

**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 2016 - 25 February 2016

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 1,444,201,543.16 - 2,325,976,544.31 + 0.00
 = -881,775,001.14

$AFC^{2/}$ = $FCB \left(\frac{0.1751 Bn}{Bo} + \frac{0.0231 Dn}{Do} + \frac{0.1305 Cn}{Co} + \frac{0.2954 Sn^{3/}}{So} + \frac{0.3759 NGo}{NGo} \right)$
 = 1,444,201,543.16

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 3,944,122,008.75 - 3,153,371,686.48 + 0.00
 = 790,750,322.28

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPIn^{3/}}{USCPlo} \right) \right] \frac{FXn}{Fxo} + \frac{0.3 CPIn^{3/}}{CPlo} \right\}$
 = $3,153,371,686.48 \left\{ \left[0.40 + \left(\frac{0.3 \times 236.916}{210.036} \right) \right] \frac{47.6270}{41.7429} \right\} + \frac{0.3 \times 142.90}{105.0}$
 = 3,944,122,008.75

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = -881,775,001.14 + 790,750,322.28
 = -91,024,678.87

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{-91,024,678.87}{29,443,791.00}$
 = (3.0915)

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST

Billing Period Covered: 26 January 2016 - 25 February 2016

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

Current Month FPPCA(pesos)	-91,024,678.87
Less: Previous Month FPPCA (pesos)	-37,081,052.83
Net	<u>-53,943,626.04</u>
Divide by Previous Month AFC + APPC (pesos)	<u>5,442,267,177.96</u>
Percent Change	-0.99%
Previous Month FPPCA Rate	0.3709
Increase/Decrease	<u>(0.0037)</u>
Current Month FPPCA Rate	0.3672

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 $= AFC - FCB + OFCA^{1/}$
 $= 275,036,673.06 \quad - \quad 486,642,765.00 \quad + \quad 0.00$
 $= -211,606,091.94$

$AFC^{/2} = FCB \left(\frac{0.2041 Bn}{Bo} + \frac{0.0998 Dn}{Do} + \frac{0.5782 Cn}{Co} + \frac{0.1179 Sn^{3/}}{So} + \frac{0.00 NGn}{NGo} \right)$

$= 275,036,673.06$

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 $= APPC - PPCB + OPPCA^{1/}$
 $= 896,378,491.16 \quad - \quad 716,665,090.00 \quad + \quad 0.00$
 $= 179,713,401.16$

$APPC = PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \left[\frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right] \right\}$
 $= 716,665,090.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 236.916}{210.036} \right) \right] \left[\frac{47.6270}{41.7429} \right] + \frac{0.3 \times 142.90}{105.0} \right\}$

$= 896,378,491.16$

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 $= -211,606,091.94 \quad + \quad 179,713,401.16$
 $= -31,892,690.79$

D. $FPPCA_{\text{rate}} = \frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 $= \frac{-31,892,690.79}{2,054,337.00}$
 $= (15.5246)$

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST

Billing Period Covered: 26 January 2016 - 25 February 2016

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

Current Month FPPCA(pesos)	-31,892,690.79
Less: Previous Month FPPCA (pesos)	-27,595,129.92
Net	<u>-4,297,560.87</u>
Divide by Previous Month AFC + APPC (pesos)	<u>1,175,712,725.08</u>
Percent Change	-0.37%
Previous Month FPPCA Rate	0.1953
Increase/Decrease	<u>(0.0007)</u>
Current Month FPPCA Rate	<u>0.1946</u>

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 167,455,954.45 - 472,498,595.00 + 0.00
 = -305,042,640.55

$AFC^{1/2}$ = $FCB \left(\frac{0.9967 Bn}{Bo} + \frac{0.0033 Dn}{Do} + \frac{0.00 Cn}{Co} + \frac{0.00 Sn^{3/}}{So} + \frac{0.00 NGn}{NGo} \right)$
 = 167,455,954.45

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 688,920,713.74 - 550,800,170.00 + 0.00
 = 138,120,543.74

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n^{3/}}{CPI_o} \right\}$
 = 550,800,170.00 $\left\{ \left[0.40 + \left(\frac{0.3 \times 236.916}{210.036} \right) \frac{47.6270}{41.7429} \right] + \frac{0.3 \times 142.90}{105.0} \right\}$
 = 688,920,713.74

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = -305,042,640.55 + 138,120,543.74
 = -166,922,096.81

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{-166,922,096.81}{334,304,220.00}$
 = (0.4993)

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 January 2016 - 25 February 2016	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	-166,922,096.81
Less: Previous Month FPPCA (pesos)	-148,063,088.95
Net	<u>-18,859,007.86</u>
Divide by Previous Month AFC + APPC (pesos)	<u>875,235,676.05</u>
Percent Change	-2.15%
Previous Month FPPCA Rate	0.0540
Increase/Decrease	<u>(0.0012)</u>
Current Month FPPCA Rate	<u>0.0528</u>

NOTES:

*Calculation is based on ERC Resolution Nos. 19 and 25 (amending Resolution No. 19) dated 3 August 2009 and 14 December 2009, respectively, adopting the "Rules for the Automatic Recovery of Monthly Fuel and Purchased Power Costs and Foreign Exchange- Related Costs by the National Power Corporation.

1/ The above calculation does not incorporate the OFCA and OPPCA as PSALM is waiting for the decision relative to ERC Case No. 2010-055MC

2/ Refer to the posted graph for MOPS fuel prices

3/ The latest available data is until January 2016

AFC = Adjusted Fuel Costs in Pesos

FCB = Fuel Costs Base is equal to $(1.6811 \text{ PhP/kWh} \times 16,603,247,000/12 \text{ kWh})$ for Luzon, $(1.2789 \text{ PhP/kWh} \times 4,566,200,000/12 \text{ kWh})$ for Visayas and $(0.8961 \text{ PhP/kWh} \times 6,327,400,000/12 \text{ kWh})$ for Mindanao

OFCA = Other Fuel Costs Adjustment in Pesos

APPC = Adjusted Purchased Power Costs in Pesos

PPCB = Power Purchase Costs Base is equal to $(2.2791 \text{ PhP/kWh} \times 16,603,247,000/12 \text{ kWh})$ for Luzon, $(1.8834 \text{ PhP/kWh} \times 4,566,200,000/12 \text{ kWh})$ for Visayas and $(1.0446 \text{ PhP/kWh} \times 6,327,400,000/12 \text{ kWh})$ for Mindanao

OPPCA = Other Purchased Power Costs Adjustment in Pesos

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