



**RATES FOR AUGUST 2011 BILLING PERIOD**

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

Power Delivery Service (PDS) Rates

Power Delivery Service Rates	Firm Rate (P/kW-month)	Non-firm Rate (P/kW per day)
Luzon	348.19	11.45
Visayas	286.80	9.43
Mindanao	303.37	9.97

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)

Pursuant to ERC Order dated January 11, 2010, the monthly Connection Charges and Residual Sub-transmission Charges of customers shall be based on the ERC-approved CY 2007 CC & RSTC level until the ERC issues its Final Decision on the Application for the Approval of the CC & RSTC for CY 2010.

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.

The AS Charges for this month are as follows:

Ancillary Service Type per Customer Segment	AS Cost (in PhP)	Firm Rate (P/kW-month)	Non-firm Rate (P/kW per day)
<b>Luzon</b>			
Regulating Reserve	199,303,430.76	25.78	0.8476
Contingency Reserve	317,670,376.50	41.09	1.3509
Dispatchable Reserve	611,034,703.13	79.03	2.5982
Reactive Power Support	6,626,604.44	0.86	0.0283
Black Start Capacity	771,966.00	0.10	0.0033
<b>Visayas</b>			
Regulating Reserve	-	-	-
Contingency Reserve	23,379,287.51		
<i>Leyte-Samar-Bohol</i>		7.86	0.2584
<i>Cebu-Negros-Panay</i>		18.24	0.5997
Dispatchable Reserve	30,071,389.40	20.81	0.6842
<b>Mindanao</b>			
Regulating Reserve	27,794,481.30	18.67	0.6138
Contingency Reserve	69,891,347.72	46.96	1.5439
Dispatchable Reserve	290,132,682.02	194.92	6.4083

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.

Note that effective August 2011 billing period, NGCP implemented its approved Ancillary Services Procurement Agreement with First Gen Hydro Power Corporation (FGHPC) pursuant to June 6, 2011 ERC Order. Accordingly, NGCP utilized FGHPC's Pantabangan Hydro Electric Plant for the provision of ancillary services, particularly Contingency Reserve, Dispatchable Reserve and Reactive Power Support. The corresponding cost of said provision was determined using the rates and conditions approved in the said Order.

Universal Charge – Missionary Electrification (UC-ME)

Starting August 2011, NGCP shall collect, as an additional charge, the UCME charge of Php0.0709/kWh from its end-user customers.

This is consistent with the August 1, 2011 Order on ERC Case No. 2011 which provisionally approves the recovery from Universal Charge of the shortfalls in the Missionary Electrification Subsidy for Calendar Years 2003-2009 under the true-up mechanism pursuant to the ERC's Resolution No. 11, Series of 2005 and the corresponding adjustment of the Universal Charge for Missionary Electrification (UCME) filed by the National Power Corporation-Small Power Utilities Group (NPC-SPUG).

This Customer Bulletin was prepared by the Tariff Design and Billing Management Division of the Revenue and Regulatory Affairs Department (RRAD). For any questions/inquiries, you may contact telephone nos. 981-2530/2507/2505.