

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

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

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

**LUZON**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment  
 = AFC - FCB + OFCA  
 = 2,149,290,242.59 - 2,325,976,544.31 + 0.00  
 = (176,686,301.72)

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

= 2,149,290,242.59

B.  $PPCA_{\text{pesos}}$  = Purchased Power Costs Adjustment  
 = APPC - PPCB + OPPCA  
 = 3,577,116,641.29 - 3,153,371,686.48 + 0.00  
 = 423,744,954.81

$$APPC = PPCB \left\{ \left[ 0.40 + \left( \frac{0.3 USCPIn}{USCPlo} \right) \frac{FXn}{Fxo} + \frac{0.3 CPIIn}{CPIo} \right] \right\}$$

$$= 3,153,371,686.48 \left\{ \left[ 0.40 + \left( \frac{0.3 \times 217.965}{210.036} \right) \frac{46.4404}{41.7429} + \frac{0.3 \times 165.90}{145.1} \right] \right\}$$

= 3,577,116,641.29

C.  $FPPCA_{\text{pesos}}$  = Fuel and Purchased Power Costs Adjustment  
 =  $FCA_{\text{pesos}}$  +  $PPCA_{\text{pesos}}$   
 = (176,686,301.72) + 423,744,954.81  
 = 247,058,653.09

D.  $FPPCA_{\text{rate}}$  =  $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$   
 =  $\frac{247,058,653.09}{703,093,858.00}$   
 = 0.3514

**VISAYAS**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment  
 = AFC - FCB + OFCA  
 = 488,563,672.20 - 486,642,765.00 + 0.00  
 = 1,920,907.20

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

= 488,563,672.20

B.  $PPCA_{\text{pesos}}$  = Purchased Power Costs Adjustment  
 = APPC - PPCB + OPPCA  
 = 812,969,378.35 - 716,665,090.00 + 0.00  
 = 96,304,288.35

$$APPC = PPCB \left\{ \left[ 0.40 + \left( \frac{0.3 USCPIn}{USCPlo} \right) \frac{FXn}{Fxo} + \frac{0.3 CPIIn}{CPIo} \right] \right\}$$

$$= 716,665,090.00 \left\{ \left[ 0.40 + \left( \frac{0.3 \times 217.965}{210.036} \right) \frac{46.4404}{41.7429} + \frac{0.3 \times 165.90}{145.1} \right] \right\}$$

= 812,969,378.35

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= 1,920,907.20 \quad + \quad 96,304,288.35 \\
 &= 98,225,195.55
 \end{aligned}$$

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

$$\begin{aligned}
 &= \frac{98,225,195.55}{356,453,559.00} \\
 &= 0.2756
 \end{aligned}$$

### MINDANAO

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

$$\begin{aligned}
 &= AFC - FCB + OFCA \\
 &= 438,412,985.26 \quad - \quad 472,498,595.00 \quad + \quad 0.00 \\
 &= (34,085,609.74)
 \end{aligned}$$

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

$$= 438,412,985.26$$

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

$$\begin{aligned}
 &= APPC - PPCB + OPPCA \\
 &= 624,815,800.36 \quad - \quad 550,800,170.00 \quad + \quad 0.00 \\
 &= 74,015,630.36
 \end{aligned}$$

$$\begin{aligned}
 APPC &= PPCB \left\{ \left[ 0.40 + \left( \frac{0.3 \text{ USCPI}_{\text{In}}}{\text{USCPI}_{\text{Io}}} \right) \right] \frac{FX_{\text{In}}}{FX_{\text{Io}}} + \frac{0.3 \text{ CPI}_{\text{In}}}{\text{CPI}_{\text{Io}}} \right\} \\
 &= 550,800,170.00 \left\{ \left[ 0.40 + \left( \frac{0.3 \times 217.965}{210.036} \right) \right] \frac{46.4404}{41.7429} + \frac{0.3 \times 165.90}{145.1} \right\} \\
 &= 624,815,800.36
 \end{aligned}$$

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (34,085,609.74) \quad + \quad 74,015,630.36 \\
 &= 39,930,020.62
 \end{aligned}$$

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

$$\begin{aligned}
 &= \frac{39,930,020.62}{655,051,478.00} \\
 &= 0.0610
 \end{aligned}$$

### 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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