

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

Billing Period Covered: March 26, 2010 - April 25, 2010

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 2,262,586,502.93 - 2,325,976,544.31 + 0
 = (63,390,041.37)

$AFC^{/1}$ = FCB $\left[\frac{0.1751 \text{ Bn}}{Bo} + \frac{0.0231 \text{ Dn}}{Do} + \frac{0.1305 \text{ Cn}}{Co} + \frac{0.2954 \text{ Sn}}{So} + \frac{0.3759 \text{ NGn}}{NGo} \right]$
 = 2,262,586,502.93

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 3,463,841,145.64 - 3,153,371,686.48 + 0
 = 310,469,459.16

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPIIn}}{\text{USCPIo}} \right) \frac{FXn}{FXo} + \frac{0.3 \text{ CPIIn}}{\text{CPIo}} \right] \right\}$
 = 3,153,371,686.48 $\left\{ \left[0.40 + \left(\frac{0.3 \times 217.631}{210.036} \right) \right] \frac{44.4714}{41.7429} + \frac{0.3 \times 165.00}{145.1} \right\}$
 = 3,463,841,145.64

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (63,390,041.37) + 310,469,459.16
 = 247,079,417.79

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{247,079,417.79}{724,962,647.00}$
 = 0.3408

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 503,910,039.46 - 486,642,765.00 + 0
 = 17,267,274.46

$AFC^{/1}$ = FCB $\left[\frac{0.2041 \text{ Bn}}{Bo} + \frac{0.0998 \text{ Dn}}{Do} + \frac{0.5782 \text{ Cn}}{Co} + \frac{0.1179 \text{ Sn}}{So} + \frac{0.00 \text{ NGn}}{NGo} \right]$
 = 503,910,039.46

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 787,225,317.28 - 716,665,090.00 + 0
 = 70,560,227.28

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPIIn}}{\text{USCPIo}} \right) \frac{FXn}{FXo} + \frac{0.3 \text{ CPIIn}}{\text{CPIo}} \right] \right\}$
 = 716,665,090.00 $\left\{ \left[0.40 + \left(\frac{0.3 \times 217.631}{210.036} \right) \right] \frac{44.4714}{41.7429} + \frac{0.3 \times 165.00}{145.1} \right\}$
 = 787,225,317.28

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C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= 17,267,274.46 \quad + \quad 70,560,227.28 \\
 &= 87,827,501.74
 \end{aligned}$$

D. $FPPCA_{\text{rate}}$ =

$$\begin{aligned}
 &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{87,827,501.74}{345,440,371.00} \\
 &= 0.2542
 \end{aligned}$$

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment

$$\begin{aligned}
 &= AFC - FCB + OFCA \\
 &= 479,146,429.40 \quad - \quad 472,498,595.00 \quad + \quad 0 \\
 &= 6,647,834.40
 \end{aligned}$$

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

$$= 479,146,429.40$$

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment

$$\begin{aligned}
 &= APPC - PPCB + OPPCA \\
 &= 605,029,943.05 \quad - \quad 550,800,170.00 \quad + \quad 0 \\
 &= 54,229,773.05
 \end{aligned}$$

$$\begin{aligned}
 APPC &= PPCB \left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPI}_{\text{In}}}{\text{USCPI}_{\text{O}}} \right) \right] \frac{FX_{\text{n}}}{FX_{\text{o}}} + \frac{0.3 \text{ CPI}_{\text{In}}}{\text{CPI}_{\text{O}}} \right\} \\
 &= 550,800,170.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 217.631}{210.036} \right) \right] \frac{44.4714}{41.7429} + \frac{0.3 \times 165.00}{145.1} \right\} \\
 &= 605,029,943.05
 \end{aligned}$$

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= 6,647,834.40 \quad + \quad 54,229,773.05 \\
 &= 60,877,607.45
 \end{aligned}$$

D. $FPPCA_{\text{rate}}$ =

$$\begin{aligned}
 &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{60,877,607.45}{532,273,984.00} \\
 &= 0.1144
 \end{aligned}$$

NOTES:

*Calculation is based on ERC Resolution Nos. 19 and 25 (amended Resolution19) 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 Refer to the posted graph for MOPS fuel prices

AFC = Adjusted Fuel Costs in pesos

FCB = Fuel Costs Base is equal to (1.6811 PhP/kWh x 16,603,247,000/12 kWh) for Luzon, (1.2789 PhP/kWh x 4,566,200,000/12 kWh) for Visayas and (0.8961 PhP/kWh x 6,327,400,000/12 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 PhP/kWh x 16,603,247,000/12 kWh) for Luzon, (1.8834 PhP/kWh x 4,566,200,000/12 kWh) for Visayas and (1.0446 PhP/kWh x 6,327,400,000/12 kWh for Mindanao)

OPPCA =Other Purchased Power Costs Adjustment in pesos

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