

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

Billing Period Covered: 26 July 2011 - 25 August 2011

**AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT**

**LUZON**

A.  $DSA_{\text{pesos}}$  = Debt Service Adjustment

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

$$DSA_{\text{pesos}} = (42.4812 - 44.0494) \times 15,250,111.00 + (42.4812 - 44.0494) \times 359,889,521.11 / 12$$

$$DSA_{\text{pesos}} = (70,946,786.32)$$

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

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

$$FxOpex_{\text{peso}} = 42.4812 - 41.7429 \times 0.00$$

$$FxOpex_{\text{pesos}} = 0.0000$$

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

$$FxA_{\text{pesos}} = DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$$

$$FxA_{\text{pesos}} = (70,946,786.32) + 0.00 + 0.00$$

$$FxA_{\text{pesos}} = (70,946,786.32)$$

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

$$D. Fx_{\text{rate}} = (70,946,786.32)$$

$$D. Fx_{\text{rate}} = 135,498,151.00$$

$$D. Fx_{\text{rate}} = (0.5236)$$

**REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)**

Billing Period Covered: 26 July 2011 - 25 August 2011

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 = PhP42.7544

Current Month FPPCA(pesos)	<b>(70,946,786.32)</b>
Less: Previous Month FXA (pesos)	<b>(35,641,503.86)</b>
Net	<b>(35,305,282.46)</b>
*Previous Month DSR + DSB	1,176,703,561.75
Percent Change	-3.00%

Previous Month FXA Rate	0.1983
Increase/Decrease	<b>(0.0059)</b>
Current Month FPP	0.1924

**VISAYAS**

A.  $DSA_{\text{pesos}}$  = Debt Service Adjustment

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

$$DSA_{\text{pesos}} = (42.4812 - 44.0494) \times 8,789,067.64 + (42.4812 - 44.0494) \times 12,459,248.72 / 12$$

$$DSA_{\text{pesos}} = (15,411,232.03)$$

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

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

$$FxOpex_{\text{peso}} = 42.4812 - 41.7429 \times 0.00$$

$$FxOpex_{\text{peso}} = 0.0000$$

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

$$FxA_{\text{pesos}} = DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$$

$$FxA_{\text{pesos}} = (15,411,232.03) + 0.00 + 0.00$$

$$FxA_{\text{pesos}} = (15,411,232.03)$$

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

$$D. Fx_{\text{rate}} = \frac{(15,411,232.03)}{221,556,669.00}$$

$$D. Fx_{\text{rate}} = (0.0696)$$

**REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)**

**Billing Period Covered: 26 July 2011 - 25 August 2011**

**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 = PhP42.7544

Current Month FPPCA(pesos)	<b>(15,411,232.03)</b>
Less: Previous Month FXA (pesos)	<b>(604,534.44)</b>
Net	<b>(14,806,697.59)</b>
*Previous Month DSR + DSB	19,958,692.81
Percent Change	-74.19%

Previous Month FXA Rate	0.0322
Increase/Decrease	<b>(0.0239)</b>
<b>Current Month FPPCA Rate</b>	<b>0.0083</b>

**MINDANAO**

A.  $DSA_{\text{pesos}}$  = Debt Service Adjustment

$$DSApesos = (FXn - FXo_{\text{DSA}}) \times DSR + (FXn - FXo_{\text{DSA}}) \times DSB / 12$$

$$DSApesos = (42.4812 - 44.0494) \times 966,122.97 + (42.4812 - 44.0494) \times 11,960,663.82 / 12$$

$$DSApesos = (3,078,133.46)$$

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

$$FxOpex_{\text{peso}} = (FXn - FXo_{\text{Opex}}) \times FxOpex$$

$$FxOpex_{\text{peso}} = 42.4812 - 41.7429 \times 0.00$$

$$FxOpex_{\text{peso}} = 0.00$$

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

$$FxA_{\text{pesos}} = DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$$

$$FxA_{\text{pesos}} = (3,078,133.46) + 0.00 + 0.00$$

$$FxA_{\text{pesos}} = (3,078,133.46)$$

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

$$D. Fx_{\text{rate}} = \frac{(3,078,133.46)}{642,089,457.00}$$

$$D. Fx_{\text{rate}} = (0.0048)$$

**REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)**

**Billing Period Covered: 26 July 2011 - 25 August 2011**

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

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

Previous Month 5day Average before the 25th = PhP42.7544

Current Month FPPCA(pesos)	<b>(3,078,133.46)</b>
Less: Previous Month FXA (pesos)	<b>(286,247.72)</b>
Net	<b>(2,791,885.74)</b>
*Previous Month DSR + DSB	9,450,462.93
Percent Change	-29.54%
Previous Month FXA Rate	0.0066
Increase/Decrease	<b>(0.0019)</b>
<b>Current Month FPPCA Rate</b>	<b>0.0047</b>

**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

\*The above calculation does not incorporate the OFxA as we are waiting for the decision in PSALM's response to ERC Case No. 2010-055MC

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