

COMPUTATION of the GENERATION CHARGE for OCTOBER 2010¹

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

Based on September 2010 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 2010) (PhP/kWh)	(G) Average Gen Cost (August 2010) (PhP/kWh)	(H) Incr/(Decr) (PhP/kWh)
NPC and WESM								
NPC ²	807.06	28.63%	3,640.93	(667.80) ^c	2,973.13	3.6839	6.6040	(2.9201)
WESM ³	248.18	8.80% ^a	2,201.45	(426.60) ^d	1,774.85	7.1516	5.9500	1.2016
Subtotal	1,055.24	37.43%	5,842.38	(1,094.39)	4,747.98	4.4994	6.3718	(1.8724)
IPPs								
Dispatch ^b								
QPPL 95.14%	331.40	11.76%	1,383.00	7.16 ^e	1,390.16	4.1948 ^g	4.6043	(0.4095)
Sta Rita 92.29%	716.46	25.41%	3,049.55	(31.73) ^e	3,017.82	4.2121 ^g	4.4825	(0.2704)
San Lorenzo 96.00%	371.52	13.18%	1,569.34	(28.36) ^e	1,540.98	4.1478 ^g	4.4139	(0.2661)
Subtotal 93.89%	1,419.38	50.35%	6,001.90	(52.94)	5,948.96	4.1913	4.4907	(0.2994)
Philpodeco	0.16	0.01%	0.81	-	0.81	5.0283	5.0078	0.0205
MMPC	2.56	0.09%	10.08	0.03 ^f	10.10	3.9412	4.1774	(0.2362)
Total Generation Cost	2,477.34	87.88%	11,855.16	(1,147.31)	10,707.85	4.3223	5.3071	(0.9848)
Generation Rate Adjustments								
Pilferage Recovery						(0.0262) ^h	(0.0279)	0.0017
High Load Factor Rider						0.0156	0.0106	0.0050
TOU Differential						0.0023 ⁱ	0.0024	(0.0001)
Amortization of March 2010 under recovery						0.0000 ^j	0.1197	(0.1197)
Generation Charge						4.3140	5.4119	(1.0979)
				billing month →		October 2010	September 2010	
Special Programs Availments ⁴	341.78	12.12%						
TOTAL NET SYSTEM INPUT	2,819.13	100.00%						

Notes:

¹ based on September 2010 supply month preliminary bills of power suppliers

² includes NPC TSC, Assigned TSC (Masinloc, Makban, Pagbilao, Sual, Calaca and Ilijan), residual from NPC special programs and previous months' generation adjustments

³ based on September 2010 preliminary bill and other PEMC adjustments

⁴ Sum of the energy availments of Sunpower, CCP and Ecozone customers (based from preliminary figures) less the previous months adjustments from NPC and WESM

^a Includes previous month kWh adjustments totaling 0.06% of the total NSI

^b The dispatch figures shown are the capacity factors of the IPPs' power plants.

^c For GRAM, ICERA, Franchise and Benefits to Host Communities, FPPCA, FxA and NPC Station Service

^d For Market Fees and other billing adjustments

^e Adjustment for transmission line fee and previous month adjustment due to forex differentials

^f For Franchise and Benefits to Host Communities

^g The decrease in IPP's overall generation cost was mainly due to the improvement in the peso-dollar exchange rate. The higher dispatch of the IPPs and lower cost of fuel used by QPPL also contributed to the rate reduction.

^h Represents the amount of PhP64.8 million pilferage recovery to be returned by Meralco to its customers

ⁱ Calculated based on the formula approved by the ERC on June 27, 2007 in ERC Case No. 2007-111 RC