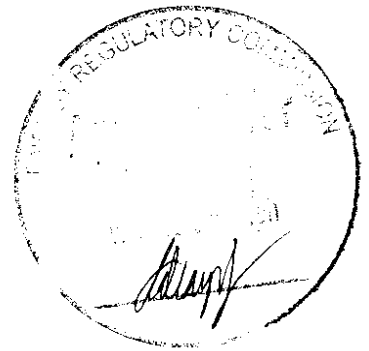


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



IN THE MATTER OF THE 15TH
APPLICATION FOR THE RECOVERY OF
THE INCREMENTAL COSTS ON
FOREIGN CURRENCY EXCHANGE RATE
FLUCTUATIONS UNDER THE
INCREMENTAL CURRENCY EXCHANGE
RATE ADJUSTMENT (15TH ICERA), WITH
PRAYER FOR PROVISIONAL
AUTHORITY

ERC CASE NO. 2010-067 RC

IN THE MATTER OF THE 16TH
APPLICATION FOR THE RECOVERY OF
THE INCREMENTAL COSTS ON
FOREIGN CURRENCY EXCHANGE RATE
FLUCTUATIONS UNDER THE
INCREMENTAL CURRENCY EXCHANGE
RATE ADJUSTMENT (16TH ICERA), WITH
PRAYER FOR PROVISIONAL
AUTHORITY

DOCKETED
Date: AUG 10 2012
By: *[Signature]*

ERC CASE NO. 2010-073 RC

NATIONAL POWER CORPORATION
(NPC) AND POWER SECTOR ASSETS
AND LIABILITIES MANAGEMENT
CORPORATION (PSALM),

Applicants.

x ----- x

ORDER

On March 26, 2012, the Commission issued a Decision approving the instant applications with modification and authorizing the National Power Corporation (NPC) and the Power Sector Assets and Liabilities Management Corporation (PSALM) to recover the approved Deferred Accounting Adjustments (DAAs) on Incremental Currency Exchange Rate Adjustment (ICERA) for the Luzon, Visayas and Mindanao Grids. Relative thereto, they were directed to submit a report containing the latest balance of the DAAs and the corresponding

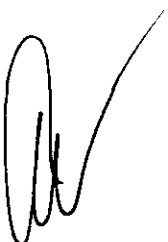
calculations applicable for each of the Successor Generation Companies (SGCs), including their proposed recovery/refund scheme.

In compliance with the aforesaid Decision, on June 1, 2012 and June 21, 2012, PSALM filed a "Partial Compliance with Motion for Extension to Comply with ERC Decision Dated 26 March 2012" and "Additional Compliance (ERC Decision Dated 26 March 2012)", respectively.

On July 18, 2012, the Commission conducted a clarificatory hearing where PSALM was given the opportunity to explain its submissions and compliances. In the course thereof, several issues were raised by Independent Power Producers (IPPs)/SGCs and various consumers relative to the methodology adopted by PSALM in computing the ICERA.

On various dates, the following were submitted:


1. The letter dated May 14, 2012 of Eagle Cement Corporation;
2. The letter dated June 26, 2012 of SKK Steel Corporation (SKK);
3. The "Joint Consolidated Comment (Applicant PSALM's Compliance)" filed on July 3, 2012 by Masinloc Power Partners Company, Limited (MPPCL) and Aboitiz Power (APRI);
4. The "Reply (to MPPCL and APRI's Joint Consolidated Comment)" filed on July 23, 2012 by PALM;
5. The "Manifestation" filed on July 31, 2012 by SN Aboitiz Power-Magat, Inc. (SNAP);
6. The "Joint Rejoinder (Applicant PSALM's Reply Dated 23 July 2012)" filed on August 2, 2012 by MPPCL and APRI;
7. The letter dated August 1, 2012 of Visayan Electric Company (VECO); and
8. The letter dated August 8, 2012 of Antique Electric Cooperative, Inc. (ANTECO).

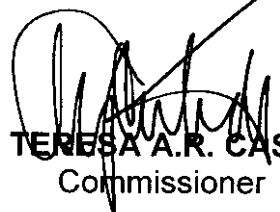


Considering the various issues raised herein and pending the final approval of their proposed recovery scheme, PSALM and NPC are hereby directed to implement the Commission's Decision dated March 26, 2012 using the kWh sales for the current billing month of their customers under their existing Contracts for Supply of Electricity (CSE) or Transition Supply Contracts (TCSs) and DEFER the collection of the approved ICERA from customers with expired CSE or TSCs.

SO ORDERED.

Pasig City, August 10, 2012.


ZENAIDA G. CRUZ-DUCUT
Chairperson


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

(On Official Travel)
ALFREDO J. NON
Commissioner


GLORIA VICTORIA C. YAP-TARUC
Commissioner

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