



Clarification

F_t surcharge for May – August 2018

The Energy Regulatory Commission (ERC), on its 510th meeting (9th meeting of 2018) on March 7, 2018, and its 513rd meeting (12th meeting of 2018) on March 28, 2018, considered the results from the calculations of the F_t surcharge of May to August 2018 and approved the F_t surcharge to collect from the customers in the electricity invoice during May to August 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 May to August 2018 is -26.53 Satang/unit, decreasing from the last F_t surcharge of the last period (January to April 2018), which is -15.90 Satang/unit, by 10.36 Satang/unit, while:

$$\begin{aligned} F_t &= FAC + AF \\ -26.53 &= -7.29 + -19.24 \text{ Satang/unit} \end{aligned}$$

(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 -7.29 Satang/unit, increasing from the last period (January to April 2018) by 3.77 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 May to August 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 (January to April 2018). The adjustment charge is considered to revise the current F_t (May to August 2018), which is -19.24 Satang/unit.

2. According to the result of F_t calculation for retail electricity price of May to August 2018, which is -26.53 Satang/unit, decreasing from the current F_t (-15.90 Satang/unit), contributing to the impact on the F_t surcharge for May to August 2018 decreased by 10.63 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 May to August 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 May to August 2018, which is -15.90 Satang/unit.
