

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

Billing Period Covered: 26 December 2015 - 25 January 2016

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 1,496,697,923.75 - 2,325,976,544.31 + 0.00
 = (829,278,620.56)

$AFC^{2/}$ = $FCB \left(\frac{0.1751 Bn}{Bo} + \frac{0.0231 Dn}{Do} + \frac{0.1305 Cn}{Co} + \frac{0.2954 Sn^{3/}}{So} + \frac{0.3759 Ngn}{NGo} \right)$
 = 1,496,697,923.75

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 3,945,569,254.21 - 3,153,371,686.48 + 0.00
 = 792,197,567.73

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n^{3/}}{CPI_o} \right\}$
 = 3,153,371,686.48 $\left\{ \left[0.40 + \left(\frac{0.3 \times \frac{236.525}{210.036}}{41.7429} \right) \right] + \frac{0.3 \times \frac{142.30}{105.0}}{41.7429} \right\}$
 = 3,945,569,254.21

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (829,278,620.56) + 792,197,567.73
 = (37,081,052.83)

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(37,081,052.83)}{29,613,558.59}$
 = (1.2522)

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 December 2015 - 25 January 2016	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	(37,081,052.83)
Less: Previous Month FPPCA (pesos)	11,870,503.12
Net	<u>(48,951,555.95)</u>
Divide by Previous Month AFC + APPC (pesos)	5,491,218,733.90
Percent Change	<u>-0.89%</u>
Previous Month FPPCA Rate	0.3742
Increase/Decrease	<u>(0.0033)</u>
Current Month FPPCA Rate	0.3709

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 279,005,319.22 - 486,642,765.00 + 0.00
 = (207,637,445.78)

$AFC^{/2}$ = $FCB \left(\frac{0.2041 Bn}{Bo} + \frac{0.0998 Dn}{Do} + \frac{0.5782 Cn}{Co} + \frac{0.1179 Sn^{3/}}{So} + \frac{0.00 NGn}{NGo} \right)$
 = 279,005,319.22

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 896,707,405.85 - 716,665,090.00 + 0.00
 = 180,042,315.85

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right\}$
 = $716,665,090.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 236.525}{210.036} \right) \right] \frac{47.7860}{41.7429} + \frac{0.3 \times 142.30}{105.0} \right\}$
 = 896,707,405.85

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (207,637,445.78) + 180,042,315.85
 = (27,595,129.92)

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(27,595,129.92)}{12,262,643.05}$
 = (2.2503)

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
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Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	(27,595,129.92)
Less: Previous Month FPPCA (pesos)	(18,383,495.30)
Net	<u>(9,211,634.62)</u>
Divide by Previous Month AFC + APPC (pesos)	<u>1,184,924,359.70</u>
Percent Change	-0.78%
Previous Month FPPCA Rate	0.1968
Increase/Decrease	<u>(0.0015)</u>
Current Month FPPCA Rate	0.1953

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment

$$= AFC - FCB + OFCA^{1/}$$

$$= 186,062,171.61 \quad - \quad 472,498,595.00 \quad + \quad 0.00$$

$$= (286,436,423.39)$$

$$AFC^{/2} = FCB \left[\frac{0.9967 \text{ Bn}}{\text{Bo}} + \frac{0.0033 \text{ Dn}}{\text{Do}} + \frac{0.00 \text{ Cn}}{\text{Co}} + \frac{0.00 \text{ Sn}^{3/}}{\text{So}} + \frac{0.00 \text{ NGn}}{\text{NGo}} \right]$$

$$= 186,062,171.61$$

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

$$= APPC - PPCB + OPPCA^{1/}$$

$$= 689,173,504.44 \quad - \quad 550,800,170.00 \quad + \quad 0.00$$

$$= 138,373,334.44$$

$$APPC = PPCB \left\{ \left[0.40 + \left(\frac{0.3 \text{ USCPI}n^{3/}}{\text{USCPI}o} \right) \right] \frac{\text{FX}n}{\text{FX}o} + \frac{0.3 \text{ CPI}n^{3/}}{\text{CPI}o} \right\}$$

$$= 550,800,170.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 236.525}{210.036} \right) \right] \frac{47.7860}{41.7429} + \frac{0.3 \times 142.30}{105.0} \right\}$$

$$= 689,173,504.44$$

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

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

$$= (286,436,423.39) \quad + \quad 138,373,334.44$$

$$= (148,063,088.95)$$

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

$$= \frac{(148,063,088.95)}{427,441,177.28}$$

$$= (0.3464)$$

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST

Billing Period Covered: 26 December 2015 - 25 January 2016

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

Current Month FPPCA(pesos)	(148,063,088.95)
Less: Previous Month FPPCA (pesos)	(131,078,296.49)
Net	(16,984,792.46)
Divide by Previous Month AFC + APPC (pesos)	892,220,468.51
Percent Change	-1.90%
Previous Month FPPCA Rate	0.0550
Increase/Decrease	(0.0010)
Current Month FPPCA Rate	0.0540

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 December 2015 except for PhI CPI which is until November 2015

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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