

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

Billing Period Covered: 26 August 2010 - 25 September 2010

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 2,158,263,295.18 - 2,325,976,544.31 + 0.00
 = (167,713,249.13)

$AFC^{/1}$ = FCB $\left[\frac{0.1751 Bn}{Bo} + \frac{0.0231 Dn}{Do} + \frac{0.1305 Cn}{Co} + \frac{0.2954 Sn}{So} + \frac{0.3759 NGn}{NGo} \right]$
 = 2,158,263,295.18

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 3,456,883,545.65 - 3,153,371,686.48 + 0.00
 = 303,511,859.18

APPC = PPCB $\left\{ \left\{ 0.40 + \left(\frac{0.3 USCPI_n}{USCPI_o} \right) \frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right\} \right.$
 = 3,153,371,686.48 $\left\{ \left[\left(0.40 + \left(\frac{0.3 \times 218.312}{210.036} \right) \right) \frac{44.063}{41.7429} + \frac{0.3 \times 166.80}{145.1} \right] \right.$
 = 3,456,883,545.65

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (167,713,249.13) + 303,511,859.18
 = 135,798,610.05

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{135,798,610.05}{185,229,917.00}$
 = 0.7331

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA
 = 483,474,981.54 - 486,642,765.00 + 0.00
 = (3,167,783.46)

$AFC^{/1}$ = FCB $\left[\frac{0.2041 Bn}{Bo} + \frac{0.0998 Dn}{Do} + \frac{0.5782 Cn}{Co} + \frac{0.1179 Sn}{So} + \frac{0.00 NGn}{NGo} \right]$
 = 483,474,981.54

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA
 = 785,644,067.27 - 716,665,090.00 + 0.00
 = 68,978,977.27

APPC = PPCB $\left\{ \left\{ 0.40 + \left(\frac{0.3 USCPI_n}{USCPI_o} \right) \frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right\} \right.$
 = 716,665,090.00 $\left\{ \left[\left(0.40 + \left(\frac{0.3 \times 218.312}{210.036} \right) \right) \frac{44.063}{41.7429} + \frac{0.3 \times 166.80}{145.1} \right] \right.$
 = 785,644,067.27

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (3,167,783.46) + 68,978,977.27 \\
 &= 65,811,193.81
 \end{aligned}$$

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

$$\begin{aligned}
 &= \frac{65,811,193.81}{345,108,455.00} \\
 &= 0.1907
 \end{aligned}$$

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment

$$\begin{aligned}
 &= AFC - FCB + OFCA \\
 &= 440,490,692.88 - 472,498,595.00 + 0.00 \\
 &= (32,007,902.12)
 \end{aligned}$$

$$AFC^{/1} = FCB \left(\frac{0.9967 Bn}{Bo} + \frac{0.0033 Dn}{Do} + \frac{0.00 Cn}{Co} + \frac{0.00 Sn}{So} + \frac{0.00 N Gn}{NGo} \right)$$

$$= 440,490,692.88$$

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

$$\begin{aligned}
 &= APPC - PPCB + OPPCA \\
 &= 603,814,657.43 - 550,800,170.00 + 0.00 \\
 &= 53,014,487.43
 \end{aligned}$$

$$\begin{aligned}
 APPC &= PPCB \left\{ 0.40 + \left[\frac{0.3 USCPIn}{USCPlo} \right] Fxo + \left[\frac{0.3 CPIIn}{CPIlo} \right] \right\} \\
 &= 550,800,170.00 \left\{ 0.40 + \left[\frac{0.3 \times 218.312}{210.036} \right] 44.063 + \left[\frac{0.3 \times 166.80}{145.1} \right] \right\} \\
 &= 603,814,657.43
 \end{aligned}$$

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

$$\begin{aligned}
 &= FCA_{\text{pesos}} + PPCA_{\text{pesos}} \\
 &= (32,007,902.12) + 53,014,487.43 \\
 &= 21,006,585.31
 \end{aligned}$$

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

$$\begin{aligned}
 &= \frac{21,006,585.31}{640,709,512.00} \\
 &= 0.0328
 \end{aligned}$$

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 Co

/1 Refer to the posted graph for MOPS fuel prices

AFC = Adjusted Fuel Costs in pesos

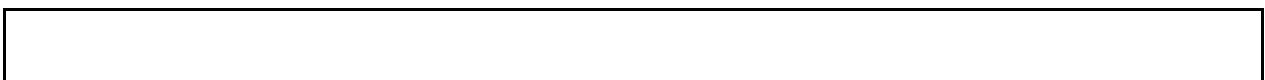
FCB = Fuel Costs Base is equal to (1.6811 PhP/kWh x 16,603,247,000/12 kWh) for Luzon, (1.2789 PhP/kWh x 4,566,200,000/12 kWh) for Visayas and (0.8961 PhP/kWh x 6,327,400,000/12 kWh for Mindanao)

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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