

**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 2015 - 25 September 2015**

**AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT**

**LUZON**

A. $FCA_{\text{pesos}}$	= Fuel Cost Adjustment									
	= AFC - FCB + OFCA <sup>1/</sup>									
	= 1,689,117,340.47	-	2,325,976,544.31	+	0.00					
	= (636,859,203.84)									
AFC <sup>2/</sup>	= FCB	$\left\{ \frac{0.1751 \text{ Bn}}{\text{Bo}} \right\}$	+	$\frac{0.0231 \text{ Dn}}{\text{Do}}$	+	$\frac{0.1305 \text{ Cn}}{\text{Co}}$	+	$\frac{0.2954 \text{ Sn}^{3/}}{\text{So}}$	+	$\frac{0.3759 \text{ NGo}}{\text{NGo}}$
	= 1,689,117,340.47									
B. $PPCA_{\text{pesos}}$	= Purchased Power Costs Adjustment									
	= APPC - PPCB + OPPCA <sup>1/</sup>									
	= 3,881,005,246.06	-	3,153,371,686.48	+	0.00					
	= 727,633,559.58									
APPC	= PPCB	$\left\{ 0.40 + \left( \frac{0.3 \text{ USCPI}n^{3/}}{\text{USCPI}o} \right) \frac{\text{FX}n}{\text{FX}o} + \frac{0.3 \text{ CPI}n^{3/}}{\text{CPI}o} \right\}$								
	= 3,153,371,686.48	$\left\{ 0.40 + \left( \frac{0.3 \times 238.316}{210.036} \right) \frac{46.5632}{41.7429} \right\}$	+	$\frac{0.3 \times 141.70}{105.0}$						
	= 3,881,005,246.06									
C. $FPPCA_{\text{pesos}}$	= Fuel and Purchased Power Costs Adjustment									
	= $FCA_{\text{pesos}} + PPCA_{\text{pesos}}$									
	= (636,859,203.84)	+	727,633,559.58							
	= 90,774,355.75									
D. $FPPCA_{\text{rate}}$	= $\frac{FPPCA_{\text{pesos}}}{\text{Sales}}$									
	= $\frac{90,774,355.75}{30,439,512.22}$									
	= 2.9821									

**REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST**

**Billing Period Covered: 26 August 2015 - 25 September 2015**

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

Current Month FPPCA(pesos)	90,774,355.75
Less: Previous Month FPPCA (pesos)	134,431,285.58
Net	<b>(43,656,929.83)</b>
Divide by Previous Month AFC + APPC (pesos)	5,613,779,516.36
Percent Change	-0.78%
Previous Month FPPCA Rate	0.3826
Increase/Decrease	(0.0030)
Current Month FPPCA Rate	<b>0.3796</b>

**VISAYAS**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment

$$= AFC - FCB + OFCA^{1/}$$

$$= 321,576,375.44 \quad - \quad 486,642,765.00 \quad + \quad 0.00$$

$$= (165,066,389.56)$$

$$AFC^{1/2} = FCB \left\{ \begin{array}{l} \frac{0.2041 \text{ Bn}}{\text{Bo}} + \frac{0.0998 \text{ Dn}}{\text{Do}} + \frac{0.5782 \text{ Cn}}{\text{Co}} + \frac{0.1179 \text{ Sn}^{3/}}{\text{So}} + \frac{0.00 \text{ NGo}}{\text{NGo}} \end{array} \right\}$$

$$= 321,576,375.44$$

B.  $PPCA_{\text{pesos}}$  = Purchased Power Costs Adjustment

$$= APPC - PPCB + OPPCA^{1/}$$

$$= 882,033,978.39 \quad - \quad 716,665,090.00 \quad + \quad 0.00$$

$$= 165,368,888.39$$

$$APPC = PPCB \left\{ \begin{array}{l} \left\{ \begin{array}{l} 0.40 + \left( \frac{0.3 \text{ USCPI}n^{3/}}{\text{USCPI}o} \right) \end{array} \right\} \frac{\text{FX}n}{\text{FX}o} + \frac{0.3 \text{ CPI}n}{\text{CPI}o} \right\} \\ = 716,665,090.00 \left\{ \begin{array}{l} 0.40 + \left( \frac{0.3 \times 238.316}{210.036} \right) \frac{46.5632}{41.7429} + \frac{0.3 \times 141.70}{105.0} \end{array} \right\}$$

$$= 882,033,978.39$$

C.  $FPPCA_{\text{pesos}}$  = Fuel and Purchased Power Costs Adjustment

$$FCA_{\text{pesos}} + PPCA_{\text{pesos}}$$

$$= (165,066,389.56) \quad + \quad 165,368,888.39$$

$$= 302,498.82$$

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

$$= \frac{302,498.82}{39,472,133.60}$$

$$= 0.0077$$

**REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST**

**Billing Period Covered: 26 August 2015 - 25 September 2015**

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

Current Month FPPCA(pesos)	302,498.82
Less: Previous Month FPPCA (pesos)	12,152,661.44
Net	<b>(11,850,162.61)</b>
Divide by Previous Month AFC + APPC (pesos)	1,215,460,516.44
Percent Change	-0.97%
Previous Month FPPCA Rate	0.2020
Increase/Decrease	(0.0020)
Current Month FPPCA Rate	<b>0.2000</b>

**MINDANAO**

A.  $FCA_{\text{pesos}}$  = Fuel Cost Adjustment

$$= AFC - FCB + OFCA^{1/}$$

$$= 265,585,607.66 \quad - \quad 472,498,595.00 \quad + \quad 0.00$$

$$= (206,912,987.34)$$

$$AFC^{1/2} = FCB \left( \frac{0.9967 Bn}{Bo} + \frac{0.0033 Dn}{Do} + \frac{0.00 Cn}{Co} + \frac{0.00 Sn^{3/}}{So} + \frac{0.00 N Gn}{NGo} \right)$$

$$= 265,585,607.66$$

B.  $PPCA_{\text{pesos}}$  = Purchased Power Costs Adjustment

$$= APPC - PPCB + OPPCA^{1/}$$

$$= 677,896,094.03 \quad - \quad 550,800,170.00 \quad + \quad 0.00$$

$$= 127,095,924.03$$

$$APPC = PPCB \left\{ \left[ 0.40 + \left( \frac{0.3 USCPI_n^{3/}}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + \frac{0.3 CPI_n^{3/}}{CPI_o} \right\}$$

$$= 550,800,170.00 \left\{ \left[ 0.40 + \left( \frac{0.3 \times 238.316}{210.036} \right) \right] \frac{46.5632}{41.7429} + \frac{0.3 \times 141.70}{105.0} \right\}$$

$$= 677,896,094.03$$

C.  $FPPCA_{\text{pesos}}$  = Fuel and Purchased Power Costs Adjustment

$$= FCA_{\text{pesos}} + PPCA_{\text{pesos}}$$

$$= (206,912,987.34) \quad + \quad 127,095,924.03$$

$$= (79,817,063.31)$$

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

$$= \frac{(79,817,063.31)}{433,758,880.23}$$

$$= -0.1840$$

**REVISED AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COST**

Billing Period Covered: 26 August 2015 - 25 September 2015

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

Current Month FPPCA(pesos)	(79,817,063.31)
Less: Previous Month FPPCA (pesos)	(51,771,128.64)
Net	(28,045,934.67)
Divide by Previous Month AFC + APPC (pesos)	971,527,636.36
Percent Change	-2.89%
Previous Month FPPCA Rate	0.0598
Increase/Decrease	(0.0017)
Current Month FPPCA Rate	0.0581

**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 August 2015

**AFC** = Adjusted Fuel Costs in Pesos

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

**OFCA** = Other Fuel Costs Adjustment in Pesos

**APPC** = Adjusted Purchased Power Costs in Pesos

**PPCB** = Power Purchase Costs Base is equal to  $(2.2791 \text{ PhP/kWh} \times 16,603,247,000/12 \text{ kWh})$  for Luzon,  $(1.8834 \text{ PhP/kWh} \times 4,566,200,000/12 \text{ kWh})$  for Visayas and  $(1.0446 \text{ PhP/kWh} \times 6,327,400,000/12 \text{ kWh})$  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.