

**COMPUTATION OF THE GENERATION CHARGE FOR DECEMBER 2014<sup>a</sup>**

**(Applicable for Customers Not Under Meralco TOU)**

**Based on November 2014 Generation Costs**

Source	(A) GWH (million kWh) Purchased	(B) Energy Share (%)	(C) Basic Generation Cost (PhP million)	(D) Other Cost Adjustments <sup>b</sup> (PhP million)	(E = C + D) Total Gen Cost for the Month (PhP million)	(F = E/A) Average Gen Cost (Nov 2014) (PhP/kWh)	(G) Average Gen Cost (Oct 2014) (PhP/kWh)	(H = F - G) Incr/(Decr) (PhP/kWh)	
A. Power Supply Agreements (PSAs) Dispatch <sup>c</sup>									
1. SEM-Calaca Power Corp. (SCPC)	99.8%	185.64	7.4%	606.13	1.31	607.44	3.2721	3.3146	(0.0425)
2. Masinloc Power Partners Corp. (MPPC)	97.9%	167.48	6.7%	572.92	-	572.92	3.4208	3.3825	0.0383
3. Therma Luzon Inc. (TLI)	94.7%	176.06	7.0%	645.67	1.01	646.68	3.6730	3.6224	0.0506
4. San Miguel Energy Corp. (SMEC)	75.0%	184.02	7.3%	750.15	-	750.15	4.0764	0.3049	3.7715
5. South Premiere Power Corp. (SPPC)	78.5%	621.83	24.7%	2,982.19	-	2,982.19	4.7958	4.7104	0.0854
6. Therma Mobile Inc. (TMO)	5.0%	7.39	0.3%	178.99	3.66	182.65	24.7244	14.1135	10.6109
Subtotal	77.6%	1,342.43	53.4%	5,736.05	5.97	5,742.02	4.2773	4.2448	0.0325
B. Power Purchase Agreements (PPAs/IPPs)									
1. Quezon Power Phils Ltd. Co. (QPPL)	76.9%	263.00	10.5%	1,185.22	(0.64)	1,184.58	4.5042	4.2582	0.2460
2. First Gas Power Corp. (FGPC) – Sta. Rita	73.6%	565.48	22.5%	2,994.59	8.98	3,003.57	5.3115	5.1727	0.1388
3. FGP Corporation (FGP) – San Lorenzo	62.2%	250.72	10.0%	1,322.63	4.18	1,326.82	5.2919	5.4026	(0.1107)
Subtotal	71.3%	1,079.20	42.9%	5,502.44	12.52	5,514.96	5.1102	5.0117	0.0985 <sup>d</sup>
C. Wholesale Electricity Spot Market (WESM)		90.41	3.6%	396.03	352.94	748.97	8.2844	9.9849	(1.7005)
D. Others <sup>e</sup>		3.30	0.1%	47.25	0.02	47.26	14.3058	20.3930	(6.0872)
<b>Total Generation Cost for Captive</b>	<b>2,515.34</b>	<b>100.0%</b>	<b>11,681.77</b>	<b>371.45</b>	<b>12,053.22</b>	<b>4.7919</b>	<b>4.9595</b>	<b>(0.1676)</b>	
<i>Generation Rate Adjustments</i>									
Pilferage Recovery						(0.0131) <sup>f</sup>	(0.0140)	0.0009	
Compensation for Deloaded kWhs of ILP Participants <sup>g</sup>						0.0002	0.0000	0.0002	
High Load Factor Rider						0.0005	0.0007	(0.0002)	
TOU Differential <sup>h</sup>						0.0118	0.0121	(0.0003)	
NPC GRAM						0.1459	0.1489	(0.0030)	
<b>Generation Charge for Billing</b>					<i>billing month</i>	<b>4.9372</b>	<b>5.1072</b>	<b>(0.1700)</b>	
						<i>Dec 2014</i>	<i>Nov 2014</i>		

**Notes:**

<sup>a</sup> Based on November 2014 supply month's preliminary bills of PSAs and Wholesale Electricity Spot Market (WESM), and final bills for the rest of the suppliers.

<sup>b</sup> Pertains to Forex Differentials for PSAs (TLI, SMEC and SPPC) and IPPs (QPPL, Sta. Rita, San Lorenzo) and previous and current months' adjustments for WESM, Montalban Methane Power Corporation (MMPC), Bacavalley Energy Incorporated (BEI), Therma Mobile, Pangea Green Energy Philippines, Inc., Panay, Toledo and 1590 Energy Corp.

<sup>c</sup> The dispatch figures shown are a) the load factors for the PSA plants in relation to their actual supply for the month and, b) the plant capacity factors (PCF) for the IPPs.

<sup>d</sup> The increase in the average generation cost of IPPs was brought about by the plants' lower capacity factors.

<sup>e</sup> Includes Renewable Energy (Philpodeco, Montalban Methane Power Corp., Bacavalley Energy Inc., Pangea Green Energy Philippines and export energy from Net Metering customers) and Interim PSAs (Panay Power, Toledo Power and 1590 Energy Corp.).

<sup>f</sup> Represents the amount of PhP32.8 million pilferage recovery returned by Meralco to its customers

<sup>g</sup> In accordance with ERC Order dated April 11, 2014 on Meralco's Interruptible Load Program (ILP) implementation

<sup>h</sup> Calculated based on the formula approved by the ERC in its Decision under ERC Case No. 2012-117 RC