

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE
ANCILLARY SERVICES
PROCUREMENT
AGREEMENT BETWEEN
THE NATIONAL GRID
CORPORATION OF THE
PHILIPPINES (NGCP) AND
SAN ROQUE POWER
CORPORATION WITH
PRAYER FOR ISSUANCE OF
PROVISIONAL AUTHORITY**

ERC CASE NO. 2017-113 RC

**NATIONAL GRID
CORPORATION OF THE
PHILIPPINES (NGCP) and
SAN ROQUE POWER
CORPORATION (SRPC),**

Applicants.

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DOCKETED

Date: **FEB 23 2018**

By: _____

ORDER

For the Commission's consideration is the prayer for issuance of provisional authority included in the application for approval of the Ancillary Services Procurement Agreement (ASPA) for a period of five (5) years between the National Grid Corporation (NGCP) and San Roque Power Corporation (SRPC) dated 13 December 2017, for its 3 x 145 MW San Roque Hydro-Electric Power Plant in Pangasinan.

FACTS OF THE CASE

The foregoing are the narration of facts relative to the prayer for issuance of provisional authority of the applicants NGCP and SRPC:

1. NGCP is a corporation created and existing under the laws of the Philippines, with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City. NGCP is the concessionaire that assumed the power transmission functions of the National Transmission Corporation (TRANSCO) pursuant to Republic Act No. 9136¹ (EPIRA). It holds a franchise under Republic Act No. 9511² to engage in the business of conveying or transmitting electricity through high-voltage back-bone systems of interconnected transmission lines, substations and related facilities, and for other purposes. The franchise also includes the authority to conduct activities necessary to support the safe and reliable operation of the transmission system.

2. SRPC is a corporation organized and existing under and by virtue of the Philippine laws with principal office address at Barangay San Roque, San Manuel, Pangasinan. The primary activity of SRPC is power generation. It owns and operates the 3x145 MW San Roque Hydro-electric Power Plant in Pangasinan, which was certified and accredited by NGCP as capable of providing Ancillary Services (AS) in the form of: a) Regulating Reserve (RR); b) Contingency Reserve (CR); and c) Dispatchable Reserve (DR).

3. Under *Section 2 (b) of the Electric Power Industry Reform Act of 2001 (EPIRA)*, the National Transmission Commission Corporation (TRANSCO), now NGCP, is mandated to ensure and maintain the quality, reliability, security and affordability of the supply of electric power. To this end, there is a need to comply with the system requirements for Ancillary Services (AS) to ensure grid system reliability. NGCP has the mandate to procure the required AS.

4. Ancillary Services are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code [*Section 49(b), EPIRA*].

¹ Republic Act No. 9136 entitled, "An Act Ordaining Reforms in the Electric Power Industry, Amending for the Purpose Certain Laws and for other Purposes";

² 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;

5. SRPC entered into an ASPA with NGCP on 01 November 2017.

6. On 13 December 2017, NGCP and SRPC filed the application for approval of its Ancillary Services Procurement Agreement for a period of five (5) years under ERC Case No. 2017-113 RC.

7. Following the *ERC Rules of Practice and Procedure*, The Commission has seventy-five (75) days from the date of filing of the application or until 26 February 2018 within which to grant or disallow the provisional authority prayed for.

JUSTIFICATIONS FOR THE GRANT OF PROVISIONAL AUTHORITY

8. In the Application, NGCP and SRPC prayed for the issuance of a provisional authority to implement the subject ASPA upon termination of its 2012 ASPA, to maintain the present reliability and security of the grid. Based on the current levels of available contracted AS in the Luzon Grid, the firm and non-firm contracted AS have not yet met the required levels of the ASPP. The continued participation of SRPC as AS service provider ensures competition between and among AS service providers which will ultimately initiate a downward pressure to current prices.

9. Applicants manifested that as the demand for power in the Luzon increases, the requirements of the system to ensure stability, reliability and security likewise increases. Thus, ensuring the integrity of the system is essential to protect the interests of the public.

10. They likewise stressed that absence of system reliability and stability will certainly discourage investments and growth, thus, there is a need for the immediate issuance of Provisional Approval of the subject ASPA to maintain the reliability and security of the Grid.

11. In support to the prayer for PA, an illustration of the available level of RR, CR, and DR in the Luzon Grid for the period January 2017 to December 2017 was provided by NGCP, to wit:

Month	Regulating Reserve			
	Average Scheduled (MW)	Average Required (MW)	Availability (%)	Deficiency (%)
January 2017	249	256	97.04	2.96
February 2017	286	296	96.63	3.37
March 2017	249	260	95.80	4.20
April 2017	301	305	98.99	1.01
May 2017	311	312	99.57	0.43
June 2017	329	331	99.35	0.65
July 2017	295	300	98.62	1.38
August 2017	304	310	98.07	1.93
September 2017	310	316	98.19	1.81
October 2017	295	298	98.99	1.01
November 2017	306	309	98.96	1.04
December 2017	281	285	98.74	1.26

Month	Contingency Reserve			
	Average Scheduled (MW)	Average Required (MW)	Availability (%)	Deficiency (%)
January 2017	399	527	75.71	24.29
February 2017	445	627	70.97	29.03
March 2017	290	548	52.92	47.08
April 2017	240	607	39.54	60.46
May 2017	207	573	36.13	63.87
June 2017	320	607	52.72	47.28
July 2017	273	556	49.10	50.90
August 2017	202	565	35.75	64.25
September 2017	225	582	38.66	61.34
October 2017	195	559	34.88	65.12
November 2017	277	544	50.92	49.08
December 2017	278	514	54.09	45.91

Month	Dispatchable Reserve			
	Average Scheduled (MW)	Average Required (MW)	Availability (%)	Deficiency (%)
January 2017	415	446	93.05	6.95
February 2017	420	485	86.60	13.40
March 2017	398	505	78.81	21.19
April 2017	424	513	82.65	17.35
May 2017	404	499	80.96	19.04
June 2017	376	501	75.05	24.95
July 2017	350	434	80.65	19.35
August 2017	365	443	82.39	17.61

September 2017	375	448	83.71	16.29
October 2017	413	428	96.50	3.50
November 2017	429	439	97.72	2.28
December 2017	399	416	95.91	4.09

THE ISSUE

The issue for the Commission's resolution is whether NGCP and SRPC have satisfied the requirements provided by law for the grant of provisional authority.

THE COMMISSION'S RULING

The Commission hereby **GRANTS** provisional approval of the Ancillary Services Procurement Agreement (ASPA) between the National Grid Corporation of the Philippines (NGCP) and San Roque Power Corporation (SRPC) for its 3 x 145 MW San Roque Hydro-electric Power Plant in Pangasinan, subject to certain conditions.

DISCUSSION

1. Ancillary Service Background

Under the EPIRA, TRANSCO/NGCP is mandated to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide electrical grid and to adequately serve generation companies, distribution utilities and suppliers requiring transmission service and/or ancillary services through the transmission system.

Ancillary services are services necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code (*Section 4b, R.A. 9136*). Such services are essential in ensuring reliability in the operation of the transmission system and in the reliability of the electricity supply in the Luzon, Visayas and Mindanao Grids.

On 09 March 2006, the Commission approved TransCo's proposed Ancillary Services Procurement Plan (ASPP) and directed it to file a separate application for the approval of the Ancillary Services-Cost Recovery Mechanism (AS-CRM). In the Decision dated 03 October 2007 in ERC Case No. 2006-049RC, the Commission

approved with finality, the AS-CRM subject to certain conditions, including the following:

- a) The cost of procuring the ancillary services under the ASPP shall be recovered 100% from load customers but only until such time that such ancillary services are already traded in the Wholesale Electricity Spot Market; and
- b) All contracts for the procurement of ancillary services shall be submitted to the Commission for approval.

The ancillary services are essential in maintaining the power quality, reliability, and security of the national grid. NGCP invited and negotiated with all prospective generation companies (Gencos) capable of providing AS, one of which is SRPC. For this ASPA between NGCP and SRPC, the latter will supply Regulating Reserve (RR), Contingency Reserve (CR) and Dispatchable Reserve (DR) for a period of five (5) years under a Firm and Non-Firm arrangements.

- a) **Regulating Reserve (RR)**, also called load following and frequency regulating reserve, refers to generating capacity that is allocated exclusively to cover inter and intra-hour variations in demand (load behaviors), variations from generation schedules and hourly forecasts. During normal system conditions, loads and generator outputs vary from time to time; this behavior results in imbalance between supply and demand characterized by small deviations in system frequency. The Philippines Grid Code (PGC) requires that under normal conditions the frequency should remain within +/- 0.6 Hz of the standard 60.0 Hz in order to ensure quality of supply and security of the Grid.
- b) **Contingency Reserve (CR)** refers to the synchronized generation capacity from Qualified Generating Units and Qualified Interruptible Loads allocated to cover the loss or failure of a synchronized generating unit or a transmission line or the power import from a single circuit interconnection in order to maintain the balance between generation and load on a real time basis.
- c) **Dispatchable Reserve (DR)** refers to the generating capacity that is not scheduled for Regular Energy Supply,

Regulating Reserve or Contingency Reserve, or interruptible loads not scheduled for Contingency Reserve, and that are readily available for dispatch in order to replenish the Contingency Reserve Service whenever a generating unit trips or a loss of a single transmission interconnection occurs. This type of Ancillary Service can be provided by Qualified Generators that are not connected to the Grid but have fast start capabilities and can ramp up their output up the offered Dispatchable Reserve within thirty minutes.

2. Procurement of the ASPA

SRPC entered into an ASPA with NGCP on 01 November 2017 for a period of five (5) years, which was filed with the Commission on 13 December 2017 under ERC Case No. 2017-113 RC. The salient features³ of the said ASPA are the following:

1. The term of the ASPA shall be for a period of five (5) years subject to Annual Performance Evaluation of the provider;
2. The daily declaration of the available capacity; and
3. With the following Firm and Non-Firm RR, CR and DR capacities and rates:

Ancillary Service	Applicable Rates (Maximum Hourly Rate)	
	Firm	Non-Firm
Regulating Reserve (RR)	PhP2.25/kW/hr	PhP3.00/kW/hr
Contingency Reserve (CR)	PhP1.50/kW/hr	PhP2.25/kW/hr
Dispatchable Reserve (DR)	-	PhP1.50/kW/hr

³ Judicial Affidavit (p.6) of Engr. LisaFlor Bacani-Kater, NGCP.

SRPC agreed to supply Ancillary Services in the following capacities:

Type	FIRM Contracted Capacity	NON-FIRM Contracted Capacity
Contingency Reserve (CR)	One Unit, 100 MW Peak hours (9:00 A.M. to 3:00 P.M.) as referred to in Schedule 2 of the ASPA	All available capacity not scheduled under firm arrangement, not more than 100MW/unit
Regulating Reserve (RR) or Contingency Reserve (CR)	One unit, 75 MW Peak hours (9:00 A.M. to 3:00 P.M.) as referred to in Schedule 2 of the ASPA	All available capacity not scheduled under firm arrangement, not more than 100 MW/unit
Dispatchable Reserve (DR)	NA	All available capacity not scheduled under firm arrangement, up to 145MW/unit.

In the Judicial Affidavit executed by NGCP's Engr. Lisaflor Bacani-Kater, Division Head of the Special Accounts Portfolio, Network Access and Customer Account Division (SAP-NetAccesso), Revenue and Regulatory Affairs Department (RRAD), it was stated that the current levels of available contracted firm AS in the Luzon Grid, and firm contracted AS have not yet met the required levels of the ASPP. NGCP guaranteed that there are available AS on a daily basis to assure reliability of the grid. The immediate approval of the ASPA between NGCP and SRPC will improve the availability of AS in the Luzon Grid and significantly lower the AS cost to the benefit of the consumers. With this ASPA, the Luzon Grid is assured of AS from SRPC until 2023 and has ensured the system reliability and stability of said grid.

3. ASPA Rate Proposal/Formula

Schedule 4 of the ASPA provides for the agreed upon formula for the computation of the ancillary fees as well as the applicable maximum hourly rate for the Firm and Non-Firm AS in case of dispatch in the WESM, to wit:

Ancillary Service	Applicable Rates (Maximum Hourly Rate)	
	Firm	Non-Firm
Regulating Reserve (RR)	PhP2.25/kW/hr	PhP3.00/kW/hr
Contingency Reserve (CR)	PhP1.50/kW/hr	PhP2.25/kW/hr
Dispatchable Reserve (DR)	-	PhP1.50/kW/hr

Ancillary Service Fee payments for RR, CR and DR:

NGCP payment shall be computed as follows:

$$\text{Total Payment} = \sum_i^n (\text{Scheduled Capacity}_i \times \text{Applicable Rate})$$

Where:

n = hourly interval

Scheduled Capacity = AS capacity scheduled per hour

Applicable Rate = The Applicable Rate provided in the Schedule 4, per AS type.

It was noted that the subject ASPA has not provided for the Incidental Energy (IE) considering that SRPC is not dealing the settlement for the energy dispatch in the WESM. Strategic Power Development Corporation (SPDC) is the IPP Administrator appointed by PSALM for the San Roque HEPP and the Generator Trading Participant registered in the WESM.

4. ASPA Rate Derivation

NGCP's end goal in establishing the ASPA rates is to lower cost to consumers. Ancillary Services are pass-through costs and are revenue neutral for NGCP. However, as the counter party for the ASPA, NGCP felt it was proper that it procure the ASPA at the lowest possible rate for the benefit of the consumer.

From NGCP's side, it considered rates that it felt were appropriate, using a number of methodologies such as New Build, Opportunity Cost and Comparative Revenue. Ultimately, NGCP needs

to entice the generators to sign and commit their capacity, for as long as the rate fell within NGCP's benchmark range.

In the 2013 ASPA application of NGCP and San Roque Power Corporation (SRPC) under ERC Case No. 2013-009 RC, the proposed rates were based on the new build assumption wherein it considered the build cost of a new hydro-electric plant (dam type) that could provide all ancillary services. A hydro-electric plant was chosen because of its capability to provide all ancillary services (Regulating, Contingency and Dispatchable reserve), as well as its low fuel cost operations. For comparison, NGCP believed that the build cost of San Roque was the most appropriate benchmark, because (a) it was built fairly recently (2003), compared to Magat (1983) or CBK (1950-1982), (b) it has a fairly large size (411 MW), and (c) the plant is certified for all 3 aforementioned services.

San Roque Build Cost	: US\$ 1.17 bn ⁴
Installed Capacity	: 411 MW
Actual Build Cost	: US\$2.89/MW
Range	: +/- 15%
New Build Cost Range	: US\$ 2.17-3.33mn per MW
	WACC: 15%
Plant Life	: 25 years
Estimated Capital Cost	: PhP 1.57 – PhP 2.41/kWh

Based on the actual build cost to construct a significant hydro-power plant, and applying a range of +/- 15%, and a return on capital of 15% with a project life of 25 years, NGCP estimate the cost range to be between PhP 1.57 – PhP 2.41/kWh.

Effect to the consumer was the primary concern of NGCP. The rates NGCP is proposing are lower than the current structure. NGCP's analysis indicates that for the same amount of reserves (same quantity), the new rates can be 30 to 40% less.

⁴ http://www.eca-watch.org/problems/asia_pacific/philippines/sanroqueproject.html

Reserve	Old Rate (2011 Actual)		New Rate		
	Quantity (GWh)	Cost (PhPMn)	Quantity (GWh)	New Rate	Cost (PhPMn)
Regulating	1,459	2,428	1,459	2.50	3,647
Contingency	1,396	5,734	1,396	2.25	3,141
Dispatchable	1,502	6,046	1,502	1.25	1,877
Total Cost		14,208			8,666
Billing Determinant	49,121 GWh		49,121 GWh		
Cost to Consumer	0.29 / kWh		0.18 kWh		

5. Initial Findings

SRPC is the owner and operator of the 145 x 3 MW San Roque Hydroelectric Power Plant under COC No. 14-08-GN-1-0064] issued on 11 August 2014 and valid until 11 August 2019. The said COC reflects a 39 year economic life of the facility.

SRPC certified in its application that it has existing Power Purchase Agreement (PPA) with National Power Corporation, 115 MW of which is currently contracted to serve bilateral contract agreement only to NPC, with the remainder of 320 MW is uncontracted capacity for Ancillary Service.

In the Accreditation Certificate No. 2017-L012 issued by NGCP dated 01 November 2017 with an expiry date until 31 October 2018, SRPC has successfully proven its capability to provide the Regulating Reserve, Contingency Reserve and Dispatchable Reserve. The said plant was further certified to have met and complied with the Standard Ancillary Services Technical Requirements of the System Operations during the actual testing of the said plant.

The contract is on a firm and non-firm basis. The contracted capacity for the aforesaid AS shall be made available at all times for NGCP's instruction and dispatch except upon the existence of any of the circumstances specified in the ASPA. NGCP shall pay SRPC at the proposed rate for the said firm and non-firm upon schedule for dispatch.

The Firm Contracted Capacity shall be scheduled first by NGCP before the Non-Firm Contracted Capacity. The Firm Contracted Capacity shall be scheduled at all times when declared by the Service Provider.

Under the non-firm basis, SRPC has the right or option not to nominate any capacity for ancillary service even if it is available while NGCP may or may not schedule the capacity nominated without any corresponding penalty or payment. This allows NGCP the flexibility to evaluate or decide for optimum ancillary service considering the prevailing economic and technical circumstances.

The Commission used the comparison of the proposed maximum rate with that of the previously approved ASPA rate, to wit:

Ancillary Service	SNAP-BI Binga HEPP (ERC Case No. 2017-016 RC)	SRPC San Roque HEPP (ERC Case No. 2013-009 RC)	SNAP-BI Ambuklao HEPP (ERC Case No. 2016-165 RC)	SNAP-MI Magat HEPP (ERC Case No. 2016-164 RC)
RR		PhP2.25/kW/Hr (Firm)	PhP2.25/kW/Hr (Firm)	PhP2.25/kW/Hr (Firm)
	PhP3.00/kW/Hr (Non-Firm)	PhP3.00/kW/Hr (Non-Firm)	PhP3.00/kW/Hr (Non-firm)	PhP3.00/kW/Hr (Non-firm)
CR		PhP1.50/kW/Hr (Firm)	PhP1.50/kW/Hr (Firm)	PhP1.50/kW/Hr (Firm)
	PhP2.25/kW/Hr (Non-Firm)	PhP2.25/kW/Hr (Non-Firm)	PhP2.25/kW/Hr (Non-Firm)	PhP2.25/kW/Hr (Non-Firm)
DR	PhP1.25/kW/Hr (Non-Firm)	PhP1.50/kW/Hr (Non-Firm)	PhP1.25/kW/Hr (Non-Firm)	PhP1.25/kW/Hr (Non-Firm)

The above table shows that the proposed ASPA rates of SRPC approximates the provisionally approved Firm and Non-Firm RR rates of other existing AS Providers of the same technology including its previous ASPA under ERC Case No. 2013-009 RC except for the DR which were lower than that of SRPC. The RR, CR and DR rates of SRPC were considered by NGCP as the “ceiling” for the said AS and was used to benchmark other AS Providers.

Further, the Commission also noted that the subject ASPA of the applicants has not indicated any computation of the Incidental Energy Cost for AS dispatched as energy in the WESM. This will be clarified together with the IPPA of SPDC and its agreement for the AS capacity of the San Roque HEPP together with its WESM registration of SRPC as Trading Participant during the public hearing to be conducted for the subject ASPA.

The rate under the ASPA was subjected to a simulation by the Applicants with the following results⁵:

AS Type	SIMULATION	
	P/kW-mo.	P/kWh equivalent
Regulating Reserve	18.7568	0.0381
Contingency Reserve	14.6395	0.0297
Dispatchable Reserve	15.9204	0.0323

Based on the foregoing and for the continuance of the AS provided by the San Roque HEPP, the Commission has decided to provisionally approve the subject ASPA considering that the 2017 ASPA between NGCP and SRPC is identical with that of its 2013 ASPA under ERC Case No. 2013-009 RC, except for the Incidental Energy Cost.

Further, the Commission believes that the contracted ancillary service capacity provided by SRPC is needed to augment the deficiency of ancillary reserve capacity to be able to maintain the reliability in the operation of the transmission system and in the reliability of the electricity supply in the Luzon Grid.

The subject ASPA is governed by the Open Access Transmission Service (OATS) Rules, the Philippine Grid Code (PGC), and other relevant issuances, orders, rules and regulations as promulgated by proper government agencies and authorities. However, with the approval of the 2016 PGC on 05 October 2016, there is a need to amend the ASPP to harmonize with the provisions of the 2016 PGC. The 2016 PGC adopted the latest international standards and practices in the operation of ancillary services. Also in the 2016 PGC, the current types of reserves were amended and instead developed new types of reserves and order of priority, and also provides the respective modes and frequency controls that must be reflected in the ASPP. Thus, the NGCP filed with the Commission on 31 March 2017 the petition seeking the approval of its proposed amended ASPP under ERC Case No. 2017-005 RM.

Until the approval of the amended ASPP and other relevant rules, the subject ASPA shall be allowed to continue using the current type of AS under the existing ASPP and 2001 PGC (Amendment 1). However, the Commission recommends to apply the following during

⁵ Item 13, page 4 of the ASPA Application

the transition period as proposed by NGCP in the amended ASPP, to wit:

“All approved and existing ASPA shall remain in full force and effect until the termination date, unless the accredited power plant of the AS Provider cannot comply with the technical requirements provided in the 2016 PGC. Accordingly, the AS categories of the ASPA will be converted as follows:

- i. Contingency Reserve - Primary Reserve;*
- ii. Dispatchable Reserve - Tertiary Reserve; and*
- iii. Regulating Reserve - Secondary Reserve.*

However, the AS Provider with an existing ASPA may opt to renegotiate its offer in a new ASPA that will be filed to the Honorable Commission for approval.”

In view of the foregoing, the Commission hereby **GRANTS PROVISIONAL APPROVAL** of the Ancillary Services Procurement Agreement (ASPA) between the National Grid Corporation of the Philippines (NGCP) and San Roque Power Corporation for its 3 x 145 MW San Roque Hydro-electric Power Plant in Pangasinan, subject to the following rates and condition:

1. **Applicable Rates:**

SRPC shall nominate the corresponding price (in per kW capacity per hour) for the ancillary service capacity to NGCP. In the event that said nominated capacity is scheduled for ancillary service (AS), the pricing shall be as follows:

a. *Scheduled capacity without energy dispatched*

NGCP shall pay SRPC the corresponding nominated price of that scheduled capacity. Provided, however, that the nominated price shall in no case exceed the following Fixed Fee Rate, without any minimum cost:

Ancillary Service	Applicable Rates (Maximum Hourly Rate)	
	Firm	Non-Firm
Regulating Reserve (RR)	PhP2.25/kW/hr	PhP3.00/kW/hr
Contingency Reserve (CR)	PhP1.50/kW/hr	PhP2.25/kW/hr
Dispatchable Reserve	-	PhP1.50/kW/hr

b. *Scheduled capacity with energy dispatched*

The ASPA rate shall be recovered through settlement in the Wholesale Electricity Spot Market (WESM). Thus, in this case, the ancillary capacity is free of charges as the cost is recovered through the market.

Provided that SRPC shall be entitled to a Monthly Minimum Incidental Energy Cost based on actual dispatch and the cost of generation computed using the formula for Incidental Energy provided in the previous ASPA of the parties under ERC Case No. 2013-009 RC which will expire on 25 March 2018.

Provided further that, in the event that revenue from WESM exceeds the calculated Monthly Minimum Incidental Energy Cost, the excess shall be used to off-set any positive amount determined within the relevant period or to the immediately succeeding billing month.

2. NGCP should be enjoined to optimize economic and technical dispatch of the available ancillary service capacity wherein it shall schedule a mix of hourly ancillary service capacity at least cost for a reserve needed to maintain power quality, security, reliability and integrity of the grid;
3. The rate to be paid by NGCP as ancillary services cost should be passed on to its customers in accordance with the approved "Ancillary Services-Cost Recovery Mechanism" (AS-CRM). Further, NGCP should be directed to submit its monthly computation of ancillary service rates that it passed on to its customers, with supporting documents on or before the 5th day of the month; and

4. The above recommended provisional rates shall take effect upon the termination of the 2013 ASPA of the Applicants under ERC Case No. 2013-009 RC or on the April 2018 Billing Period. In the event that the final rates are higher than the provisionally granted, the resulting additional charges shall be collected by SRPC from NGCP and the latter shall pass it on to its customers. On the other hand, if the final rates are lower than the provisionally granted, the amount corresponding to the reduction shall be refunded by SRPC to NGCP and the latter shall pass it on to its customers.

SO ORDERED.

Pasig City, 20 February 2018.


AGNES VST DEVANADERA
Chairman and CEO


ALFREDO J. NON
Commissioner


GLORIA VICTORIA C. YAP-TARUC
Commissioner


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
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