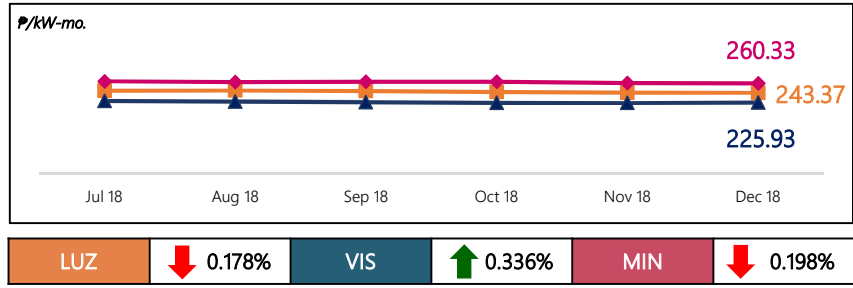


1 POWER DELIVERY SERVICE (PDS) CHARGE



Following ERC's Order dated 19 December 2016 on ERC Case No. 2015-173 RC, starting January 2018 billing month, the PDS Rates shall be computed monthly based on the iMAR 2018 of **Php43,789.05Mn**, consistent with the Module F of the 2006 Revised Open Access Transmission Services Rules (OATS Rules).



2 SYSTEM OPERATOR (SO) & METERING SERVICE PROVIDER (MSP) CHARGE



SO Charge and MSP Charge are **fixed** charges based on the provisionally-approved rates under the ERC Order on MAR 2015.

3 CONNECTION CHARGE AND RESIDUAL SUB-TRANSMISSION CHARGE (CC&RSTC)



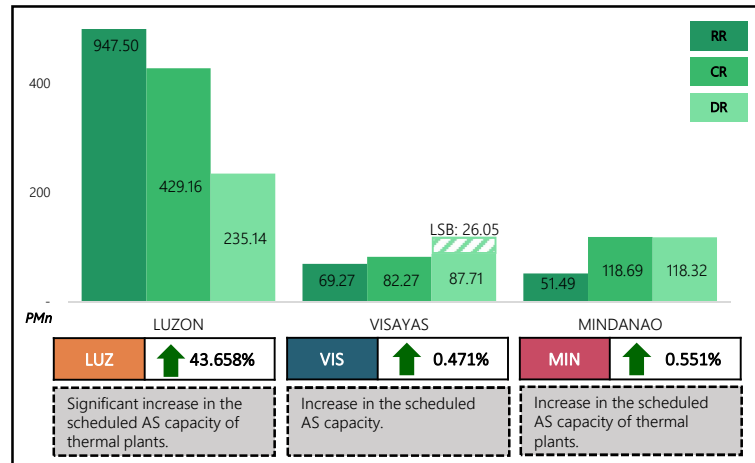
CC&RSTC are **fixed** customer-specific charges and are based on the 2009 level of CC/RSTC approved in the Decision on ERC Case Nos. 2008-066RC and 2009-153RC.

4 ANCILLARY SERVICES CHARGE (ASC)



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.

ANCILLARY SERVICES COSTS



*RR – Regulating Reserve; CR – Contingency Reserve; DR – Dispatchable Reserve; CNP – Cebu-Negros-Panay; LSB – Leyte-Samar-Bohol

5 ANCILLARY SERVICES DIFFERENTIAL CHARGE (AS DIFF)



AS Differential charge is computed based on a fixed rate of **Php31.38/kW-mo.** and is billed to Visayas and Mindanao customers who benefitted from the AS provision from Apr. 2008 to Oct. 2009 pursuant to the Order on ERC Case No. 2009-029 RC.

6 UNIVERSAL CHARGE - MISSIONARY ELECTRIFICATION (UC-ME)



The UC-ME subsidies of **Php0.1544/kWh** for NPC - Small Power Utilities Group (SPUG) and **Php0.0017/kWh** for Renewable Energy Developers' Cash Incentive (REDCI) are based on the Orders on ERC Case Nos. 2012-085 RC and 2014-135 RC, respectively.

7 UNIVERSAL CHARGE – ENVIRONMENTAL CHARGE (UC-EC)



The collection of the UC-EC rate of **Php0.0025/kWh** is based on the Decision on ERC Case No. 2002-194 RC.

8 UNIVERSAL CHARGE - STRANDED CONTRACT COSTS (UC-SCC)



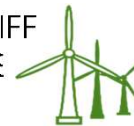
The collection of the UC-SCC rate of **Php0.1938/kWh** is based on the Decision on ERC Case Nos. 2013-160 RC and 2014-111 RC.

9 UNIVERSAL CHARGE - STRANDED DEBTS (UC-SD)



The collection of the UC-SD rate of **Php0.0265/kWh** is based on the Decision on ERC Case No. 2013-195 RC.

10 FEED-IN TARIFF ALLOWANCE (FIT-ALL)



The collection of the FIT-All rate of **Php0.2563/kWh** is pursuant to the Decision on ERC Case No. 2016-192 RC.

11 VALUE ADDED TAX (VAT) %

Following the implementation of Republic Act 10963, also known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law, NGCP shall bill its customers **12% VAT** computed based on the total amount charged to customers for transmission services and other services, inclusive of all charges and taxes, starting January 1, 2018.

| AS DIFF VAT ALLOCATION FOR PSALM | | |
|----------------------------------|--------------|----------|
| GRID | NON-VARIABLE | VARIABLE |
| LUZON | 69.97% | 30.03% |
| VISAYAS | 67.37% | 32.63% |
| MINDANAO | 60.19% | 39.81% |

| AS TYPE | AS PROVIDER | VAT (%) |
|----------|---|----------|
| LUZON | | |
| RR | Panasia Energy, Inc. (PEI) | 100% |
| CR | Therma Luzon, Inc. (TLI) | 100% |
| DR | PHINMA Energy Corp. (Formerly Trans-Asia – Subic) | 4.5107% |
| | PHINMA Power Generation Corp. (Formerly Trans-Asia – Bulacan) | 4.8774% |
| | 1590 Energy Corporation | 90.6119% |
| VISAYAS | | |
| CR | Cebu Energy Development Corp. (CEDC) | 50.0237% |
| | Panay Energy Development Corp. (PEDC) | 49.9763% |
| DR | PHINMA Energy Corp. | 24.5690% |
| | SPC Island Power Corporation (SIPC) | 75.4310% |
| MINDANAO | | |
| DR | Therma Marine, Inc. (TMI) | 100% |

RATES FOR DECEMBER 2018 BILLING PERIOD

↑ Increase ↓ (Decrease) from previous month

| RATE SUMMARY | PDS | | SO | | MSP | | | CC/RSTC | AS CHARGE* | | | AS DIFF. CHARGE | UC-ME | UC-EC | UC-SCC | UC-SD | FIT-ALL |
|--------------|------------|----------|-----------------|----------|------------------|----------------------|------------|---------------------------|------------|-----------|----------|-----------------|----------|--------|--------|--------|---------|
| | GRID | ₱/kW-mo. | ₱/kW/day | ₱/kW-mo. | ₱/kW/day | ₱/Metering Point/mo. | | | ₱/mo. | AS TYPE | ₱/kW-mo. | ₱/kW/day | ₱/kW-mo. | ₱/ kWh | ₱/ kWh | ₱/ kWh | ₱/ kWh |
| LUZON | 243.3683 ↓ | 8.0011 ↓ | 15.82 | 0.5201 | COMMON | 3,618.00 | | customer specific charges | RR | 92.6821 ↑ | 3.0470 ↑ | ** | 0.1561 | 0.0025 | 0.1938 | 0.0265 | 0.2563 |
| VISAYAS | 225.9342 ↑ | 7.4280 ↑ | | | VOLTAGE LEVEL | FULL METER | METER ONLY | | CR | 41.9793 ↑ | 1.3800 ↑ | | | | | | |
| | | | | | | | | | DR | 23.0006 ↑ | 0.7561 ↑ | | | | | | |
| | | | | | | | | | RR | 36.6790 ↓ | 1.2059 ↓ | | | | | | |
| | | | | | | | | | CR | 43.5622 ↓ | 1.4322 ↓ | | | | | | |
| MINDANAO | 260.3257 ↓ | 8.5587 ↓ | | | 500/230kV | 39,670.00 | 7,433.00 | | DR-CNP | 58.0678 ↑ | 1.9090 ↑ | | | | | | |
| | | | | | | | | | DR-LSB | 68.8833 ↓ | 2.2646 ↓ | | | | | | |
| | | | | | | | | | RR | 28.3649 ↑ | 0.9325 ↑ | | | | | | |
| MINDANAO | 260.3257 ↓ | 8.5587 ↓ | | | 13.8kV and below | 5,241.00 | 982.00 | | CR | 65.3817 ↑ | 2.1495 ↑ | | | | | | |
| | | | | | | | | | DR | 65.1779 ↑ | 2.1428 ↑ | | | | | | |
| | | | AS DIFF. CHARGE | 31.38 | | | | | | | | | | | | | |

*RR – Regulating Reserve; CR – Contingency Reserve; DR – Dispatchable Reserve; CNP – Cebu-Negros-Panay; LSB – Leyte-Samar-Bohol

**Starting November 2016 billing month, NGCP ceased the billing of the AS Differential Charge for Luzon so as not to exceed the approved amount in the Order on ERC Case No. 2009-029 RC.