

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 2013 - 25 September 2013

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

LUZON

A. DSA _{pesos}	= Debt Service Adjustment
	= (FXn - FXo _{DSA}) x DSR + (FXn - FXo _{DSA}) x DSB/12
	= (43.2482 - 44.0494) x 11,719,700.02 + (43.2482 - 44.0494) x 0.00 /12
	= (9,389,823.66)
B. FxOpex _{pesos}	= Foreign Exchange-Related Cost Adjustment for foreign related operating expenses
	= (FXn - FXo _{OPEX}) x FxOpex
	= 43.2482 - 41.7429 x 0.00
	= 0.0000
C. FxA _{pesos}	= Foreign Exchange-Related Cost Adjustment
	= DSA _{pesos} + FxOpex _{pesos} + OFxCA ^{5/7}
	= (9,389,823.66) + 0.00 + 0.00
	= (9,389,823.66)
D. FX _{rate}	= $\frac{FxA_{pesos}}{Sales}$
	= (9,389,823.66)
	= 54,623,718.00
	= (0.1719)

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 August 2013 - 25 September 2013	
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	43.5342
Current Month DSA (pesos)	(9,389,823.66)
Less: Previous Month DSA (pesos)	(3,177,698.48)
Net	(6,212,125.18)
*Previous Month DSR + DSB	<u>650,303,680.02</u>
Percent Change	-0.96%
Previous Month FXA Rate	0.1982
Increase/Decrease	(0.0019)
Current Month FPP	<u>0.1963</u>

VISAYAS

A. DSA _{pesos}	= Debt Service Adjustment
	= (FXn - FXo _{DSA}) x DSR + (FXn - FXo _{DSA}) x DSB/12
	= (43.2482 - 44.0494) x 1,475,224.90 + (43.2482 - 44.0494) x 18,637,054.80 /12

$$\begin{aligned}
&= (2,426,284.22) \\
\text{B. FxOpex}_{\text{pesos}} &= \text{Foreign Exchange-Related Cost Adjustment for foreign related operating expenses} \\
&= (\text{FXn} - \text{FXo}_{\text{Opex}}) \times \text{FxOpex} \\
&= 43.2482 - 41.7429 \times 0.00 \\
&= 0.0000 \\
\text{C. FxA}_{\text{pesos}} &= \text{Foreign-Exchange-Related Cost Adjustment} \\
&= \text{DSA}_{\text{pesos}} + \text{FxOpex}_{\text{pesos}} + \text{OFxCA}^{5/} \\
&= (2,426,284.22) + 0.00 + 0.00 \\
&= (2,426,284.22) \\
\text{D. Fx}_{\text{rate}} &= \frac{\text{FxA}_{\text{pesos}}}{\text{Sales}} \\
&= \frac{(2,426,284.22)}{189,912,556.00} \\
&= (0.0128)
\end{aligned}$$

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 August 2013 - 25 September 2013	
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	43.5342
Current Month DSA (pesos)	(2,426,284.22)
Less: Previous Month DSA (pesos)	(2,179,067.68)
Net	(247,216.53)
*Previous Month DSR + DSB	445,937,757.86
Percent Change	-0.06%
Previous Month FXA Rate	0.0046
Increase/Decrease	(0.0000)
Current Month FPPCA Rate	0.0046

MINDANAO

$$\begin{aligned}
\text{A. DSA}_{\text{pesos}} &= \text{Debt Service Adjustment} \\
&= (\text{FXn} - \text{FXo}_{\text{DSA}}) \times \text{DSR} + (\text{FXn} - \text{FXo}_{\text{DSA}}) \times \text{DSB}/12 \\
&= (43.2482 - 44.0494) \times 1,617,993.96 + (43.2482 - 44.0494) \times 0.00 /12 \\
&= (1,296,336.76) \\
\text{B. FxOpex}_{\text{pesos}} &= \text{Foreign Exchange-Related Cost Adjustment for foreign related operating expenses} \\
&= (\text{FXn} - \text{FXo}_{\text{Opex}}) \times \text{FxOpex} \\
&= 43.2482 - 41.7429 \times 0.00
\end{aligned}$$

= 0.00

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

= $DSA_{\text{pesos}} + FxOpex_{\text{pesos}} + OFxCA^{5/}$

= (1,296,336.76) + 0.00 + 0.00

= (1,296,336.76)

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

= $\frac{(1,296,336.76)}{593,413,887.00}$

= (0.0022)

REVISED AUTOMATIC FOREIGN EXCHANGE RELATED COST (FxA)	
Billing Period Covered: 26 August 2013 - 25 September 2013	
Per Order dated 27 September 2010 under ERC Case. No. 2008-019 RM	
*Applied Formula: $(FXn(\text{Previous Month}) * \text{Previous Month DSR}) + (FXn(\text{Previous Month}) * \text{Previous Month DSB}/12)$	
Previous Month 5day Average before the 25th	43.5342
Current Month DSR (pesos)	(1,296,336.76)
Less: Previous Month DSA (pesos)	0.00
Net	(1,296,336.76)
*Previous Month DSR + DSB	8,724,512.58
Real % Inc/Dec in Forex	-14.86%
Capped % Inc/Dec in Forex	-10.00%
Previous Month FXA Rate	0.0035
Increase/Decrease	(0.0004)
Current Month FPPCA Rate	0.0031

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

5/ 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

*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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