

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

Billing Period Covered: 26 May 2014 - 25 June 2014

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

LUZON

A. FCA_{pesos} = Fuel Cost Adjustment
 = AFC - FCB + OFCA^{1/}
 = 2,563,864,775.14 - 2,325,976,544.31 + 0.00
 = 237,888,230.84

AFC^{2/} = FCB $\left[\frac{0.1751 Bn}{Bo} + \frac{0.0231 Dn}{Do} + \frac{0.1305 Cn}{Co} + \frac{0.2954 Sn^{3/}}{So} + \frac{0.3759 NGr}{NGo} \right]$
 = 2,563,864,775.14

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = APPC - PPCB + OPPCA^{1/}
 = 3,703,774,118.58 - 3,153,371,686.48 + 0.00
 = 550,402,432.11

APPC = PPCB $\left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n^{3/}}{CPI_o} \right\}$
 = 3,153,371,686.48 $\left\{ \left[0.40 + \left(\frac{0.3 \times 237.9}{210.036} \right) \frac{43.8646}{41.7429} \right] + \frac{0.3 \times 139.00}{105.0} \right\}$
 = 3,703,774,118.58

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = 237,888,230.84 + 550,402,432.11
 = 788,290,662.95

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{788,290,662.95}{36,433,428.40}$
 = 21.6365

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 May 2014 - 25 June 2014	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	788,290,662.95
Less: Previous Month FPPCA (pesos)	775,540,761.79
Net	<u>12,749,901.15</u>
Divide by Previous Month AFC + APPC (pesos)	<u>6,254,888,992.58</u>
Percent Change	0.20%
Previous Month FPPCA Rate	0.4263
Increase/Decrease	<u>0.0009</u>
Current Month FPPCA Rate	0.4272

VISAYAS

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 468,677,286.30 - 486,642,765.00 + 0.00
 = (17,965,478.70)
 $AFC^{/2}$ = $FCB \left(\frac{0.2041 Bn}{Bo} + \frac{0.0998 Dn}{Do} + \frac{0.5782 Cn}{Co} + \frac{0.1179 Sn^{3/}}{So} + \frac{0.00 NGn}{NGo} \right)$
 = 468,677,286.30

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 841,754,755.21 - 716,665,090.00 + 0.00
 = 125,089,665.21
 $APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \left[\frac{FX_n}{FX_o} + \frac{0.3 CPI_n}{CPI_o} \right] \right\}$
 = 716,665,090.00 $\left\{ \left[0.40 + \left(\frac{0.3 \times 237.9}{210.036} \right) \right] \left[\frac{43.8646}{41.7429} \right] + \frac{0.3 \times 139.00}{105.0} \right\}$
 = 841,754,755.21

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = (17,965,478.70) + 125,089,665.21
 = 107,124,186.51

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{107,124,186.51}{176,870,343.03}$
 = 0.6057

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 May 2014 - 25 June 2014	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	107,124,186.51
Less: Previous Month FPPCA (pesos)	106,760,713.41
Net	<u>363,473.10</u>
Divide by Previous Month AFC + APPC (pesos)	<u>1,310,068,568.41</u>
Percent Change	0.03%
Previous Month FPPCA Rate	0.2179
Increase/Decrease	<u>0.0001</u>
Current Month FPPCA Rate	<u>0.2180</u>

MINDANAO

A. FCA_{pesos} = Fuel Cost Adjustment
 = $AFC - FCB + OFCA^{1/}$
 = 609,830,307.78 - 472,498,595.00 + 0.00
 = 137,331,712.78

$AFC^{2/}$ = $FCB \left(\frac{0.9967 Bn}{Bo} + \frac{0.0033 Dn}{Do} + \frac{0.00 Cn}{Co} + \frac{0.00 Sn^{3/}}{So} + \frac{0.00 NGn}{NGo} \right)$
 = 609,830,307.78

B. $PPCA_{\text{pesos}}$ = Purchased Power Costs Adjustment
 = $APPC - PPCB + OPPCA^{1/}$
 = 646,939,091.55 - 550,800,170.00 + 0.00
 = 96,138,921.55

$APPC$ = $PPCB \left\{ \left[0.40 + \left(\frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n^{3/}}{CPI_o} \right\}$
 = $550,800,170.00 \left\{ \left[0.40 + \left(\frac{0.3 \times 237.9}{210.036} \right) \frac{43.8646}{41.7429} \right] + \frac{0.3 \times 139.00}{105.0} \right\}$
 = 646,939,091.55

C. $FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment
 = $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$
 = 137,331,712.78 + 96,138,921.55
 = 233,470,634.33

D. $FPPCA_{\text{rate}}$ = $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{233,470,634.33}{492,715,082.03}$
 = 0.4738

REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST	
Billing Period Covered: 26 May 2014 - 25 June 2014	
Per ERC Order dated 27 September 2010 under ERC Case No. 2008-019 RM	
Current Month FPPCA(pesos)	233,470,634.33
Less: Previous Month FPPCA (pesos)	215,115,869.27
Net	<u>18,354,765.05</u>
Divide by Previous Month AFC + APPC (pesos)	<u>1,238,414,634.27</u>
Percent Change	1.48%
Previous Month FPPCA Rate	0.0762
Increase/Decrease	<u>0.0011</u>
Current Month FPPCA Rate	0.0773

NOTES:

*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.

1/The above calculation does not incorporate the OFCA and OPPCA as PSALM is waiting for the decision relative to ERC Case No. 2010-055MC

2/ Refer to the posted graph for MOPS fuel prices

3/ The latest available data is until May 2014

AFC = Adjusted Fuel Costs in Pesos

FCB = Fuel Costs Base is equal to (1.6811 PhP/kWh x 16,603,247,000/12 kWh) for Luzon, (1.2789 PhP/kWh x 4,566,200,000/12 kWh) for Visayas and (0.8961 PhP/kWh x 6,327,400,000/12 kWh) for Mindanao

OFCA = Other Fuel Costs Adjustment in Pesos

APPC = Adjusted Purchased Power Costs in Pesos

PPCB = Power Purchase Costs Base is equal to (2.2791 PhP/kWh x 16,603,247,000/12 kWh) for Luzon, (1.8834 PhP/kWh x 4,566,200,000/12 kWh) for Visayas and (1.0446 PhP/kWh x 6,327,400,000/12 kWh) for Mindanao

OPPCA = Other Purchased Power Costs Adjustment in Pesos

Disclaimer: This document was created and prepared as a compliance to ERC Resolution No.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 which may be incurred resulting from the use of the data in this document.