

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

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 2,235,980,662.99 - 2,325,976,544.31 + 0.00
 = (89,995,881.32)

$AFC^{/1}$ = FCB $\left[\frac{0.1751 Bn}{Bo} + \frac{0.0231 Dn}{Do} + \frac{0.1305 Cn}{Co} + \frac{0.2954 Sn}{So} + \frac{0.3759 NGn}{NGo} \right]$
 = 2,235,980,662.99

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 3,415,184,970.72 - 3,153,371,686.48 + 0.00
 = 261,813,284.24

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{0.3 USCPI_n}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right\}$
 = 3,153,371,686.48 $\left\{ \left[0.40 + \left(\frac{0.3 \times 218.439}{210.036} \right) \right] \frac{43.325}{41.7429} + \frac{0.3 \times 166.40}{145.1} \right\}$
 = 3,415,184,970.72

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (89,995,881.32) + 261,813,284.24
 = 171,817,402.92

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{171,817,402.92}{186,831,726.00}$
 = 0.9196

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 September 2010 to 26 October 2010	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	171,817,402.92
Less: Previous Month FPPCA (pesos)	135,798,610.05
Net	<u>36,018,792.87</u>
Divide by Previous Month AFC + APPC (pesos)	5,615,146,840.83
Percent Change	<u>0.641%</u>
Previous Month FPPCA Rate	0.3828
Increase/Decrease	<u>0.0025</u>
Current Month FPPCA Rate	<u>0.3853</u>

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 497,889,985.69 - 486,642,765.00 + 0.00
 = 11,247,220.69

$AFC^{/1}$ = FCB $\left(\begin{array}{l} \underline{0.2041 \text{ Bn}} \\ \text{Bo} \end{array} + \begin{array}{l} \underline{0.0998 \text{ Dn}} \\ \text{Do} \end{array} + \begin{array}{l} \underline{0.5782 \text{ Cn}} \\ \text{Co} \end{array} + \begin{array}{l} \underline{0.1179 \text{ Sn}} \\ \text{So} \end{array} + \begin{array}{l} \underline{0.00 \text{ NGn}} \\ \text{NGo} \end{array} \right)$
 = 497,889,985.69

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 776,167,254.53 - 716,665,090.00 + 0.00
 = 59,502,164.53

APPC = PPCB $\left\{ \left(0.40 + \left(\frac{3 \text{ USCPI}_{\text{In}}}{\text{USCPI}_{\text{lo}}} \right) \right) \frac{\text{FX}_{\text{n}}}{\text{FX}_{\text{o}}} + \frac{.3 \text{ CPI}_{\text{In}}}{\text{CPI}_{\text{lo}}} \right\}$
 = 716,665,090.00 $\left\{ \left(0.40 + \left(\frac{0.3 \times 218}{210.036} \right) \right) \frac{43.33}{41.74} + \frac{0.3 \times 166.40}{145.1} \right\}$
 = 776,167,254.53

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = FCA_{pesos} + $PPCA_{\text{pesos}}$
 = 11,247,220.69 + 59,502,164.53
 = 70,749,385.22

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{70,749,385.22}{329,608,031.00}$
 = 0.2146

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 September 2010 to 26 October 2010	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	70,749,385.22
Less: Previous Month FPPCA (pesos)	65,811,193.81
Net	<u>4,938,191.41</u>
Divide by Previous Month AFC + APPC (pesos)	<u>1,269,119,048.81</u>
Percent Change	0.389%
Previous Month FPPCA Rate	0.2110
Increase/Decrease	<u>0.0008</u>
Current Month FPPCA Rate	0.2118

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MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 464,823,893.53 - 472,498,595.00 + 0.00
 = (7,674,701.47)

$AFC^{/1}$ = FCB $\left(\frac{0.9967 \text{ Bn}}{\text{Bo}} + \frac{0.0033 \text{ Dn}}{\text{Do}} + \frac{0.00 \text{ Cn}}{\text{Co}} + \frac{0.00 \text{ Sn}}{\text{So}} + \frac{0.00 \text{ NGn}}{\text{NGo}} \right)$
 = 464,823,893.53

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 596,531,157.59 - 550,800,170.00 + 0.00
 = 45,730,987.59

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{3 \text{ USCPI}_{\text{In}}}{\text{USCPI}_{\text{lo}}} \right) \right] \frac{FX_{\text{n}}}{FX_{\text{o}}} + \frac{.3 \text{ CPI}_{\text{In}}}{\text{CPI}_{\text{lo}}} \right\}$
 = 550,800,170.00 $\left\{ \left[0.40 + \left(\frac{0.3 \times 218.439}{210.036} \right) \right] \frac{43.325}{41.7429} + \frac{0.3 \times 166.40}{145.1} \right\}$
 = 596,531,157.59

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = FCA_{pesos} + $PPCA_{\text{pesos}}$
 = (7,674,701.47) + 45,730,987.59
 = 38,056,286.12

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{38,056,286.12}{646,847,152.00}$
 = 0.0588

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)	38,056,286.12
Less: Previous Month FPPCA (pesos)	21,006,585.31
Net	17,049,700.81
Divide by Previous Month AFC + APPC (pesos)	1,044,305,350.31
Percent Change	1.633%
Previous Month FPPCA Rate	0.0641
Increase/Decrease	0.0010
Current Month FPPCA Rate	0.0652

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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 $(1.6811 \text{ PhP/kWh} \times 16,603,247,000/12 \text{ kWh})$ 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