

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

Billing Period Covered: 26 July 2011 - 25 August 2011

**AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT**

**LUZON**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment

$FCA_{\text{pesos}}$  = AFC - FCB + OFCA

$FCA_{\text{pesos}}$  = 2,766,074,380.19 - 2,325,976,544.31 + 0.00

$FCA_{\text{pesos}}$  = 440,097,835.88

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

$AFC^{/1}$  = 2,766,074,380.19

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

$PPCA_{\text{pesos}}$  = APPC - PPCB + OPPCA

$PPCA_{\text{pesos}}$  = 3,453,649,615.48 - 3,153,371,686.48 + 0.00

$PPCA_{\text{pesos}}$  = 300,277,929.01

$$APPC = PPCB \left\{ \left[ 0.40 + \left[ \frac{0.3 USCPI_n}{USCPI_o} \right] \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right\}$$

$$APPC = 3,153,371,686.48 \left\{ \left[ 0.40 + \left[ \frac{0.3 \times 225.922}{210.036} \right] \right] \frac{42.4812}{41.7429} + \frac{0.3 \times 174.00}{145.1} \right\}$$

APPC = 3,453,649,615.48

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

$FPPCA_{\text{pesos}}$  =  $FCA_{\text{pesos}}$  +  $PPCA_{\text{pesos}}$

$FPPCA_{\text{pesos}}$  = 440,097,835.88 + 300,277,929.01

$FPPCA_{\text{pesos}}$  = 740,375,764.88

D.  $FPPCA_{\text{rate}}$  =  $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$

Sales

D.  $FPPCA_{\text{rate}}$  =  $\frac{740,375,764.88}{135,498,151.00}$

D.  $FPPCA_{\text{rate}}$  = 5.4641

**REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST**

**Billing Period Covered: 26 July 2011 - 25 August 2011**

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

Current Month $FPPCA_{\text{pesos}}$	740,375,764.88
Less: Previous Month $FPPCA_{\text{pesos}}$	776,458,302.73
Net	<u>(36,082,537.84)</u>
Divide by Previous Month AFC + APPC (pesos)	6,255,806,533.51
Percent Change	<u>-0.577%</u>
Previous Month $FPPCA_{\text{rate}}$	0.4264
Increase/Decrease	<u>(0.0025)</u>
Current Month $FPPCA_{\text{rate}}$	<u>0.4239</u>

**VISAYAS**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment

$$FCA_{\text{pesos}} = AFC - FCB + OFCA$$

$$FCA_{\text{pesos}} = 625,001,704.55 \quad - \quad 486,642,765.00 \quad + \quad 0.00$$

$$FCA_{\text{pesos}} = 138,358,939.55$$

$$AFC^{/1} = FCB \left( \begin{array}{c} \frac{0.2041 Bn}{Bo} + \frac{0.0998 Dn}{Do} + \frac{0.5782 Cn}{Co} + \frac{0.1179 Sn}{So} + \frac{0.00 NGn}{NGo} \end{array} \right)$$

$$AFC^{/1} = 625,001,704.55$$

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

$$PPCA_{\text{pesos}} = APPC - PPCB + OPPCA$$

$$PPCA_{\text{pesos}} = 784,909,093.69 \quad - \quad 716,665,090.00 \quad + \quad 0.00$$

$$PPCA_{\text{pesos}} = 68,244,003.69$$

$$APPC = PPCB \left\{ \left[ \begin{array}{c} 0.40 + \left( \frac{3 USCPI_n}{USCPI_o} \right) \end{array} \right] \left[ \begin{array}{c} \frac{FX_n}{FX_o} + \frac{.3 CPI_n}{CPI_o} \end{array} \right] \right\}$$

$$APPC = 716,665,090.00 \left\{ \left[ \begin{array}{c} 0.40 + \left( \frac{0.3 \times 225.922}{210.036} \right) \end{array} \right] \left[ \begin{array}{c} 42.4812 \\ 41.7429 \end{array} \right] + \frac{0.3 \times 174.00}{145.1} \right\}$$

$$APPC = 784,909,093.69$$

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

$$FPPCA_{\text{pesos}} = FCA_{\text{pesos}} + PPCA_{\text{pesos}}$$

$$FPPCA_{\text{pesos}} = 138,358,939.55 \quad + \quad 68,244,003.69$$

$$FPPCA_{\text{pesos}} = 206,602,943.24$$

$$D. FPPCA_{\text{rate}} = \frac{FPPCA_{\text{pesos}}}{\text{Sales}}$$

$$D. FPPCA_{\text{rate}} = \frac{206,602,943.24}{221,556,669.00}$$

$$D. FPPCA_{\text{rate}} = 0.9325$$

**REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST**

**Billing Period Covered: 26 July 2011 - 25 August 2011**

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

Current Month FPPCA(pesos)	206,602,943.24
Less: Previous Month FPPCA (pesos)	213,498,520.66
Net	(6,895,577.42)
Divide by Previous Month AFC + APPC (pesos)	1,416,806,375.66
Percent Change	-0.487%
Previous Month FPPCA Rate	0.2357
Increase/Decrease	(0.0011)
Current Month FPPCA Rate	0.2346

**MINDANAO**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment

$$FCA_{\text{pesos}} = AFC - FCB + OFCA$$

$$FCA_{\text{pesos}} = 650,100,498.70 \quad - \quad 472,498,595.00 \quad + \quad 0.00$$

$$FCA_{\text{pesos}} = 177,601,903.70$$

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

$$AFC^{/1} = 650,100,498.70$$

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

$$PPCA_{\text{pesos}} = APPC - PPCB + OPPCA$$

$$PPCA_{\text{pesos}} = 603,249,786.09 \quad - \quad 550,800,170.00 \quad + \quad 0.00$$

$$PPCA_{\text{pesos}} = 52,449,616.09$$

$$APPC = PPCB \left\{ \left[ \begin{array}{l} 0.40 + \left( \frac{3 \text{ USCPI}_{\text{In}}}{\text{USCPI}_{\text{O}}} \right) \right] \left[ \begin{array}{l} \frac{\text{FX}_{\text{n}}}{\text{FX}_{\text{o}}} + \frac{.3 \text{ CPI}_{\text{In}}}{\text{CPI}_{\text{O}}} \end{array} \right] \right\}$$

$$APPC = 550,800,170.00 \left\{ \left[ \begin{array}{l} 0.40 + \left( \frac{0.3 \times 225.922}{210.036} \right) \right] \left[ \begin{array}{l} 42.4812 \\ 41.7429 \end{array} \right] + \frac{0.3 \times 174.00}{145.1} \right\}$$

$$APPC = 603,249,786.09$$

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

$$FPPCA_{\text{pesos}} = FCA_{\text{pesos}} + PPCA_{\text{pesos}}$$

$$FPPCA_{\text{pesos}} = 177,601,903.70 \quad + \quad 52,449,616.09$$

$$FPPCA_{\text{pesos}} = 230,051,519.79$$

$$D. FPPCA_{\text{rate}} = \frac{FPPCA_{\text{pesos}}}{\text{Sales}}$$

$$D. FPPCA_{\text{rate}} = \frac{230,051,519.79}{642,089,457.00}$$

$$D. FPPCA_{\text{rate}} = 0.3583$$

**REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST**

**Billing Period Covered: 26 July 2011 - 25 August 2011**

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

Current Month FPPCA(pesos)	230,051,519.79
Less: Previous Month FPPCA (pesos)	236,692,039.91
Net	<b>(6,640,520.12)</b>
Divide by Previous Month AFC + APPC (pesos)	1,259,990,804.91
Percent Change	-0.527%
Previous Month FPPCA Rate	0.0774
Increase/Decrease	(0.0004)
<b>Current Month FPPCA Rate</b>	<b>0.0770</b>

**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

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

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