

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 August 2009*

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

Based on July 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 (July 2009) (PhP/kWh)	(G) Average Gen Cost (June 2009) (PhP/kWh)	(H) Incr / (Decr) (PhP/kWh)	
NPC and WESM									
NPC **	826.63	36.3%	3,831.49	(279.15) b	3,552.33	4.2974	4.7643	(0.4669)	
WESM ***	199.75	8.8%	477.47	(4.11) c	481.58	2.4109	2.4220	0.0111	
Subtotal	1,026.38	45.0%	4,308.95	(275.04)	4,033.91	3.9302	4.1878	0.2576	
IPPs	Dispatch a								
QPPL	86.68%	292.21	12.8%	1,430.00	(0.68) d	1,429.32	4.8915 e	7.6431	(2.7516)
Sta. Rita	84.77%	636.88	27.9%	2,594.35	-	2,594.35	4.0735 e	3.9214	(0.1521)
San Lorenzo	85.40%	323.44	14.2%	1,317.70	-	1,317.70	4.0741 e	3.8533	(0.2208)
Subtotal	85.37%	1,252.52	54.9%	5,342.05	(0.68)	5,341.37	4.2645	4.3725	(0.1081)
Others	1.36	0.1%	6.04	-	6.04	4.1698	4.1698	(0.0000)	
TOTAL	2,280.26	100.0 %	9,657.04	(275.72)	9,381.32	4.1142	4.2784	(0.1642)	
Generation Rate Adjustments									
Pilferage Recovery						(0.0279) f	(0.0274)	0.0005	
High Load Factor Rider						0.0115	0.0100	0.0015	
TOU Differential						0.0009 g	0.0009	0.0000	
Generation Charge						4.0986 Billing Month -----> August 2009	4.2620 July 2009	0.1634	

Notes:

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

** includes TSC and residual from NPC special programs

*** based on July 2009 preliminary bill. Also includes market fees adjustments and other billing adjustments for May 2009 supply month.

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

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

c - for Market Fees and billing adjustments

d - adjustment for transmission line fee

- e - The decline in the QPPL generation cost was due to the improvement of its dispatch, resulting in lower fixed cost per kWh. On the other hand, the increase in generation cost of First Gas plants was brought about by the increase in weighted average cost of natural gas used.
- f - represents the amount of PhP63.57 million pilferage recovery returned by Meralco to its customers
- g - calculated based on the formula provisionally-approved by the ERC on June 27, 2007 in ERC Case No. 2007-111 RC