

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 November 2009*

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

Based on October 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 (October 2009) (PhP/kWh)	(G) Average Gen Cost (September 2009) (PhP/kWh)	(H) Incr / (Decr) (PhP/kWh)
NPC and WESM									
NPC **		717.88	33.36%	3,343.14	(247.63) b	3,095.51	4.3120	4.2250	0.0871
WESM ***		320.88	14.91%	526.96	171.49 c	698.45	2.1767	1.9520	0.2247
Subtotal		1,038.75	48.28%	3,870.10	(76.14)	3,793.96	3.6524	3.5770	0.0755
IPPs	Dispatch a								
QPPL	60.04%	202.39	9.41%	1,239.05	(0.68) d	1,238.38	6.1188 e	5.2091	0.9097
Sta. Rita	88.77%	657.73	30.57%	2,892.81	-	2,892.81	4.3981 e	3.8288	0.5693
San Lorenzo	66.60%	252.23	11.72%	1,198.44	-	1,198.44	4.7514 e	4.1296	0.6219
Subtotal	76.42%	1,112.35	51.70%	5,330.30	(0.69)	5,329.63	4.7913	4.1854	0.6060
Philpodeco		0.31	0.01%	1.37	-	1.37	4.3756	4.2560	0.1196
MMPC		0.28	0.01%	1.69	-	1.69	6.0155	5.3766	0.6390
TOTAL		2,151.70	100.0 %	9,203.46	(243.80)	9,126.65	4.2416	3.9128	(0.3288)
Generation Rate Adjustments									
Pilferage Recovery							(0.0305) f	(0.0272)	0.0032
High Load Factor Rider							0.0161	0.0135	0.0026
TOU Differential							0.0014 g	0.0021	0.0007
Generation Charge							4.2286	3.9011	(0.3275)
Billing Month ----->							November 2009	October 2009	

Notes:

- * based on October 2009 supply month preliminary bills of power suppliers
- ** includes TSC and residual from NPC special programs
- *** based on October 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 IPP's generation cost was due to its lower dispatch, resulting in higher fixed cost per kWh. Also contributing to the increase is the rise in the average cost of fuel used by the First Gas IPPs
- f** - represents the amount of PhP65.6 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