

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

Billing Period Covered: 26 October 2011 - 25 November 2011

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA _{pesos}	= Debt Service Adjustment
	= (FXn - FXo _{DSA}) x DSR + (FXn - FXo _{DSA}) x DSB/12
	= (43.4062 - 44.0494) x 0.00 + (43.4062 - 44.0494) x 359,889,521.11 /12
	= (19,290,078.33)
B. FxOpex _{pesos}	= Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
	= (FXn - FXo _{OPEX}) x FxOpex
	= 43.4062 - 41.7429 x 0.00
	= 0.0000
C. FxA _{pesos}	= Foreign Exchange-Related Cost Adjustment
	= DSA _{pesos} + FxOpex _{pesos} + OFxCA
	= (19,290,078.33) + 0.00 + 0.00
	= (19,290,078.33)
D. FX _{rate}	= $\frac{FxA_{pesos}}{Sales}$
	= <u>(19,290,078.33)</u>
	= 111,810,088.00
	= (0.1725)

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 October 2011 - 25 November 2011

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

*Applied Formula: (FXn(Previous Month) * Previous Month DSR) + (FXn(Previous Month) * Previous Month DSB/12)

Previous Month 5day Average before the 25th = PhP43.2722

Current Month FPPCA(pesos)	(19,290,078.33)
Less: Previous Month FXA (pesos)	(28,604,380.55)
Net	<u>9,314,302.22</u>
*Previous Month DSR + DSB	<u>1,592,607,406.40</u>
Percent Change	0.58%
Previous Month FXA Rate	0.1966
Increase/Decrease	<u>0.0011</u>
Current Month FPP	0.1977

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{DSA}}) \times DSR + (FX_n - FX_{O_{DSA}}) \times DSB / 12$
 = $(43.4062 - 44.0494) \times 5,280,046.50 + (43.4062 - 44.0494) \times 12,459,248.72 / 12$
 = **(4,063,941.64)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{Opex}}) \times FxOpex$
 = $43.4062 - 41.7429 \times 0.00$
 = 0.0000

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
 = **(4,063,941.64)** + 0.00 + 0.00
 = **(4,063,941.64)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(4,063,941.64)}{215,637,251.00}$
 = **(0.0188)**

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 October 2011 - 25 November 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 = PhP43.2722	
Current Month FPPCA(pesos)	(4,063,941.64)
Less: Previous Month FXA (pesos)	(3,473,679.38)
Net	(590,262.26)
*Previous Month DSR + DSB	193,404,205.92
Percent Change	-0.31%
Previous Month FXA Rate	0.0084
Increase/Decrease	(0.0000)
Current Month FPPCA Rate	0.0084

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment
= $(FX_n - FX_{O_{DSA}}) \times DSR + (FX_n - FX_{O_{DSA}}) \times DSB / 12$
= $(43.4062 - 44.0494) \times 0.00 + (43.4062 - 44.0494) \times 11,960,663.82 / 12$
= **(641,091.58)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
= $(FX_n - FX_{O_{Opex}}) \times FxOpex$
= $43.4062 - 41.7429 \times 0.00$
= 0.00

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
= $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
= **(641,091.58)** + 0.00 + 0.00
= **(641,091.58)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
= $\frac{(641,091.58)}{646,894,444.00}$
= **(0.0010)**

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)**Billing Period Covered: 26 October 2011 - 25 November 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 = PhP43.2722

Current Month FPPCA(pesos)	(641,091.58)
Less: Previous Month FXA (pesos)	(789,382.15)
Net	148,290.57
*Previous Month DSR + DSB	43,950,465.99
Percent Change	0.34%

Previous Month FXA Rate	0.0048
Increase/Decrease	0.0000
Current Month FPPCA 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-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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