

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 2012 - 25 January 2013

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA_{pesos}	= Debt Service Adjustment			
	=	$(FX_n - FX_{O_{DSA}}) \times DSR + (FX_n - FX_{O_{DSA}}) \times DSB / 12$		
	=	$(40.6344 - 44.0494) \times 25,808,351.32 + (40.6344 - 44.0494) \times 0.00 / 12$		
	=	(88,135,519.77)		
B. $FxOpex_{pesos}$	= Foreign Exchange-Related Cost Adjustment for foreign related operating expenses			
	=	$(FX_n - FX_{O_{OPEX}}) \times FxOpex$		
	=	$40.6344 - 41.7429 \times 0.00$		
	=	0.0000		
C. FxA_{pesos}	= Foreign Exchange-Related Cost Adjustment			
	=	$DSA_{pesos} + FxOpex_{pesos} + OFxCA$		
	=	(88,135,519.77) + 0.00 + 0.00		
	=	(88,135,519.77)		
D. Fx_{rate}	=	$\frac{FxA_{pesos}}{Sales}$		
	=	(88,135,519.77)		
	=	136,081,296.00		
	=	(0.6477)		

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 December 2012 - 25 January 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	41.0676
Current Month DSA (pesos)	(88,135,519.77)
Less: Previous Month DSA (pesos)	(1,341,657.00)
Net	(86,793,862.76)
*Previous Month DSR + DSB	18,478,312.82
Percent Change	-469.71%
Capped Change	-10.00%
Previous Month FxA Rate	0.2046
Increase/Decrease	(0.0205)
Current Month FPP	0.1841

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{\text{DSA}}}) \times \text{DSR} + (FX_n - FX_{O_{\text{DSA}}}) \times \text{DSB} / 12$
 = $(40.6344 - 44.0494) \times 456,526.08 + (40.6344 - 44.0494) \times 0.00 / 12$
 = **(1,559,036.55)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{\text{Opex}}}) \times FxOpex$
 = $40.6344 - 41.7429 \times 0.00$
 = 0.0000

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
 = **(1,559,036.55)** + 0.00 + 0.00
 = **(1,559,036.55)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(1,559,036.55)}{190,080,609.00}$
 = **(0.0082)**

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 December 2012 - 25 January 2013	
Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM	
*Applied Formula: $(FX_n(\text{Previous Month}) \times \text{Previous Month DSR}) + (FX_n(\text{Previous Month}) \times \text{Previous Month DSB} / 12)$	
Previous Month 5day Average before the 25th	41.0676
Current Month DSA (pesos)	(1,559,036.55)
Less: Previous Month DSA (pesos)	<u>0.00</u>
Net	(1,559,036.55)
*Previous Month DSR + DSB	<u>217,490,395.38</u>
Percent Change	-0.72%
Previous Month FxA Rate	0.0052
Increase/Decrease	<u>(0.0000)</u>
Current Month FPPCA Rate	0.0052

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment

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

$$= (40.6344 - 44.0494) \times 203,380.41 + (40.6344 - 44.0494) \times 0.00 / 12$$

$$= (694,544.10)$$

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

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

$$= 40.6344 - 41.7429 \times 0.00$$

$$= 0.00$$

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

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

$$= (694,544.10) + 0.00 + 0.00$$

$$= (694,544.10)$$

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

$$= \frac{(694,544.10)}{583,602,425.00}$$

$$= (0.0012)$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)**Billing Period Covered: 26 December 2012 - 25 January 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 41.0676

Current Month DSR (pesos)	(694,544.10)
Less: Previous Month DSA (pesos)	0.00
Net	(694,544.10)
*Previous Month DSR + DSB	744,199.25
Percent Change	-93.33%
Capped Change	-10.00%
Previous Month FXA Rate	0.0046
Increase/Decrease	(0.0005)
Current Month FPPCA Rate	0.0041

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

Disclaimer: This document was created and prepared as a compliance with ERC Resolution Nos. 19 and 25, series of 2009 and shall not be used for any other purposes than intended. You may not edit, change, transform, reproduce, distribute, publish or broadcast the content of this material without prior permission. PSALM shall not be liable for any loss, error, or damage that may be incurred resulting from the use of the data in this document.