



RATES FOR DECEMBER 2011 BILLING PERIOD

The effective rates for the billing month of December 2011 (or November 26 – December 25, 2011) are as follows:

Power Delivery Service (PDS) Rates

Luzon	343.2665	11.2855
Visayas	293.6469	9.6541
Mindanao	288.6030	9.4883

Following the issuance of the July 4, 2011 Decision on ERC Case No. 2010-152RC, the PDS Rates shall be computed monthly based on the approved Maximum Allowable Revenue (MAR) of PhP44,889.03 Million and the Performance Incentive Scheme (PIS) of PhP322 Million consistent with Module F of the 2006 Revised Open Access Transmission Service (OATS) Rules.

System Operations Charge and Metering Services Provider Charges

For System Operator (SO) Charge and Metering Service Provider (MSP) Charges, the rates remain consistent with the July 4, 2011 Decision on ERC Case No. 2010-152RC.

Connection Charges and Residual Sub-transmission Charges (CC/RSTC)

In its Decision dated July 6, 2011 on ERC Case Nos. 2008-066RC and 2009-153RC, the ERC approved the CYs 2008 and 2009 CC/RSTC and directed NGCP and TransCo to implement the approved CY 2009 CC/RSTC as its current charges. Accordingly, effective December 2011, customers shall be billed using the CY 2009 level of CC/RSTC.¹

Ancillary Services (AS) Charges

Effective February 2011 billing month, in accordance with the ERC Decision dated November 22, 2010 and the Final Determination of NGCP's revenue for the Third Regulatory Period (2011-2015), the level of Regulating Reserve for each grid shall be equal to 4% of the forecast demand for the grid. Moreover, the available Dispatchable Reserve shall be equal to the scheduled load and reserve on the second most heavily loaded scheduled generator on each grid.

¹ Please refer to Customer Bulletin No. 2011-24, Implementation of the Approved 2009 Connection Charges and Residual Sub-transmission Charges starting December 2011 Billing Period

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The AS Charges for this month are as follows:

AS Type per Customer Segment	AS Cost (in PHP)	Firm Rate (P/HR/HR)	Non-Firm Rate (P/HR/HR)
Luzon			
Regulating Reserve	221,552,896.94	28.26	0.9291
Contingency Reserve	978,093,438.15	124.78	4.1024
Dispatchable Reserve	500,979,849.73	63.91	2.1012
Black Start Capacity	760,687.21	0.10	0.0033
Visayas			
Regulating Reserve	-	-	-
Contingency Reserve	22,161,187.44	-	-
<i>Leyte-Samar-Bohol</i>	20,081,301.33	6.98	0.2295
<i>Cebu-Negros-Panay</i>	2,079,886.11	17.29	0.5684
Dispatchable Reserve	23,277,033.22	15.95	0.5244
Mindanao			
Regulating Reserve	29,257,090.31	19.18	0.6306
Contingency Reserve	53,175,501.30	34.85	1.1458
Dispatchable Reserve	282,600,958.17	185.23	6.0898

Consistent with the ERC-approved Ancillary Services-Cost Recovery Mechanism (AS-CRM), the monthly Ancillary Services (AS) charges are computed based on the total cost of AS provision (as billed by AS providers per service type and per grid) and the total billing determinant of customers who benefited from the service.

Kindly note that the rise in the level of Contingency Reserve Cost in Luzon Grid is due to the increase in the scheduled capacity for the said AS, while the Mindanao Dispatchable Reserve Cost rose because of high demand from the grid – the highest for the year.

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