



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

**ERC Case No. 2002-253**

**NATIONAL TRANSMISSION COMPANY  
(TRANSCO),**

Applicant

X ----- X

**D O C K E T E D**

Date: JUN 01 2005

By: [Signature]

**N O T I C E**

Notice is hereby given that new sections intended to clarify the treatment of non-firm contract/customer are proposed to be included in the 2004 Open Access Transmission Service (OATS) Rules of the National Transmission Corporation (TRANSCO). The proposed provisions to be incorporated in the OATS Rules as Sections F(AI)2.3 and F(AI)3.3 respectively, are as follows:

**"Billing Determinants For Customers With Non-Firm Service (CNFS) Arrangement**

Customers under this arrangement are being served on "as available basis" and have no priority dispatch over those customers with firm Power Delivery Service in the event of a necessary curtailment. As such, customers under this service arrangement are considered as non-regular customers and shall be billed on a daily basis as opposed to monthly basis as applied to customers with firm service contract arrangement.

Since no capacity is committed by the transmission service provider, CNFS shall only be billed whenever transmission services are actually availed of by the transmission customers. In other words, customers under this type of services shall be billed on the basis of its actual availment of transmission services during the billing period. Thus, the billing determinants for customers under this contract arrangement should not be the same as those customers with firm services whose billing determinants are calculated based on customer's 12-month rolling average of its consumption.

Accordingly, the billing determinant for customers with non-firm service arrangement shall be set on the basis of its actual consumption during the current month. This billing determinant shall be applied to

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the ERC-approved rates for non-firm services to obtain the power delivery service charges.

In case CNFS arrangement had not availed of any transmission services during the billing period, the transmission service provider should not impose any charge for the service not availed by the transmission customers."

Said proposed amendments to the 2004 OATS Rules are scheduled for public consultation on June 22, 2005 to start at two o'clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Ortigas Center, Pasig City.

All interested parties may submit their comment (both hard and soft copies) on the proposed amendments on or before June 15, 2005. Only parties who have filed their written comments within the prescribed period would be considered parties of record.

Pasig City, May 24, 2005.

**For and By the Authority  
Of the Commission**

  
**RODOLFO B. ALBANO, JR.**  
Chairman and CEO  
4