

The **Generation Charge** is a pass-through component of the Meralco bill. The level of the Generation Charge is adjusted on a monthly basis as prescribed by the Energy Regulatory Commission in its Order dated October 13, 2004 under ERC Case No. 2004-322 approving the "Guidelines for the Automatic Adjustment of Generation Rates and System Loss Rates by Distribution Utilities" or the AGRA.

COMPUTATION of the GENERATION CHARGE for MARCH 2009 *

(Applicable for Customers Not Under TOU, CCP, and Ecozone)

Based on February 2009 Generation Costs

Source	(A) GWH (million kWh) Purchased	(B) Energy Share (%)	(C) Basic Generation Cost (PhP)	(D) Other Cost Adjustments (PhP)	(E = C+D) Total Generation Cost for the Month (PhP)	(F = E/A) Average Gen Cost (Feb 2009) (PhP/kWh)	(G) Average Gen Cost (Jan 2009) (PhP/kWh)	(H) Incr / (Decr) (PhP/kWh)	
NPC and WESM									
NPC **	660.97	29.7%	3,003.39	(223.21) b	2,780.19	4.2062	3.5793	0.6269	
WESM ***	534.70	24.0%	1,654.84	(211.39) c	1,443.46	2.6996 e	2.1589	0.5407	
Subtotal	1,195.67	53.7%	4,658.24	(434.59)	4,223.64	3.5325	3.1101	0.4223	
IPPs	Dispatch a								
QPPL	70.33%	244.98	11.0%	1,367.80	(0.69) d	1,367.11	5.5804 f	6.1034	(0.5229)
Sta. Rita	65.01%	504.64	22.7%	2,873.02	-	2,873.02	5.6932 f	6.2136	(0.5204)
San Lorenzo	71.93%	280.42	12.6%	1,546.64	-	1,546.64	5.5155 f	5.7897	(0.2742)
Subtotal	68.00%	1,030.04	46.3%	5,787.47	(0.69)	5,786.78	5.6180	6.0623	(0.4444)
Others	0.23	0.0%	1.07	-	1.07	4.7495	3.8763	0.8731	
TOTAL	2,225.94	100.0 %	10,446.77	(435.29)	10,011.49	4.4977	4.4703	0.0273	
Generation Rate Adjustments									
Pilferage Recovery						(0.0291) g	(0.0318)	0.0027	
High Load Factor Rider						0.0031	0.0092	(0.0060)	
TOU Differential						0.0033 h	0.0026	0.0007	
Generation Charge						4.4750	4.4503	0.0247	
Billing Month ----->						Mar 2009	Feb 2009		

Notes:

* based on February 2009 supply month preliminary bills of power suppliers

** includes TSC and residual from NPC special programs

*** based on February 2009 preliminary bill; includes i) previous month's adjustments on energy trading amount, ii) adjustments due to BCQ correction for January to March 2008, and iii) return of P223.98M Net Settlement Surplus (NSS) for November and December 2008

a - The dispatch figures shown are the capacity factors of the IPPs' power plants.

b - for GRAM, ICERA, Franchise and Benefits to Host Communities, and other billing adjustments

c - for Market Fees and billing adjustment for the previous month

d - adjustment for transmission line fee

e - inclusive of billing adjustments stated above

f - The reduction in the generation costs of QPPL and First Gas plants was due to the increase in kWh generated, which resulted in a decline in each IPP's effective cost per kWh.

g - represents the amount of PhP64.72 million pilferage recovery returned by Meralco to its customers

h - calculated based on the formula provisionally-approved by the ERC on June 27, 2007 in ERC Case No. 2007-111 RC