



## Clarification

### $F_t$ surcharge for September – December 2018

The Energy Regulatory Commission (ERC), on its 528<sup>th</sup> meeting (27<sup>th</sup> meeting of 2018) on July 4, 2018, and its 531<sup>st</sup> meeting (30<sup>th</sup> meeting of 2018) on July 25, 2018, considered the results from the calculations of the  $F_t$  surcharge of September to December 2018 and approved the  $F_t$  surcharge to collect from the customers in the electricity invoice during September to December 2018, which is -15.90 Satang/unit (excluding VAT). The details of the ERC's consideration are as follows:

1. The calculation result of the  $F_t$  surcharge for retail electricity price of September to December 2018 is -36.02 Satang/unit, decreasing from the last  $F_t$  surcharge of the last period (May to August 2018), which is -15.90 Satang/unit, by 20.12 Satang/unit, while:

$$\begin{aligned} F_t &= \text{FAC} + \text{AF} \\ -36.02 &= -8.94 + -27.08 \text{ Satang/unit} \end{aligned}$$

(1) FAC is the costs that differ from the base tariff (fuel cost from EGAT, power purchasing from independent power producers (IPPs), small power producers (SPPs), neighbor countries, as well as the expenses occurred by the Government Policies which is -8.94 Satang/unit, increasing from the last period (May to August 2018) by 7.45 Satang/unit.

The main factor affecting the changing  $F_t$  is the cost of the main fuel for power generation, i.e. natural gas, fuel oil as well as coals are in upward trends. The fuel mix in power generation during September to December 2018 still mostly possessed by natural gas. Moreover, the above average renewable energy support accumulated from the last period is likely to increase.

(2) AF is the Accumulated Energy Adjustment Charge, which is the accumulated of the differences between the actual  $F_t$  and the  $F_t$  surcharge collected from the customers in the last period (May to August 2018). The adjustment charge is considered to revise the current  $F_t$  (September to December 2018), which is -27.08 Satang/unit.

2. According to the result of  $F_t$  calculation for retail electricity price of September to December 2018, which is -36.02 Satang/unit, decreasing from the current  $F_t$  (-15.90 Satang/unit), contributing to the impact on the  $F_t$  surcharge for September to December 2018 decreased by 20.12 Satang/unit. Consequently, the ERC had reviewed the power

demand trends and the increasing natural gas price which may cause the  $F_t$  surcharge of the next period rise. The ERC, therefore, has the resolution to fix the  $F_t$  surcharge for September to December 2018 at -15.90 Satang/unit, equal to the current  $F_t$ .

In conclusion, the retail  $F_t$  surcharge to collect from the customer in the electricity invoice during September to December 2018, which is -15.90 Satang/unit.

-----

26 July 2018