


On 30 January 2026, the Energy Regulatory Commission (ERC) promulgated the attached Resolution No. 04, Series of 2026 entitled, "A Resolution Adopting the "Supplemental Guidelines on the Adjustment and Recovery of Transmission and Ancillary Services Charges under ERC Resolution No. 14, Series of 2022".

The implementation of the Supplemental Guidelines aims to provide a more transparent billing presentation through the separation of the Ancillary Service (AS) Charges from the Transmission Charge in the billing of the Distribution Utilities (DUs) to their end-consumers. **Accordingly, these AS Charges are not new or additional charge, but a re-presentation of the existing transmission-related costs.**

Highlights of the Resolution and NGCP's compliance are as follows:

1. In the aforesaid ERC Resolution, the ERC **RESOLVED**, among others, to **APPROVE and ADOPT** the "Supplemental Guidelines on the Adjustment and Recovery of Transmission and Ancillary Services Charges under ERC Resolution No. 14, Series of 2022," attached hereto as **Annex "A"** and made an integral part of this Resolution, including the directive to the National Grid Corporation of the Philippines (NGCP) to adopt the billing format attached herewith as Annex "A-1";

ANNEX A-1



NATIONAL GRID CORPORATION OF THE PHILIPPINES
Power Center, Quezon Avenue corner Senator Miriam P. Defensor-Santiago Avenue (Formerly ER Road), Pinakaban, 11 11 Dikman, Quezon City, Philippines (VAT Registered) TIN

Bar Code:
 Billing Month:
 Statement Date:
 Power Bill Invoice No:
 Power Bill No:
 Customer:
 Due Date:

POWER BILL INVOICE

Customer Name:
 Profile Name:
 Address:
 (VAT Registered) TIN:
 12DCE/CA Number:
 Customer Type:
 Contract Type:
 GRID:

Billing Details:

CHARGE NAME:	RATE:	QTY:	AMOUNT:
PASS-THROUGH CHARGES			
ANCILLARY SERVICE PROCUREMENT AGREEMENT (ASPA)			
Regulating Reserve			
Contingency Reserve			
Dispatchable Reserve			
Sub-Total (ASPA)			
ANCILLARY SERVICES – RESERVE MARKET (AS-RM)			
Regulating Reserve			
Contingency Reserve			
Dispatchable Reserve			
SubTotal (AS-RM)			
TOTAL PASS-THROUGH CHARGES (ASPA + AS-RM)			
VALUE ADDED TAX (VAT) ON PASS-THROUGH CHARGES (ASPA + AS-RM)			
TOTAL PASS-THROUGH CHARGES			

VATable	
VAT-Exempt	
VAT Zero Rated Sale	
VAT-12%	
Total Pass-through Charges	

NGCP's Compliance:

The details of the AS Charges under ASPA and Reserve Market (RM), which include the rates, billing determinants, applicable VAT, and the amount, are part of NGCP's current Power Bill.

Attached is a typical NGCP's current billing document to a Transmission Customer comprising of four (4) pages – "Instruction to Customer" (cover page), "Power Bill Invoice" (page 2), "Power Bill" (page 3), and "Details of Calculation" (page 4).

2. The Supplemental Guidelines provide, among others, the following reportorial requirements:

Section 4. Reportorial Requirements. – Section 3.3, Article 3 of ERC Resolution No. 14, Series of 2022 is hereby amended to read, as follows:

ARTICLE 3

REPORTORIAL REQUIREMENTS

Section 3. Supporting Information. The supporting information to be provided, together with the monthly submission on the calculation and monitoring of the automatic cost adjustments, shall include, but not be limited to, the following:

xxx

3.3 For Transmission Rates and Ancillary Service Charge Rates

- i. xxx
- ii. **Comprehensive Breakdown of Ancillary Services Costs under Ancillary Services Procurement Agreement (ASPA);**
- iii. **Data on the Ancillary Services procured through the Reserve Market, including the Preliminary Statement issued by the Independent Electricity Market Operator of the Philippines (IEMOP) for the relevant billing month; and**
- iv. **A reconciliation summary showing the aggregation of ASPA and Reserve Market AS costs used in the computation of the Total Actual Ancillary Services Costs.**

xxx

NGCP's Compliance:

1. Every 15th day of the month following each billing period, NGCP submits before the ERC the following information as required in items ii and iii of Section 3.3 of the Supplemental Guidelines:
 - a. Comprehensive breakdown of AS Costs under ASPA; and
 - b. Data on the AS procured through the RM, including the Preliminary Statement issued by the IEMOP for the relevant billing month.
2. As regard to item iv of the supporting information, NGCP's monthly Power Bill issued to the respective Distribution Utilities (DU) already includes a detailed breakdown of the AS Charges per reserve type segregated between ASPA and the RM.

With this, the DUs can capture the aggregated or Total Actual AS Costs from the Power Bill as basis for the computation of the AS Charge Rate to be used in the billing of their respective end-consumers.

COVER PAGE – INSTRUCTION TO CUSTOMER



**NATIONAL GRID CORPORATION
OF THE PHILIPPINES**

Power Center, Quezon Avenue corner
Senator Miriam P. Defensor-Santiago Avenue
(formerly BIR Road), Pinyahan, 1111 Diliman,
Quezon City, Philippines
(VAT Registered) TIN :

Bar Code:
Billing Month:
Statement Date:
Power Bill Invoice No:
Power Bill No:
Customer:
Due Date:

Customer Name:
Profile Name:
Address:
(VAT Registered) TIN:
DCE/CA Number:
Customer Type:
Contract Type:
GRID:

INSTRUCTION TO CUSTOMER

**Please deposit your payments to XXX using Bills Payment Slip indicating your
Company Name and DCE number, and also the full name of**

For customers without XXX Branches in their areas, payments shall be made to any of the
following XXX -accredited banks:

Designated Bank	Account Number	Branch

THANK YOU

The “Instruction to Customer”
provides the details the
customer must follow in the
settlement of transmission
charges.



PAGE 2 – POWER BILL INVOICE FOR REGULATED NGCP CHARGES

The “Power Bill Invoice” provides NGCP’s charges, plus the applicable Value-Added Tax (VAT), such as the (1) Power Delivery Service (PDS) Charge, (2) System Operator (SO) Charge, (3) Metering Service Provider (Metering and Common) Charges, (4) Connection and Residual Sub-transmission Charges, (5) Under-recoveries.

NGCP NATIONAL GRID CORPORATION OF THE PHILIPPINES
 Power Center, Quezon Avenue corner Senator Miram T. Defensor-Santiago Avenue (formerly B.R. Road), Pinyahan, 1111 Diliman, Quezon City, Philippines (VAT Registered) TIN :
 Bar Code:
 Billing Month:
 Statement Date:
 Power Bill Invoice No:
 Customer:
 Due Date:

POWER BILL INVOICE

Customer Name:
 Profile Name:
 Address:
 (VAT Registered) TIN:
 DCE/CA Number:
 Customer Type:
 Contract Type:
 GRID:

Power Delivery Service Charge
 System Operator Charge
 Metering Charge
 MSP Common Charge

Connection Charge
 Residual Sub-Transmission Charge

Under-recovery 2016-2022

Billing Details:

CHARGE NAME:	RATE:	QTY:	AMOUNT:
REGULATED NGCP CHARGES			
Power Delivery Service Charge			
System Operator Charge			
Metering Charge			
MSP Common Charge			
Connection Charge			
Residual Sub-Transmission Charge			
Under-recovery 2016-2022			
TOTAL REGULATED TRANSMISSION SERVICES			
VALUE ADDED TAX (VAT) ON REGULATED TRANSMISSION SERVICES			
SUBTOTAL FOR REGULATED NGCP CHARGES			
VATable			
VAT-Exempt			
VAT Zero Rated Sale			
VAT-12%			
Total Regulated NGCP Sales			

Billing Determinants:

PDS LBD/GBD:	
SO LBD/GBD:	
AS LBD:	
AS LDC:	
RRE:	
Power Factor:	
Load Factor:	
Number of Metering Points:	

Notes:

- See succeeding page for the Details of Calculation.
- Interest and corresponding VAT shall be charged in all overdue accounts in accordance with the provision of the OATS Rules 2022 Edition and the Credit and Collection Policy of NGCP.
- Rule F5.1 of the OATS Rules 2022 Edition provides that, if the due date falls on a holiday or weekend, payment shall be made on or before 12:00 noon of the preceding work day.
- Computation of PDS Rates and imposition of SO and MSP charges are consistent with the OATS Rules 2022 Edition and ERC Order on NGCP's ERC-approved IMAR for CY2020.
- PDS and SO LBD for Firm Customers are based on the System Peak Demand (SPD) Billing Methodology in accordance with Rules F(AI)3.2 and F(AI)1.4 of the OATS Rules 2022 Edition.
- PDS and SO LBD for Non-Firm Customers are in accordance with Rule 7.1 of the OATS Rules 2022 Edition.
- Imposition of Under-recovery 2016-2022 Charge is in accordance with ERC's Decision dated 11 April 2025 on ERC Case No. 2022-089RC.
- THIS DOCUMENT IS VALID FOR CLAIM OF INPUT TAX.**

REGULATED TRANSMISSION SERVICES CHARGES (Charges under the MAR)

PDS POWER DELIVERY SERVICE CHARGE
 Recovers the costs associated to conveying electricity to or from the Grid.

SO SYSTEM OPERATOR CHARGE
 Recovers the costs associated with System Operation.

MSP METERING SERVICE PROVIDER CHARGES
 Recover the costs associated with metering services – consist of a per Voltage Level Charge (Metering Charge) and a Common Charge (MSP Common Charge).

REGULATED TRANSMISSION SERVICES CHARGES (Excluded Services)

CC & RSTC CONNECTION CHARGE & RESIDUAL SUB-TRANSMISSION CHARGE
 Recovers the costs associated with the provision of sub-transmission service to specific Transmission Customers

REGULATED TRANSMISSION SERVICES CHARGES (Under-recovery)

UR UNDER-RECOVERY 2016-2022
 Refers to the charge approved by the ERC that corresponds to the 4th Regulatory Period under-recovery pursuant to ERC Decision on ERC Case No. 2022-089 RC



PAGE 3 – POWER BILL FOR PASS-THROUGH CHARGES

The “Power Bill” provides Pass-Through Charges such as the (1) Ancillary Services (AS) Charges – both from the Ancillary Services Procurement Agreement (ASPA) and that sourced from the Reserve Market (ASRM), including the applicable VAT, (2) Universal Charges (UC), and (3) Other Charges which include the Feed-in Tariff Allowance (FIT-All), Green Energy Auction Allowance (GEA-All), and National Lifeline Subsidy.

NATIONAL GRID CORPORATION OF THE PHILIPPINES
 Power Center, Quzon Avenue corner Senator Miriam P. Defensor-Santiago Avenue (formerly BIR Road), Phayahian, 1111 Diliman, Quzon City, Philippines
 (VAT Registered) TIN : _____

Bar Code: _____
 Billing Month: _____
 Statement Date: _____
 Power Bill No: _____
 Customer: _____
 Due Date: _____

POWER BILL

Customer Name: _____
 Profile Name: _____
 Address: _____
 (VAT Registered) TIN: _____
 DCE/CA Number: _____
 Customer Type: _____
 Contract Type: _____
 GRID: _____

Billing Details:

PASS THROUGH CHARGES	
ANCILLARY SERVICE CHARGES	87,588.95
Ancillary Services Procurement Agreement (ASPA)	35,862.65
Ancillary Services - Reserve Market (AS-RM)	51,726.30
VALUE ADDED TAX (VAT) ON ANCILLARY SERVICE CHARGES	10,014.72
Ancillary Services Procurement Agreement (ASPA)	3,807.56
Ancillary Services - Reserve Market (AS-RM)	6,207.16
TOTAL ANCILLARY SERVICE CHARGES	97,603.67
UNIVERSAL CHARGES	
OTHER CHARGES	
FIT - ALL (Renewable)	
GEA - ALL (Renewable)	
National Lifeline Subsidy	
SUBTOTAL FOR PASS THROUGH CHARGES	
GRAND TOTAL AMOUNT DUE (REGULATED NGCP CHARGES + PASS THROUGH CHARGES)	

ANCILLARY SERVICE CHARGES
 Ancillary Services Procurement Agreement (ASPA)
 Ancillary Services - Reserve Market (AS-RM)
VALUE ADDED TAX (VAT) ON ANCILLARY SERVICE CHARGES
 Ancillary Services Procurement Agreement (ASPA)
 Ancillary Services - Reserve Market (AS-RM)

UNIVERSAL CHARGES
OTHER CHARGES
 FIT - ALL (Renewable)
 GEA - ALL (Renewable)
 National Lifeline Subsidy

Notes:

- See succeeding page for the Details of Calculation.
- Rule F5.1 of the OATS Rules 2022 Edition provides that, if the due date of the preceding work day.
- AS LBD for Firm Customers is based on the System Peak Demand as determined under the OATS Rules 2022 Edition, pursuant to ERC Resolution No. 25, Series of 2025.
- AS LBD for Non-Firm Customers is in accordance with Rule F7.1 of the OATS Rules 2022 Edition.
- Sec 7.4 of the DOE Department Circular No. DC2021-03-0009 provides that the AS-RM as approved by the ERC.
- Billing of Universal Charge – Missionary Electrification (UCME), fully remitted to PSALM, is in accordance with the ERC's Order dated 30 Jan. 2026 on ERC Case No. 2025-060RC.
- Billing of Universal Charge – Stranded Debts, fully remitted to PSALM, is in accordance with the ERC's Order dated 15 Jan. 2019 on ERC Case No. 2013-195 RC.
- Billing of Universal Charge – Rehabilitation and Maint. of Watershed, fully remitted to PSALM, is in accordance with the ERC's Advisory dated 07 Nov. 2025.
- Billing of Feed-in Tariff Allowance (FIT-All), fully remitted to TransCo, is in accordance with the ERC's Decision dated 05 Jan. 2026 on ERC Case No. 2025-150RC.
- Billing of Green Energy Auction Allowance (GEA-All), fully remitted to TransCo, is in accordance with ERC's Decision dated 26 Dec. 2025 on ERC Case No. 2025-127RC.
- Billing of the National Lifeline Subsidy, fully remitted to PSALM, is in accordance with ERC Resolution No. 2, Series of 2026.
- THIS DOCUMENT IS NOT VALID FOR CLAIM OF INPUT TAX.**

ANCILLARY SERVICES CHARGES

ANCILLARY SERVICES

Support services such as **Regulating Reserve, Contingency Reserve, Dispatchable Reserve, Reactive Power Support, and Black Start Support** which are necessary to support the transmission capacity and energy that are essential in maintaining power quality and reliability of the Grid

ANCILLARY SERVICES CHARGES

Refer to the pass-on charges for the recovery of costs of Ancillary Services provision from contracted qualified Generation Companies through **ASPA** and those as procured through the **AS-RM** billed by IEMOP

OTHER PASS-THROUGH CHARGES

UC

UNIVERSAL CHARGES

Refer to the charges imposed for the recovery of the stranded cost and other purpose pursuant to Section 34 of the EPIRA Law

FIT-ALL

FEED-IN-TARIFF ALLOWANCE CHARGE

Refers to the charge corresponding to the share in the cost of the FITs as established pursuant to Section 2.5 of ERC Resolution No. 16, Series of 2010

GEA-ALL

GREEN ENERGY AUCTION ALLOWANCE CHARGE

Refers to the charge corresponding to the share in the cost of the Green Energy Tariff (GET) to support RE developers for renewable energy generation as established pursuant to ERC Decision on ERC Case No. 2025-127 RC.

NLS

NATIONAL LIFELINE SUBSIDY CHARGE

Refers to the charge corresponding to the share in funding the Lifeline Subsidy Program, ensuring equitable access to electricity for qualified marginalized end-users, pursuant to ERC Resolution No. 2, Series of 2026.



Note: UC and Other Charges are only being billed by NGCP to consumers directly connected to the Grid^{1/}

1/ e.g., Industrial Plants and Generation Companies drawing power from the Grid

PAGE 4 – DETAILS OF CALCULATION

The “Details of Calculation” provides the details of the applicable rate, billing determinant, corresponding charge, classification of charges in terms of Non-VATable and VATable, and the applicable VAT for both the Regulated Charges and Pass-through Charges.

NATIONAL GRID CORPORATION OF THE PHILIPPINES Power Center, Quezon Avenue corner Senator Miriam S. Defensor-Santiago Avenue (formerly BIR Road), Pinyahan, 1111 Diliman, Quezon City, Philippines (VAT Registered) TIN :		Bar Code: Billing Month: Statement Date: Power Bill Invoice No: Customer: Due Date:
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Meter Point Profile										
SEEL NO	Delivery Voltage	NGCP Owned	HSPC	HSPCC	ESD	BCR	SRZ	APF	SPF	
Meter Count:		Total:								

* Difference in summation due to rounding off of billing quantities.

Ancillary Services Tax Calculation				
Mindanao Grid				
Description	ASPA		AS-RM	
	Renewable	Non-Renewable	Renewable	Non-Renewable
Regulating Reserve	0.00	100.00	0.00	100.00
Contingency Reserve	32.87	67.13	0.00	100.00
Dispatchable Reserve	0.00	100.00	0.00	100.00

Charge Name	Rate										
REGULATED TRANSMISSION SERVICES											
Power Delivery Service Charge											
System Operator Charge		1.3613	7,415	10,094.04	0.00	0.00	10,094.04	1,211.29	11,305.33		
Metering Charge											
HSP Common Charge											
Connection Charge											
Residual Sub Trans. Charge											
Under-recovery 2016-2022											
SUB-TOTAL				35,862.65	0.00	4,133.12	31,729.53	3,807.56	39,670.21		
ANCILLARY SERVICES CHARGES											
Ancillary Services Procurement Agreement (ASPA)											
Regulating Reserve		1.3613	7,415	10,094.04	0.00	0.00	10,094.04	1,211.29	11,305.33		
Contingency Reserve		1.6956	7,415	12,572.88	0.00	4,133.12	8,439.76	1,012.78	13,585.66		
Dispatchable Reserve		1.7796	7,415	13,195.73	0.00	0.00	13,195.73	1,583.49	14,779.22		
SUB-TOTAL				35,862.65	0.00	4,133.12	31,729.53	3,807.56	39,670.21		
Ancillary Services - Reserve Market (AS-RM)											
Regulating Reserve		5.8887	7,415	43,664.71	0.00	0.00	43,664.71	5,239.77	48,904.48		
Contingency Reserve		1.0861	7,415	8,053.43	0.00	0.00	8,053.43	966.41	9,019.84		
Dispatchable Reserve		0.0011	7,415	8.16	0.00	0.00	8.16	0.98	9.14		
SUB-TOTAL				51,726.30	0.00	0.00	51,726.30	6,207.16	57,933.46		
Ancillary Services - Reserve Market (AS-RM)											
Regulating Reserve		5.8887	7,415	43,664.71	0.00	0.00	43,664.71	5,239.77	48,904.48		
Contingency Reserve		1.0861	7,415	8,053.43	0.00	0.00	8,053.43	966.41	9,019.84		
Dispatchable Reserve		0.0011	7,415	8.16	0.00	0.00	8.16	0.98	9.14		
SUB-TOTAL				51,726.30	0.00	0.00	51,726.30	6,207.16	57,933.46		
UNIVERSAL CHARGES											
Missionary Electrification - REDCI											
Missionary Electrification - SPUG											
Rehabilitation and Maint. of Watershed											
Stranded Debt											
SUB-TOTAL											
OTHER CHARGES											
FT-ALL (Renewable)											
GEA-ALL (Renewable)											
National Lifeline Subsidy											
SUB-TOTAL											
TOTAL AMOUNT											

Again, the AS Charges under ASPA and the Reserve Market—including rates, billing determinants, VAT, and amounts—are already reflected in NGCP’s current Power Bill, fulfilling the intent of the Supplemental Guidelines.

AS Charges are revenues of the AS Providers. These charges are pass-through costs and do not constitute revenue for NGCP, thus the corresponding VAT on AS are excluded from NGCP’s Output VAT.

In line with regulatory requirements, the purpose of the Supplemental Guidelines to provide the billing details of the AS Charges is fully complied.



Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

RESOLUTION NO. 04, Series of 2026

**A RESOLUTION ADOPTING THE “SUPPLEMENTAL
GUIDELINES ON THE ADJUSTMENT AND RECOVERY OF
TRANSMISSION AND ANCILLARY SERVICES CHARGES
UNDER ERC RESOLUTION NO. 14, SERIES OF 2022”**

WHEREAS, the Energy Regulatory Commission (the Commission) is mandated under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), to ensure transparent and reasonable electricity prices, protect consumer welfare, and promote public accountability in the electric power industry;

WHEREAS, pursuant to the EPIRA, the Commission has the authority to regulate the transmission and distribution of electricity, including the approval of rate structures, billing mechanisms, and cost recovery methodologies of regulated entities;

WHEREAS, the National Grid Corporation of the Philippines (NGCP), as the transmission network provider, system operator, and regulated transmission entity under Republic Act No. 9511¹ and the Concession Agreement with the National Transmission Corporation (TransCo) and the Power Sector Assets and Liabilities Management Corporation (PSALM)—is mandated to procure Ancillary Services through Ancillary Services Procurement Agreements (ASPAs) and the Reserve Market, to ensure the reliable and secure operation of the transmission system;

WHEREAS, the Ancillary Services (AS) Charges imposed are pass-through costs ultimately borne by end-users and are currently embedded in the Transmission Charges billed by Distribution Utilities (DUs) to their customers;

¹ Entitled, “An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity through High Voltage Back-Bone System of Interconnected Transmission Lines, Substations and Related Facilities, and for Other Purposes.”

WHEREAS, the implementation of the Department of Energy (DOE) issuances on Firm AS contracting and the operationalization of the Reserve Market have resulted in increased variability and materiality of AS costs, thereby necessitating clearer regulatory treatment, enhanced transparency, and strengthened verification mechanisms;

WHEREAS, the Commission promulgated ERC Resolution No. 14, Series of 2022, otherwise known as the “*Revised Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities*”, which governs the adjustment and recovery of pass-through costs;

WHEREAS, on 30 September 2024, the NGCP filed a *Petition*, entitled “*In the Matter of the Petition to Amend the Guidelines for the Adjustment of Transmission Rates by Distribution Utilities*”, docketed under ERC Case No. 2024-009 RM, seeking the amendment of existing guidelines and/or the promulgation of rules governing the adjustment, billing, and recovery of Transmission and AS Charges by DUs;

WHEREAS, the Commission, in accordance with Section 21 of Resolution No. 01, Series of 2021, or the ERC’s *Revised Rules of Practice and Procedure*, issued an *Order* and a *Notice of Proposed Rule-Making*, both dated 28 May 2025, setting the case for hearings and public consultations;

WHEREAS, the Commission proceeded with the scheduled hearings, and conducted series of public consultations on 16, 23 and 30 July 2025 in Luzon, Visayas and Mindanao, respectively;

WHEREAS, on various dates, the Commission received comments from the following interested parties: (1) Aboitiz Power Corporation; (2) Manila Electric Company (MERALCO); (3) TransCo; and (4) Lanao Del Norte Electric Cooperative, Inc. (LANECO), which raised issues and concerns on regulatory consistency, transparency, implementation readiness, and consumer protection;

WHEREAS, the Commission has consolidated and considered the submissions of Petitioner NGCP, as well as the comments of all interested parties in the finalization of this Resolution;

WHEREAS, the Commission, in promulgating this Resolution, aims to supplement ERC Resolution No. 14, Series of 2022 to explicitly address the adjustment, billing presentation, verification, and recovery of AS Charges, while preserving their nature as transmission-related pass-through costs under the EPIRA;

WHEREAS, the Commission further finds that the separate adjustment and billing presentation of AS Charges, subject to clear formulas, reportorial requirements, verification, and a reasonable transitory period, will promote greater transparency, enhance consumer understanding and strengthen regulatory oversight;

WHEREAS, after due evaluation and consideration of all the submissions herein, and pursuant to its authority under the EPIRA, the Commission hereby issues the *“Supplemental Guidelines on the Adjustment and Recovery of Transmission and Ancillary Services Charges under ERC Resolution No. 14, Series of 2022”* to promote regulatory clarity, transparency, and public accountability, without imposing any new or additional charges on consumers;

NOW, THEREFORE, the Commission hereby **RESOLVES** to:

1. **APPROVE** and **ADOPT** the *“Supplemental Guidelines on the Adjustment and Recovery of Transmission and Ancillary Services Charges under ERC Resolution No. 14, Series of 2022,”* attached hereto as **Annex “A”** and made an integral part of this Resolution, including the directive to the National Grid Corporation of the Philippines (NGCP) to adopt the billing format attached herewith as Annex “A-1”;
2. **AUTHORIZE** the separate adjustment, billing presentation, and recovery of Ancillary Services (AS) charges by Distribution Utilities strictly as a transparency and regulatory monitoring measure, without altering the nature of Ancillary Services as transmission-related pass-through costs under the EPIRA; and
3. **ADOPT** the Ancillary Services Charge Rate (ASCR) Adjustment Formula, including the corresponding over/(under) recovery, verification, and true-up mechanisms, consistent with the automatic cost adjustment framework under ERC Resolution No. 14, Series of 2022.

This Resolution shall take effect fifteen (15) days following its publication in a newspaper of general circulation or in the Official Gazette.


Let copies of this Resolution be furnished to all parties and industry stakeholders, and the University of the Philippines Law Center – Office of the National Administrative Register (UPLC-ONAR), as well as posted on the Commission’s official website and such other online platforms available to the ERC.

Pasig City. **JAN 30 2026**


FRANCIS SATURNINO C. JUAN
Chairperson and CEO


FLORESINDA G. BALDO-DIGAL
Commissioner


MARKO ROMEO L. FUENTES
Commissioner


AMANTE A. LIBERATO
Commissioner


PARIS G. REAL
Commissioner


ROS: GCD/CSD/RAAR/AJMO/LLG


LS: ADGS/ARG/MCCG

**Deliberated and approved during the 29 January 2026 Commission Meeting.*

**SUPPLEMENTAL GUIDELINES ON THE
ADJUSTMENT AND RECOVERY OF TRANSMISSION
AND ANCILLARY SERVICES CHARGES UNDER ERC
RESOLUTION NO. 14, SERIES OF 2022**

ARTICLE 1

GENERAL PROVISIONS

Section 1. Objectives. —

These Supplemental Guidelines aim to ensure transparent and reasonable electricity prices, protect consumer welfare, and promote public accountability in the electric power industry as mandated by Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 (EPIRA). Specifically, these Supplemental Guidelines seek to:

- (a) Ensure that only those Ancillary Services (AS) costs that are prudently incurred, actually paid, verified, and reasonable are charged to end-consumers;
- (b) Establish an Adjustment Formula for the Ancillary Services Charge Rate (ASCR), including the corresponding over/(under) recovery, verification, and true-up mechanisms, consistent with the automatic cost adjustment framework under ERC Resolution No. 14, Series of 2022;
- (c) Ensure and mandate the submission by Regulated Entities of all relevant data and information necessary for the computation and validation of AS Charges imposed on end-consumers;
- (d) Provide a more transparent billing presentation for the protection of end-consumers, and ensure accountability of Regulated Entities; and
- (e) Amend ERC Resolution No. 14, Series of 2022, to further maintain the quality, reliability, security, and affordability of the supply of electric power.

Section 2. Definition of Terms. — Section 3, Article 1, of ERC Resolution No. 14, Series of 2022 is hereby amended to read, as follows:

X X X

- 3.2 **“Ancillary Service” shall refer to support services such as Frequency Regulating and Contingency Reserves, Reactive Power support, and Black Start capability which are necessary to support the transmission capacity and Energy that are essential in maintaining Power Quality and the Reliability and Security of the Grid.**
- 3.3 **“Ancillary Service Charges” shall refer to charges defined in Module F of the Open Access Transmission Services (OATS) Rules.**

X X X

Section 3. Transmission Rate and Ancillary Service Charge Rate. — Section 3, Article 2 of ERC Resolution No. 14, Series of 2022 is hereby amended to read, as follows:

ARTICLE 2

CALCULATION OF THE ADJUSTED RETAIL RATES

X X X

Section 3. Transmission Rate² and Ancillary Services Charge Rate. The Transmission Rate (TR) **and Ancillary Service Charge (ASC) rate** shall be calculated and billed each calendar month by the DUs using the following formulae:

X X X

3.2. For Customer classes with ASCR expressed in Peso/kWh:

FORMULA 3.A

$$ASCR_N = \left(\frac{ASC_N}{kWh_{TR_N}} \right) + OASCA_N$$

Where:

$ASCR_N$ = Ancillary Service charge rate expressed in Peso/kWh;

ASC_N = $AS_{Total} \times CP_N$;

² For purposes of the computation of the Transmission Rate, TR shall refer to the total charges of NGCP for power delivery service, system operation, metering service provider, connection and residual sub-transmission service, adjustments, and other charges prudently incurred, actually paid for, verifiable, reasonable, and are eligible for recovery in accordance with the ERC rules and regulations.

Where:

AS_{Total} = Refers to the previous month's total ancillary services cost;

CP_N = Actual Coincident Peak Demand Ratio or the computed Coincident Peak Demand Allocation Factor for customer class N corresponding to the previous month's period.

kWh_{TRN} = Energy input (for the previous month in total kWh) excluding Site Specific Loss Adjustment (SSLA), as clarified in ERC Resolution No. 10, Series of 2018,³ corresponding to customer class N, net of kWh exported to the transmission system, and kWh distributed to special programs and Sale for Resale Agreements, if the customers being supplied are not connected with the main distribution grid and the cost is different from those for other regular customers;

$OASCA_N$ = Other **Ancillary Service Charge Adjustments**, refer to **ancillary service charge** rate adjustments approved by the Commission and adjustments determined using the formula provided in Article 4, Section 3 and Article 5, Section 2 of Resolution No. 14, Series of 2022;

N = Refers to a specific customer class (ex. $N=1,2,\dots$, where 1= Residential, 2= Commercial, etc.)

3.2.2. Customer classes with ASCR expressed in Peso/kW:

FORMULA 3.B

$$ASCR_N = \left(\frac{ASC_N}{D_N} \right) + OASCA_N$$

Where:

$ASCR_N$ = Ancillary Service charge rate expressed in Peso/kW;

ASC_N = $AS_{Total} \times CP_N$;

Where:

AS_{Total} = Refers to the previous month's total ancillary services cost;

³ "A Resolution Clarifying the System Loss Calculation and Providing the Effectivity of the Rules for Setting the Distribution System Loss Cap", and any amendments thereto.

CP_N = Actual Coincident Peak Demand Ratio or the computed Coincident Peak Demand Allocation Factor for customer class N corresponding to the previous month's period.

D_N = kW billing demand for the previous month for customer class N multiplied by $(1+u)$;

$OASCA_N$ = Other **Ancillary Service Charge Adjustments**, refer to **ancillary service charge** rate adjustments approved by the Commission and adjustments determined using the formula provided in Article 4, Section 3 and Article 5, Section 2 of Resolution No. 14, Series of 2022;

3.2.3 Customer classes with ASCR expressed in both Peso/kWh and Peso/kW.

The component expressed in Peso/kWh (TKR_N) shall remain constant.

The component expressed in Peso/kW shall be adjusted using the following formula:

FORMULA 3.C

$$ASCR_N = \left(\frac{ASC_N - (S_{TRN} \times TKR_N)}{D_N} \right) + OASCA_N$$

Where:

$ASCR_N$ = **Ancillary Service Charge rate expressed in Peso/kW;**

ASC_N = $AS_{Total} \times CP_N$;

Where:

AS_{Total} = **Refers to the previous month's total ancillary service cost,**

CP_N = Actual Coincident Peak Demand Ratio or the computed Coincident Peak Demand Allocation Factor for customer class N corresponding to the previous month's period.

S_{TRN} = kWh sales for the previous month for customer class N;

TKR_N = TR component expressed in Peso/kWh based on the Approved Unbundled Rates for customers class N or the latest Approved Rate for customer class N, if any;

D_N = kW billing demand for the previous month for customer class N multiplied by $(1+u)$;

$OASCA_N$ = Other **Ancillary Service Charge Adjustments**, refer to **ancillary service charge** rate adjustments approved by the Commission and adjustments determined using the formula provided in Article 4, Section 3 and Article 5, Section **2** of Resolution No. 14, Series of 2022;

Section 4. Reportorial Requirements. — Section 3.3, Article 3 of ERC Resolution No. 14, Series of 2022 is hereby amended to read, as follows:

ARTICLE 3

REPORTORIAL REQUIREMENTS

Section 3. Supporting Information. The supporting information to be provided, together with the monthly submission on the calculation and monitoring of the automatic cost adjustments, shall include, but not be limited to, the following:

3.1 Basic Supporting Documents

x x x

3.2 For Generation Rates and System Loss Rates

x x x

3.3 For Transmission Rates and Ancillary Service Charge Rates

- i. Sworn and notarized statement on PFD availed from TransCo/NGCP and PFD extended to end-users and Third Parties by the DU;
- ii. **Comprehensive Breakdown of Ancillary Services Costs under Ancillary Services Procurement Agreement (ASPA);**
- iii. **Data on the Ancillary Services procured through the Reserve Market, including the Preliminary Statement issued by the Independent Electricity Market Operator of the Philippines (IEMOP) for the relevant billing month; and**
- iv. **A reconciliation summary showing the aggregation of ASPA and Reserve Market AS costs used in the computation of the Total Actual Ancillary Services Cost.**

- 3.4 The submission of the reportorial requirements under these Supplemental Guidelines shall coincide with the submission of the reportorial requirements prescribed under ERC Resolution No. 14, Series of 2022.

X X X

Section 5. Calculation of Over or Under Recovery. — Section 3, Article 4 of ERC Resolution No. 14, Series of 2022 is hereby amended to read, as follows:

ARTICLE 4

CALCULATION OF THE OVER OR UNDER RECOVERY IN THE IMPLEMENTATION OF ADJUSTMENT MECHANISMS

X X X

Section 3. Transmission Rate⁴ Over/Under Recovery and Ancillary Service Charge Over/Under Recovery.

X X X

3.2 The Ancillary Service Charge Rate Over/Under Recovery (ASCOUR) shall be calculated per customer class based on the following formula:

3.2.1. For Customer classes with ASCR expressed in Peso/kWh:

FORMULA 9

$$ASCOUR_N = \frac{[(ASC_N - ASCRR_N) + eASCOUR_N]}{S_{ASCOUR_N}}$$

3.2.2. Customer classes with ASCR expressed in Peso/kW and Customer classes with ASCR expressed in both Peso/kWh and Peso/kW:

FORMULA 10

$$ASCOUR_N = \frac{[(AASC_N - TASCRR_N) + eASCOUR_N]}{BD_{TOUR_N}}$$

⁴ For purposes of the computation of the Transmission Rate, TR shall refer to the total charges of NGCP for power delivery service, system operation, metering service provider, connection and residual sub-transmission service, adjustments, and other charges prudently incurred, actually paid for, verifiable, reasonable, and are eligible for recovery in accordance with the ERC rules and regulations.

Where:

\underline{ASCOUR}_N = Refers to over/under recoveries in **ancillary service charge** during the recovery period for the relevant customers (*i.e.*, customer class with ancillary service charge expressed in Peso/kWh in **Formula 9** and customer class with transmission charges expressed in Peso/kW, or Peso/kW and Peso/kWh in **Formula 10**);

\underline{AASC}_N = Refers to the allowable **ancillary service charge** during the recovery period for the relevant customers (*i.e.*, total cost for customer class with **ancillary service** charge expressed in Peso/kWh in **Formula 9** and customer class with **ancillary service** charges expressed in Peso/kW, or Peso/kW and Peso/kWh in **Formula 10** computed as follows:

$$AASC_N = \sum_{1..m} \left[\left(\frac{ASC}{kWh_{ASCOUR}} \right) S_{ASCOUR} \right] CP_N$$

Where:

\underline{ASC} = The actual **ancillary service charge** in Peso for month 1 to m;

kWh_{ASCOUR} = kWh_{TOUR} = Energy input (for month 1 to m in total kWh) excluding SSLA as clarified in ERC Resolution No. 10, Series of 2018, ⁵ net of kWh exports to the transmission system, and kWh distributed to special programs and Sale For Resale Agreements, if the customers being supplied are not connected with the main distribution grid and the cost is different from those for other regular customers corresponding to the transmission cost;

\underline{S}_{ASCOUR} = S_{TOUR} = Actual kWh Sales for month 1 to m (net of kWh exports to the transmission system, kWh wheeled by generator wheeling customers, and kWh distributed to special programs and Sale for Resale Agreements, if the customers being supplied are not connected with the main distribution grid and the cost is different from those for the other regular customers) corresponding to the transmission cost;

⁵ "A Resolution Clarifying the System Loss Calculation and Providing the Effectivity of the Rules for Setting the Distribution System Loss Cap", and any amendments thereto.

CP_N = Actual Coincident Peak Demand Ratio or the computed Coincident Peak Demand Allocation Factor for the relevant customers, (i.e., customer class with transmission charge expressed in Peso/kWh in Formula 8 and customer class with transmission charge expressed in Peso/kW, or Peso/kW and Peso/kWh in Formula 9) corresponding to the recovery period; and

N = Refers to a specific customer class (ex. $N=1,2,\dots$, where 1= Residential, 2= Commercial, etc.).

$TASCR_N$ = Total **Ancillary Service Charge** Revenues during the recovery period (exclusive of any adjustments approved by the Commission to address previous over and under recoveries at previous Compliance Filing Reviews), to be computed as follows:

$$TASCR_N = \sum_{1..m} [(ASCR_{N,m} \text{ in PhP/kWh} \times S_{N,m}) + (ASCR_{N,m} \text{ in PhP/kW} \times BD_{N,m})]$$

Where:

$ASCR_{N,m}$ = **Ancillary Service Charge Rate** in PhP/kWh and/or PhP/kW as applicable to customer class N as implemented by the DU for month 1 to m (exclusive of any adjustments approved by the Commission to address previous over and under recoveries at previous Compliance Filing Reviews). If the **Ancillary Service Charge** rate for customer N is expressed in PhP/kWh only, then the **Ancillary Service Charge** in PhP/kW in the formula shall be equal to zero (0) and vice-versa;

$S_{N,m}$ = Total kWh sales for customer class N for month 1 to m

$BD_{N,m}$ = Total kW billing demand for customer class N for month 1 to m; and

N = Refers to a specific customer class (ex. $N=1,2,\dots$, where 1= Residential, 2= Commercial, etc.).

$eASCOUR_N$ = The total ending balance of the refund/collect as a result of any prior confirmation/s.

S_{ASCOUR_N} = S_{TOUR_N} = Total kWh Sales for the most recent months corresponding to the recovery period or as determined by the Commission for the relevant customers (i.e. customer class with transmission charge expressed in Peso/kWh).

$BD_{ASCOURN} = BD_{TOURN}$ = Total kW billing demand for the most recent months corresponding to the recovery period or as determined by the Commission for the relevant customers (*i.e.*, customer class with transmission charge expressed in Peso/kW, or Peso/kW and Peso/kWh).

Section 6. Responsibility of the TNP and SO. — The Transmission Network Provider (TNP) and System Operator (SO) shall comply with the reportorial and disclosure requirements prescribed under this Supplemental Guidelines, ERC Resolution No. 14, Series of 2022, and all other relevant rules and regulations of the Commission.

This compliance includes the timely submission by the Distribution Utilities (DUs) concerned, within the period prescribed by relevant rules and regulations, of all supporting documents necessary to validate the AS costs and rate computations.

Section 7. Separate Line Item for AS Charges. — In accordance with the formula indicated herein, DUs shall bill and reflect AS Charges as a separate line item in accordance with the approved Ancillary Services Rate.

Accordingly, such line item for AS Charges in customer bills shall include only the Total Ancillary Services Charge and the corresponding Value-Added Tax (VAT), unless otherwise directed by the Commission.

Section 8. Consumer Communication and Disclosure Plan. — The TNP and SO and the concerned DUs shall formulate a Consumer Communication and Disclosure Plan that outlines the steps to be undertaken for information dissemination on the separate line item for AS Charges.

The plan shall clearly inform customers that AS Charges are not new or additional charges, but a re-presentation of existing transmission-related costs.

TRANSITORY PROVISION

Section 9. Transitory. — NGCP and all concerned DUs are hereby granted a transitory period of ninety (90) days from the effectivity of this Resolution to fully comply with the requirements hereof. During the transitory period, NGCP and the Distribution Utilities shall undertake the necessary system, billing, and administrative adjustments to ensure full and proper implementation. Upon the lapse of the transitory period, strict compliance with this Resolution shall be mandatory.

FINAL PROVISIONS

Section 10. Fines and Penalties. — The fines and penalties imposed in Section 1, Article VII of ERC Resolution No. 14, Series of 2020, and other relevant laws, and rules and regulations of the Commission shall apply to violations committed by any regulated entity subject of these Supplemental Guidelines.

Section 11. Previous Resolutions. — All other provisions of ERC Resolution No. 14, Series of 2022, and all other relevant rules and regulations of the Commission, not inconsistent with this Supplemental Guidelines, shall remain in full force and effect.

Section 12. Separability Clause. — If for any reason, any part or section of this Supplemental Guidelines is declared unconstitutional or invalid, all other parts or sections hereof, not affected thereby, shall continue to be in full force and effect.

Section 13. Repealing Clause. — All previous issuances of the Commission not consistent with this Supplemental Guidelines are deemed modified or repealed accordingly.

Section 14. Effectivity. — This Supplemental Guidelines shall take effect fifteen (15) days following its publication in a newspaper of general circulation.



**NATIONAL GRID CORPORATION
OF THE PHILIPPINES**

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Quezon City, Philippines
(VAT Registered) TIN : 006-977-514-00000

Bar Code:
Billing Month:
Statement Date:
Power Bill Invoice No:
Power Bill No:
Customer:
Due Date:



POWER BILL INVOICE

Customer Name:
Profile Name:
Address:
(VAT Registered) TIN:
12DCE/CA Number:
Customer Type:
Contract Type:
GRID:

Billing Details:

CHARGE NAME:	RATE:	QTY:	AMOUNT:
PASS-THROUGH CHARGES			
ANCILLARY SERVICE PROCUREMENT AGREEMENT (ASPA)			
Regulating Reserve			
Contingency Reserve			
Dispatchable Reserve			
Sub-Total (ASPA)			
ANCILLARY SERVICES -- RESERVE MARKET (AS-RM)			
Regulating Reserve			
Contingency Reserve			
Dispatchable Reserve			
SubTotal (AS-RM)			
TOTAL PASS-THROUGH CHARGES (ASPA + AS-RM)			
VALUE ADDED TAX (VAT) ON PASS-THROUGH CHARGES (ASPA + AS-RM)			

TOTAL PASS-THROUGH CHARGES	
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VATable	
VAT-Exempt	
VAT Zero Rated Sale	
VAT-12%	
Total Pass-through Charges	