

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

Billing Period Covered: 26 November 2014 - 25 December 2014

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA_{pesos} = Debt Service Adjustment

$$= (FX_n - FX_{0_{\text{DSA}}}) \times DSR + (FX_n - FX_{0_{\text{DSA}}}) \times DSB/12$$

$$= (44.7334 - 44.0494) \times 38,590,839.39 + (44.7334 - 44.0494) \times 237,047,612.94 /12$$

$$= 39,907,848.08$$

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

$$= (FX_n - FX_{0_{\text{OPEX}}}) \times FxOpex$$

$$= (44.7334 - 41.7429) \times 0.00$$

$$= 0.00$$

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

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

$$= 39,907,848.08 + 0.00 + 0.00$$

$$= 39,907,848.08$$

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

$$= \frac{39,907,848.08}{36,843,242.20}$$

$$= 1.0832$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 November 2014 - 25 December 2014

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

Current Month DSA (pesos)	39,907,848.08
Less: Previous Month DSA (pesos)	18,951,956.65
Net	<u>20,955,891.42</u>
Previous Month DSR + DSB	<u>889,102,383.44</u>
Percent Change	2.36%
Previous Month FxA Rate	0.2229
Increase/Decrease	0.0053
Current Month FxA Rate	<u>0.2282</u>

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 $= (FX_n - FX_{o_{\text{DSA}}}) \times DSR + (FX_n - FX_{o_{\text{DSA}}}) \times DSB/12$
 $= (44.7334 - 44.0494) \times 3,973,364.78 + (44.7334 - 44.0494) \times 14,347,616.95 /12$
 $= 3,535,595.67$

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 $= (FX_n - FX_{o_{\text{Opex}}}) \times FxOpex$
 $= (44.7334 - 41.7429) \times 0.00$
 $= 0.00$

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 $= DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$
 $= 3,535,595.67 + 0.00 + 0.00$
 $= 3,535,595.67$

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 $= \frac{3,535,595.67}{171,032,525.27}$
 $= 0.0207$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 November 2014 - 25 December 2014

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

Current Month DSA (pesos)	3,535,595.67
Less: Previous Month DSA (pesos)	1,147,091.98
Net	<u>2,388,503.70</u>
Previous Month DSR + DSB	<u>53,814,085.16</u>
Percent Change	4.44%
Previous Month FxA Rate	0.0051
Increase/Decrease	<u>0.0002</u>
Current Month FxA Rate	0.0053

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment

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

$$= (44.7334 - 44.0494) \times 6,329,275.67 + (44.7334 - 44.0494) \times 38,157,282.92 / 12$$

$$= 6,504,189.68$$

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

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

$$= 44.7334 - 41.7429 \times 0.00$$

$$= 0.00$$

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

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

$$= 6,504,189.68 + 0.00 + 0.00$$

$$= 6,504,189.68$$

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

$$= \frac{6,504,189.68}{642,806,087.90}$$

$$= 0.0101$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 November 2014 - 25 December 2014	
Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM	
Current Month DSR (pesos)	6,504,189.68
Less: Previous Month DSA (pesos)	3,050,674.77
Net	<u>3,453,514.91</u>
Previous Month DSR + DSB	<u>143,117,792.94</u>
Percent Change	2.41%
Previous Month FxA Rate	0.0039
Increase/Decrease	<u>0.0001</u>
Current Month FxA Rate	<u>0.0040</u>

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

*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.

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