

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

Billing Period Covered: 26 December 2015 - 25 January 2016

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA_{pesos} = Debt Service Adjustment

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

$$= (47.7860 - 44.0494) \times 0.00 + (47.7860 - 44.0494) \times 130,575,859.23 / 12$$

$$= 40,659,146.30$$

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

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

$$= (47.7860 - 41.7429) \times 0.00$$

$$= 0.00$$

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

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

$$= 40,659,146.30 + 0.00 + 0.00$$

$$= 40,659,146.30$$

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

$$= \frac{40,659,146.30}{29,613,558.59}$$

$$= 1.3730$$

REVISED AUTOMATIC FOREIGN EXCHANGE-RELATED COST (FxA)

Billing Period Covered: 26 December 2015 - 25 January 2016

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

Current Month DSA (pesos)	40,659,146.30
Less: Previous Month DSA (pesos)	143,743,519.90
Net	<u>(103,084,373.60)</u>
Previous Month DSR + DSB	<u>2,072,176,182.80</u>
Percent Change	-4.97%
Previous Month FxA Rate	0.2784
Increase/Decrease	<u>(0.0138)</u>
Current Month FxA Rate	0.2646

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{\text{DSA}}}) \times DSR + (FX_n - FX_{O_{\text{DSA}}}) \times DSB / 12$
 = $(47.7860 - 44.0494) \times 0.00 + (47.7860 - 44.0494) \times 3,654,161.37 / 12$
 = 1,137,844.95

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{\text{Opex}}}) \times FxOpex$
 = $(47.7860 - 41.7429) \times 0.00$
 = 0.00

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$
 = 1,137,844.95 + 0.00 + 0.00
 = 1,137,844.95

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{1,137,844.95}{12,262,643.05}$
 = 0.0928

REVISED AUTOMATIC FOREIGN EXCHANGE-RELATED COST (FxA)

Billing Period Covered: 26 December 2015 - 25 January 2016

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

Current Month DSA (pesos)	1,137,844.95
Less: Previous Month DSA (pesos)	14,722,657.95
Net	<u>(13,584,813.00)</u>
Previous Month DSR + DSB	<u>212,238,723.31</u>
Percent Change	-6.40%
Previous Month FXA Rate	0.0070
Increase/Decrease	<u>(0.0004)</u>
Current Month FxA Rate	0.0066

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{\text{DSA}}}) \times DSR + (FX_n - FX_{O_{\text{DSA}}}) \times DSB / 12$
 = $(47.7860 - 44.0494) \times 0.00 + (47.7860 - 44.0494) \times 0.00 / 12$
 = 0.00

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{\text{Opex}}}) \times FxOpex$
 = $47.7860 - 41.7429 \times 0.00$
 = 0.00

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

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{0.00}{427,441,177.28}$
 = 0.0000

REVISED AUTOMATIC FOREIGN EXCHANGE-RELATED COST (FxA)

Billing Period Covered: 26 December 2015 - 25 January 2016

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

Current Month DSR (pesos)	0.00
Less: Previous Month DSA (pesos)	15,471,640.06
Net	<u>(15,471,640.06)</u>
Previous Month DSR + DSB	<u>223,035,891.01</u>
Percent Change	-6.94%

Previous Month FxA Rate	0.0052
Increase/Decrease	<u>(0.0004)</u>
Current Month FxA Rate	0.0048

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 Exchange-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 (amending Resolution No.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.

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