

SCHEDULE M

CALCULATION OF DEMONSTRATIVE UNBUNDLED RATES

CLPC has included in this application a set of simulated rates, following the same rate schedules, but only for illustrative purposes in relation to the Maximum Average Price (MAP). In this exercise, the following procedures were observed:

1. Derivation of functionalization and allocation factors using those factors utilized in the unbundling decision, as adjusted to reflect the proposed energy and demand projected growth
2. Calculation of the Annual Revenue Requirements resulting from the MAP figures generated by the PBR financial model and the energy consumption forecasts
3. Functionalization of the derived Annual Revenue Requirements into Distribution, Supply & Metering using the factors in #1
4. Allocation of the functionalized Annual Revenue Requirements per function into the different customer classes using the factors in #1
5. Conversion of the functionalized and allocated Annual Revenue Requirements into the illustrative rates, following the various billing determinants forecasted in this application.

To note, the processes enumerated above are consistent with the policies contained in Section 10.2 “Converting Maximum Annual Prices into Rates” of the Position Paper for Group B, as well as Article 5.3.2 “General Methodology for Converting an Annually Adjusted MAP into Rates” of the Distribution Services & Open Access Rules (DSOAR).

CLPC puts emphasis on the fact that this rate design is for demonstrative purposes only, and shall reflect rates adjustments in the same customer categories as it was approved in the unbundling. Per PBR processes, the real rate design process shall come in a separate application with the Commission upon approval of the Annual Revenue Requirements proposed in this filing. This set of illustrative rates therefore does not preclude CLPC to re-design its rate schedules, like adding new customer classes connected to 69kV or the like – during the separate rate design application in the future.

Following the above premises, the current rate schedules and types of charges are still being used adopted in this schedule:

Residential

Distribution	PhP/kWh
Metering	PhP/kWh; PhP/Month/Meter (fixed at PhP5.00)
Supply	PhP/kWh

General Retail Service 1 [<20 kW]

Distribution	PhP/kWh
Metering	PhP/Month/Meter
Supply	PhP/kWh

General Retail Service 2 [>20 kW & <40 kW]

Distribution	PhP/kWh; PhP/kW
Metering	PhP/Month/Meter
Supply	PhP/Month/Customer

General Retail Service 3 [>40 kW & <200kW]

Distribution	PhP/kWh; PhP/kW
Metering	PhP/Month/Meter
Supply	PhP/Month/Customer

General Retail Service 4 [>200 kW]

Distribution	PhP/kWh; PhP/kW
Metering	PhP/Month/Meter
Supply	PhP/Month/Customer

Flat Lighting Service

Distribution	PhP/kWh
Metering	PhP/Month/Meter
Supply	PhP/Month/Customer