

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

Billing Period Covered: 26 June 2011 - 25 July 2011

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{o_{\text{DSA}}}) \times DSR + (FX_n - FX_{o_{\text{DSA}}}) \times DSB/12$
 = $(42.7544 - 44.0494) \times 27,522,396.80 + (42.7544 - 44.0494) \times 0.00 /12$
 = **(35,641,503.86)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{o_{\text{OPEX}}}) \times FxOpex$
 = $42.7544 - 41.7429 \times 0.00$
 = **0.0000**

C. FxA_{pesos} = Foreign Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
 = **(35,641,503.86)** + **0.00** + **0.00**
 = **(35,641,503.86)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(35,641,503.86)}{180,169,549.00}$
 = **(0.1978)**

| REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA) | |
|--|-------------------------|
| Billing Period Covered: 26 June 2011 - 25 July 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 = PhP43.5046 | |
| Current Month FPPCA(pesos) | (35,641,503.86) |
| Less: Previous Month FXA (pesos) | (16,692,050.03) |
| Net | (18,949,453.83) |
| *Previous Month DSR + DSB | <u>1,332,931,276.79</u> |
| Percent Change | -1.42% |
| | |
| Previous Month FXA Rate | 0.2012 |
| Increase/Decrease | (0.0029) |
| Current Month FPP | <u>0.1983</u> |

VISAYAS

A. DSA_{pesos} = Debt Service Adjustment
 = $(FX_n - FX_{O_{DSA}}) \times DSR + (FX_n - FX_{O_{DSA}}) \times DSB/12$
 = $(42.7544 - 44.0494) \times 466,821.96 + (42.7544 - 44.0494) \times 0.00 / 12$
 = **(604,534.44)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
 = $(FX_n - FX_{O_{Opex}}) \times FxOpex$
 = $42.7544 - 41.7429 \times 0.00$
 = **0.0000**

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
 = $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
 = **(604,534.44)** + **0.00** + **0.00**
 = **(604,534.44)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
 = $\frac{(604,534.44)}{231,443,460.00}$
 = **(0.0026)**

| REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA) | |
|--|-----------------------|
| Billing Period Covered: 26 June 2011 - 25 July 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 = PhP43.5046 | |
| Current Month FPPCA(pesos) | (604,534.44) |
| Less: Previous Month FXA (pesos) | (1,549,724.27) |
| Net | 945,189.84 |
| *Previous Month DSR + DSB | 123,752,082.72 |
| Percent Change | 0.76% |
| | |
| Previous Month FXA Rate | 0.0320 |
| Increase/Decrease | 0.0002 |
| Current Month FPPCA Rate | 0.0322 |

MINDANAO

A. DSA_{pesos} = Debt Service Adjustment
= $(FX_n - FX_{O_{\text{DSA}}}) \times DSR + (FX_n - FX_{O_{\text{DSA}}}) \times DSB / 12$
= $(42.7544 - 44.0494) \times 221,040.71 + (42.7544 - 44.0494) \times 0.00 / 12$
= **(286,247.72)**

B. $FxOpex_{\text{pesos}}$ = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
= $(FX_n - FX_{O_{\text{Opex}}}) \times FxOpex$
= $42.7544 - 41.7429 \times 0.00$
= **0.00**

C. FxA_{pesos} = Foreign-Exchange-Related Cost Adjustment
= $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA$
= **(286,247.72)** + **0.00** + **0.00**
= **(286,247.72)**

D. Fx_{rate} = $\frac{FxA_{\text{pesos}}}{\text{Sales}}$
= $\frac{(286,247.72)}{659,962,651.00}$
= **(0.0004)**

| | |
|--|-----------------------|
| REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA) | |
| Billing Period Covered: 26 June 2011 - 25 July 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 = PhP43.5046 | |
| Current Month FPPCA(pesos) | (286,247.72) |
| Less: Previous Month FxA (pesos) | (1,690,095.64) |
| Net | <u>1,403,847.92</u> |
| *Previous Month DSR + DSB | <u>134,961,333.99</u> |
| Percent Change | 1.04% |
| | |
| Previous Month FxA Rate | 0.0065 |
| Increase/Decrease | <u>0.0001</u> |
| Current Month FPPCA Rate | 0.0066 |

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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