	24,334.15	15,740.27	14,567.83	3,181.05	3,341.58	77,269.44	70,933.24						
Total liabilities	54,204.90	52,103.16	61,914.64	59,417.11	(61,690.04)	(36,400.97)	39,619.96	39,099.12	111,403.95	82,539.80	205,453.41	196,758.22						
Equity	4,245.24	4,856.40	(2,810.68)	(2,319.51)	157,315.06	129,758.26	27,402.71	25,308.39	(64,066.73)	(45,219.80)	122,085.60	112,383.74						
Total liabilities and equity	58,450.14	56,959.56	59,103.96	57,097.60	95,625.02	93,357.29	67,022.67	64,407.51	47,337.22	37,320.00	327,539.01	309,141.96						

(TRANSLATION)

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4.2.6.2 Statements of comprehensive income of operating segments are as follows:

	North			Northeast			Central			South			Headquarter			Unit: Million Baht Consolidated		
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	
Information from statements																		
of financial position																		
Sales of electricity energy	60,780.73	54,353.08	63,240.94	55,754.69	222,666.63	199,756.12	72,199.64	65,324.51	-	-	-	-	-	-	418,887.94	375,188.40		
Other operating revenues	2,683.31	2,303.37	2,940.37	2,344.09	3,937.74	3,638.81	2,755.00	2,242.00	146.42	122.46	146.42	122.46	122.46	122.46	12,462.84	10,650.73		
Other revenues	111.06	100.40	194.58	108.07	307.26	126.22	121.56	13.37	1,987.38	1,980.99	1,987.38	1,980.99	1,980.99	1,980.99	2,721.84	2,329.05		
Total revenues	63,575.10	56,756.85	66,375.89	58,206.85	226,911.63	203,521.15	75,076.20	67,579.88	2,133.80	2,103.45	2,133.80	2,103.45	2,103.45	2,103.45	434,072.62	388,168.18		
Cost of sales and services	58,912.13	53,382.97	61,817.37	55,483.04	194,660.03	175,531.26	68,860.87	62,502.97	675.54	627.92	675.54	627.92	627.92	627.92	384,925.94	347,528.16		
Administrative expenses	3,857.50	3,162.41	3,388.43	3,099.87	3,340.09	3,100.03	2,929.34	2,637.72	5,794.07	5,362.41	5,794.07	5,362.41	5,362.41	5,362.41	19,309.43	17,362.44		
Selling expenses	1,240.00	1,211.22	1,465.61	1,435.30	1,183.10	1,156.50	1,001.52	967.27	215.29	188.65	215.29	188.65	188.65	188.65	5,105.52	4,958.94		
Executive remuneration	6.24	6.33	6.89	5.99	7.02	6.31	6.17	6.32	109.87	95.39	109.87	95.39	95.39	95.39	136.19	120.34		
Other expenses	1.90	-	13.15	-	2.69	-	52.11	-	3.14	-	3.14	-	-	-	72.99	-		
Financial costs	-	-	-	(0.07)	-	(5.71)	(0.01)	0.01	3,456.40	3,239.92	3,456.40	3,239.92	3,239.92	3,239.92	3,456.39	3,234.15		
Total expenses	64,017.77	57,762.93	66,691.45	60,024.13	199,192.93	179,788.39	72,850.00	66,114.29	10,254.31	9,514.29	10,254.31	9,514.29	9,514.29	9,514.29	413,006.46	373,204.03		
Income (loss) for the year	(442.67)	(1,006.08)	(315.56)	(1,817.28)	27,718.70	23,732.76	2,226.20	1,465.59	(8,120.51)	(7,410.84)	(8,120.51)	(7,410.84)	(7,410.84)	(7,410.84)	21,066.16	14,964.15		
Other comprehensive income (loss)	(168.49)	(46.14)	(175.61)	(50.21)	(161.90)	(45.53)	(131.88)	(32.47)	(144.04)	(28.37)	(144.04)	(28.37)	(28.37)	(28.37)	(781.92)	(202.72)		
Total comprehensive income (loss) for the year	(611.16)	(1,052.22)	(491.17)	(1,867.49)	27,556.80	23,687.23	2,094.32	1,433.12	(8,264.55)	(7,439.21)	(8,264.55)	(7,439.21)	(7,439.21)	(7,439.21)	20,284.24	14,761.43		

7. Disclosure of financial instruments

7.1 Credit risk

Credit risk arises when accounts receivable do not comply with the terms and conditions of credit agreements, causing losses to PEA. Most of PEA's accounts receivable are juristic person and natural person, however, there has been no significant losses that affects PEA financial statements in the past. Therefore, it is assumed that PEA has no credit risk.

In case of financial assets recognition in the statements of financial position, book value of the assets is the maximum risk that PEA may experience.

7.2 Interest rate risk

Interest rate risk arises when interest rate changes and may negative effect on operations of PEA. However, most of PEA's loans have fixed interest rate and PEA loans are not significant amount except mentioned in Note 4.14

7.3 Foreign exchange rate risk

Foreign exchange rate risk arises when there is a change in foreign exchange rates and may affect current and following years of PEA and its subsidiary's financial position. However, most of PEA's transactions occur in Thai Baht therefore changes in foreign exchange rate do not have significant impact on PEA and its subsidiary's assets and liabilities that PEA owns in foreign currency.

7.4 Fair value of financial Instruments

PEA and its subsidiary estimate fair value by using following assumptions:

Cash and cash equivalents, Short - term investment, trade accounts receivable, bank overdrafts, short - term loans and trade accounts payable have book values approximate their fair value since they will be dued in short - term.

8. Contingent liabilities

As at December 31, 2013 and 2012, PEA was sued 84 cases and 72 cases, respectively with total capital funds Baht 18,734.62 million and Baht 59,850.42 million, respectively.

The cases PEA was filed in lawsuits partly are as follows:

- 1) PEA was filed in lawsuits due to lease computer software packages for the core business

Portalnet co., Ltd., authorized by SPIES, sued PEA to the Central Administrative Court on November 22, 2010, accordingly PEA has obligations for the lease computer software packages for Baht 1,868.71 million plus the interest at the rate of 7.5 percent per annum sued the next day onwards. The Central Administrative Court issued summons to PEA to submit the affidavit with evidence to the court. Later on, prosecutor, Administrative Court Office, Office of the Attorney General, is an authorized person to defend the administrative case, submit deposition to the Administrative Court. Currently the case is on the proceedings of the Central Administrative Court.