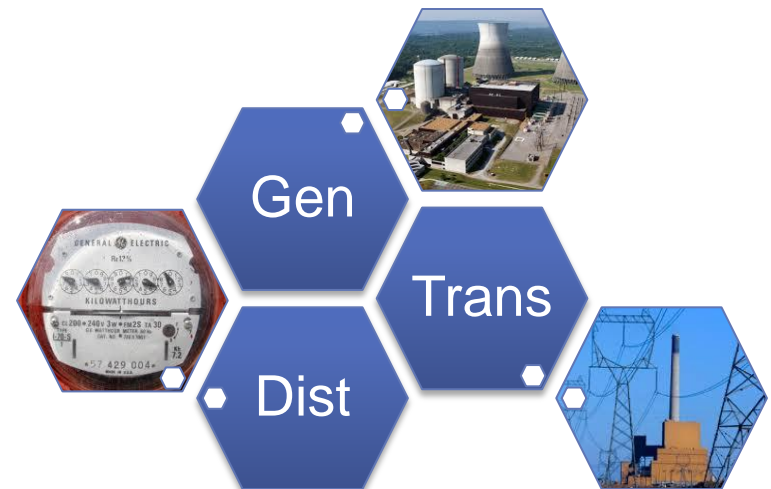
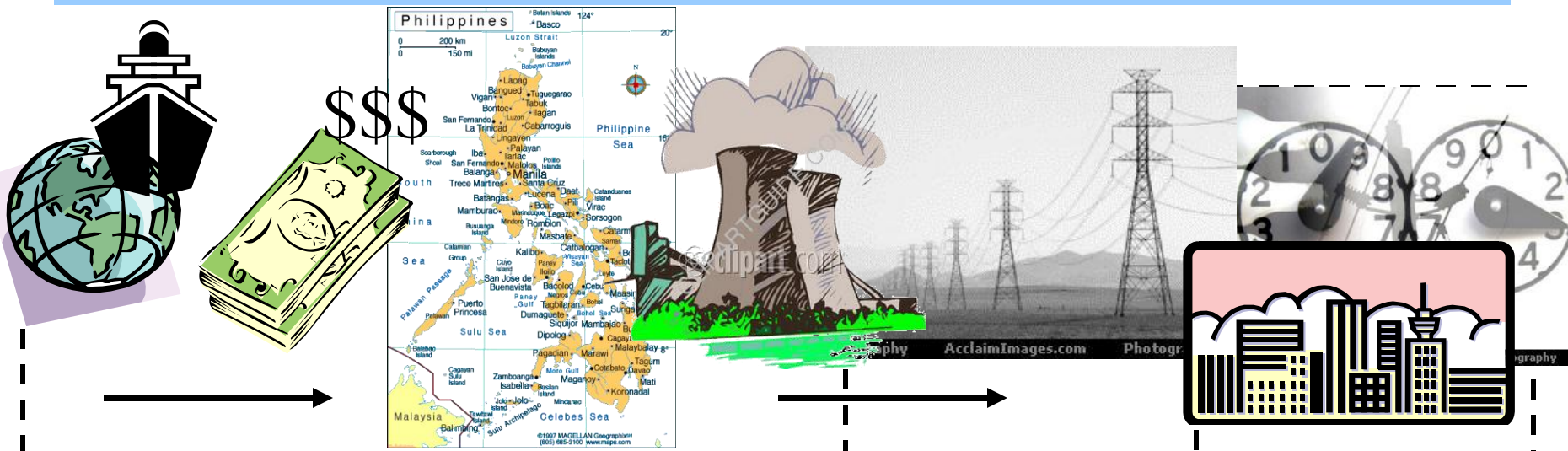


Rate Components of Residential and Industrial Sectors

October 2014



Where does the peso in your electric bill go?



FUEL IN THE FORM OF COAL OR OIL IS PURCHASED FROM ABROAD AND PAID FOR IN FOREIGN CURRENCY

ELECTRIC POWER PLANTS THEN GENERATE ELECTRICITY

ELECTRICITY IS THEN CARRIED OVER LONG DISTANCES BY TRANSMISSION CABLES THAT IS TAPPED INTO BY LOCAL DISTRIBUTION COMPANIES

YOUR LOCAL DISTRIBUTION UTILITY SETS UP THE POWER LINES IN YOUR COMMUNITY AND SERVICES YOUR NEEDS FOR ELECTRICITY

HOW IS THIS REFLECTED IN YOUR ELECTRIC BILL?

GENERATION CHARGE
(65%)

TRANSMISSION CHARGE
(10%)

DISTRIBUTION, SUPPLY, & METERING CHARGES
(25%)


Unbundled Electric Bill - Residential




Account Summary for Account Number: 172132284-9

Balance from Previous Billing		Current Charges		Total Amount Due
		Amount Due	Due Date	
P 0.00	Thank you	P 1,164.90	09/22/2014	P 1,164.90

Payments made after 09/13/2014 will be reflected on your next billing statement.

Service Info	
Service ID Number	:
Rate	: Residential
Contract in the name of	:
Service Address	:
Billing Info	
Bill Date	: 13 Aug 2014
Meter Reading Date	: 13 Aug 2014
Billing Period	: 14 Jul 2014 to 13 Aug 2014
Due Date	: 22 Aug 2014
Total KWH	: 105
Total Current Amount	: P 1,164.90
Next Meter Reading	: 13 Sep 2014



-  - Charge ang cellphones, flashlights, laptop at radio.
-  - Patayin ang circuit breaker kapag nagsisimula nang bumaha sa lahas ng bahay.
-  Para sa mga katanungan, tumawag sa Meralco Hotline 16213 o pumunta sa www.facebook.com/meralco & www.twitter.com/meralco.

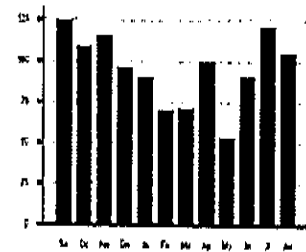
BREAKDOWN OF ELECTRICITY CHARGES

BILL SUBGROUP	SUBTOTAL	PERCENTAGE
Generation	591.70	50.79 %
Transmission	101.47	8.71 %
System Loss	60.70	5.21 %
Distribution (Meralco)	242.80	20.84 %
Subsidies	15.51	1.33 %
Government Taxes	115.72	9.93 %
Universal Charges	37.00	3.18 %
Other Charges	0.00	0.00 %

List of Generation Sources

- a. Power Supply Agreements (PSAs)
 - SEM-Catoca Power Corporation (SCPC)
 - Masinloc Power Partners Co. Ltd. (MPPCL)
 - Thermo Luzon Inc. (TLI)
 - San Miguel Energy Corporation (SMED)
 - South Premere Power Corp. (SPPC)
 - Thermo Mcbate Inc. (TMO)
- b. Power Purchase Agreements (PPAs/ IPPs)
 - Quezon Power (Pik), Ltd. Co. (QPPL)
 - First Gas Power Corp. (FGPC) - Ele. Res.
 - FGP Corporation (FGP) - San Lorenzo
- c. Wholesale Electricity Spot Market (WESM)
- d. Renewable Energy
 - Philippineco
 - Mindanao Melane Power Corporation (MMPC)
 - Bracavale Energy Inc. (BEI)
 - Pangea Green Energy Philippines
 - Net Metering Supply

Your monthly electricity consumption chart



Please be informed that MERALCO may conduct a routine maintenance/inspection of our customer metering facilities within your area this quarter.

Balance from Previous Billing - This reflects your remaining unpaid balance from the previous billing.

Current Charges - This is the total amount you need to pay for the indicated bill period.

Total Amount Due - This refers to the aggregate cost of your current charges and any unpaid balance from previous billing under your account.

Unbundled Electric Bill - Industrial

Balance from Previous Billing		Current Charges		Total Amount Due
		Amount Due	Due Date	
P 0.00	Thank you	P 4,505,157.81	09/08/2014	P 4,505,157.81

Payments made after 08/31/2014 will be reflected on your next billing statement.

Service Info	
Service ID Number	:
Rate	: General Power
Contract in the name of	:
Service Address	:
Billing Info	
Bill Date	: 30 Aug 2014
Meter Reading Date	: 29 Aug 2014
Billing Period	: 30 Jul 2014 to 29 Aug 2014
Due Date	: 09 Sep 2014
Total KWH	: 480000
Total Current Amount	: P 4,505,157.81
Next Meter Reading	: 29 Sep 2014

Typhoon Watch

Charge ang cell phones, flashlights, laptop at radio.

Patayin ang circuit breaker kapag nagsisimula nang bumaba sa labas ng bahay.

Para sa mga katanungan tumawag sa Meralco Hotline 16211 o pumunta sa www.facebook.com/meralco o www.twitter.com/meralco

BREAKDOWN OF ELECTRICITY CHARGES

BILL SUBGROUP	SUBTOTAL	PERCENTAGE
Generation	2,704,896.00	61.94 %
Transmission	645,796.80	14.79 %
System Loss	33,216.00	0.76 %
Distribution (Meralco)	364,990.32	8.36 %
Subsidies	56,544.00	1.29 %
Government Taxes	392,555.21	8.99 %
Universal Charges	169,152.00	3.87 %
Other Charges	0.00	0.00 %

List of Generation Sources

- a. Power Supply Agreements (PSAs)
- SEM-Calaca Power Corporation (SCPC)
 - Masinloc Power Partners Co. Ltd. (MPPCL)
 - Therma Licos Inc (TLI)
 - San Miguel Energy Corporation (SMEC)
 - South Pioneer Power Corp. (SPPC)
 - Therma Mobile Inc (TMO)

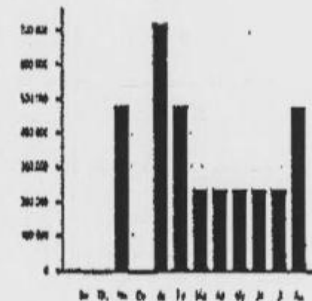
- b. Power Purchase Agreements (PPAs/ IPPs)
- Cuebron Power (Pil) Ltd. Co (OPPL)
 - First Gas Power Corp. (FGPC) - Sta Rita
 - FCP Corporation (FCP) - San Lorenzo

c. Wholesale Electricity Spot Market (WESM)

d. Renewable Energy

- Philpodeso
- Moraban Methane Power Corporation (MMPC)
- Bacardley Energy Inc (BEI)
- Pangea Green Energy Philippines
- Net Metering Supply

Your monthly electricity consumption chart



Average Usage for 12 months
280000 kWh/month

Billing Period:

14 Jul 2014 to 13 Aug 2014
 EB Invoice Number: 4254081826024

Billing Details (continued...)

Rate Components

Rate Components	Base	Price	Amount
Transmission Charge(VARIABLE)	28.62	12.0000%	3.46
System Loss Charge	60.70	10.4900%	6.37
Distribution Charge	242.60	12.0000%	29.14
Subsidies and Others	20.56	12.0000%	2.47
SUBTOTAL			115.72

UNIVERSAL CHARGES

Missionary	105 kWh	0.1561	16.39
Environmental Fund	105 kWh	0.0025	0.26
NPC Stranded Contract Costs	105 kWh	0.1938	20.35
NPC Stranded Debts			0.00
DU Stranded Contract Costs			0.00
Equalization of Taxes and Royalties			0.00
SUBTOTAL			37.00

TOTAL ENERGY AMOUNT

1,164.90

Total Bill

	Base	VAT
VAT Sales	944.58	110.67
VAT Zero Rated	0.00	
VAT Exempt	109.65	
TOTAL CURRENT BILL AMOUNT		1,164.90

Additional Bill Information

LOAD FACTOR: 0.0 %
 VOLTAGE LEVEL CLASS: Secondary
 Previous Service Id Number (SIN): 828017103
 *TAX RECOVERY ADJUSTMENT CHARGE

Number	Prev Aug	Prev Aug			
109BA198581	2879.0	2934.0	1.0	105	kWh
Billing Details					
Rate Components	Base	Price		Amount	
GENERATION					
Generation Charge (PhP/kWh)	105 kWh	5.6352		591.70	
Prev Mos Adj on Gen Cost				0.00	
Previous Years Adjustment				0.00	
SUBTOTAL				591.70	
TRANSMISSION					
TRANSMISSION CHARGE(PhP/kWh)	105 kWh	0.9654		101.47	
Transmission Charge (NONVAT)	101.47	71.8934%			
Transmission Charge (VAT)	101.47	28.4066%			
SUBTOTAL				101.47	
SYSTEM LOSS					
System Loss Charge (PhP/kWh)	105 kWh	0.5781		60.70	
SUBTOTAL				60.70	
DISTRIBUTION (MERALCO)					
Distribution Charge (PhP/kWh)	105 kWh	1.1282		118.46	
METERING CHARGE					
Fixed Metering Charge (PhP/cust/mo)	1.00 mo	5.0030		5.00	
Metering Charge per kWh	105 kWh	0.3840		40.32	
SUPPLY CHARGE					
Fixed Supply Charge (PhP/cust/mo)	1.00 mo	18.8500		18.85	
Supply Charge per kWh	105 kWh	0.5730		60.17	
SUBTOTAL				242.50	
SUBSIDIES					
Lifeline Rate Subsidy (PhP/kWh)	105 kWh	0.1177		12.38	
Senior Citizen Subsidy	105 kWh	0.0001		0.01	
TRAC	105 kWh	0.0299		3.14	
SUBTOTAL				15.51	
GOVERNMENT TAXES					
Local Franchise Tax	1009.04	0.5000%		5.05	
VALUE ADDED TAX					
Generation Charge	591.70	11.7000%		69.23	
Power Act Reduction				0.00	
Prev Mos Adj on Gen Cost				0.00	

ERC - Basic Rate Components

Generation Charge



The Generation Charge is a pass-through of prudent and reasonable costs, adjusted on a monthly basis



- **National Power Corporation (NPC) and Successor-Generating Company (SGC)** – regulated rate based on a mix of different plant / technology as contained under the Transition Supply Contract (TSC)
 - Time-Of-Use Rate (TOU)
 - Franchise and Benefits to Host Communities (Sec.66 EPIRA)
 - GRAM & ICERA DAA
 - Automatic Cost Adjustment

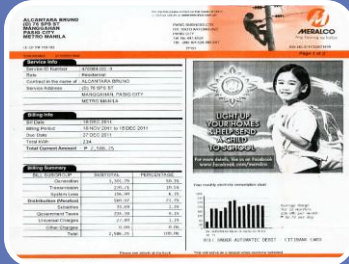


Independent Power Producers (IPP) – ERC reviews the Bilateral Supply Contracts entered into by the Distribution Utility and IPPs



WESM Price – Distribution Utilities are allowed to pass-through their spot purchases (those not covered by supply contracts)

- can go up and down depending on market conditions (supply/demand)



Transmission and Distribution comprises 10% and 20%, respectively (residential end-users)



The Transmission Provider [Nat'l Grid Corp of the Phils] and Private DUs are regulated under Performance-Based Regulation (PBR) since 2003 and 2007, respectively



The on-grid electric cooperatives are regulated under the RSEC-WR (a form of PBR using benchmarking)

Pass-through Cost

RESOLUTION NO. 16, s. 2009 - Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities

RESOLUTION NO. 21, s 2010 - Resolution Amending Section 4 of Article 4 and Section 1 of Article 5 of the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities

- Article 5 – Filing. The DUs shall file their respective consolidated applications within the period as prescribed hereunder:

Distribution Utilities	Period of Filing	Covered Adjustments
Luzon DUs	March 31, 2011	Adjustments implemented until the billing month of December 2010
Visayas DUs	March 31, 2012	Adjustments implemented until the billing month of December 2011
Mindanao DUs	March 31, 2013	Adjustments implemented until the billing month of December 2012

Pass-through Cost

- Thereafter, the DUs shall file their respective consolidated applications within the period prescribed hereunder:

Distribution Utilities	Period of Filing	Covered Adjustments
Luzon DUs	March 31, 2014	January 2011 to December 2013
Visayas DUs	March 31, 2015	January 2012 to December 2014
Mindanao DUs	March 31, 2016	January 2013 to December 2015

- Subsequently, the Dus shall file their respective consolidated application every three years

FORMULAE INTEGRATED IN RES. NO. 16, SERIES OF 2009, AS AMENDED

**Generation
Rate**

**Transmission
Rate**

**Systems Loss
Rate**

Lifeline Rate

**Reinstatement
of Prompt
Payment
Discount (PPD)**

**Inter-Class
Cross Subsidy
(ICCS)**

Distribution Rate Structure



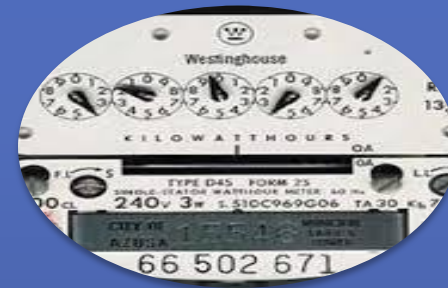
Distribution Charge

- Covers the cost of developing, building, operating and maintaining the distribution system, which brings power from high voltage transmission grids to the end-users.



Supply Charge

- Covers the cost of rendering service to customers, such as customer assistance, billing, collection, power sourcing and other related services.



Metering Charge

- Covers the cost of reading, operating and maintaining power metering facilities

- Section 34 of the EPIRA

Within one (1) year from the effectivity of this Act, a universal charge to be determined, fixed and approved by the ERC shall be imposed on all electricity end-users for the following purposes:

(a) Payment for the stranded debts in excess of the amount assumed by the National Government and stranded contract costs of NPC and as well as qualified stranded contract costs of distribution utilities resulting from the restructuring of the industry;

(b) Missionary electrification;

(c) The equalization of the taxes and royalties applied to indigenous or renewable sources of energy vis-a-vis imported energy fuels;

(d) An environmental charge equivalent to one-fourth of one centavo per kilowatt-hour (P0.0025/kWh), which shall accrue to an environmental fund to be used solely for watershed rehabilitation and management. Said fund shall be managed by NPC under existing arrangements...

The universal charge shall be non-bypassable charge which shall be passed on and collected from all end-users on a monthly basis by the distribution utilities

UNIVERSAL CHARGES

ERC-Approved UC		PhP/kWh
UC-ME		
	UC-ME Subsidy	0.0454
	Cash Incentive for RE Developers	0.0017
	True-up (2011)	0.0709
	True-up (2010)	0.0381
UC ME Total		0.1561
UC-EC		0.0025
UC-SD		-
UC-SCC		0.1938
Effective UC		0.3524

- UC-ME – Subject to UC-ME subsidy and true-up adjustments
- UC-EC – fixed rate under EPIRA
- UC-SD – approved at zero amount, subject to true-up adjustments
- UC-SCC – recovery period of 4 years starting March 2013; subject to true-up adjustments

- **RA 9994 – Expanded Senior Citizens Act of 2010**
 - Senior citizens under residential rates whose monthly consumption does not exceed 100kWh are eligible to a 5% discount on their electricity bill
 - Resolution 23, series of 2010 – A Resolution Adopting the Rules Implementing the Discounts to Qualified Senior Citizen End-Users and Subsidy from the Subsidizing End-users on Electricity Consumption

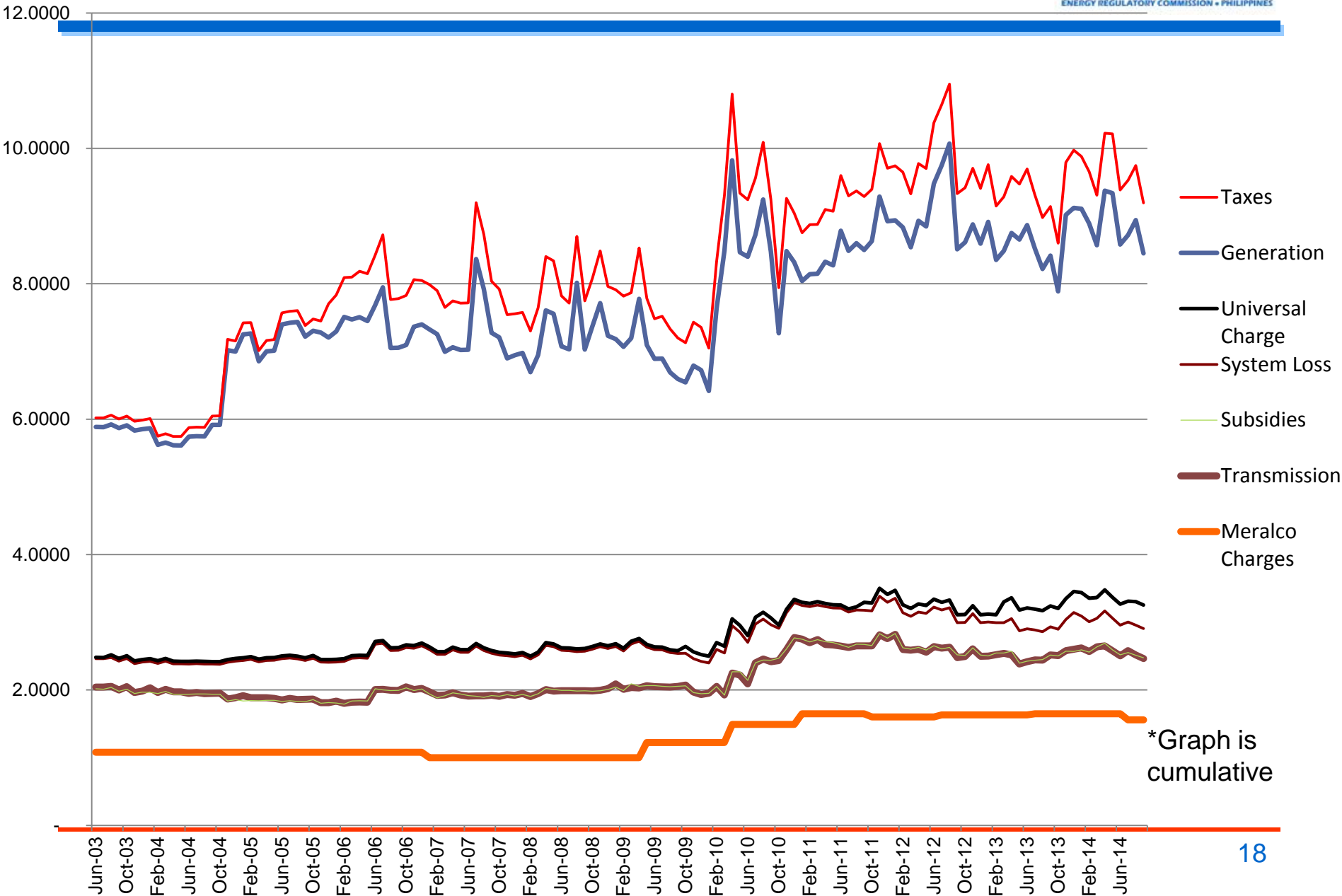
- **Section 73 of EPIRA provides that:**
 - *“A socialized pricing mechanism called a lifeline rate for the marginalized end-users shall be set by the ERC, which shall be exempted from the cross-subsidy phase-out under this Act for a period of ten (10) years, unless extended by law ...”*
- ***RA 10150 (June 2011) – An Act Extending the Implementation of the Lifeline Rate***

Lifeline Level and Discount

- In MERALCO: ERC Decision dated November 10, 2008 under ERC Case No. 2008-016RC

kWh Consumption	Discount
1 – 20	100%
21 - 50	50%
51 – 70	35%
71 – 100	20%

Meralco Rates by Bill Component



Thank you.

ERC
towards a brighter future

ENERGY REGULATORY COMMISSION • PHILIPPINES

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ERC - Basic Rate Components