

COMPUTATION of the GENERATION CHARGE for September 2010¹

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

Based on August 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 (August 2010) (PhP/kWh)	(G) Average Gen Cost (July 2010) (PhP/kWh)	(H) Incr/(Decr) (PhP/kWh)
NPC and WESM								
NPC ²	682.12	24.26%	3,619.61	885.13 ^c	4,504.74	6.6040	4.9554	1.6486
WESM ³	375.51	13.36% ^a	1,968.99	265.29 ^d	2,234.28	5.9500	10.9787	(5.0287)
Subtotal	1,057.63	37.62%	5,588.60	1,150.42	6,739.02	6.3718	7.4462	(1.0744)
IPPs								
Dispatch ^b								
QPPL 85.95%	299.39	10.65%	1,353.85	24.64 ^e	1,378.49	4.6043	5.5749	(0.9706)
Sta Rita 91.45%	709.94	25.25%	3,125.13	57.16 ^e	3,182.28	4.4825	4.5148	(0.0323)
San Lorenzo 94.89%	367.22	13.06%	1,589.27	31.60 ^e	1,620.87	4.4139	4.4611	(0.0472)
Subtotal 91.08%	1,376.55	48.96%	6,068.24	113.40	6,181.64	4.4907 ^g	4.6727	(0.1820)
Philpodeco	0.23	0.01%	1.15	-	1.15	5.0078	4.6134	0.3944
MMPC	1.93	0.07%	8.05	0.02 ^f	8.07	4.1774	5.3833	(1.2059)
Total Generation Cost	2,436.33	86.66 %	11,666.05	1,263.84	12,929.88	5.3071	6.0374	(0.7303)
<i>Generation Rate Adjustments</i>								
Pilferage Recovery						(0.0279) ^h	(0.0268)	(0.0011)
High Load Factor Rider						0.0106	0.0153	(0.0047)
TOU Differential						0.0024 ⁱ	0.0003	0.0021
Amortization of March 2010 under recovery						0.1197 ^j	0.0700	0.0497
Generation Charge						5.4119	6.0962	(0.6843)
				billing month →		September 2010	August 2010	
Special Programs Availments ⁴	375.08	13.34%						
TOTAL NET SYSTEM INPUT	2,811.42	100.00 %						

Notes:

¹ based on August 2010 supply month's 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 August 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's kWh adjustments totaling to 0.92% 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 average generation cost of the IPPs was due to the higher dispatch of QPPL in August.

^h Represents the amount of PhP68.1 million pilferage recovery to be returned by Meralco to its customers

ⁱ Calculated based on the ERC-approved formula in its Order dated June 27, 2007 under ERC Case No. 2007-111 RC

^j In accordance with ERC's Provisional Approval dated March 10, 2010 under ERC Case No. 2010-017 RC