

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

Billing Period Covered: 26 August 2014 - 25 September 2014

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{0_{\text{DSA}}}) \times DSR + (FX_n - FX_{0_{\text{DSA}}}) \times DSB/12$
 = $(44.4352 - 44.0494) \times 8,947,942.10 + (44.4352 - 44.0494) \times 127,721,519.29 / 12$
 = 7,558,362.91

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{0_{\text{OPEX}}}) \times FxOpex$
 = $(44.4352 - 41.7429) \times 0.00$
 = 0.00

C. FxA_{pesos} = Foreign Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$
 = 7,558,362.91 + 0.00 + 0.00
 = 7,558,362.91

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{7,558,362.91}{38,069,780.80}$
 = 0.1985

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 August 2014 - 25 September 2014

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

Current Month DSA (pesos)	7,558,362.91
Less: Previous Month DSA (pesos)	<u>(4,149,579.48)</u>
Net	<u>11,707,942.38</u>
Previous Month DSR + DSB	<u>545,088,660.42</u>
Percent Change	2.15%
Previous Month FxA Rate	0.2140
Increase/Decrease	<u>0.0046</u>
Current Month FxA Rate	<u>0.2186</u>

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 = $(FXn - FXo_{\text{DSA}}) \times DSR + (FXn - FXo_{\text{DSA}}) \times DSB/12$
 = $(44.4352 - 44.0494) \times 1,475,224.91 + (44.4352 - 44.0494) \times 12,881,358.73 / 12$
 = 983,277.45

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FXn - FXo_{\text{Opex}}) \times FxOpex$
 = $(44.4352 - 41.7429) \times 0.00$
 = 0.00

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{4/}$
 = 983,277.45 + 0.00 + 0.00
 = 983,277.45

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{983,277.45}{172,113,953.95}$
 = 0.0057

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 August 2014 - 25 September 2014

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

Current Month DSA (pesos)	983,277.45
Less: Previous Month DSA (pesos)	<u>(399,497.37)</u>
Net	1,382,774.83
Previous Month DSR + DSB	<u>52,477,965.24</u>
Percent Change	2.63%
Previous Month FxA Rate	0.0050
Increase/Decrease	<u>0.0001</u>
Current Month FxA Rate	0.0051

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment

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

$$= (44.4352 - 44.0494) \times 1,617,993.96 + (44.4352 - 44.0494) \times 31,165,387.68 / 12$$

$$= 1,626,189.28$$

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

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

$$= 44.4352 - 41.7429 \times 0.00$$

$$= 0.00$$

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

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

$$= 1,626,189.28 + 0.00 + 0.00$$

$$= 1,626,189.28$$

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

$$= \frac{1,626,189.28}{635,210,437.73}$$

$$= 0.0026$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)

Billing Period Covered: 26 August 2014 - 25 September 2014

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

Current Month DSR (pesos)	1,626,189.28
Less: Previous Month DSA (pesos)	(864,320.09)
Net	<u>2,490,509.37</u>
Previous Month DSR + DSB	<u>113,537,065.60</u>
Percent Change	2.19%
Previous Month FxA Rate	0.0038
Increase/Decrease	<u>0.0001</u>
Current Month FxA Rate	<u>0.0039</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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