

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 July 2009*

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

Based on June 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 (June 2009) (PhP/kWh)	(G) Average Gen Cost (May 2009) (PhP/kWh)	(H) Incr / (Decr) (PhP/kWh)	
NPC and WESM									
NPC **	898.07	38.4%	4,581.95	(303.28) b	4,278.67	4.7643	4.8117	(0.0474)	
WESM ***	293.19	12.5%	716.21	(6.11) c	710.10	2.4220	2.3493	0.0727	
Subtotal	1,191.26	50.9%	5,298.16	(309.39)	4,988.77	4.1878	4.1341	0.0537	
IPPs	Dispatch a								
QPPL	41.72%	145.37	6.2%	1,111.79	(0.67) d	1,111.12	7.6431 e	8.2389	(0.5957)
Sta. Rita	84.13%	653.09	27.9%	2,560.98	-	2,560.98	3.9214 e	3.9546	(0.0332)
San Lorenzo	88.97%	348.17	14.9%	1,341.61	-	1,341.61	3.8533 e	3.9973	(0.1440)
Subtotal	75.77%	1,146.63	49.0%	5,014.38	(0.67)	5,013.71	4.3725	4.4402	(0.0677)
Others	0.41	0.0%	1.72	-	1.72	4.1698	4.4175	(0.2477)	
TOTAL	2,338.30	100.0%	10,314.26	(310.06)	10,004.19	4.2784	4.2781	(0.0003)	
Generation Rate Adjustments									
Pilferage Recovery						(0.0274) f	(0.0275)	0.0002	
High Load Factor Rider						0.0100	0.0075	0.0025	
TOU Differential						0.0009 g	0.0003	0.0006	
Generation Charge						4.2620	4.2583	0.0037	
Billing Month ----->						July 2009	June 2009		

Notes:

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

** includes TSC and residual from NPC special programs

*** based on June 2009 preliminary bill

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

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

c - for Market Fees and billing adjustments

d - adjustment for transmission line fee

- e - The slight increase in IPP generation cost was attributed to the overall improvement in plant dispatch, which resulted to a decrease in effective fixed cost per kWh
- f - represents the amount of PhP63.96 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