

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

Billing Period Covered: July 26, 2010 - August 25, 2010

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 2,160,868,983.80 - 2,325,976,544.31 + 0.00
 = (165,107,560.51)

$AFC^{/1}$ = FCB $\left[\frac{0.1751 \text{ Bn}}{\text{Bo}} + \frac{0.0231 \text{ Dn}}{\text{Do}} + \frac{0.1305 \text{ Cn}}{\text{Co}} + \frac{0.2954 \text{ Sn}}{\text{So}} + \frac{0.3759 \text{ NGn}}{\text{NGo}} \right]$
 = 2,160,868,983.80

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 3,508,078,966.15 - 3,153,371,686.48 + 0.00
 = 354,707,279.68

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPIIn}}{\text{USCPIo}} \right) \frac{\text{FXn}}{\text{Fxo}} + \frac{0.3 \text{ CPIIn}}{\text{CPIo}} \right] \right\}$
 = 3,153,371,686.48 $\left\{ \left[0.40 + \left(\frac{0.3 \times 218.011}{210.036} \right) \frac{45.0908}{41.7429} + \frac{0.3 \times 166.40}{145.1} \right] \right\}$
 = 3,508,078,966.15

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = FCA_{pesos} + $PPCA_{\text{pesos}}$
 = (165,107,560.51) + 354,707,279.68
 = 189,599,719.17

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{189,599,719.17}{135,324,671.00}$
 = 1.4011

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 473,589,778.97 - 486,642,765.00 + 0.00
 = (13,052,986.03)

$AFC^{/1}$ = FCB $\left[\frac{0.2041 \text{ Bn}}{\text{Bo}} + \frac{0.0998 \text{ Dn}}{\text{Do}} + \frac{0.5782 \text{ Cn}}{\text{Co}} + \frac{0.1179 \text{ Sn}}{\text{So}} + \frac{0.00 \text{ NGn}}{\text{NGo}} \right]$
 = 473,589,778.97

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 797,279,222.99 - 716,665,090.00 + 0.00
 = 80,614,132.99

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPIIn}}{\text{USCPIo}} \right) \frac{\text{FXn}}{\text{Fxo}} + \frac{0.3 \text{ CPIIn}}{\text{CPIo}} \right] \right\}$
 = 716,665,090.00 $\left\{ \left[0.40 + \left(\frac{0.3 \times 218.011}{210.036} \right) \frac{45.0908}{41.7429} + \frac{0.3 \times 166.40}{145.1} \right] \right\}$
 = 797,279,222.99

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (13,052,986.03) + 80,614,132.99 \\
 &= 67,561,146.97
 \end{aligned}$$

$$\begin{aligned}
 \text{D. } FPPCA_{\text{rate}} &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{67,561,146.97}{319,786,195.00} \\
 &= 0.2113
 \end{aligned}$$

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment

$$\begin{aligned}
 &= AFC - FCB + OFCA \\
 &= 450,967,943.79 - 472,498,595.00 + 0.00 \\
 &= (21,530,651.21)
 \end{aligned}$$

$$\begin{aligned}
 AFC^{/1} &= FCB \left[\frac{0.9967 Bn}{Bo} + \frac{0.0033 Dn}{Do} + \frac{0.00 Cn}{Co} + \frac{0.00 Sn}{So} + \frac{0.00 NGn}{NGo} \right] \\
 &= 450,967,943.79
 \end{aligned}$$

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

$$\begin{aligned}
 &= APPC - PPCB + OPPCA \\
 &= 612,756,973.50 - 550,800,170.00 + 0.00 \\
 &= 61,956,803.50
 \end{aligned}$$

$$\begin{aligned}
 APPC &= PPCB \left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPI}_n}{\text{USCPI}_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 \text{ CPI}_n}{\text{CPI}_o} \right\} \\
 &= 550,800,170.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 218.011}{210.036} \right) \right] \frac{45.0908}{41.7429} + \frac{0.3 \times 166.40}{145.1} \right\} \\
 &= 612,756,973.50
 \end{aligned}$$

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (21,530,651.21) + 61,956,803.50 \\
 &= 40,426,152.29
 \end{aligned}$$

$$\begin{aligned}
 \text{D. } FPPCA_{\text{rate}} &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{40,426,152.29}{618,712,543.00} \\
 &= 0.0653
 \end{aligned}$$

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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