

**AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COSTS AND FOREIGN-EXCHANGE RELATED COSTS BY
THE NATIONAL POWER CORPORATION (NPC)***

Billing Period Covered: 26 January 2012 - 25 February 2012

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA _{pesos}	= Debt Service Adjustment
	= (FXn - FXo _{DSA}) x DSR + (FXn - FXo _{DSA}) x DSB/12
	= (42.6648 - 44.0494) x 22,119,199.15 + (42.6648 - 44.0494) x 359,889,521.11 /12
	= (72,151,495.72)
B. FxOpex _{pesos}	= Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
	= (FXn - FXo _{OPEX}) x FxOpex
	= 42.6648 - 41.7429 x 0.00
	= 0.0000
C. FxA _{pesos}	= Foreign Exchange-Related Cost Adjustment
	= DSA _{pesos} + FxOpex _{pesos} + OFxCA
	= (72,151,495.72) + 0.00 + 0.00
	= (72,151,495.72)
D. FX _{rate}	= $\frac{FxA_{pesos}}{Sales}$
	= (72,151,495.72)
	= 66,128,381.00
	= (1.0911)

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 January 2012 - 25 February 2012

Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM

*Applied Formula: (FXn(Previous Month) * Previous Month DSR) + (FXn(Previous Month) * Previous Month DSB/12)

Previous Month 5day Average before the 25th = PhP43.4038

Current Month FPPCA(pesos)	(72,151,495.72)
Less: Previous Month FXA (pesos)	(37,119,455.64)
Net	(35,032,040.08)
*Previous Month DSR + DSB	2,495,547,442.41
Percent Change	-1.40%

Previous Month FXA Rate	0.1950
Increase/Decrease	(0.0027)
Current Month FPP	0.1923

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{DSA}}) \times DSR + (FX_n - FX_{O_{DSA}}) \times DSB / 12$
 = $(42.6648 - 44.0494) \times 8,298,207.84 + (42.6648 - 44.0494) \times 12,459,248.72 / 12$
 = **(12,927,288.22)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{Opex}}) \times FxOpex$
 = $42.6648 - 41.7429 \times 0.00$
 = 0.0000

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
 = **(12,927,288.22)** + 0.00 + 0.00
 = **(12,927,288.22)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(12,927,288.22)}{198,498,543.00}$
 = **(0.0651)**

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 January 2012 - 25 February 2012	
Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM	
*Applied Formula: $(FX_n(\text{Previous Month}) * \text{Previous Month DSR}) + (FX_n(\text{Previous Month}) * \text{Previous Month DSB}/12)$	
Previous Month 5day Average before the 25th = PhP43.4038	
Current Month FPPCA(pesos)	(12,927,288.22)
Less: Previous Month FXA (pesos)	(964,099.17)
Net	(11,963,189.05)
*Previous Month DSR + DSB	64,816,554.59
Percent Change	-18.46%
Previous Month FXA Rate	0.0084
Increase/Decrease	(0.0016)
Current Month FPPCA Rate	0.0068

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{\text{DSA}}}) \times DSR + (FX_n - FX_{O_{\text{DSA}}}) \times DSB / 12$
 = $(42.6648 - 44.0494) \times 968,693.95 + (42.6648 - 44.0494) \times 11,960,663.82 / 12$
 = **(2,721,314.90)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{\text{Opex}}}) \times FxOpex$
 = $42.6648 - 41.7429 \times 0.00$
 = 0.00

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
 = **(2,721,314.90)** + 0.00 + 0.00
 = **(2,721,314.90)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(2,721,314.90)}{648,458,683.00}$
 = **(0.0042)**

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 January 2012 - 25 February 2012	
Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM	
*Applied Formula: $(FX_n(\text{Previous Month}) * \text{Previous Month DSR}) + (FX_n(\text{Previous Month}) * \text{Previous Month DSB} / 12)$	
Previous Month 5day Average before the 25th = PhP43.4038	
Current Month FPPCA(pesos)	(2,721,314.90)
Less: Previous Month FXA (pesos)	(773,171.27)
Net	(1,948,143.64)
*Previous Month DSR + DSB	51,980,438.41
Percent Change	-3.75%
Previous Month FXA Rate	0.0047
Increase/Decrease	(0.0002)
Current Month FPPCA Rate	0.0045

NOTES:

DSR = Actual Debt Service Payments (principal portion) for the month in US Dollar

DSB = Actual Bullet Service Payments for one (1) year in US Dollar

FxOpex = Foreign-related operating expenses in US Dollar

*The above calculation does not incorporate the OFxA as we are waiting for the decision in PSALM's response to ERC Case No. 2010-055MC

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