

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 October 2009 *

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

Based on September 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 (September 2009) (PhP/kWh)	(G) Average Gen Cost (August 2009) (PhP/kWh)	(H) Incr / (Decr) (PhP/kWh)	
NPC and WESM									
NPC **	746.13	32.0%	3,404.32	(251.97) b	3,152.36	4.2250	4.2997	(0.0747)	
WESM ***	297.54	12.8%	396.33	184.49 c	580.82	1.9520	2.4331	(0.4810)	
Subtotal	1,043.67	44.8%	3,800.65	(67.48)	3,733.17	3.5770	3.6604	(0.0835)	
IPPs	Dispatch a								
QPPL	76.10%	265.08	11.4%	1,381.50	(0.67) d	1,380.83	5.2091 e	5.1251	0.0840
Sta. Rita	93.17%	713.34	30.6%	2,731.24	-	2,731.24	3.8288 e	4.1169	(0.2881)
San Lorenzo	78.06%	305.47	13.1%	1,261.45	-	1,261.45	4.1296 e	4.1324	(0.0029)
Subtotal	85.33%	1,283.89	55.1%	5,521.11	(0.69)	5,373.52	4.1854	4.3508	(0.1655)
Philpodeco	0.25	0.0%	1.08	-	1.08	4.2560	4.4047	(0.1487)	
MMPC	0.32	0.0%	1.72	-	1.72	5.3766	4.1041	1.2725	
TOTAL	2,328.13	100.0 %	9,765.96	(243.80)	9,109.49	3.9128	4.0316	(0.1188)	
Generation Rate Adjustments									
Pilferage Recovery						(0.0272) f	(0.0284)	0.0012	
High Load Factor Rider						0.0135	0.0116	0.0019	
TOU Differential						0.0021 g	0.0019	0.0002	
Generation Charge						3.9011	4.0166	(0.1155)	
Billing Month ----->						October 2009	September 2009		

Notes:

- * based on September 2009 supply month preliminary bills of power suppliers
- ** includes TSC and residual from NPC special programs
- *** based on September 2009 preliminary bill and other PEMC adjustments.

- 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 other billing adjustments

d - adjustment for transmission line fee

e - The increase in the QPPL generation cost was due to its lower dispatch, resulting in higher fixed cost per kWh.

f - represents the amount of PhP63.4 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