

**AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COSTS AND FOREIGN-EXCHANGE  
RELATED COSTS BY THE NATIONAL POWER CORPORATION (NPC)\*  
Billing Period Covered: February 27, 2010 - March 25, 2010  
AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT**

**LUZON**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment  
 = AFC - FCB + OFCA  
 = 2,188,366,193.33 - 2,325,976,544.31 + 0  
 = (137,610,350.98)

$AFC^{/1}$  = FCB  $\left( \frac{0.1751 \text{ Bn}}{\text{Bo}} + \frac{0.0231 \text{ Dn}}{\text{Do}} + \frac{0.1305 \text{ Cn}}{\text{Co}} + \frac{0.2954 \text{ Sn}}{\text{So}} + \frac{0.3759 \text{ NGn}}{\text{NGo}} \right)$   
 = 2,188,366,193.33

B.  $PPCA_{\text{pesos}}$  = Purchased Power Costs Adjustment  
 = APPC - PPCB + OPPCA  
 = 3,518,016,867.70 - 3,153,371,686.48 + 0  
 = 364,645,181.23

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  $\left\{ \left[ 0.40 + \left( \frac{0.3 \times 216.741}{210.036} \right) \right] \frac{45.6104}{41.7429} + \frac{0.3 \times 164.60}{145.1} \right\}$   
 = 3,518,016,867.70

C.  $FPPCA_{\text{pesos}}$  = Fuel and Purchased Power Costs Adjustment  
 =  $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$   
 = (137,610,350.98) + 364,645,181.23  
 = 227,034,830.25

D.  $FPPCA_{\text{rate}}$  =  $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$   
 =  $\frac{227,034,830.25}{784,152,981.00}$   
 = 0.2895

**VISAYAS**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment  
 = AFC - FCB + OFCA  
 = 488,412,963.54 - 486,642,765.00 + 0  
 = 1,770,198.54

$AFC^{/1}$  = FCB  $\left( \frac{0.2041 \text{ Bn}}{\text{Bo}} + \frac{0.0998 \text{ Dn}}{\text{Do}} + \frac{0.5782 \text{ Cn}}{\text{Co}} + \frac{0.1179 \text{ Sn}}{\text{So}} + \frac{0.00 \text{ NGn}}{\text{NGo}} \right)$   
 = 488,412,963.54

B.  $PPCA_{\text{pesos}}$  = Purchased Power Costs Adjustment  
 = APPC - PPCB + OPPCA  
 = 799,537,804.54 - 716,665,090.00 + 0  
 = 82,872,714.54

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  $\left\{ \left[ 0.40 + \left( \frac{0.3 \times 216.741}{210.036} \right) \right] \frac{45.6104}{41.7429} + \frac{0.3 \times 164.60}{145.1} \right\}$   
 = 799,537,804.54

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= 1,770,198.54 \quad + \quad 82,872,714.54 \\
 &= 84,642,913.09
 \end{aligned}$$

$$\begin{aligned}
 \text{D. } FPPCA_{\text{rate}} &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{84,642,913.09}{336,330,708.19} \\
 &= 0.2517
 \end{aligned}$$

**MINDANAO**

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

$$\begin{aligned}
 &= AFC - FCB + OFCA \\
 &= 464,841,494.49 \quad - \quad 472,498,595.00 \quad + \quad 0 \\
 &= (7,657,100.51)
 \end{aligned}$$

$$\begin{aligned}
 AFC^{/1} &= FCB \left( \frac{0.9967 \text{ Bn}}{\text{Bo}} + \frac{0.0033 \text{ Dn}}{\text{Do}} + \frac{0.00 \text{ Cn}}{\text{Co}} + \frac{0.00 \text{ Sn}}{\text{So}} + \frac{0.00 \text{ NGn}}{\text{NGo}} \right) \\
 &= 464,841,494.49
 \end{aligned}$$

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

$$\begin{aligned}
 &= APPC - PPCB + OPPCA \\
 &= 614,492,829.09 \quad - \quad 550,800,170.00 \quad + \quad 0 \\
 &= 63,692,659.09
 \end{aligned}$$

$$\begin{aligned}
 APPC &= PPCB \left\{ \left[ 0.40 + \left( \frac{0.3 \text{ USCPI}_{\text{In}}}{\text{USCPI}_{\text{O}}} \right) \right] \frac{FX_{\text{n}}}{FX_{\text{o}}} + \frac{0.3 \text{ CPI}_{\text{In}}}{\text{CPI}_{\text{O}}} \right\} \\
 &= 550,800,170.00 \left\{ \left[ 0.40 + \left( \frac{0.3 \times 216.741}{210.036} \right) \right] \frac{45.6104}{41.7429} + \frac{0.3 \times 164.60}{145.1} \right\} \\
 &= 614,492,829.09
 \end{aligned}$$

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (7,657,100.51) \quad + \quad 63,692,659.09 \\
 &= 0.00
 \end{aligned}$$

$$\begin{aligned}
 \text{D. } FPPCA_{\text{rate}} &= \frac{FPPCA_{\text{pesos}}}{\text{Sales}} \\
 &= \frac{56,035,558.58}{635,135,718.13} \\
 &= 0.0882
 \end{aligned}$$

**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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