

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 2013 - 25 October 2013

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 2,603,445,722.51 - 2,325,976,544.31 + 0.00
 = 277,469,178.20

$AFC^{2/}$ = $FCB \left[\frac{0.1751 Bn}{Bo} + \frac{0.0231 Dn}{Do} + \frac{0.1305 Cn}{Co} + \frac{0.2954 Sn^{3/}}{So} + \frac{0.3759 NGn}{NGo} \right]$
 = 2,603,445,722.51

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 3,607,471,562.64 - 3,153,371,686.48 + 0.00
 = 454,099,876.16

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right\}$
 = $3,153,371,686.48 \left\{ \left[0.40 + \left(\frac{0.3 \times \frac{233.877}{210.036}}{41.7429} \right) \right] + \frac{0.3 \times \frac{135.00}{105.0}}{41.7429} \right\}$
 = 3,607,471,562.64

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = 277,469,178.20 + 454,099,876.16
 = 731,569,054.37

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{731,569,054.37}{54,183,844.46}$
 = 13.5016

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST

Billing Period Covered: 26 September 2013 - 25 October 2013

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

| | |
|---|---------------------|
| Current Month FPPCA(pesos) | 731,569,054.37 |
| Less: Previous Month FPPCA (pesos) | 723,949,251.72 |
| Net | <u>7,619,802.65</u> |
| Divide by Previous Month AFC + APPC (pesos) | 6,203,297,482.50 |
| Percent Change | <u>0.12%</u> |
| Previous Month FPPCA Rate | 0.4227 |
| Increase/Decrease | <u>0.0005</u> |
| Current Month FPPCA Rate | 0.4232 |

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 495,293,597.86 - 486,642,765.00 + 0.00
 = 8,650,832.86

$AFC^{1/2}$ = $FCB \left(\frac{0.2041 Bn}{Bo} + \frac{0.0998 Dn}{Do} + \frac{0.5782 Cn}{Co} + \frac{0.1179 Sn^{3/}}{So} + \frac{0.00 NGn}{NGo} \right)$
 = 495,293,597.86

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA''$
 = 819,868,125.03 - 716,665,090.00 + 0.00
 = 103,203,035.03

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{3 USCPI_n^{3/}}{USCPI_o} \right) \right] \left[\frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right] \right\}$
 = 716,665,090.00 $\left\{ \left[0.40 + \left(\frac{0.3 \times 233.877}{210.036} \right) \right] \left[\frac{43.1212}{41.7429} + \frac{0.3 \times 135.00}{105.0} \right] \right\}$
 = 819,868,125.03

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = 8,650,832.86 + 103,203,035.03
 = 111,853,867.89

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{111,853,867.89}{187,830,543.63}$
 = 0.5955

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST

Billing Period Covered: 26 September 2013 - 25 October 2013

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

| | |
|---|-------------------------|
| Current Month FPPCA(pesos) | 111,853,867.89 |
| Less: Previous Month FPPCA (pesos) | 102,485,496.23 |
| Net | <u>9,368,371.66</u> |
| Divide by Previous Month AFC + APPC (pesos) | <u>1,305,793,351.23</u> |
| Percent Change | 0.72% |
| Previous Month FPPCA Rate | 0.2171 |
| Increase/Decrease | 0.0016 |
| Current Month FPPCA Rate | <u>0.2187</u> |

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment

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

$$= 608,468,569.43 \quad - \quad 472,498,595.00 \quad + \quad 0.00$$

$$= 135,969,974.43$$

$$AFC^{1/2} = FCB \left(\frac{0.9967 B_n}{Bo} + \frac{0.0033 D_n}{Do} + \frac{0.00 C_n}{Co} + \frac{0.00 S_n}{So} + \frac{0.00 N_{Gn}}{NGo} \right)$$

$$= 608,468,569.43$$

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

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

$$= 630,117,901.58 \quad - \quad 550,800,170.00 \quad + \quad 0.00$$

$$= 79,317,731.58$$

$$APPC = PPCB \left\{ \left[0.40 + \left(\frac{3 \text{ USCPI}_n^{3/}}{\text{USCPI}_o} \right) \right] \frac{FX_n}{F_xo} + \frac{0.3 \text{ CPI}_n^{3/}}{\text{CPI}_o} \right\}$$

$$= 550,800,170.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 233.877}{210.036} \right) \right] \frac{43.1212}{41.7429} + \frac{0.3 \times 135.00}{105.0} \right\}$$

$$= 630,117,901.58$$

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

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

$$= 135,969,974.43 \quad + \quad 79,317,731.58$$

$$= 215,287,706.00$$

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

$$= \frac{215,287,706.00}{568,022,153.17}$$

$$= 0.3790$$

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST

Billing Period Covered: 26 September 2013 - 25 October 2013

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

| | |
|---|------------------|
| Current Month FPPCA(pesos) | 215,287,706.00 |
| Less: Previous Month FPPCA (pesos) | 210,370,114.37 |
| Net | 4,917,591.64 |
| Divide by Previous Month AFC + APPC (pesos) | 1,233,668,879.37 |
| Percent Change | 0.40% |
| Previous Month FPPCA Rate | 0.0759 |
| Increase/Decrease | 0.0003 |
| Current Month FPPCA Rate | 0.0762 |

NOTES:

*Calculation is based on ERC Resolution Nos. 19 and 25 (amending Resolution 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 as posted on the US Bureau of Labor Statistics Website is until August 2013

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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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 2013 - 25 October 2013

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA_{pesos} = Debt Service Adjustment

$$= (FX_n - FX_{o_{\text{DSA}}}) \times DSR + (FX_n - FX_{o_{\text{DSA}}}) \times DSB/12$$

$$= (43.1212 - 44.0494) \times 7,020,022.33 + (43.1212 - 44.0494) \times 0.00 / 12$$

$$= \underline{(6,515,984.73)}$$

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses

$$= (FX_n - FX_{o_{\text{OPEX}}}) \times FxOpex$$

$$= 43.1212 - 41.7429 \times 0.00$$

$$= 0.0000$$

C. FxA_{pesos} = Foreign Exchange-Related Cost Adjustment

$$= DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$$

$$= \underline{(6,515,984.73)} + 0.00 + 0.00$$

$$= \underline{(6,515,984.73)}$$

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

$$= \frac{\underline{(6,515,984.73)}}{54,183,844.46}$$

$$= \underline{(0.1203)}$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 September 2013 - 25 October 2013

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

Applied Formula: $(FX_n(\text{Previous Month}) * \text{Previous Month DSR}) + (FX_n(\text{Previous Month}) * \text{Previous Month DSB}/12)$

| | |
|---|-----------------------|
| Previous Month 5day Average before the 25th | 43.2482 |
| Current Month DSA (pesos) | (6,515,984.73) |
| Less: Previous Month DSA (pesos) | (9,389,823.66) |
| Net | <u>2,873,838.93</u> |
| *Previous Month DSR + DSB | <u>506,855,930.40</u> |
| Percent Change | 0.57% |

| | |
|-------------------------------|---------------|
| Previous Month FxA Rate | 0.1963 |
| Increase/Decrease | <u>0.0011</u> |
| Current Month FxA Rate | 0.1974 |

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment

$$= (FX_n - FX_{O_{\text{DSA}}}) \times DSR + (FX_n - FX_{O_{\text{DSA}}}) \times DSB/12$$

$$= (43.1212 - 44.0494) \times 3,355,440.11 + (43.1212 - 44.0494) \times 18,637,054.80 / 12$$

$$= (4,556,095.70)$$

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses

$$= (FX_n - FX_{O_{\text{Opex}}}) \times FxOpex$$

$$= 43.1212 - 41.7429 \times 0.00$$

$$= 0.0000$$

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment

$$= DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$$

$$= (4,556,095.70) + 0.00 + 0.00$$

$$= (4,556,095.70)$$

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

$$= \frac{(4,556,095.70)}{187,830,543.63}$$

$$= (0.0243)$$

| REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA) | |
|---|----------------|
| Billing Period Covered: 26 September 2013 - 25 October 2013 | |
| Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM | |
| Applied Formula: $(FX_n(\text{Previous Month}) * \text{Previous Month DSR}) + (FX_n(\text{Previous Month}) * \text{Previous Month DSB}/12)$ | |
| Previous Month 5day Average before the 25th | 43.2482 |
| Current Month DSA (pesos) | (4,556,095.70) |
| Less: Previous Month DSA (pesos) | (2,426,284.22) |
| Net | (2,129,811.48) |
| *Previous Month DSR + DSB | 130,969,077.64 |
| Percent Change | -1.63% |
| Previous Month FxA Rate | 0.0046 |
| Increase/Decrease | (0.0001) |
| Current Month FxA Rate | 0.0045 |

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment

$$= (FX_n - FX_{o_{\text{DSA}}}) \times DSR + (FX_n - FX_{o_{\text{DSA}}}) \times DSB/12$$

$$= (43.1212 - 44.0494) \times 18,853.37 + (43.1212 - 44.0494) \times 0.00 / 12$$

$$= (17,499.70)$$

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses

$$= (FX_n - FX_{o_{\text{Opex}}}) \times FxOpex$$

$$= 43.1212 - 41.7429 \times 0.00$$

$$= 0.00$$

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment

$$= DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$$

$$= (17,499.70) + 0.00 + 0.00$$

$$= (17,499.70)$$

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

$$= \frac{(17,499.70)}{568,022,153.17}$$

$$= (0.0000)$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)**Billing Period Covered: 26 September 2013 - 25 October 2013****Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM***Applied Formula: $(FX_n(\text{Previous Month}) * \text{Previous Month DSR}) + (FX_n(\text{Previous Month}) * \text{Previous Month DSB}/12)$

| | |
|---|----------------|
| Previous Month 5day Average before the 25th | 43.2482 |
| Current Month DSR (pesos) | (17,499.70) |
| Less: Previous Month DSA (pesos) | (1,296,336.76) |
| Net | 1,278,837.06 |
| *Previous Month DSR + DSB | 69,975,326.38 |
| Real % Inc/Dec in Forex | 1.83% |
| Capped % Inc/Dec in Forex | -10.00% |
| Previous Month FxA Rate | 0.0031 |
| Increase/Decrease | 0.0001 |
| Current Month FxA Rate | 0.0032 |

NOTES:

DSR = Actual Debt Service Payments (principal portion) for the month in US Dollar

DSB = Actual Bullet Service Payments for one (1) year in US Dollar

FxOpex = Foreign-related operating expenses in US Dollar

4/The above calculation does not incorporate the OFxA as PSALM is waiting for the decision relative to ERC Case No. 2010-055MC

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