

COMPUTATION OF THE GENERATION CHARGE FOR OCTOBER 2011 ¹

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

Based on September 2011 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 2011) (PhP/kWh)	(G) Average Gen Cost (August 2011) (PhP/kWh)	(H) Incr/(Decr) (PhP/kWh)
NPC and WESM								
NPC ²	868.94	30.2%	3,967.37	418.76 ^b	4,386.13	5.0477	5.3804	(0.3327)
WESM ³	200.83	7.0%	1,343.87	300.00 ^c	1,643.87	8.1855	8.0759	0.1096
Subtotal	1,069.77	37.2%	5,311.24	718.76	6,030.00	5.6367	5.7619	(0.1252)
IPPs	Dispatch ^a							
QPPL	87.6%	305.01	10.6%	1,442.18	31.54 ^d	1,473.72	4.8317 ^f	4.3928
Sta Rita	91.8%	703.49	24.5%	3,685.71	38.26 ^d	3,723.97	5.2936 ^f	4.9505
San Lorenzo	95.7%	372.04	12.9%	1,859.05	30.40 ^d	1,889.45	5.0786 ^f	4.9132
Subtotal	91.8%	1,380.54	48.0%	6,986.95	100.20	7,087.14	5.1336	4.8171
Philpodeco	0.34	0.01%	1.89	-	1.89	5.5259	5.5404	(0.0145)
MMPC	3.20	0.1%	12.41	0.03 ^e	12.45	3.8852	4.1066	(0.2215)
Bacavalley	1.04	0.04%	4.11	0.01 ^e	4.12	3.9421	4.0210	(0.0789)
Total Generation Cost	2,454.90	85.4%	12,316.60	819.00	13,135.60	5.3508	5.2096	0.1412
Generation Rate Adjustments								
Pilferage Recovery						(0.0243) ^g	(0.0256)	0.0012
High Load Factor Rider						0.0159	0.0158	0.0001
TOU Differential						0.0047 ^h	0.0053	(0.0006)
Generation Charge						5.3470	5.2051	0.1419
				billing month		October 2011	September 2011	
Special Programs Availments ⁴	420.69	14.6%						
TOTAL NET SYSTEM INPUT	2,875.59	100.00%						

Notes:

¹ based on September 2011 supply month final bills for all IPPs and preliminary bills for NPC and WESM

² Includes NPC TSC, assigned TSCs (Masinloc, Makban, Pagbilao, Sual, Calaca and Ilijan) and residuals from NPC special programs

³ Includes trading amount, line rental, market fees and other PEMC adjustments

⁴ Sum of the energy availments of Sunpower, CCP and Ecozone customers (based on preliminary figures)

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

^b For Franchise and Benefits to Host Communities, FPPCA, FxA, NPC Station Service and other NPC adjustments

^c For market fees, line rental and other billing adjustments

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

^e For Franchise and Benefits to Host Communities

^f The IPPs' overall generation cost increased due to the weakening of the Peso against the US dollar and First Gas' use of the more expensive liquid fuel due to natural gas supply restriction of Malampaya.

^g Represents the amount of PhP59.7 million pilferage recovery returned by Meralco to its customers

^h Calculated based on the formula approved by the ERC in its Decision dated December 14, 2009 under ERC Case No. 2007-111 RC