

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, Pasig City

IN THE MATTER OF THE APPLICATION  
FOR THE PROPOSED RULES, TERMS,  
AND CONDITIONS FOR OPEN ACCESS  
TRANSMISSION SERVICE (OATS) AND  
PROPOSED TERMS AND CONDITIONS  
OF ANCILLARY SERVICES

ERC CASE NO. 2002-253

NATIONAL TRANSMISSION  
CORPORATION (TRANSCO),

Applicant.

X ----- X

DOCKETED  
Date: MAY 09 2006  
By: *[Signature]*

2006 MAY 10 PM 2 31

RECEIVED BY: *[Signature]*  
No-0740

**ORDER**

The Commission on March 29, 2006 resolved to approve the proposed Ancillary Services Procurement Plan (ASPP) of the National Transmission Corporation (TRANSCO) with the following amendments or modifications:

- 1) Third paragraph of Section 1.5, to be changed to: *"Under the OATS regime, ancillary services are deemed provided by the dominant generator, i.e., the NPC. TRANSCO, on the other hand, is responsible for ensuring that the available ancillary services are appropriately dispatched for reliability. At the same time, TRANSCO is responsible for collecting from the transmission customers the payment for the ancillary services in accordance with the ERC-approved OATS Rules"*.
- 2) Section 3, title of the Section to be changed to: *"Grid Ancillary Service Requirement"*.
- 3) Section 4.5, TRANSCO to include sample calculations (Load Following and Frequency Regulation, Spinning Reserve, Back-Up Reserve, Reactive Power Support Service, Black Start Service, and Adjustments for Non-Performance of Service) in the Ancillary Service Agreement as Attachment 7.
- 4) Attachment 1, Section 3.0, to be changed to: *"A/S Provider – person/s or entity/ies providing ancillary services regardless of whether they are duly registered or not with the Market Operator"*.



*[Signature]* *[Signature]*


- 5) Section 5 should be filed as a separate case and not part of the ASPP.

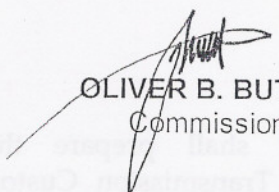
TRANSCO is hereby directed to publish the approved ASPP in a newspaper of general circulation in the Philippines, within ten (10) days from receipt hereof and submit its compliance with the said directive, within the same period from publication.

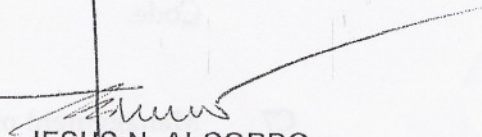
Attached herewith is the approved ASPP.

SO ORDERED.

Pasig City, March 29, 2006.

  
RODOLFO B. ALBANO, JR.  
Chairman

  
OLIVER B. BUTALID  
Commissioner

  
JESUS N. ALCORDO  
Commissioner

  
RAUF A. TAN  
Commissioner

  
ALEJANDRO Z. BARIN  
Commissioner

Copy furnished:

1. **National Transmission Corporation**  
NPC Office Building Complex  
Quezon Avenue corner Agham Road  
Diliman, Quezon City
2. **Office of the Solicitor General**  
Amorsolo Street, Legaspi Village  
City of Makati - 1229
3. **Commission on Audit**  
Commonwealth Avenue  
Quezon City - 1121
4. **Senate Committee on Energy**  
GSIS Building, Roxas Boulevard  
Pasay City - 1300
5. **House Committee on Energy**  
Batasan Hills, Quezon City - 1126
6. **Philippine Rural Electric Cooperative Association**  
4/F Casman Building, Quezon Ave.  
Quezon City
7. **Philippine Electric Plant Owners Association**  
8th Floor, Strata 100 Building  
Emerald Avenue, Ortigas Center, Pasig City
8. **Manila Electric Corporation**  
Legal Services  
Ortigas Avenue, Pasig City
9. **PUD-Olongapo Electric Corporation**  
Olongapo City
10. **Bauan Electric Corporation**  
Bauan, Batangas
11. **Dagupan Electric Corporation**  
3/F Veria Bldg., 62 West Ave., Quezon City
12. **Davao Light & Power Co., Inc.**  
Aboitiz & Co. Complex, Banilad Road, Cebu City
13. **San Fernando Electric Light & Power Co., Inc.**  
San Fernando, Pampanga
14. **Cagayan Electric Power & Light Co., Inc.**  
33 Toribio Chavez St., Cagayan De Oro
15. **Engrs. Robert F. Mallillin\Amado Pacapaco**  
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2229 Pasong Tamo, Makati City
16. **NASECORE**  
No. 10, 680 Quirino Avenue  
Bayside Court Compound, Tambo, Parañaque City 1700

Handwritten signatures and a stamp. The signatures are in black ink and appear to be 'JRC' and 'S'. To the right of the signatures is a circular stamp with illegible text inside.