



## Clarification

### **F<sub>t</sub> surcharge for September – December 2019**

The Energy Regulatory Commission (ERC), on its 606<sup>th</sup> meeting (44<sup>th</sup> meeting of 2019) on July 10, 2019, its 609<sup>st</sup> meeting (47<sup>th</sup> meeting of 2019) on July 24, 2019, and its 610<sup>st</sup> meeting (48<sup>th</sup> meeting of 2019) on July 31, 2019 considered the results from the calculations of the F<sub>t</sub> surcharge of September to December 2019 and approved the F<sub>t</sub> surcharge to collect from the customers in the electricity invoice during September to December 2019, which is -11.60 Satang/unit (excluding VAT). The details of the ERC's consideration are as follows:

1. The calculation result of the F<sub>t</sub> surcharge for retail electricity price of September to December 2019 is 5.22 Satang/unit, increasing from the last F<sub>t</sub> surcharge of the last period (May to August 2019), which is -11.60 Satang/unit, by 16.82 Satang/unit, while:

$$\begin{array}{rclclcl} F_t & = & FAC & + & AF & \\ 5.22 & = & 1.54 & + & 3.68 & \text{Satang/unit} \end{array}$$

(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 - 1.54 Satang/unit, increasing from the last period (May to August 2019) by 5.67 Satang/unit.

The main factor affecting the changing F<sub>t</sub> is the cost of the main fuel for power generation, i.e. natural gas are in upward trends. The fuel mix in power generation during September to December 2019 still mostly possessed by natural gas. Moreover, the above average renewable energy support 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<sub>t</sub> and the F<sub>t</sub> surcharge collected from the customers in the last period (January to April 2019). The adjustment charge is considered to revise the current F<sub>t</sub> (May to August 2019), which is -0.07 Satang/unit.

2. According to the result of F<sub>t</sub> calculation for retail electricity price of September to December 2019, which is 5.22 Satang/unit, increasing from the current F<sub>t</sub> (-11.60 Satang/unit), contributing to the impact on the F<sub>t</sub> surcharge for September to December 2019 increased by 16.82 Satang/unit. Since ERC aims at mitigating impact of F<sub>t</sub> surcharge change, to electricity users, during economic circumstance with volatility of exchange rate and

oil price. The ERC, therefore, has the resolution to fix the  $F_t$  surcharge for September to December 2019 at -11.60 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 2019, which is -11.60 Satang/unit.

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1 August 2019