

**AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COSTS AND FOREIGN-EXCHANGE
RELATED COSTS BY THE NATIONAL POWER CORPORATION (NPC)*
Billing Period Covered: May 26, 2010 - June 25, 2010
AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT**

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 2,154,674,637.24 - 2,325,976,544.31 + 0.00
 = (171,301,907.07)

$AFC^{/1}$ = FCB $\left(\frac{0.1751 \text{ Bn}}{Bo} + \frac{0.0231 \text{ Dn}}{Do} + \frac{0.1305 \text{ Cn}}{Co} + \frac{0.2954 \text{ Sn}}{So} + \frac{0.3759 \text{ NGn}}{NGo} \right)$
 = 2,154,674,637.24

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 3,542,543,025.00 - 3,153,371,686.48 + 0.00
 = 389,171,338.53

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 $\left\{ \left[0.40 + \left(\frac{0.3 \times 218.178}{210.036} \right) \frac{45.8138}{41.7429} + \frac{0.3 \times 165.60}{145.1} \right] \right\}$
 = 3,542,543,025.00

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (171,301,907.07) + 389,171,338.53
 = 217,869,431.46

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{217,869,431.46}{695,673,846.00}$
 = 0.3132

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 491,880,803.91 - 486,642,765.00 + 0.00
 = 5,238,038.91

$AFC^{/1}$ = FCB $\left(\frac{0.2041 \text{ Bn}}{Bo} + \frac{0.0998 \text{ Dn}}{Do} + \frac{0.5782 \text{ Cn}}{Co} + \frac{0.1179 \text{ Sn}}{So} + \frac{0.00 \text{ NGn}}{NGo} \right)$
 = 491,880,803.91

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 805,111,851.14 - 716,665,090.00 + 0.00
 = 88,446,761.14

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 $\left\{ \left[0.40 + \left(\frac{0.3 \times 218.178}{210.036} \right) \frac{45.8138}{41.7429} + \frac{0.3 \times 165.60}{145.1} \right] \right\}$
 = 805,111,851.14

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= 5,238,038.91 \quad + \quad 88,446,761.14 \\
 &= 93,684,800.05
 \end{aligned}$$

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

$$\begin{aligned}
 &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{93,684,800.05}{368,802,962.00} \\
 &= 0.2540
 \end{aligned}$$

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment

$$\begin{aligned}
 &= AFC - FCB + OFCA \\
 &= 433,369,900.14 \quad - \quad 472,498,595.00 \quad + \quad 0.00 \\
 &= (39,128,694.86)
 \end{aligned}$$

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

$$= 433,369,900.14$$

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

$$\begin{aligned}
 &= APPC - PPCB + OPPCA \\
 &= 618,776,818.72 \quad - \quad 550,800,170.00 \quad + \quad 0.00 \\
 &= 67,976,648.72
 \end{aligned}$$

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

$$= 550,800,170.00 \left\{ \left[0.40 + \left(\frac{0.3 \times \frac{218.178}{210.036}} \right) \right] \frac{45.8138}{41.7429} + \frac{0.3 \times \frac{165.60}{145.1}} \right\}$$

$$= 618,776,818.72$$

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (39,128,694.86) \quad + \quad 67,976,648.72 \\
 &= 28,847,953.86
 \end{aligned}$$

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

$$\begin{aligned}
 &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{28,847,953.86}{597,947,481.00} \\
 &= 0.0482
 \end{aligned}$$

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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