

**Customer Bulletin 2022-16 – A Resolution Approving the Open Access Transmission Service (OATS) Rules 2022 Edition****June 15, 2022****ERC Resolution No. 3, Series of 2022**

On 22 December 2017, NGCP filed an application with the Energy Regulatory Commission (ERC) for the Adoption of the Proposed Amendments to the 2006 Open Access Transmission Services (OATS) Rules, docketed under ERC Case No. 2017-110RM<sup>1</sup>.

The application was filed by NGCP pursuant to Section 43 of Republic Act No. 9136 (EPIRA) and Rule 21 of the ERC Rules of Practice and Procedure. Considering that the 2006 Revised OATS Rules were adopted for more than a decade ago, some of the provisions are no longer applicable and/or needs to be updated. Hence, NGCP proposed to amend some provisions of the 2006 Revised OATS Rules and introduce new provisions in conformity with the provisions of the Wholesale Electricity Spot Market (WESM) Rules, the Philippine Grid Code 2016 Edition, the Feed-In Tariff Rules, the Renewable Energy Act, and several resolutions and issuances of the ERC, the Grid Management Committee (GMC), and the Department of Energy (DOE).

On 10 July 2018, ERC issued an Order setting the case for hearing and public consultation on various dates and locations in Luzon, Visayas, and Mindanao.

On 03 February 2022, ERC issued a Notice under ERC Case No. 2017-110RM on its official website on the *Draft Revised Rules, Terms and Conditions for the Provision of Open Access Transmission Service (OATS) under ERC Case No. 2017-010RM (Draft OATS)*. In the same Notice, ERC directed all interested stakeholders to submit their comments until 22 February 2022.

Consequently, various stakeholders, including NGCP, submitted their respective written comments/inputs on the Draft OATS on various dates.

Finally, the ERC approved on 18 May 2022 the attached ERC Resolution No. 3, Series of 2022 approving the Open Access Transmission Service (OATS) Rules 2022 Edition under ERC Case No. 2017-010RM and was published in its official website on 09 June 2022.

This Customer Bulletin was prepared by the Regulatory Management Department of the Revenue and Regulatory Affairs (RRA). For any questions/inquiries, you may send an email to [enasuncion@ngcp.ph](mailto:enasuncion@ngcp.ph).

<sup>1</sup> *In the Matter of the Petition for the Adoption of the Proposed Amendments to the 2006 Open Access Transmission Services Rules (OATS Rules), NGCP – Petitioner.*

Energy Regulatory Commission  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**RESOLUTION NO. 03, SERIES OF 2022**

**A RESOLUTION APPROVING THE OPEN ACCESS  
TRANSMISSION SERVICE (OATS) RULES  
2022 EDITION**

**WHEREAS**, Section 7 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), provides that the transmission of electric power shall be regulated common electricity carrier business, subject to the ratemaking powers of the ERC;

**WHEREAS**, Section 43 (f) of EPIRA and Section 5 (a) of Rule 15 of its Implementing Rules and Regulations (IRR), mandate the Commission to, in the public interest, establish and enforce a methodology, including alternative forms of internationally accepted rate-setting methodology, for setting transmission and distribution rates, taking into account all relevant considerations, including the efficiency or inefficiency of the regulated entities;

**WHEREAS**, on 11 February 2004, the Commission issued a Decision approving the “*Rules, Terms and Conditions for Open Access Transmission Services*” (OATS) under ERC Case No. 2002-253 filed by the National Transmission Corporation (TRANSCO);

**WHEREAS**, on 13 December 2006, the Commission issued a Decision approving the “*Revised Rules, Terms and Conditions for Open Access Transmission Services*” (*Open Access Transmission Service Rules (2006 OATS Rules)*) under ERC Case No. 2006-015 RC;

**WHEREAS**, on 05 October 2016, the Commission issued “*The Philippine Grid Code 2016 Edition*” (2016 PGC) that triggered a series of applications filed by the NGCP, particularly on the amendment of OATS, ASPP, and AS-CRM in compliance with the provision and requirements of the 2016 PGC;

**WHEREAS**, on 22 December 2017, the National Grid Corporation of the Philippines (NGCP) filed a “*Petition*” for the adoption of the Proposed Amendments to the 2006 OATS Rules under ERC Case No. 2017-010 RM;

**WHEREAS**, on 10 July 2018, the Commission issued an Order setting the case for hearing and public consultation on various dates and locations in Luzon, Visayas, and Mindanao.

**WHEREAS**, on 04 January 2020, the Department of Energy (DOE) issued *Department Circular No. DC2019-12-0018*, providing for a general framework governing the provision and utilization of the ancillary services in the grid to, among others, harmonize ancillary service-related issuances and address various issues;

**WHEREAS**, on 17 March 2021, DOE issued *Department Circular No. DC2021-03-0009*, adopting the general framework governing the operationalization of the Reserve Market in the Wholesale Electricity Spot Market (WESM) and providing further policies to supplement DC2019-12-0018;

**WHEREAS**, on 04 October 2021, DOE issued *Department Circular No. DC2021-10-0031*, prescribing the policy for the transparent and efficient procurement of Ancillary Services by the System Operator;

**WHEREAS**, the adoption of various guidelines and issuances, following the Commission's issuance of the "*The Philippine Grid Code 2016 Edition*" (2016 PGC), require the harmonization of these policies with the view to providing clear and consistent guidelines to power sector stakeholders;

**WHEREAS**, on 03 February 2022, the Commission issued a *Notice* under ERC Case No. 2017-010 RM on its official website ([www.erc.gov.ph](http://www.erc.gov.ph)) on the *Draft Revised Rules, Terms and Conditions for the Provision of Open Access Transmission Service (OATS) under ERC Case No. 2017-010 RM* (Draft OATS). In the same *Notice*, the Commission directed all interested stakeholders to submit their comments until 22 February 2022;

**WHEREAS**, on various dates, National Grid Corporation of the Philippines (NGCP); Manila Electric Company (MERALCO); Aboitiz Power Corporation (APC); Philippine Independent Power Producers Association (PIPPA); National Transmission Corporation (TRANSCO); First Gen Corporation (FGC); Meralco PowerGen Corporation / Global Business Power Corporation (GBPC); Millennium Energy Inc. (MEI) and Panasia Energy Inc. (PEI); Cagayan Electric Power & Light Co., Inc. (CEPALCO); Melters Steel Corporation; SN Aboitiz Power (SNAP); Olongapo Electricity Distribution Company (OEDC); and Olympia Violago Power & Water, Inc. (OVPI) submitted their respective written comments/inputs on the Draft OATS;

**WHEREAS**, after careful evaluation of all the comments, counter-comments and submissions by the stakeholders, the Commission, on 18 May 2022, approved the Open Access Transmission Service (OATS) Rules 2022 Edition under ERC Case No. 2017-010 RM;

**NOW, THEREFORE**, be it **RESOLVED**, as the Commission hereby **RESOLVES** to **APPROVE** and **ADOPT** the *Open Access Transmission Service (OATS) Rules 2022 Edition under ERC Case No. 2017-010 RM* hereto attached and made an integral part of this *Resolution* as Annex "A".

This *Resolution* shall take effect thirty (30) days following its publication in a newspaper of general circulation, or in the Official Gazette.

Relative thereto, NGCP is hereby directed to conduct information dissemination to its Transmission Customers on these OATS Rules 2022 Edition.

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

Pasig City, 18 May 2022.

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*



***On Official Leave***

**ALEXIS M. LUMBATAN**  
*Commissioner*

  
**CATHERINE P. MACEDA**  
*Commissioner*

  
**FLORESINDA G. BALDO-DIGAL**  
*Commissioner*

  
**MARKO ROMEO L. FUENTES**  
*Commissioner*

  
ROS: FJTA / MABN / NVP / REM / AJMO / LLG

ANNEX "A"

**OPEN ACCESS  
TRANSMISSION SERVICE  
RULES  
2022 EDITION**

**Energy Regulatory Commission (ERC)**

**ERC Case No. 2017-010 RM**

**18 May 2022**

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# Foreword

The Rules, Terms and Conditions for the Provision of Open Access Transmission Service (OATS Rules) describe the services provided by the Transmission Network Provider that operates the high voltage backbone, transmission system. These outline the responsibilities of the Transmission Network Provider and the functions of the System Operator as specified in the Philippine Grid Code (PGC) and the Wholesale Electricity Spot Market (WESM) Rules. The OATS Rules set out the responsibilities accepted by Transmission Customers as a condition of receiving the services.

The OATS Rules are grounded on the Implementing Rules and Regulation of R.A. 9136 (EPIRA), the PGC and the WESM Rules. The OATS Rules complement the Rules for Setting Transmission Wheeling Rate (RTWR) and the WESM Manuals. This set of Rules is expected to ensure the development of an appropriate, equitable and transparent Electricity Market, along with the safe, reliable, and efficient operation of the Power System.

# A. General Terms and Conditions

## A1 Defined Terms and Interpretation

**Act:** Republic Act (R.A.) No. 9136 also known as the “Electric Power Industry Reform Act of 2001” or the EPIRA.

**Active Power:** The time average of the instantaneous power over one period of the electrical wave measured in Watts (W) or multiples thereof. For AC circuits or Systems, it is the product of the root-mean-square (RMS) or effective value of the voltage and the RMS value of the in-phase Component of the current. In a three-phase system, it is the sum of the Active Power of the individual phases.

**Alternative Ancillary Services Arrangement:** An arrangement for the provision of Ancillary Services approved by the System Operator as a substitute for Ancillary Services arranged on behalf of the Transmission Customer by the System Operator.

**Ancillary Services:** Support services such as Primary Reserve, Secondary Reserve, Tertiary Reserve, 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 of the Grid.

**Ancillary Services Purchase Agreement (ASPA):** Contract covering the provision of Ancillary Service in accordance with the OATS Rules.

**Ancillary Services Rules (AS Rules):** Rules issued by the ERC, describing the terms and conditions for procurement and cost recovery of Ancillary Services by the System Operator, and its amendments thereof.

**Applicable Law:** The Constitution and all laws, statutes, treaties, Rules and its respective implementing rules and regulations, codes, acts, ordinances, regulations, certificates, orders, decrees, resolutions, directives, rulings, interpretations, approvals, licenses and permits of any Philippine governmental agency or authority, and judgements, decrees, injunctions, writs, orders or like actions of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction, including, without limitation. This shall include, but not limited to R.A. No. 9136 and its implementing Rules, the PGC, and the WESM Rules, in each case as applicable to this Agreement and as may be amended, modified, supplemented or replaced from time to time.

**Asset Boundary:** The delineation of control, ownership, and accountability of Facilities associated with the interconnection of Transmission Customer’s Facilities to the Transmission Network Provider’s Facilities.

**Available Transmission Capacity:** Means the maximum level of Electricity transfer, measured in MW (at the Power Factor specified in these OATS Rules), at which the Transmission Network Provider’s facilities are capable of conveying Electricity to or from a Connection Point.

**Billing Period:** The time interval specified by the Transmission Network Provider/System Operator in which the Transmission Customer's level of service is regularly recorded, accumulated, and read for the purpose of billing and settlement. The Billing Period starts from the twenty sixth (26<sup>th</sup>) day of the current month to the twenty fifth (25<sup>th</sup>) day of the following month.

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**Billing Statement:** A billing invoice and statement issued by the Transmission Network Provider to a Transmission Customer detailing all the charges and credits for services delivered to the Transmission Customer under these OATS Rules.

**Business Day:** Every day except a Saturday, Sunday or national or local holiday.

**Collection Facility Arrangement:** Refers to collection solution with the Transmission Network Provider's designated banks which includes, among others but not limited to: i) Bills Payment Over-the Counter; ii) Deposit Reference or Ordinary Deposit; iii) Fund Transfer; iv) Electronic Channel in the form of mobile or internet banking and ATM; v) Automatic Debit Arrangement; and vi) other collection solutions that the designated banks may offer in the future. Enrollment by the Transmission Customer to Transmission Network Provider's designated banks collection solution shall be done as necessary.

**Commissioning Date:** The date at which the Power Delivery Service commences and as agreed in the Service Agreement or agreed subsequently between the parties.

**Completion Date:** The date specified in the Connection Agreement or Amended Connection Agreement, when the User Development is scheduled to be completed and be ready for connection to the Grid.

**Conditions:** Circumstances if occurring or requirements if not met that can affect the delivery of the specified service.

**Confidential Information:** Any commercial, technical and/or financial information or data (including but not limited to any intellectual property or trade secrets) relating to either the Transmission Network Provider, System Operator or Transmission Customer and/or their subsidiary businesses and interests, provided or made available in written, oral or machine readable form, which the provider has identified to be confidential or which would be understood by a reasonable person to be confidential or proprietary information of the disclosing party.

**Connected Transmission Customer:** Any Transmission Customer with Facilities connected to the Facilities of the Transmission Network Provider at one or more Connection Points, as differentiated from Prospective Transmission Customers. For the avoidance of doubt, this includes Generation Customers and Load Customers.

**Connection Agreement.** An agreement between a User and the Transmission Network Provider (or the Distribution Utility), which specifies the terms and conditions pertaining to the connection of the User System or Equipment to a new Connection Point in the Grid (or the Distribution System).

**Connection Assets.** Those assets that are put primarily to connect a customer(s) to the Grid and used for purposes of transmission connection services for the conveyance of electricity which if taken out of the system, will only affect the customer connected to it and will have minimal effect on the Grid, or other connected customers.

**Connection Facilities:** The Transmission Network Provider's Connection Facilities are those Facilities on the Transmission Network Provider's side of a Connection Point which are primarily provided to connect one or more Connected Transmission Customers to the Grid, and the Connected Transmission Customer's Connection Facilities are those Facilities on the Connected Transmission Customer's side of a Connection Point which are primarily provided to connect it to the Grid, where Connection Facilities are used for purposes of Transmission Connection Services (refer to ERC Resolution No. 23, Series of 2016) for the conveyance of Electricity.

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**Connection Point:** The point of connection of a User System or Equipment to the Grid.

**Contingency:** A condition or situation that, based on the reasonable judgement of the Transmission Network Provider/System Operator or the Transmission Customer: (i) presents an imminent physical threat of danger to life or a significant threat to health or property, or (ii) could cause imminent significant disruption or significant damage to the Connection Facilities/ Grid; provided that any condition or situation that results from lack of sufficient generation facility to meet load requirements shall not constitute an Contingency.

**Contracted Transmission Capacity:** The transmission capacity agreed between the Transmission Network Provider and the Transmission Customer for the relevant Connection Point and recorded in the Transmission Customer's Service Agreement for the Connection Point.

**Contribution in Aid of Construction (CIAC):** Amounts paid by the Transmission Customer or Prospective Transmission Customer for the construction and/or extension of Connection Assets. The Transmission Network Provider or Distribution Utility (DU) maintains a separate account of these amounts and the cost of the assets never appear in the rate base nor in the asset appraisal.

**Credit Support:** Refers to the Financial Instrument or guarantee provided in Rule 8 in this Module A of these OATS Rules.

**Critical Events List:** (1) A list of significant operating events and conditions of which the Transmission Network Provider wishes to receive notice in the event of the occurrence or existence of any of such events or conditions on the Transmission Customer's Facilities, and (2) a list of significant operating events and conditions of which the Transmission Customer wishes to receive notice, in the event of the occurrence or existence of any such event or condition on the Grid.

**Curtailment:** A reduction in transmission capacity below the Contracted Transmission Capacity resulting from the actions of the System Operator operating in accordance with the PGC, the WESM Rules and applicable WESM Manuals, and these OATS Rules.

**Customer Segment:** A category of customers which have similar consumption characteristics for Regulated Transmission Services, based on their geographic location and consumption profile, as measured by the number of connections, the energy throughput (MWh), the non-coincident peak load (MW), the co-incident peak load (MW), the time-of-day or any other physical measure as approved from time to time by the ERC. A Customer Segment is likely to include all of the Customers who are charged the same tariff by the Regulated Entity for the provision of Regulated Transmission Services.

**Department of Energy (DOE):** Executive department that is mandated by RA 7638 (Department of Energy Act of 1992) to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation.

**Designated Agent:** Any entity that performs actions or functions required under these OATS Rules on behalf and under a contract with the Transmission Network Provider/System Operator and/or Transmission Customer.

**Directly Connected Customer (DCC) or End-User:** An industrial or bulk electricity End-User, which are supplied through the Grid or sub-transmission assets that are still owned by the Transco.

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**Dispatch:** The process of apportioning the total Demand of the Grid through the issuance of Dispatch Instructions to the Scheduled Generating Units and the Generating Units providing Ancillary Services in order to achieve the operational requirements of balancing Demand with generation that will ensure the Security of the Grid.

**Dispatch Instruction:** The instruction issued by the System Operator to the Generation Companies with Scheduled Generating Units and to the Generation Companies whose Generating Units will provide Ancillary Services to implement the final Dispatch Schedule in real time.

**Dispute Resolution Procedures:** The procedures that the Transmission Network Provider/System Operator and Transmission Customer agree to invoke in the event of a dispute between them as outlined in Rule A9 of these OATS Rules.

**Distributed Energy Resources (DER):** Refer to smaller power sources that could be aggregated to provide power necessary to meet regular demand. These may also refer to demand and supply-side resources that can be deployed throughout the system of a network service provider to meet the energy and reliability needs of the customers served by the system, including but not limited to, renewable energy facilities, managed loads (including electric vehicle charging), energy storage, and other measures necessary to incorporate renewable generation resources, including load management and ancillary services, such as reserves, voltage control and reactive power and black start capacities.

**Distribution Utility (DU):** An Electric Cooperative, private corporation, government-owned utility, or existing local government unit that has an exclusive franchise to operate a Distribution System.

**Electric Disturbance:** Any sudden, unexpected, changes or abnormal electric condition occurring in or on the Power System that can cause damage. A single Electric Disturbance shall be deemed to continue from its inception until all affected elements of the Power System are restored to a stable condition of normal voltage and frequency and are capable of carrying normal electrical loads.

**Electricity:** The movement of electrons through a conductor where its physical properties are measured in many ways, including as either voltage in kilovolts (kV) or electrical energy in kilowatt-hours (kWh) or electrical power (or load) in megawatts (MW).

**Embedded Generator:** Refers to generating units that are indirectly connected to the Grid through the Distribution Utilities' system or industrial Generation Facilities that are Synchronized with the Grid.

**Embedded Generator Billing Determinant:** A determinant for the calculation of an Embedded Generator's charge for Services delivered to it under these OATS Rules.

**Energy Imbalance:** Occurs in any time-interval in which actual generation from any generating unit differs from its scheduled generation without suitable cause. Suitable cause may include Dispatch Instructions from the System Operator, forced outage, or other event as may be provided in these OATS Rules.

**Energy Regulatory Commission (ERC):** The independent, quasi-judicial regulatory body created pursuant to R.A. No. 9136, which is mandated to promote competition, encourage market development, ensure customer choice, and penalize abuse of market power in the restructured Electricity industry and among other functions, to promulgate and enforce the PGC and other technical codes.

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**Energy Storage System (ESS):** Refers to a facility acting as a load and as a generating facility which is designed to receive, store and convert such energy to electricity.

**EPIRA** – Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001.

**Equipment:** All apparatus, machines, conductors, etc. used as part of, or in connection with, an electrical installation.

**Excluded Services:** A service that is provided in the ordinary course of an electricity transmission business that is neither a Regulated Transmission Service nor a service that is contestable (for these purposes, whether or not a service is contestable is a matter that, if disputed, will be determined by the ERC).

**Existing Agreement:** All contracts existing between the Transmission Network Provider/System Operator and a party subject to the PGC at the date these OATS Rules first become effective pursuant to Rule A2.1 of these OATS Rules.

**Existing OATS Agreement:** All contracts existing between the Transmission Network Provider/System Operator and a party subject to the PGC and an earlier version of these OATS Rules at the date these amended OATS Rules become effective pursuant to Rule A2.1 of these OATS Rules.

**Facilities:** A generic term describing the apparatus, equipment, buildings and necessary supporting resources for the generation, transmission, supply, sale, ancillary support, and consumption of Electricity.

**Facilities Study:** An engineering study conducted by the Transmission Customer to determine the modification to the Transmission Network Provider's facilities, or the new facilities required by the Transmission Customer, including the cost and scheduled Completion Date for such modifications or new facilities, required to provide services under these OATS Rules.

**Fault Clearance Time:** The time interval from fault inception until the end of the arc extinction by the Circuit Breaker.

**Financial Instrument:** Means an irrevocable letter of credit or other similar Financial Instrument from a Philippine bank or financial institution executed in favor of the Transmission Network Provider/ System Operator, in a form and substance acceptable to the Transmission Network Provider/ System Operator, and obtained at the sole cost of the Transmission Customer or Ancillary Service Provider.

**Firm Power Delivery Service:** The provision of Power Delivery Service to Transmission Customers with (i) dispatch priority over those Transmission Customers with Non-Firm Power Delivery Service in the event of a Curtailment by the System Operator and (ii) monthly as opposed to daily billing calculation arrangements.

**Flicker:** The impression of unsteadiness of visual sensation induced by a light stimulus whose luminance or spectral distribution fluctuates with time.

**Force Majeure Event:** An event beyond the reasonable control of the Participant claiming force majeure which, through the exercise of due foresight, that Participant could not have avoided and which, by exercise of due diligence, that Participant is unable to overcome. Such events include, but are not limited to the following, to the extent that such event prevents performance of a Participant of an obligation: typhoon, storm, tropical depression, flood or inundation; lightning strikes; earthquake; volcanic eruption, fire; epidemic; war;

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invasion; riot; national emergencies, civil disturbance; sabotage; explosion; insurrection; military or usurped power; action of any court or governmental authority, or any civil or military authority de facto or de jure; act of God or the public enemy; or any other event or cause of a similar nature beyond the reasonable control of the Participant claiming force majeure. A strike or labor dispute is not a Force Majeure Event.

**Frequency:** The number of complete cycles of a sinusoidal current or voltage per unit time, usually measured in cycles per second or Hertz.

**Generation:** The process of converting one form of energy to electrical energy.

**Generation Customer:** Any Transmission Customer injecting Electricity directly into the Grid.

**Generation Facility:** The facility, consisting of one or more generating units, where Electricity is produced from some other form of energy by means of suitable apparatus. It includes property owned, leased or in any manner controlled at the generation facility described in the Transmission Customer's Service Agreement including, but not limited to: (i) the real property, (ii) all buildings structures and other improvements located on the real property and (iii) all machinery, equipment and other chattel located at the site and all additions, modifications or replacements.

**Generation Ratio Share:** A Generation Customer's generation, measured at, or adjusted to a Point(s) of Receipt, within the immediate hour prior to the Transmission Constraint as a proportion of the total generation by Generation Facilities whose Generation affects the constraint, measured in the same manner.

**Generator Billing Determinant:** A determinant for the calculation of a Generation Customer's charge for the Services delivered to it under the OATS Rules.

**Grid:** The High Voltage backbone system of interconnected transmission lines, substations and related facilities, located in each of Luzon, Visayas and Mindanao, or as may be determined by the ERC in accordance with Section 45 of the Act.

**Grid Impact Studies (GIS):** Set of technical studies which are used to assess the possible effects of a proposed expansion, reinforcement, or Modification of the Grid or a User Development and to evaluate Significant Incidents.

**Grid Facilities:** Apparatus, equipment, buildings and supporting resources necessary for the proper operation of the Grid.

**Grid Maintenance Programs:** Three year maintenance programs to be prepared annually by Transmission Network Provider, in consultation with System Operator, as outlined in the PGC.

**Grid Upgrade:** A modification or addition to Grid-related facilities that are integrated with and support the Grid.

**Harmonics:** Sinusoidal voltages and currents having frequencies that are integral multiples of the fundamental Frequency.

**Initial OATS Rules:** The version of these OATS Rules that was approved by the ERC in 2004 and took effect on November 10, 2004.

**Installation Database:** Installation Database refers to the database which a Market Operator is required to keep in respect of its metering installations pursuant to clause 4.7.

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**Interruption:** Interruption refers to the loss of service to a Customer or a group of Customers or other facilities. An Interruption is the result of one or more Component Outages.

**Load:** Load refers to an entity or electrical Equipment that consumes or draws electrical Energy.

**Load Billing Determinant:** A determinant for the calculation of a Load Customer's charge for services delivered to it under the OATS Rules.

**Load Customer:** Any Connected Transmission Customer taking off Electricity from the Transmission Network Provider's Facilities which, for the avoidance of doubt, includes but is not restricted to, Generation Customer while taking power from the Grid, DUs and Directly Connected Customers/End-users.

**Load Shedding:** The systematic reduction of system demand by temporarily disconnecting or decreasing load in response to Grid or area capacity shortages, system instability, or voltage control considerations under these OATS Rules.

**Market Operator:** Market Operator refers to the entity responsible for the operation of the spot market governed by the PEM Board in accordance with clause 1.4 which, for the avoidance of doubt, is the AGMO for a period of twelve months from the spot market commencement date and thereafter the entity to which the functions, assets and liabilities of the AGMO are transferred in accordance with section 30 of the Act.

**Material Effect:** Material Effect refers to a condition that has resulted or is expected to result in problems involving Power Quality, Power System Reliability, System Loss, and safety. Such condition may require extensive work, Modification, or replacement of Equipment in the Grid or the User System.

**Maximum Annual Revenue:** The Maximum Annual Revenue that can be earned by the Transmission Network Provider for the current Regulatory Year, as calculated under the RTWR.

**Metering Asset Register:** Register recording the assets owned by the Metering Service Provider at each Metering Installation.

**Metering Database:** The database kept by the Market Operator pursuant to clause 4.7.

**Metering Equipment:** The apparatus necessary for metering of electrical real and Reactive Power and energy, inclusive of a multi-function meter and the necessary instrument potential, current and phase shifting transformers and all wiring and communication devices as provided.

**Metering Installation:** The set of devices, equipment and apparatus used to measure and record the consumption and production of Electricity installed by the Transmission Network Provider and the Transmission Customer, or their respective metering services provider/s, at or near a Connection Point.

**Metering Point:** Location where the Metering Equipment is installed, which should be located at the Market Trading Node.

**Metering Services Provider:** A person or entity authorized by the ERC to provide metering services and registered with the Market Operator in that capacity in accordance with WESM Rules.



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**Non-Firm Power Delivery Service:** The provision of Power Delivery Service to Transmission Customers (i) without priority dispatch over those Transmission Customers with Firm Power Delivery Service in the event of a necessary Curtailment by the System Operator and (ii) with daily as opposed to monthly billing calculation arrangements.

**OATS Rules:** These OATS Rules that govern the implementation of the Open Access Transmission Service, as approved by the ERC.

**Offer of Service:** A contract offer referred to in Module B of these OATS Rules.

**Outage:** The state of a Component when it is not available to perform its intended function due to some Event directly associated with that Component. An Outage may or may not cause an Interruption of service to Customers.

**Participant:** As defined in Rule A3.1 in Module A of these OATS Rules.

**Philippine Distribution Code (PDC):** The set of rules, requirements, procedures, and standards governing Distribution Utilities and Users in the operation, maintenance, and development of their Distribution Systems. It also defines and establishes the relationship of the Distribution Systems with the facilities or installations of the parties connected thereto. PDC refers to the PDC 2017 edition and amendments thereof.

**Philippine Grid Code (PGC):** The set of rules, requirements, procedures, and standards to ensure the safe, reliable, secured and efficient operation, maintenance, and development of the high voltage backbone Transmission System and its related facilities promulgated and approved by the ERC. PGC refers to the PGC 2016 edition and amendments thereof.

**Power Delivery Service (PDS):** The conveyance of Electricity to or from Connection Points.

**Power Factor:** The ratio of Active Power to Apparent Power.

**Power Quality:** The quality of the voltage, including its Frequency and resulting current, that are measured in the Grid, Distribution System, or any User System during normal conditions.

**Power System:** The integrated system of transmission, distribution network and Generating Plant for the Supply of Electricity.

**Prospective Transmission Customer:** A new or existing Transmission Customer applying for a Service Agreement or a modification to their existing Service Agreement respectively, prior to the time when both parties subsequently execute a new or modified Service Agreement. (Following the execution of a Service Agreement, they become a Connected Transmission Customer).

**Protective Device:** A protective relay or a group of protective relays and/or logic elements designed to perform a specified protection function.

**Regulatory Asset Base (RAB):** As determined or calculated by the ERC in accordance with RTWR.

**Regulated Transmission Services:** Regulatory Transmission Services refers to the following services:

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- a) the conveyance of electricity through the Grid and the control and monitoring of electricity as it is conveyed through the Grid (including any services that support such conveyance, control or monitoring or the safe operation of the Grid);
- b) the planning, maintenance, augmentation and operation of the Grid;
- c) the provision, installation, commissioning, testing, repair, maintenance and reading both of meters that are used to measure the delivery of electricity to Customers and of other meters that are used (for the purposes of the WESM) to measure the flow of electricity into or through the Grid;
- d) until the commencement of the Second Regulatory Period, Transmission Connection Services;
- e) the provision of Ancillary Services that are provided using assets which form part of the Grid<sup>1</sup> (excluding any such Ancillary Services to the extent they are provided to the System Operator under contract or through a spot market established under the WESM Rules);
- f) billing, collection and customer service for Customers purchasing (or seeking to purchase) any of the services referred to in paragraphs (a), (b), (c) and (e) and for persons purchasing (or seeking to purchase) any Transmission Connection Services; and
- g) those services provided by the System Operator under the Grid Code, the Distribution Code or the WESM Rules in its capacity as such, but do not include such of these services as are determined by the ERC to be contestable.

**Regulatory Period:** The First Regulatory Period, the Second Regulatory Period or a Subsequent Regulatory Period (as the case may be).

**Regulatory Year:** The First Regulatory Year and any subsequent calendar year that occurs during a Regulatory Period.

**Reliability:** The performance of the elements of the bulk electric system that results in electricity being delivered to Customers within accepted standards and in the amount desired. Reliability may be measured by the Frequency, duration, and magnitude of adverse effects on the electric supply.

**Representative:** In relation to a party, means any duly authorized officer, employee, or agent of that party.

**Residual Sub-transmission Assets:** Residual Sub-transmission Assets are sub-transmission assets identified in accordance with ERC Resolution No. 15, Series of 2011 and ERC Resolution No. 4, Series of 2016 less any asset defined as a Connection Asset under Rules F(AIV)2.1, less any asset that is no longer owned by the Transmission Network Provider and less any asset that has been reclassified as a transmission asset by resolution of the ERC.

**Rules for Setting Transmission Wheeling Rates (RTWR):** An amendment to the Guidelines on the Methodology for Setting Transmission Wheeling Rates for 2003 to around 2027, dated May 29, 2003, and sometimes referred to in shortened form as the Transmission Wheeling Rate Guidelines (TWRG), along with its amendments thereof.

**Security:** The continuous operation of a Power System in the Normal State, ensuring safe and adequate supply of power to End-Users, even when some parts or Components of the system are on Outage.

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**Service Agreement:** The contract entered into by the Transmission Network Provider/System Operator and each Transmission Customer in the form contained in Annex A to these OATS Rules and shall incorporate the Connection Agreement and Amended Connection Agreement, if any, as defined in the PGC. The Service Agreement shall bind the Transmission Customer to these OATS Rules. All Existing Agreements shall be deemed to be Service Agreements as per Rule A22 in Module A of these OATS Rules.

**Service Application:** A request for a new Service Agreement or modification to an existing Service Agreement by a prospective or an existing Transmission Customer prepared in the format outlined in Annex A to these OATS Rules. Once completed and executed by the Transmission Network Provider/System Operator and the Transmission Customer, the Service Application becomes the Service Agreement.

**Supervisory Control and Data Acquisition (SCADA):** A system of remote control and telemetry used to monitor and control a Power System.

**Spot Market Commencement Date:** The date on which the spot market commences operation as declared by the DOE.

**System Operator:** The party responsible for generation Dispatch, or the implementation of the generation Dispatch Schedule of the Market Operator, the provision of Ancillary Services, and operation to ensure safety, Power Quality, Stability, Reliability and Security of the Grid.

**System Impact Study (SIS):** An assessment made or conducted by the Transmission Network Provider/System Operator in addition to the Grid Impact Studies prepared by it in accordance with the PGC, to determine: (i) the adequacy of the Grid and its capability to accommodate a request for Power Delivery Service; and (ii) the costs, if any, that shall be incurred in order to provide Power Delivery Service to a Transmission Customer.

**Trading Participants:** A Customer or Generation Company.

**Transmission Constraint:** A limitation of the Available Transmission Capacity of the Grid to convey Electricity caused by limitations in the capability of available assets forming the Grid or limitations in the performance of the integrated Power System.

**Transmission Customer:** Any party purchasing and/or receiving any services from the Transmission Network Provider or System Operator including, for the avoidance of doubt, Electric Power Industry Participant (as defined in the EPIRA) or WESM Participant (as defined in the WESM Rules) who are customers taking service without an existing contract. This includes Connected Transmission Customers and Prospective Transmission Customers.

**Transmission Customer Obligations:** Actions or processes that the Transmission Customer shall comply with as part of these OATS Rules.

**Transmission Network Provider (TNP):** The party that is responsible for maintaining adequate Grid capacity in the accordance with the provisions of the PGC.

**Transmission System:** The high voltage backbone system of interconnected transmission lines, substations and related facilities, located in each of Luzon, Visayas and Mindanao, or as may be determined by the ERC in accordance with section 45 of the Act.

**Transmission System Peak Demand:** Refers to the highest registered demand in kilowatt (kW) per Grid for a particular Billing Period based on the aggregate demand for each time interval, as applicable, for all Load or Generation Customers.

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**Transient Voltages:** High-Frequency Overvoltages caused by lightning, switching of capacitor banks or cables, current chopping, arcing ground faults, ferroresonance, and other related phenomena.

**Voltage Fluctuation:** The systematic variations of the Voltage envelope or random amplitude changes where the RMS value of the Voltage is between 90 percent and 110 percent of the nominal value.

**Voltage Unbalance:** The Negative Sequence Unbalance Factor or the Zero Sequence Unbalance Factor.

**Voltage Variation:** The deviation of the root-mean-square (RMS) value of the Voltage from its nominal value, expressed in percent.

**Willful Action or Misconduct:** An action taken or not taken by a Participant, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom, or which action is wantonly reckless. Willful Action or Misconduct does not include any act or failure to act which is involuntary, accidental, or negligent.

**Wholesale Electricity Spot Market (WESM):** The Electricity market established by the DOE pursuant to implementation of the EPIRA.

**WESM Rules:** The Rules and regulations promulgated and agreed upon by the Participants of the WESM and approved by the DOE to govern the WESM procedures and operations, along with its amendments.

**WMSP:** Wholesale Metering Service Provider.

- A1.1 Except to the extent that the context requires otherwise in these OATS Rules:
- (a) headings are inserted for convenience only and shall be ignored in construing these OATS Rules;
  - (b) the singular includes the plural and vice versa;
  - (c) references to individuals include companies and other corporations and vice versa;
  - (d) references to any legislation or to any provision of any legislation (including regulations and orders) includes that legislation or provision as from time to time amended, re-enacted or substituted and any statutory instruments, regulations and orders issued under any such legislation or provision;
  - (e) a reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
  - (f) reference to a party, person or entity includes:
    - (i) an individual, partnership, firm, company, corporation, association, trust, estate, state or agency of a state, government or government department or agency, municipal or local authority and any other entity, whether or not incorporated and whether or not having a separate legal personality; and
    - (ii) an employee, agent, successor, permitted assign, executor, administrator and other representative of such party, person or entity;

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- (g) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (h) where any word or expression is defined in these OATS Rules any other grammatical form of that word or expression has a corresponding meaning;
- (i) reference to a section, clause, subclause or schedule is a reference to that section, clause, subclause or schedule in these OATS Rules unless specifically stated otherwise;
- (j) reference to monetary amounts, money or money's worth are to Philippine pesos unless specifically stated otherwise;
- (k) references to times of day or dates are to Philippines' times and dates respectively unless in each case specifically stated otherwise; and
- (l) words and expressions defined or explained in the EPIRA or its IRR or PGC or WESM Rules shall (unless expressly defined or explained in these OATS Rules) have the same meaning assigned to them in the respective document (as the case may be).

### A2 Effectivity

- A2.1 These OATS Rules shall take effect thirty (30) days following its publication in a newspaper of general circulation, or in the Official Gazette.
- A2.2 These OATS Rules can be amended or replaced from time to time according to the processes set out in A25 of these OATS Rules. Following the approval by the ERC, the amended or replaced OATS Rules shall be automatically binding on each Participant, defined in Rule A3.1 in Module A of these OATS Rules.

### A3 Applicability of these OATS Rules

- A3.1 These OATS Rules apply to:
  - (a) Prospective Transmission Customers;
  - (b) Transmission Customers;
  - (c) Transmission Network Provider;
  - (d) System Operator; and
  - (e) Transmission Network Provider acting as WESM Metering Service Provider. (together "the **Participants**").
- A3.2 These OATS Rules are divided into the following modules:
  - Module A – General Terms and Conditions
  - Module B - Connections to the Grid
  - Module C - Power Delivery Service
  - Module D - System Operator functions
  - Module E - Metering
  - Module F – Rates, Methodology, Billing and Settlement
- A3.3 All Modules shall apply to all Participants.
- A3.4 Provisions related to 'Prior to the Spot Market Commencement Date' shall be applicable for Mindanao region, until the time WESM becomes operational in the said area.

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- A3.5 In interpreting and complying with these OATS Rules, the Participants shall take into account that:
- (a) the Grid is used by multiple parties to convey Electricity; and
  - (b) the physical characteristics of Electricity necessitate a degree of coordination to ensure quality and reliability in transmission of Electricity.
- A3.6 These OATS Rules set out the terms on which the Transmission Network Provider/System Operator shall:
- (a) connect a Transmission Customer to the Grid;
  - (b) provide the following services to the Transmission Customer:
    - (i) Power Delivery Service;
    - (ii) Transmission Connection Service;
    - (iii) Residual Sub-Transmission Service;
    - (iv) System Operation Service; and
    - (v) Metering Service.
  - (c) perform the System Operator functions;
  - (d) provide services related to management, procurement and dispatch of the Ancillary Services;
  - (e) perform the Metering Service function; and
  - (f) provide services to the Transmission Customer incidental to the above.

## A4 Regulatory Filings

- A4.1 Nothing in these OATS Rules limit the right of the Transmission Network Provider/System Operator, Transmission Customer and/or WESM Metering Service Providers to apply to the ERC for a change in rates, terms and conditions, or charges, or to apply to the DOE or other lawful authority with regard to any regulation or relevant policy matters as may be provided under Applicable Law.

## A5 Force Majeure

- A5.1 Subject to Rule A5.4 of these OATS Rules, no Participant shall be considered in breach of its obligations under these OATS Rules if it is prevented from fulfilling its obligations under these OATS Rules due to a Force Majeure Event.
- A5.2 A Participant claiming a Force Majeure Event shall:
- (a) give immediate notice within the hour to the Transmission Network Provider/System Operator by telephone, electronic mail, text message, facsimile or any other more reliable means upon the occurrence of a Force Majeure Event;
  - (b) also provide a written communication to the Transmission Network Provider/System Operator, either by courier or personal delivery, or as a last resort by registered mail, of the occurrence of the Force Majeure Event and provide full information concerning the Force Majeure Event including an estimate of the time likely to be required to

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overcome the event no later than three (3) Business Days after learning of the occurrence of the event;

- (c) use its best endeavours to resume performance of its obligations under these OATS Rules as soon as practicable;
- (d) take all commercially reasonable means to mitigate, minimize, correct and/or cure the effects of a Force Majeure Event as soon as practicable provided, however, that settlement of strikes or other labor disputes are completely within the sole discretion of the Participant affected by such strike or labor dispute;
- (e) exercise all reasonable efforts to mitigate or limit damage to the other Participants; and
- (f) provide prompt written notice to the Transmission Network Provider/System Operator of the cessation of the adverse effect of the Force Majeure Event on its ability to perform its obligations under these OATS Rules.

A5.3 Where the Transmission Network Provider/System Operator has received a notice or confirmation pursuant to Rule A5.2 of these OATS Rules, or is itself claiming Force Majeure, it shall notify such other affected Participants in writing within a reasonable time. Where appropriate, immediate notice shall also be given by telephone, text message, electronic mail, facsimile, or any other reliable means.

A5.4 No Force Majeure Event shall affect the obligation of a Transmission Customer to make payments to the Transmission Network Provider or System Operator as provided under Module F of these OATS Rules.

### A6 Emergency Situations

A6.1 Prior to the WESM Commencement Date, the Transmission Network Provider and all Transmission Customers shall comply with the instructions of the System Operator and provide all necessary information prior to, during, and following the emergency declared by the System Operator in accordance with the PGC.

A6.2 Subsequent to the WESM Commencement Date, the Transmission Network Provider and all Transmission Customers shall comply with the instructions of the System Operator and provide all necessary information prior to, during, and following the emergency declared by the System Operator in accordance with the PGC and the WESM Rules.

A6.3 Any action by the Transmission Network Provider/System Operator in compliance with the emergency procedures provided in the PGC and WESM Rules shall not constitute a breach of the OATS Rules and except in the case of an act committed in bad faith, gross negligence, or failure to exercise the due diligence required by law, the Transmission Network Provider shall not be liable for any loss incurred by a Transmission Customer as a result of that action.

### A7 Liability and Indemnity

A7.1 Subject to Rules A7.2 to A7.4 of these OATS Rules, the Transmission Network Provider/System Operator, and/or each Transmission Customer ("Indemnifying Party") shall be liable for, and shall indemnify the other ("Indemnified Party") against any claim, loss or liability:

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- (a) arising from any physical damage to public property, the environment or other third-party asset where such damage arises from the operation of, or failure to operate, the Grid or a Connected Facility;
  - (b) arising from third party personal injury and/or death (including, but not limited to, the Indemnified Party's employees, agents, contractors and subcontractors) resulting from the breach of these OATS Rules or any negligent act, negligent omission, or reckless misconduct of the Indemnifying Party or its employees, agents and contractors; or
  - (c) suffered or incurred by the Indemnified Party as a result of a breach of these OATS Rules by the Indemnifying Party or any negligent act, negligent omission, or reckless misconduct of the Indemnifying Party or its employees, agents and contractors.
- A7.2 Notwithstanding Rule A7.1 of these OATS Rules, the Indemnifying Party shall not be liable:
- (a) to the extent that any claim, loss or liability suffered or incurred by the Indemnified Party as a result of a breach of these OATS Rules by the Indemnified Party;
  - (b) for any loss of profit, consequential loss or indirect loss suffered by the Indemnified Party; or
  - (c) for more than twenty-five (25) million pesos to the Indemnified Party in relation to any event or series of events or for more than fifty (50) million pesos in aggregate to the Indemnified Party over any twelve (12) month period.
- A7.3 The Indemnified Party shall not be entitled to make a claim more than twelve (12) months after the date on which it became aware of the event giving rise to that claim.
- A7.4 The Indemnified Party shall not make any claim whatsoever against the Indemnifying Party in relation to these OATS Rules except under Rule A7 hereof.

## A8 Creditworthiness

- A8.1 **Credit Support.** The Transmission Customer shall, if requested by the Transmission Network Provider/System Operator, provide Credit Support (or adjust in accordance with Rule A8.3 of these OATS Rules) in a form and on terms acceptable to the Transmission Network Provider/System Operator. Types of Credit Support that can be provided include (in no particular order/priority):
- (a) cash; or
  - (b) guarantee; or
  - (c) standby letter of credit; or
  - (d) surety bond
- in each case (other than a cash bond) from a person acceptable to the Transmission Network Provider/System Operator. Further the Transmission Network Provider/System Operator shall consider additional persons who can provide Credit Support who are proposed by the Transmission Customer or Prospective Transmission Customer and shall provide feedback on acceptability within thirty (30) days of a written request for feedback on the proposal.
- A8.2 **Credit Support Level.** The required Credit Support level of the Transmission Customers shall be based on the following:



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- (a) For Prospective Transmission Customers, the Credit Support level shall be one (1) month's indicative Billing Statement using the Contracted Transmission Capacity provided in the Service Agreement; and
- (b) For Connected Transmission Customers, the Credit Support level shall be based on the average monthly Billing Statement over past twelve (12) month period.

A8.3 **Credit Support Adjustment.** The required Credit Support level shall be adjusted annually based on the average Billing Statement over the past twelve (12) month period. The required Credit Support level will be adjusted by the Transmission Network Provider if the current Billing Statement exceeds the Credit Support by at least ten percent (10%).

A8.4 **Application of Credit Support.** The Transmission Network Provider/System Operator shall call on any Credit Support provided under Rule A8.1 of these OATS Rules and apply such Credit Support against amounts due under Module F hereof and not paid within six (6) Business Days of the due date.

The Transmission Customer shall replenish the drawn Credit Support within fifteen (15) days from the due date of the Billing Statement.

A8.5 **Return/Refund of Credit Support:** The Credit Support shall be returned/refunded within one (1) month from the termination of service provided all bills have been paid.

Transmission Customer who has previously paid the applicable transmission charges on or before due date for past three (3) consecutive years can demand for full refund/return of Credit Support. The Credit Support shall be reimposed in case the Transmission Customer defaults on any of its payments. An application for Credit Support refund/return shall be filed with the Transmission Network Provider/System Operator and the Transmission Network Provider/System Operator shall refund/return the deposit within one month (1) from receipt of such application.

A8.6 **Interest on Cash Credit Support:** In case if Credit Support is maintained in cash form, the Transmission Network Provider/System Operator shall pay the interest on Credit Support, equivalent to the prevailing interest rate for savings deposit as approved by the Bangko Sentral ng Pilipinas (BSP). The interest shall be credited yearly to the bills of the customer on the anniversary of the commencement of service.

## A9 Dispute Resolution Procedures

### A9.1 Internal Dispute Resolution Procedures

- (a) Any dispute between a Transmission Customer and the Transmission Network Provider ("Disputing Parties") in relation to these OATS Rules (excluding applications for rate changes or other changes to the Tariff, which shall be presented directly to the ERC, or dispute over System Operator's WESM function), shall be settled first by the parties in an informal basis as promptly as practicable.
- (b) The disputed matter shall be referred to the designated representatives of the parties for resolution.
- (c) In the event the designated representatives are unable to resolve the dispute within thirty (30) days from referral (or such other period as agreed upon), such dispute will be referred to the ERC for resolution.

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- A9.2 **Disputes over System Operator's WESM functions to be dealt with under WESM Rules.** All disputes over alleged breach of the System Operator's obligations under the WESM Rules shall be exclusively dealt with in accordance with the provisions of the WESM Rules.

### A10 Confidentiality

- A10.1 **General.** The Participants undertake that they shall preserve the confidentiality of and shall not directly or indirectly reveal, report, publish, disclose or transfer Confidential Information received from the other Participants under these OATS Rules except:

- (a) in the circumstances and to the extent set out in the PGC or the WESM Rules; and
- (b) where at the time of receipt by the Participant the Confidential Information is already in the public domain; or
- (c) where after the time of receipt by the Participant the Confidential Information enters the public domain, except where it does so as a result of a breach by the Participant of its obligations under Rule A10 of these OATS Rules or a breach by any other person of any obligation of confidence to the party which is not the Participant and the Participant is aware of such breach; or
- (d) where the Participant is required:
  - (i) by any statutory or regulatory obligation, body or authority; or
  - (ii) by any judicial or arbitration process; or
  - (iii) by the regulations of any stock exchange upon which the share capital of the Participant or the other party (or either of their holding company) is from time to time listed or dealt in.

- A10.2 **Notification.** The Participant shall promptly notify the disclosing party if it receives notice or otherwise concludes that the production of any of that party's Confidential Information is being sought under any provision of law or regulation, but the Participant shall have no obligation to oppose or object to any attempt to obtain such production except to the extent that it is requested to do so by the disclosing party and at the disclosing party's expense. If either party desires to object or oppose such production, it shall do so at its own expense. The disclosing party shall seek appropriate injunctive relief to prevent any Confidential Information from being made public.

- A10.3 **Use of Information or Documentation.** The Participant can utilize information or documentation furnished by the disclosing party in any proceeding or in an administrative agency or court of competent jurisdiction addressing any dispute arising under the Rules, subject to a confidentiality agreement with all Participants (including, if applicable, any arbitrator) or a protective order.

### A11 Assignment

- A11.1 **Assignment of Rights and Obligations.** Subject to the terms of Rule A11 of these OATS Rules, the Transmission Network Provider/System Operator or any Transmission Customer (the "Assigning Party") can, with notice to:

- (a) the Transmission Network Provider/System Operator where the Assigning Party is a Transmission Customer; or

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(b) all other Participants where the Assigning Party is the Transmission Network Provider/System Operator;

assign, novate, pledge, or transfer all or any part of, or any right or obligation under, these OATS Rules and any Service Agreement to any person or entity:

(a) with which the Assigning Party is merged or consolidated; or

(b) to which the Assigning Party sells, transfers, or assigns all or substantially all of its facilities or rights thereto subject to these OATS Rules;

(the "Successor Party"), provided that the Successor Party provides a valid and binding written assurance of the Successor Party's ability to perform and assume all the obligations of the Assigning Party under these Rules and any Service Agreement.

**A11.2 Assignment for Security Purposes.** Any Participant can pledge or assign all or any portion of its facilities covered by these OATS Rules for financing purposes without the other Participants' consent but must provide prior written notice to:

(a) the Transmission Network Provider/System Operator where the Assigning Party is a Transmission Customer; or

(b) all other Participants where the Assigning Party is the Transmission Network Provider/System Operator.

**A11.3 Effectivity of Permitted Transfer**

(a) **Assumption of Rights and Obligations.** Upon the effective date of a permitted assignment, novation, pledge or transfer under Rule A11 of these OATS Rules, the Successor Party shall be deemed to be a Participant and shall automatically take the place of the Assigning Party including the assumption of all of its rights and obligations under these OATS Rules and any Service Agreement.

(b) **No Additional Rights.** No additional rights or obligations shall arise as a result of an assignment, novation, pledge or transfer under Rule A11 of these OATS Rules.

(c) **Surviving Obligations.** In the event of any permitted assignment, novation, pledge or transfer, the Assigning Party shall to the extent of the transferred or assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date. However, the Assigning Party shall not be relieved of any liability that occurred before the effective date.

**A11.4 Successors and Assigns.** These OATS Rules are binding on the Participants and their respective successors, permitted assigns and legal representatives.

## A12 Notices

**A12.1** Unless otherwise specified, every notice to be given under, or in connection with, these OATS Rules shall be given in writing and delivered to the addresses specified in the Service Agreement. If a written notice of change of address has been given to the other party, then the notice shall be delivered to the new address. Delivery of notices shall be by:

(a) Hand delivery;

(b) Mailing by pre-paid registered airmail post, and shall be deemed to be received by the addressee on the date indicated in the return card;

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- (c) Facsimile transmission, and shall be deemed to be given at the time specified in the facsimile transmission report of the facsimile from which the transmission was made which evidences full transmission, free of errors, to the facsimile number of the party given notice unless that party proves that, contrary to the transmission report, it was not transmitted, or it was not transmitted in a complete and legible state, to that party's facsimile; or
- (d) E-mail (or electronic mail) transmission, shall be deemed to be given at the time specified in the e-mail 'read receipt' (which can be requested from most e-mail systems) from which the e-mail was made which evidences full transmission, free of errors, to the e-mail address of the party given notice unless that party proves that, contrary to the read receipt, it was not transmitted, or it was not transmitted in a complete and legible state, to that party's e-mail. But only where the e-mail addresses of the sending and receiving persons have been previously agreed, and backup addresses (one for each party) have also been previously agreed, and at least one of the receiving persons received the e-mail.

### A13 Default and Termination

A13.1 **Termination Events.** Without prejudice to the imposition of other/additional administrative sanctions provided by the Transmission Network Provider/System Operator, the Transmission Network Provider/System Operator shall give notice to the Transmission Customer terminating its Service Agreement (if any), if any of the following shall occur:

- (a) A Transmission Customer fails to pay any amount due and owing to the Transmission Network Provider/System Operator under these OATS Rules, and the default has not been remedied prior to the expiry of time period defined under A8.4 hereof, following receipt by the relevant Transmission Customer of notice of such non-payment; or
- (b) A Transmission Customer fails in any other material respect to perform or comply with any of its obligations under these OATS Rules and (if the failure is capable of remedy) it is not remedied within six (6) Business Days of receiving a notice of the failure and requiring it to be remedied; or
- (c) A Transmission Customer:
  - (i) becomes subject to any distress, attachment, execution or other legal process levied, enforced, sued out on or against any material part of its property which is not discharged or stayed within fourteen (14) days; or
  - (ii) has a receiver appointed or consents to the appointment of a receiver, trustee or liquidator to the whole or any substantial part of its undertaking, property or assets; or
  - (iii) files a voluntary petition for bankruptcy, insolvency, reorganization or relief from its creditors or have an involuntary petition for bankruptcy, insolvency or reorganization filed against it, or proposes or makes a general assignment, or an arrangement or composition with or for the benefit of its creditors; or
  - (iv) is removed from the register of companies, except where removal from the register is pursuant to a merger or consolidation under the Philippine Corporation Code or any other Applicable Law, or an application for an order is made, or an effective resolution is passed, for its liquidation; or

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- (v) fails to be a party to a Service Agreement with the Transmission Network Provider/System Operator, or other arrangement, to enable it to be connected to the Grid, within otherwise agreed between the time frames specified by these OATS Rules, or otherwise agreed between the Transmission Customer and the Transmission Network Provider/System Operator.

A13.2 **Termination.** Upon the expiry of the notice given by the Transmission Network Provider under Rule A13.1 hereof, the Transmission Customer shall immediately cease use of the Transmission Network Provider's facilities and the Transmission Network Provider shall immediately disconnect the Transmission Customer. The Transmission Customer shall comply with the Transmission Network Providers' directions in relation to the disconnection of equipment.

A13.3 **Suspension.** Where the Transmission Network Provider/System Operator has the right to terminate the Transmission Customer's Service Agreement and participation under Rule A13.1 hereof, it shall as an interim measure suspend the provision of services to that Transmission Customer under these OATS Rules. Notice of such suspension shall be included in the notice served by the Transmission Network Provider in Rule A13.1 of these OATS Rules.

A13.4 **Termination by notice.** A Transmission Customer shall terminate its Service Agreement under these OATS Rules within six (6) months from the written notice and shall comply with the Transmission Network Provider's directions in relation to the disconnection of equipment.

### A14 Survival

A14.1 The following sections shall survive termination of these OATS Rules either in relation to a particular Participant or in their entirety:

- (a) Rule A10 (Confidentiality); and
- (b) Rule A7 (Liability and Indemnity).

### A15 Relationship Between the Parties

A15.1 Nothing in these OATS Rules shall create, constitute or evidence any partnership, joint venture, agency, trust or employer/employee relationship between any of the Participants, and a Participant shall not make, or allow to be made, any representation that any such relationship exists. No Participant shall have any authority to act for, or to incur any obligation on behalf of, any other party, except as expressly provided in these OATS Rules.

### A16 Entire Agreement

A16.1 Upon the execution of a new Service Agreement, or of an amended Agreement as required under these Rules in accordance with Rule A22.3, these OATS Rules and the New/ Amended Service Agreements shall constitute the entire agreement, understanding and arrangement (express and implied) between the Transmission Network Provider/System Operator and each Transmission Customer concerning the subject matter of these OATS Rules. Other than the provisions of these OATS Rules, and those stipulated in the New/ Amended Service Agreements, no other previous agreement, understanding and arrangement relating thereto, whether written or oral, shall be recognized.

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### **A17 Governing Law**

A17.1 These OATS Rules are governed by the laws of the Philippines.

### **A18 Waiver**

A18.1 Any delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, these OATS Rules shall not operate as a waiver of such right, power or remedy. A waiver of any breach of any provision of these OATS Rules shall not be effective unless that waiver is in writing, signed by the party by whom it is given. A waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

### **A19 Non-Merger**

A19.1 The provisions of these OATS Rules and any act, matter or thing done in connection with, or in connection with any other agreement, instrument, document, judgement or order of any court, or in connection with the expiry or earlier termination of these OATS Rules, shall not operate as a merger of any of the rights, powers or remedies of any of the parties under, or in connection with, these OATS Rules or at law, and those rights, powers and remedies shall survive and continue in full force and effect to the extent that they are unfulfilled or are not exhausted.

### **A20 Severability**

A20.1 If any section is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from these OATS Rules without affecting the validity of the remainder of these OATS Rules or their enforceability, legality or application.

### **A21 Service Agreements**

A21.1 All Prospective Transmission Customers shall enter into a Service Agreement with the Transmission Network Provider by completing the pro-forma Application Form/Service Agreement provided as Annex A to these OATS Rules.

A21.2 Each application shall outline the specific services sought by the Prospective Transmission Customer under Modules B, C, D, and E of these OATS Rules.

A21.3 An existing Transmission Customer seeking changes to a Service Agreement, can do so by completing the pro-forma Application Form/Service Agreement provided as Annex A to these OATS Rules to the Transmission Network Provider containing all information required by the Transmission Network Provider.

A21.4 The Prospective Transmission Customer shall provide the Transmission Network Provider with as much advance notice as practicable when seeking a new Service Agreement or a modification to its Service Agreement.

A21.5 The Transmission Network Provider/System Operator shall assist the Prospective Transmission Customer in preparing and, if necessary, revising an application submitted by a Prospective Transmission Customer in order to comply with the PGC and these OATS Rules.

A21.6 The Transmission Network Provider shall accommodate changes to the Service Agreement sought by the Transmission Customer where such changes shall not require a Grid Upgrade

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and are consistent with the PGC and, subsequent to the WESM Commencement Date and to the WESM Rules. Changes to a Service Agreement which necessitate capital expenditure on shared Grid Facilities which has not been approved by the ERC at the previous regulatory reset under the RTWR, where such approval is required by the EPIRA, shall be at the discretion of Transmission Network Provider, provided that such approvals shall be sought at the subsequent regulatory reset.

- A21.7 Unless the Transmission Network Provider and the Prospective Transmission Customer agree to a different time frame, the Transmission Network Provider shall acknowledge a Service Application within fifteen (15) days of receipt. If the Service Application fails to meet the requirements of these OATS Rules or the PGC, the Transmission Network Provider shall also notify the Prospective Transmission Customer and specify the reasons for such non-compliance, by this time. In the event the Application is non-compliant, the Prospective Transmission Customer shall be required to submit a revised application within fifteen (15) days further from the date they receive such notice from the Transmission Network Provider otherwise their Service Application shall be deemed to be withdrawn.
- A21.8 Except in the case of an End-user, the Transmission Network Provider and the Prospective Transmission Customer shall execute a Service Agreement within thirty (30) days from the Prospective Transmission Customer's receipt of notice of the approval of the Service Application by the Transmission Network Provider, or completion of the relevant SIS or Facilities Study as outlined in Module B of these OATS Rules, as appropriate or a longer period up to the expiry of System Impact Study or Facilities Study (whichever is later) as agreed upon by the Transmission Network Provider and the Transmission Customer. If the Service Agreement is not executed within this period, the application shall lapse and shall be deemed to be withdrawn.
- A21.9 In the case of an End-user, the Service Agreement shall be executed within thirty (30) days from the finality of judgment of its application for direct connection to the Grid in accordance with DOE Circular DC 2018-08-0025 entitled, "Prescribing the Rules Governing the Review and Evaluation of Direct Connection Applications of Industrial, Commercial and Other Electricity End-Users", or a longer period up to the expiry of SIS or Facilities Study (whichever is later), as agreed upon by the Transmission Network Provider and the Transmission Customer.
- A21.10 A draft Service Agreement between an End-user and the Transmission Network Provider cannot be signed and implemented unless the End-user obtains an approval from the DOE for its Facilities to be directly connected to the Grid.
- A21.11 Once the Transmission Network Provider and the Transmission Customer have signed a Service Agreement, both parties shall complete their obligations and commitments for implementing the Service Agreement within the period agreed between the parties.
- A21.12 It is the duty of the Transmission Customer to inform the Transmission Network Provider of its intention to renew the Service Agreements at least ninety (90) days prior to the expiration of the Service Agreement. The Transmission Network Provider can suspend the provision of services in case of failure of the Transmission Customer to renew the Service Agreements.

## A22 Transitory Arrangements

- A22.1 All existing contracts between the Transmission Network Provider/System Operator and a party subject to the PGC at the date these OATS Rules become effective, pursuant to Rule A2.1 (the "Existing Agreements") of these OATS Rules, shall continue to be in force and effect.



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A22.2 Each Existing Agreement shall be deemed to be a Service Agreement under the OATS Rules and accordingly the parties to each Existing Agreement will be bound by these OATS Rules as if the Existing Agreement was a Service Agreement entered pursuant to these OATS Rules to the extent that the OATS Rules do not impair the obligations arising from the Existing Agreements.

A22.3 The parties to each Existing Agreement shall enter into an Amended Service Agreement within six (6) months from the effectivity of these OATS Rules by following the process set out in Rule A21 for Participants seeking to be a Transmission Customer.

In case of renewal, the Transmission Customer shall inform the Transmission Network Provider of its intention to renew its Service Agreement, in accordance with Rule A21.12 of these OATS Rules. The Transmission Network Provider/ System Operator shall ensure that the renewed Service Agreement is entered into on or before the date on which the Existing Agreement expires.

A22.4 Notwithstanding Rule A22.1 and Rule A22.2 of these OATS Rules hereof, each Existing Agreement will be deemed to be amended at the WESM Commencement Date so that the Transmission Network Provider/ System Operator and the Transmission Customer are bound by Rules D1.2 and C5.6 of these OATS Rules.

A22.5 The parties to each Existing OATS Agreement or Service Agreement will incorporate any amendments to the OATS Rules into that Service Agreement, where the OATS Rules are modified and subsequently approved by the ERC. These amendments shall be modified by the Transmission Network Provider only in a manner that incorporates the amendments approved by the ERC unless the Transmission Network Provider or the Transmission Customer seeks other changes to the Service Agreement, which shall be addressed by following the process set out in Rule A21.3 of these OATS Rules for Participants seeking to be Transmission Customers. The Transmission Network Provider/System Operator shall ensure that the replacement Service Agreement incorporates the approved changes in the OATS Rules from the date of effectivity of ERC's approval.

### **A23 Transmission Network Provider/System Operator's Obligations to the Market Operator**

A23.1 The Transmission Network Provider/System Operator shall provide information as requested by the Market Operator and which is required by the Market Operator to fulfil its functions under the WESM Rules.

### **A24 Prudent Operator**

A24.1 The Transmission Network Provider/System Operator shall act in accordance to its performance obligations under the PGC, these OATS Rules and, subsequent to the WESM Commencement Date and the WESM Rules.

### **A25 Review of OATS Rules**

A25.1 The Transmission Network Provider/System Operator, the Transmission Customer or WESM Metering Service Provider can apply to ERC for amendments to the OATS Rules.

A25.2 Where the Transmission Network Provider/System Operator seeks to amend the OATS Rules, the following process shall be used. The Transmission Network Provider/System Operator shall:



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- (a) Invite submissions on amendments to the OATS Rules from Transmission Customers;
- (b) Consider any submissions received from Transmission Customers; and
- (c) Recommend, through application to the ERC, such amendments to the OATS Rules as the Transmission Network Provider thinks appropriate, and a summary of the submissions it does not think are appropriate.

A25.3 Following receipt of Transmission Network Provider's/System Operator's or Transmission Customer's or WESM Metering Service Provider's recommendation on amendments to the OATS Rules, the ERC shall follow its procedure leading to its approval of amended OATS Rules.

### **A26 Penalties**

A26.1 Transmission Network Provider/System Operator's failure to adhere to any of the provision of these Rules shall serve as a ground for imposition of appropriate penalties by the ERC.

## **B. Connections to the Grid**

### **Section I - Existing Connections to the Grid**

#### **B1 Right to Remain Connected and Disconnected**

- B1.1 A Connected Transmission Customer can continue to be connected and can disconnect its existing Facilities to the Transmission System subject to the rules contained in Module B of these OATS Rules.
- B1.2 Specific contract charges, including termination charges, shall be payable should a Transmission Customer disconnects its facilities. Any such charges shall be set out in the Service Agreement.

#### **B2A Identification of Connection Facilities, Connection Point(s), and Metering**

- B2A.1 Each Connected Transmission Customer's Connection Point(s) (including location and all related equipment) shall be listed in Schedules to the Service Agreement.
- B2A.2 Location of all metering devices at the Connection Point(s) and any necessary adjustment factors if the location of a metering device is not at the Connection Point, shall also be listed in Schedules to the Service Agreement or in the Metering Service Agreement forming part of the Service Agreement.
- B2A.3 The Connection Facilities of the Transmission Network Provider and each Connected Transmission Customer shall be identified in the Asset Boundary single-line diagram attached as Schedule to the Service Agreement in accordance with the PGC and these OATS Rules.
- B2A.4 The Transmission Network Provider shall allow co-location of Transmission Customer's equipment at their facilities, subject to the following conditions:
- (a) There is an available space within Transmission Network Provider's premises, and such available space is not yet allocated to a future project by Transmission Network Provider;
  - (b) Transmission Customer is willing to accept the terms and conditions of a co-location agreement in the form of a Memorandum of Understanding (MOU). Among the terms and conditions include the obligations and responsibilities of each party, the payment by requestor of co-location fees (if any), and protocols for access and operations & maintenance activities.
  - (c) A copy of the co-location agreement shall be submitted by Transmission Network Provider to the ERC, for records.

#### **B2B Identification, Operation, Control and Maintenance of Facilities Performing Grid Functions**

- B2B.1 In the circumstance where Connected Transmission Customer's Connection Facilities perform Grid function, the Asset Boundary single-line diagram attached as Schedule to the

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Service Agreement shall also identify the Connected Transmission Customer's Facilities that primarily perform Grid functions as defined in B2B.2 of these OATS Rules. The Transmission Network Provider and the Connected Transmission Customer must agree on which of the Connected Transmission Customer's Facilities perform Grid function.

- B2B.2 In circumstances where an existing Connected Transmission Customer owns the facilities that primarily perform functions necessary to maintain the integrity, security and safety of the Grid, the Connected Transmission Customer shall transfer operation, control and ownership of such assets to the Transmission Network Provider.
- B2B.3 The Connected Transmission Customer's Connection Facilities that perform grid function shall be reclassified into Transmission Assets in accordance with ERC Resolution 23 Series of 2017, and any amendments thereto. The acquisition cost shall be at a fair market price, as agreed by the parties or, where no agreement can be reached, the same shall be determined by the ERC. If the costs of the assets turned over to Transmission Network Provider have been duly incorporated into the approved rates, the said asset and the transfer of such to the Transmission Network Provider shall be treated as Contribution in Aid of Construction (CIAC), to avoid double recovery.

### **B3 Safety, Power Quality and Reliability**

- B3.1 The Transmission Network Provider and each Transmission Customer shall ensure that all Equipment that each Participant provides at a Connection Point shall comply with the PGC, The Philippine Electrical Code Part I and II, and the requirements of IEEE Standards, IEC Standards or their equivalent national standards.
- B3.2 The Transmission Network Provider and each Transmission Customer shall operate and maintain their Connection Facilities and other Facilities in a safe and efficient manner and in accordance with the PGC, the Philippine Electrical Code Parts I and II, and the requirements of IEEE Standards, IEC Standards or their equivalent national standards.

### **B4 Data Requirements**

- B4.1 Each Transmission Customer shall provide any data, reports, forecasts, supplemental data requirements, and specific information regarding the electrical characteristics of their Facilities as specifically required under these OATS Rules and the PGC or as requested by the Transmission Network Provider, to enable it to meet its obligations under the PGC and these OATS Rules. These shall include, but not limited to, the following data to be submitted prior to the Commissioning Date:
- (a) Electrical Diagrams at the Connection Point;
  - (b) Safety Rules and Local Safety Instructions;
  - (c) Proposed Maintenance Program;
  - (d) Test and Commissioning Procedures for the Connection Point;
  - (e) Metering Requirements; and
  - (f) Statement of Readiness to Connect.

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## B5 Communication and SCADA Equipment Requirements

- B5.1 **Communication Equipment for Monitoring and Control.** Subject to B5.5 through to B5.12 of these OATS Rules, the Transmission Network Provider shall provide all communication equipment required for monitoring and controlling the Connection Point and Generation Facilities, in accordance with the PGC. The Connected Transmission Customer shall provide, at its own cost, appropriate space and access for the installation of the required facilities for this purpose, subject to a co-location agreement between the Transmission Customer and Transmission Network Provider. A copy of the co-location agreement shall be submitted by Transmission Network Provider to the ERC, for records.
- B5.2 **Real Time Telemetry and Data.** The Transmission Network Provider/System Operator shall select the Connected Transmission Customer's real time telemetry and data to be received by the Transmission Network Provider's Control Centers, as the Transmission Network Provider/System Operator deems necessary for reliability, security, efficiency, and/or monitoring of system operations. This telemetry shall include, but not be limited to the following at any of the Connected Transmission Customer's Connection Facilities:
- (a) Line flows (MW & MVAR), voltages, currents, frequency, and, breaker status;
  - (b) For Generation Customers, generation facility output (MW & MVAR);
  - (c) For Load Customers, loads (MW & MVAR).
- B5.3 **Remote Control Functions.** The Transmission Network Provider, in agreement with the Transmission Customer, shall determine the remote-control functions as required, including but not limited to circuit breaker control (open/close) and, for Generation Customers, Automatic Generation Control (AGC), from the Transmission Customer. Such agreement shall be specified in the Service Agreement or Connection Agreement, as applicable.
- B5.4 **SCADA Facilities.** The Transmission Network Provider shall provide the SCADA facilities set out in the PGC and additional SCADA facilities as agreed with the Connected Transmission Customer and recorded in the Service Agreement, unless the Transmission Network Provider and Connected Transmission Customer agree otherwise.
- B5.5 **Facilities of the Transmission Customer to Interface SCADA.** The Connected Transmission Customer shall be responsible for the installation and maintenance of all necessary facilities to interface with the Transmission Network Provider's SCADA system.
- B5.6 **Telecommunications Facilities to Link Station(s) to Existing Telecommunications Network.** In accordance with the PGC, the Transmission Network Provider shall provide complete communication Equipment required for the monitoring and control at the Connection Point. In cases in which the Distribution Utility is equipped with a SCADA system, covering all or part of its Distribution Systems, and the System Operator considers appropriate to receive part of the information collected into such systems, a linkage between such systems shall be established. The Transmission Network Provider shall provide (a) the communication Equipment required to interface both Control Centers, and (b) the changes required into the Distribution Utility's SCADA system, if any.
- B5.7 **Telecommunication Network Equipment.** Transmission Network Provider shall provide all required multiplexers, channel interfaces, signalling and terminating equipment, relay facilities (where necessary), power supply, supervisory functionality and other pertinent accessories from its Facilities to the telecommunication node of the Transmission Customer. Such telecommunication facilities provided by the Transmission Network Provider could include facilities it leases, hires or rents from existing telecommunications

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companies, provided such facilities meet the technical quality and reliability specifications required by the PGC, and should not form part of the RAB of the Transmission Network Provider.

- B5.8 **Right-of-Way Requirements.** The Transmission Network Provider shall be responsible for any right-of-way requirements necessary to establish the required network equipment under Rule B5.7.
- B5.9 **Tele-protection Paths.** The Transmission Network Provider shall provide redundant tele-protection paths between Transmission Customer' station and the Connection Point of the Transmission Network Provider, by using either of the following:
- (a) Power Line Carrier and Microwave Radio; or
  - (b) Optical Fiber and Microwave radio; or
  - (c) Power Line Carrier and Optical Fiber (provided that these two links are routed through different paths); or
  - (d) Optical Fiber and Optical Fiber, using separate OPGW (provided that these two links are routed through different paths).
- B5.10 **Telecommunication Links.** The Transmission Network Provider shall be responsible for linking the Transmission Customer's telecommunication systems with the Transmission Network Provider's telecommunication systems in accordance with the PGC.
- B5.11 **Additional Signalling and Communication Equipment.** The Transmission Network Provider shall be responsible for all additional signalling and communication equipment necessary for Grid protection in accordance with the PGC arising from the connection of the Transmission Customer's Facility to the Grid.
- B5.12 **Transmission Customer can seek provision by Transmission Network Provider.** The Transmission Customer can seek the agreement of Transmission Network Provider/System Operator for the Transmission Network Provider/System Operator to provide some or all of the facilities specified in B5.5 of these OATS Rules, subject to the Transmission Customer agreeing to pay the required costs or charges. As such, the facilities provided by Transmission Customer shall not form part of the RAB of the Transmission Network Provider.

## B6 Protection Arrangements

- B6.1 **Respective Responsibility for Protective Devices.** The Transmission Network Provider and each Connected Transmission Customer shall be solely responsible for their Equipment at Connection Point and shall ensure that such Equipment is protected in accordance with the PGC and that their Protective Devices meet the standards set out in the PGC.
- B6.2 **Installation of New Protective Devices.** The Transmission Network Provider and Connected Transmission Customers shall install, upgrade, operate and maintain Protective Devices to separate the Connected Transmission Customer's Facility from the Transmission System sufficiently to avoid injury or damage, and to comply with the PGC at all times; provided that the Transmission Network Provider and the Connected Transmission Customer shall install, operate and maintain their own Protective Devices in accordance with the PGC. The Transmission Network Provider and the Connected Transmission Customer shall give prior written notice to the other of all such Protective Devices that it intends to install and/or upgrade, and of the settings of such devices.

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- B6.3 **Fault Clearance Time.** The applicable Fault Clearance Time shall be specified in the Service Agreement within the parameters set by the PGC.

### B7 Critical Events List

- B7.1 **Exchange of Lists.** Promptly after executing a Service Agreement, the Transmission Network Provider and the Connected Transmission Customer shall, after consultation, provide to the other its Critical Events List. A Participant shall amend its Critical Events List from time to time, in consultation with the other.
- B7.2 **Prompt Notification.** If the Transmission Network Provider or Connected Transmission Customer experiences an event on its Critical Events List, it shall promptly notify the other by the quickest means possible.

### B8 Contingency Procedures

- B8.1 **Prompt Notification of Contingency.** The Transmission Network Provider/System Operator and each Transmission Customer shall provide the other with prompt verbal notification by telephone of any Contingency involving their Facilities or Connection Facilities that is expected to affect the other's operation of its Facilities or Connection Facilities. This notification shall indicate the reasons for the Contingency, the Contingency's expected effect on the operation of the other party's Facilities and operations, the Contingency's expected duration, and the corrective action to be taken. For purposes of verbal notification, the Transmission Network Provider/System Operator and each Transmission Customer shall provide each other with a list of at least three (3) designated personnel and their contact information, anyone of whom shall be notified of the Contingency. Telephone notification shall be followed by written notification by the close of business hours the next day.
- B8.2 **Contingency Actions.** The Transmission Network Provider/System Operator and the Connected Transmission Customer shall agree on a mutually acceptable set of specific actions that the Transmission Network Provider/System Operator and the Connected Transmission Customer shall take in response to a Contingency and record these in the Service Agreement.
- B8.3 **Access to Each Other's Connection Facilities.** The Transmission Network Provider/System Operator and each Connected Transmission Customer can open and/or disconnect the Connection Facilities of the other party in the event of, and for the duration of, any Contingency, if such opening or disconnection would be expected to mitigate or remedy the Contingency in accordance with the PGC. A Participant exercising this right shall notify the other party of their actions in accordance with B8.1 of these OATS Rules.

### B9 Property Access

- B9.1 **Access Rights.** Unless otherwise agreed, the Transmission Network Provider and each Connected Transmission Customer agree to grant the other and its agents and subcontractors such access to its Facilities and Connection Facilities as is necessary and appropriate, for the construction, installation, testing, operation and maintenance of the Participant's own Facilities and Connection Facilities (including any Protective Devices).
- B9.2 **Procedure.** When exercising the access rights outlined in Rule B9.1 above, the Transmission Network Provider and the Connected Transmission Customer shall:
- (a) Provide the other party with as much advance notice, of at least 3 days, as is appropriate under the circumstances;

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- (b) Not disrupt or interfere with the normal operations of the business of the other party;
- (c) Adhere to the safety rules and procedures established by the other party; and
- (d) Act consistent with the PGC, the Philippine Electrical Code Part 1 and 2, and these OATS Rules.

### B10 Transformer Connection and Grounding

- B10.1 **High-Voltage Connection.** If the Transmission Customer's Equipment is connected to the Grid at a voltage that is equal to or greater than 115 kV, the Connected Transmission Customer shall ensure that the high voltage side of the transformer shall be connected in accordance with the PGC.
- B10.2 **Technical Requirements.** The Transmission Customer shall ensure that its Equipment meets the following connection and grounding requirements for the low-voltage side of the transformer:
- (a) At nominal voltages of 115 kV and above, the Grid shall be effectively grounded with an Earth Fault Factor of less than 1.4.;
  - (b) At nominal voltages below 115 kV, the grounding requirements and the applicable Earth Fault Factor at the Connection Point shall be specified by the Transmission Network Provider.

### B11 Generation Customer's Requirements

- B11.1 **Generation Facility to be Synchronized.** Each Generation Customer shall be responsible for ensuring that whenever the Generation Facility is brought online, the Facility is synchronized to the Grid before actual connection to the Grid and remains so synchronized once connected to the Grid.
- B11.2 **Automatic Voltage Regulators.** Each Generation Customer shall operate its Generation Facility with automatic voltage regulators consistent with the applicable provisions of the PGC. The automatic voltage regulators shall control voltage at the Connection Point when the Generation Facility is operating within the voltage range schedule provided by the Transmission Network Provider to the Generation Customer. This voltage range can be revised from time to time by the Transmission Network Provider, provided the voltage schedule remains within the Generation Facility's operating limits and consistent with the PGC.
- B11.3 **Voltage Requirements.** Each Generation Customer shall ensure that its Generation Facility(s) meet the requirements laid out in the PGC.
- B11.4 **Power Factor.** Every Generation Customer shall ensure its specified Active Power output is maintained within the Power Factor limits specified in the PGC.

### B12 Load Customers' Requirements

- B12.1 **Operational Responsibilities.** Every Load Customer shall comply with the operational requirements as provided in the PGC and its amendments, if any.
- B12.2 **Power Factor.** Every Load Customer shall maintain a Power Factor, within the limits of prescribed under PGC, at its Connection Point(s).

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### Section II New Points of Connection to the Grid or Modifications to Existing Connections to the Grid

#### B13 Applications for New Connection(s) including Connections to the Grid by End-users

B13.1 **Applications.** Subject to securing the approval of the Transmission Network Provider in the manner outlined in these OATS Rules and in accordance with the process set out in the PGC, a Prospective Transmission Customer shall submit a Service Application to the Transmission Network Provider seeking:

- (a) A new Service Agreement for a first Connection Point; or
- (b) A modification to an existing Service Agreement,

B13.2 **Approval of Transmission Network Provider Required Before Connection.**

- (a) A Prospective Transmission Customer seeking a new Connection Point or modification to their Connection Point shall secure the consent of the Transmission Network Provider to a change in their Service Agreement prior to making any changes to their Connection Point in the manner outlined in the PGC and these OATS Rules.
- (b) The Transmission Customer shall notify its Generation Facility about this new Connection Point, or a change or modification to the Connection Point, where required in its contract for the supply of electric energy.
- (c) A Prospective Transmission Customer who is an End-user seeking a new Connection Point or modification to their Connection Point shall secure the approval of the DOE (in accordance with DOE Department Circular DC2018-08-0025, and its amendments thereof) prior to making any changes to their Connection Point in the manner outlined in these OATS Rules.

B13.3 **Compliance with Process.** The Transmission Network Provider and each Prospective Transmission Customer shall comply with the processes set out in these OATS Rules and the PGC for processing of new or modified connection arrangements.

B13.4 **Service Application.** The Prospective Transmission Customer shall complete the Service Application contained in Annex A of these OATS Rules involving a new Connection Point or modification to the existing Connection Point, containing all necessary information for the provision of the required services. Prior to the WESM Commencement date for the applicable Grid, the Service Application shall include a request for Available Transmission Capacity at each Connection Point(s).

#### B14 Evaluation of Applications including Grid Impact Studies (GIS) and System Impact Studies (SIS)

B14.1 **Evaluation under the GIS.** The Transmission Network Provider shall develop and maintain a set of GIS for evaluating service applications in accordance with the PGC.

B14.2 **Determination whether SIS is necessary.** After receiving the service application, the Transmission Network Provider shall determine on a non-discriminatory basis whether a specific SIS is necessary to process the application, in addition to the information already available from its own GIS and any previous SIS.



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In accordance with ERC Resolution No. 18, Series of 2015, entitled "A Resolution Adopting the Grid Management Committee's Recommendations to Exempt Certain Power Plants from the Conduct of System Impact Study and Clarifying and Expanding the Requirements for a Through Conduct of Facilities Study", certain power plants shall be exempted from the conduct of SIS, particularly those directly connected to the Grid with capacities of 20 MW and below in Luzon and 5 MW in Visayas and Mindanao Grid, which, as determined by the Transmission System Provider have no or negligible impact on the Grid.

Also in accordance with ERC Resolution No. 18, Series of 2015, the Transmission Network Provider is designated as the sole entity authorized to conduct an SIS with the option to engage an accredited third party under its supervision and control and with full responsibility and accountability therefor. An accredited third party can be engaged for conduct of SIS, if the timeline proposed by Transmission Network Provider for the conduct of SIS under its Offer of Service for SIS is not acceptable to the Prospective Transmission Customer, as per Rule B14.5 of these OATS Rules.

Transmission Network Provider shall also conduct GIS and SIS on connection of Embedded Generators, upon the endorsement of the DOE in accordance with DOE Circular DC2019-02-003.

Transmission Network Provider shall publish queuing up information of pending service applications that require conduct of SIS, including their current status and estimated time of completing SIS. The information should be published on website of Transmission Network Provider and updated on real time basis. The confidential data/ details under the applications maybe masked appropriately by the Transmission Network Provider, before publishing.

- B14.3 **Offer of Service for SIS.** If the Transmission Network Provider agrees with the Service Application and considers that no SIS is necessary, it shall advise the Prospective Transmission Customer no later than thirty (30) days from the receipt of the Service Application. If the Transmission Network Provider determines that a specific SIS is necessary in addition to that information already available as outlined in Rule B14.2 of these OATS Rules, it shall so inform the Prospective Transmission Customer no later than thirty (30) days from receipt of the Service Application by issuing an Offer of Service for SIS to the Transmission Customer.
- B14.4 **Requirements of an Offer of Service for SIS.** The Transmission Network Provider shall specify clearly in the Offer of Service for SIS:
- (a) The Scope of the study, including identification of whether any Transmission Constraints, re-dispatch options, additional Direct Assignment Facilities, or Grid Upgrades shall be required to provide the requested service.
  - (b) The estimated time for completion of the SIS and acknowledgement of the Transmission Network Provider's obligations under Rule B14.11 of these OATS Rules.
- B14.5 **Action on Offer of Service for SIS.** The Prospective Transmission Customer shall either:
- (a) accept the Transmission Network Provider's Offer of Service for SIS; or
  - (b) reject the Transmission Network Provider's Offer of Service for SIS, and request a modified Offer of Service with shorter timelines; or
  - (c) request the engagement of an accredited third party for expeditious conduct of SIS.

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B14.6 **Notification of acceptance or non-acceptance of Offer of Service for SIS.** The Prospective Transmission Customer shall reply to the Transmission Network Provider's Offer of Service outlining its decision in relation to B14.5 ~~(a) or (b)~~ within fifteen (15) ~~fourteen (14)~~ calendar days from receipt of any such offer, failing which the application shall be deemed withdrawn. For accepting the Offer of Service for SIS, the Prospective Transmission Customer shall provide to the Transmission Network Provider's a signed copy of the Offer of Service for SIS.

B14.7 **Modified Offer of Service for SIS.** Should the Prospective Transmission Customer choose to respond on Offer of Service for SIS as per B14.5(b) or (c) hereof, the Transmission Network Provider, shall respond within fifteen (15) calendar days with either:

(a) A modified Offer of Service for conduct of SIS with shorter timelines for completion of the study; or

(b) Acceptance of request to engage an accredited third party for conduct of SIS.

The Prospective Transmission Customer shall re-consider the modified Offer of Service for SIS by the Transmission Network Provider and provide its response within fifteen (15) calendar days, failing which its Service Application shall be deemed withdrawn. The Prospective Transmission Customer shall either accept the modified Offer of Service for SIS or inform the Transmission Network Provider of its wish to engage an accredited third party for expeditious conduct of SIS.

Should the Prospective Transmission Customer choose to respond on Offer of Service for SIS as per B14.5(b) hereof, the Prospective Transmission Customer, upon receipt of notification from Transmission Network Provider that the Service Application has entered the SIS stage, shall inform the Transmission Network Provider that it wishes to modify its Offer of Service for SIS to engage an accredited third party for conduct of SIS.

The Transmission Network Provider shall update the third-party SIS Calendar and the Prospective Transmission Customer shall upload the signed Modified Offer of Service strictly on the assigned day one (1) of the SIS in EVOSS. Uploading of the signed Modified Offer of Service after the assigned day one (1) shall be rescheduled by the Transmission Network Provider in the calendar of SIS.

B14.8 **Engagement of accredited third party for conduct of SIS.** The Transmission Network Provider shall maintain a list of a sufficient number of accredited third parties for the conduct of SIS, to ensure timelines provided under these OATS Rules are adhered to. Such list shall be developed on the basis of an accreditation system that will be developed and implemented by the Transmission Network Provider. Such system shall provide equal and fair opportunities for the accreditation of third-party service providers for the conduct of SIS. The accreditation system shall ensure that the service provider complies with all the requisite technical qualifications, financial capability, and legal requirements for operating a business in the Philippines. The accreditation system shall be developed by the Transmission Network Provider within six (6) months from the effectivity of these OATS Rules, and shall be submitted to the ERC for its approval. The Prospective Transmission Customer shall solicit offers from among the qualified third parties using a competitive bidding approach, for conduct of SIS.

B14.9 **Cost of SIS Study.** In cases where the Transmission Network Provider conducts the SIS, the costs thereof shall be deemed included in its operation expenses. The costs for engagement of accredited third party for conduct of SIS shall be borne by the Transmission Customer.

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- B14.10 **Submission of data for SIS.** The Prospective Transmission Customer shall submit the required data needed for the SIS as specified in the Service Application before the SIS is conducted.
- B14.11 **Time Period for completion of SIS.** The party responsible for providing the SIS shall complete the required SIS within a sixty (60) calendar day period of the agreement to an Offer of Service for an SIS unless otherwise agreed between the parties.
- B14.12 **Reliance on existing GIS.** The Transmission Network Provider shall also rely on its existing GIS and information supplied by the Prospective Transmission Customer.
- B14.13 **Notification of extended completion date for SIS.** In the event that the Transmission Network Provider is unable to complete the SIS within the time period specified or agreed in B14.11 of these OATS Rules, it shall notify the other party and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required SIS. Such notification shall not preclude any party of its obligations under other applicable provisions of these OATS Rules.
- B14.14 **Provision of SIS issues and results.** In undertaking or taking responsibility for the provision of the SIS, the Transmission Network Provider/Prospective Transmission Customer shall inform the other party of key issues arising from the SIS as they arise. Following the completion of the SIS, the party that undertook or commissioned the SIS shall provide the other party with a copy of the completed SIS results and related work papers as soon as is practicable thereafter and no later than three (3) calendar days after its completion.
- B14.15 **Notification of Adequacy of Grid.** The Transmission Network Provider shall notify the Prospective Transmission Customer immediately upon completion of the SIS or no later than fourteen (14) days after receiving the copy of the SIS, if the Grid shall be adequate to accommodate all or part of the service application or if no costs are likely to be incurred for new Facilities or Grid Upgrades.

## B15 Facilities Study

- B15.1 **Notification for Conduct of Required Facilities Study.** If the SIS indicates that new Facilities or Grid Upgrades are needed to provide the requested services, the Transmission Network Provider shall notify to the Prospective Transmission Customer to submit a Facilities Study within three (3) calendar days of completing the SIS.
- B15.2 **Options for Prospective Transmission Customer in Undertaking Facilities Study.** Within fourteen (14) calendar days of receipt of the notification for the required Facilities Study from the Transmission Network Provider, the Transmission Customer shall inform the Transmission Network Provider of one of the following options it wishes to undertake:
- (a) Undertake the Facilities Study itself and advise the Transmission Network Provider accordingly;
  - (b) Contract with a Third Party and advise the Transmission Network Provider accordingly;  
or
  - (c) Engage the services of Transmission Network Provider for conduct of Facilities Study.

The Transmission Network Provider shall be bound by the Prospective Transmission Customer's decision in relation to (a), (b) or (c).

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- B15.3 **Completion of Facilities Study.** The Transmission Customer, the Third Party Provider, and the Transmission Network Provider shall ensure that the Facilities Study is completed within the agreed time period.
- B15.4 **Cost of Facilities Study.** The Prospective Transmission Customer shall be responsible for the cost of any Facilities Study.
- B15.5 **Submission of Data for Facilities Study.** Where the Transmission Network Provider is undertaking the Facilities Study, the Prospective Transmission Customer shall submit the data needed for the Facilities Study, as specified in the Service Application, before the Facilities Study is conducted.
- B15.6 **Notification of Additional Time to Complete Facilities Study.** Where the Transmission Network Provider is undertaking the Facilities Study and requires additional time, the Transmission Network Provider shall notify the Prospective Transmission Customer and provides an estimate of the time needed to reach a final determination along with an explanation of the reasons why additional time is required to complete the Facilities Study.
- B15.7 **Results of Facilities Study.** When completed, the Facilities Study shall include a good faith estimate of:
- (a) The cost of Connection Facilities which shall be the responsibility of the Prospective Transmission Customer;
  - (b) The time required to complete such construction and initiate the requested service.
- B15.8 **Provision of Results from Facilities Study.** The party that undertook or commissioned the Facilities Study shall provide the other party with a copy of the completed Study results and related work papers as soon as is practicable after the completion of the Facilities Study and no later than three (3) calendar days after its completion.
- B15.9 **Review of the Facilities Study.** The Transmission Network Provider shall review the results of the Facilities Study conducted by the Transmission Customer or Third Party Provider within forty-two (42) calendar days upon receipt of complete documents thereof. The Transmission Network Provider shall develop a set of guidelines for fair evaluation of the results of Facilities Study. The guidelines should specify complete set of documents required along with results of Facilities Study.

## B16 Entering into Service Agreement and Disputes Over Study Results

- B16.1 **Parties to Enter Service Agreement.** If the Prospective Transmission Customer and the Transmission Network Provider agree on the Service Application and the results of any SIS and any Facilities Study, the Transmission Network Provider and the Prospective Transmission Customer shall execute a Service Agreement within:
- (a) fourteen (14) calendar days of the approval of the Service Application or completion of the SIS or completion of Facilities Study, whichever is the later; or
  - (b) the time period for which the results of the SIS or Facilities Study are valid as specified in the SIS or Facilities Study.
- B16.2 **Withdrawal of Application.** In the event that the Service Agreement is not executed by the Transmission Network Provider/System Operator and Prospective Transmission

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Customer within the time period determined under B16.1 hereof, the Service Application shall be deemed terminated and withdrawn.

B16.3 **Disputes over Study Results.** In the event that the Transmission Network Provider/System Operator and Prospective Transmission Customer do not agree on the results of the SIS or Facilities Study, they shall invoke the Dispute Resolution Procedures outlined in Module A of these OATS Rules

B16.4 The Commission shall have the authority to review the Service Agreements and require any information or document from the Transmission Network Provider/ Systems Operator and from the Transmission Customer. Non-compliance to the Commission's request for information or documents shall be penalized in accordance with the rules of the Commission.

### **B17 Procurement of Connection Assets for a New Connection to the Grid by Transmission Customers**

B17.1 **General Policy Statement:** Transmission Customers shall be financially responsible for all costs associated with the procurement and installation of Connection Assets identified in the Facilities Study including financing costs. The Transmission Customer shall also be responsible for the payment of associated Operation and Maintenance costs.

B17.2 **Financing Options Available to the Transmission Customer:** While the Transmission Customer shall be financially responsible for all costs associated with a Connection to the Grid, the following financing options shall be available to him:

(a) Financing provided by the Transmission Network Provider; or

(b) Financing provided by the Transmission Customer.

The Transmission Network Provider is under no obligation to provide financing for the Transmission Customer. Whether to offer such service is at the option of the Transmission Network Provider.

B17.3 **Financing by the Transmission Network Provider:** In cases where the Transmission Network Provider provides financing for capital expenditures, the Transmission Customer shall pay a Connection Charge to the Transmission Network Provider based on the capital and financing cost associated with the Connection Assets.

The capital expenditures costs shall be reflected in the Connection Charge. These shall be treated as Excluded Services under the RTWR and the details in F(AIV)1 of these OATS Rules shall be applied to compute the charges.

B17.4 **O&M Provided by the Transmission Network Provider:** In cases where the Transmission Network Provider provides the operation and maintenance of the Connection Asset, the Transmission Customer shall pay a Connection Charge to the Transmission Network Provider based on the operation and maintenance cost associated with the Connection Assets.

The operation and maintenance costs shall be reflected in the Connection Charge. These shall be treated as Excluded Services under the RTWR and the details in F(AIV) of these OATS Rules shall be applied to compute the charges.

B17.5 **Financing by the Transmission Customer:** In cases where the Transmission Customer provides the financing for capital expenditures, no Connection Charge shall be paid by the

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Transmission Customer to the Transmission Network Provider, corresponding to the capital and financing cost associated with the Connection Assets.

B17.6 **O&M Provided by the Distribution Utility:** In cases where the Distribution Utility provides the operation and maintenance of the Connection Asset, no Connection Charge shall be paid by the Distribution Utility to the Transmission Network Provider.

B17.7 **Transfer of Connection Assets owned by the National Transmission Corporation to the Qualified Distribution Utility.** The Connection Assets shall be transferred to the Qualified Distribution Utility in accordance with Section 8 of the EPIRA. In such case, the Distribution Utility shall pay the National Transmission Corporation in accordance with the rules of the Commission, and subject to optimization. Such assets shall be considered as Distribution Assets and shall form part of the Qualified Distribution Utility's Regulatory Asset Base. Upon transfer of the Connection Assets, the Qualified Distribution Utility shall no longer pay Connection Charges to the Transmission Network Provider. In cases where there is no interested Qualified Distribution Utility to acquire such assets, the Transmission Network Provider shall maintain ownership of the Connection Assets.

B17.8 **Transfer of Connection Assets of Generation Company to the Transmission Network Provider.** Where such assets were to be required for competitive purposes, or if the same were to be used to connect any other user, the ownership of the same shall be transferred to Transmission Network Provider. In such a case, Transmission Network Provider shall then pay the Generation Company at fair market price of the subject facilities, but subject to optimization.

Thus, the following considerations shall be observed to wit:

- a. Should the fair market price of the assets (subject to optimization) be higher than the facilities' cost incorporated in the determination of the rate, Transmission Network Provider shall pay the difference between the said cost and the fair market price of the assets; or
- b. Should the fair market price of the assets (subject to optimization) be lower than the facilities' cost incorporated in the determination of the rate, the asset shall be treated as Contribution in Aid of Construction (CIAC). Transmission Network Provider shall maintain a separate account of these amounts and the cost of the assets should not appear in the rate base or in its asset appraisal.

B17.9 **Transfer of Connection Assets of Directly Connected Customers/End-Users by the Transmission Network Provider to the DU:** In accordance with DOE Circular DC2018-08-0025, if a Directly Connected Customer/End User is advised to be served by its Franchised DU, the Transmission Network Provider shall transfer associated Connection Assets of the End User to the Franchised DU. Such assets, if treated as Contribution in Aid of Construction when these were transferred to the Transmission Network Provider shall remain being treated as a Contribution in Aid of Construction when transferred to the Qualified DU, and shall not form part of the Qualified DU's Regulatory Asset Base.

Otherwise, upon the transfer of the Connection Assets, the Franchised DU shall pay to the Transmission Network Provider in full, an amount equal to the outstanding principal balance of the financing and any unpaid financing cost, net of recoveries for such assets already made by the Transmission Network Provider.

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Thereafter, the End-user shall no longer pay Connection Charges to the Transmission Network Provider but will pay Connection Charges to the Franchised DU

**B17.10 Calculation of Connection Charge to the Transmission Customer when Financing of Connection Assets is provided by the Transmission Network Provider:** The Connection Charge to be paid by the Transmission Customer to the Transmission Network Provider shall be computed based on the formula as set forth in Rule F(AIV)1 of these OATS Rules.

**B17.11 Accounting for Financing provided by the Transmission Network Provider or the DU.** The Transmission Network Provider or the DU shall account for the financing provided to the End-user with a debit to the appropriate accounts receivable account and a credit to cash. As Connection Charges are collected the Transmission Network Provider or the Qualified DU shall record the transaction with a debit to cash for the full amount collected and corresponding credits to the appropriate accounts receivable account, interest income and the appropriate operation and maintenance accounts based on the components of the Connection Charge.

## **B18 Arrangements to be Completed Prior to Commissioning Date following Execution of Service Agreement**

**B18.1 Completion of Connection Arrangements.** The Transmission Network Provider and Transmission Customer, taking into consideration the agreed target Completion Date, shall in coordination with each other, complete their respective connection arrangements as agreed in the Service Agreement.

**B18.2 Security for New Facilities or Facility Upgrades.** In the event that new Facilities or Grid Upgrades are required to meet the Transmission Provider's obligations under the new or modified Service Agreement, and the Transmission Customer is responsible for these costs, the Transmission Customer shall provide the Transmission Provider with a letter of credit in the form specified in Module A to these OATS Rules, if requested to do so by the Transmission Provider, before the Transmission Provider commences the necessary work.

**B18.3 Design and Specification Requirements.** The design and specifications of any additional Facilities required for Connection shall:

- (a) Conform to the PGC;
- (b) Conform to any engineering standards specified by the Transmission Network Provider; and
- (c) Be approved by the Transmission Network Provider after consultation with the Transmission Customer, provided further that the designs and specifications shall not be disapproved without technical and legal basis and justifiable reason.

**B18.4 Installation of Necessary Equipment.** Power Delivery Service shall not commence until the Transmission Network Provider and the Transmission Customer have ensured that the Equipment specified under Module B of these OATS Rules has been installed consistent with the PGC, and any additional requirements imposed by the Transmission Network Provider, to ensure the reliable operation of the Grid, as recorded in the Service Agreement, have been met.

**B18.5 Provision of Required Information and Tests of Equipment.** The Transmission Customer shall provide the required information set out in the PGC to the Transmission Network Provider prior to the Commissioning Date and shall test the Equipment required

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at the Connection Point to connect the Transmission Customer's Facilities in accordance to the PGC.

- B18.6 **Approval of Load Shedding and Curtailment Procedures.** Prior to the Commissioning Date, The Transmission Customer shall seek the approval of the System Operator to its Load Shedding and Curtailment procedures and any other requirements the System Operator imposes in order to meet its obligations under these OATS Rules, the PGC and, subsequent to the WESM Commencement Date and the WESM Rules. These Load Shedding and Curtailment procedures shall be recorded in the Service Agreement. If the Transmission Customer does not implement Load Shedding Curtailment program, the Transmission Network Provider shall install the Under-frequency relay at the main feeder.
- B18.7 **Data Requirements Upon Execution of Service Agreement.** The Transmission Customer shall comply with all data requirements specified in the PGC within thirty (30) days of the execution of a Service Agreement unless otherwise agreed between the Transmission Network Provider and the Transmission Customer.

### Section III - Conditions

#### B19 Conditions

- B19.1 **Additional Conditions Pertaining to this Service.:** The Transmission Network Provider shall not be held liable for a failure to deliver the services under Module B of these OATS Rules where the following events have had a Material Effect on its ability to deliver the service and the Transmission Network Provider has taken actions to mitigate their impact on the service:
- (a) The Prospective Transmission Customer/Transmission Customer failing to comply with its obligations under these OATS Rules, the PGC or subsequent to the Spot Market Commencement Date, the WESM Rules;
  - (b) The Prospective Transmission Customer/Transmission Customer providing the Transmission Network Provider with incomplete or inaccurate information;
  - (c) Any other Prospective Transmission Customer/Transmission Customer failing to comply with their obligations under these OATS Rules, the PGC or, subsequent to the WESM Commencement Date and the WESM Rules.
- B19.2 **Transmission Customer's Non-Compliance.** If the Prospective Transmission Customer/Transmission Customer fails to comply, when so required, with any of its obligations under Module B of these OATS Rules, the Transmission Network Provider shall issue a notice of non-compliance to the Prospective Transmission Customer/Transmission Customer. In such cases, the Transmission Network Provider shall have the right to require the Prospective Transmission Customer/Transmission Customer to take any and all such measures, including but not limited to the installation of new or additional equipment, as necessary to comply with its obligations. In the event that the Prospective Transmission Customer/Transmission Customer fails to take any or all of such measures within thirty (30) days after receipt of notice of non-compliance, the Transmission Network Provider shall have the right itself to take (or cause to be taken) such measures without further notice. The Prospective Transmission Customer/Transmission Customer shall be responsible for any and all costs and expenses incurred as a result of its non-compliance.



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## Section IV - Sub-transmission Assets

### B20 Connection Charge

- B20.1 Transmission Connection Services shall be treated as Excluded Services as defined in the RTWR.
- B20.2 Connection Charges will allow the Transmission Network Provider to recover the cost for providing Transmission Connection Services which is associated with connecting the customers to the Grid. Connection Charges shall be payable by all Load Customers, and where applicable Generation Customers, for the period until STAs are sold to Qualified DUs at each Connection Point.
- B20.3 Cost for Excluded Services shall be recovered using the following principles from the RTWR:
- (a) an allowance for appropriately attributable operating and maintenance and overhead costs;
  - (b) an allowance for the depreciation of the assets used to provide the Excluded Service over the economic life of those assets;
  - (c) a return on the depreciated value of the assets used to provide the Excluded Service (such return might, for example, be the then-applicable weighted average cost of capital as calculated pursuant to the RTWR); and
  - (d) an allowance for taxes paid in connection with the provision of the Excluded Service or the income derived from the provision of the Excluded Service.
- B20.4 Connection Charges shall be calculated in accordance with Rules F(AIV)3, F(AIV)4 and F(AIV)5 of these OATS Rules.

### B21 Residual Sub-transmission Charge

- B21.1 Residual Sub-transmission Services shall be treated as Excluded Services as defined in the RTWR.
- B21.2 Residual Sub-transmission Charges allow the Transmission Network Provider to recover the cost for providing Residual Sub-transmission Services. Residual Sub-transmission Charges shall be payable by all Load Customers, and where applicable Generation Customers, for the period until they are sold to Qualified DUs at each Connection Point or until they are reverted back into the RAB of Transmission Network Provider.
- B21.3 Cost for Excluded Services shall be recovered using the following principles from the RTWR:
- (a) an allowance for appropriately attributable operating and maintenance and overhead costs;
  - (b) an allowance for the depreciation of the assets used to provide the Excluded Service over the economic life of those assets;
  - (c) a return on the depreciated value of the assets used to provide the Excluded Service (such return might, for example, be the then-applicable weighted average cost of capital as calculated pursuant to the RTWR); and

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- (d) an allowance for taxes paid in connection with the provision of the Excluded Service or the income derived from the provision of the Excluded Service.

B21.4 Residual Sub-transmission charges shall be calculated in accordance with Rules F(AIV)7, F(AIV)8 and F(AIV)9 of these OATS Rules.

### B22 Sale of Sub-transmission Assets

B22.1 For the avoidance of doubt, these OATS Rules does not preclude the need for the National Transmission Corporation to sell its Sub-transmission Assets in accordance with EPIRA.

B22.2 No Connection Charge or Residual Sub-transmission Charge shall be collected for Sub-transmission Assets already disposed-off by National Transmission Corporation.

B22.3 The National Transmission Corporation shall report to ERC annually, latest by 30 January of each year, the status of STAs remaining to be disposed-off in favour of DUs along with details of reasons for not disposing off such assets and the charges collected until date for such assets.

B22.4 Also, Generation Companies and DUs shall start the disposal or transfer of their respective assets with transmission functions in favour of Transmission Network Provider, in accordance with Asset Boundary provisions set forth in ERC Resolution No. 23, Series of 2016.

### B23 Asset Replacement

#### B23.1 Early Asset Replacement

(a) For Connection Asset provided by the Transmission Network Provider, if for any reason, such Connection Asset requires replacement before it reached its replacement period as defined by the regulatory lives under the RTWR, the Transmission Network Provider shall be the one to provide replacement for such asset, and with agreement from the Transmission Customer, will either continue to charge for the original asset and make no charges to the existing customers for the new asset until the replacement period of the original asset has elapsed, or charge for the written down value of the replaced assets under terms and over a period agreed with the Transmission Customer and charge for the new assets over their economic life.

(b) Where there has initially been no charge for the new assets, upon the expiration of the original replacement period, the Transmission Customer will then be charge an accelerated depreciation for the new assets over their remaining life.

(c) If the replacement asset is not commissioned until after the replacement period, then the Transmission Customer's charges will solely cover ongoing site-specific operating and maintenance costs and overhead costs. Charges for the replacement assets will only begin on the notified charging date of the replacement asset.

#### B23.2 Assets Operating after their Replacement Period

(a) Once the Connection Assets have reached the end of the replacement period, there are a number of different types of additions or amendments to the existing Service Agreement that can be reached between the Transmission Network Provider and the Transmission Customers.

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- (b) If the Transmission Network Provider has notified that assets will remain in service beyond their replacement period and if no counter notice has been received from the Transmission Customer within thirty (30) days from notice receipt, then:
- i. The Transmission Network Provider and the Transmission Customer shall agree on a date beyond the replacement period on which the assets will be replaced.
  - ii. The Transmission Network Provider and the Transmission Customer will agree on a firm price agreement for a set period of time covering the assets, which have remained in service beyond their replacement period.
  - iii. Pending agreement as to enduring arrangement above, the Transmission Customer agrees to sign an offer to vary the Service Agreement for those assets currently or which will be operating beyond their replacement period.

## C. Power Delivery Service

### C1 General undertaking to operate Grid

C1.1 The Transmission Network Provider shall plan, construct, operate, and maintain the Grid in accordance with the PGC in order to provide the Transmission Customer with the Power Delivery Service. The capital expenditure and operations & maintenance expenditure undertaken by the Transmission Network Provider support the quality and reliability of the Power Delivery Service.

### C2 Power Quality

C2.1 The Transmission Network Provider shall, subject to the Conditions to this service, deliver the Power Quality standards in the PGC, including but not limited to, as defined in the PGC:

- (a) Frequency variations.
- (b) Voltage Variations;
- (c) Harmonics;
- (d) Voltage Unbalance;
- (e) Voltage Fluctuation and Flicker severity; and
- (f) Transient Voltages;

### C3 Reliability

C3.1 **General.** The Transmission Network Provider shall achieve the Reliability targets as approved by the ERC in accordance with the PGC and RTWR for the Power Delivery Service that it provides to the Transmission Customer.

C3.2 **Report on Interruptions.** The Transmission Network Provider shall report on Interruptions in the manner prescribed by the ERC in accordance with the PGC.

### C4 Available Transmission Capacity of Power Delivery Service

C4.1 The Transmission Network Provider shall provide the Available Transmission Capacity and if appropriate, the time period over which the Available Transmission Capacity shall be provided, at the Connection Points(s) agreed between the Transmission Network Provider and Transmission Customer and recorded in the Transmission Customer's Service Agreement.

### C5 Firm versus Non-Firm Power Delivery Service

C5.1 **Pre-Market Operations.** Prior to the Spot Market Commencement Date, the Transmission Network Provider shall provide Generation Customers with either Firm Power Delivery and/or Non-Firm Power Delivery Service as agreed with the Transmission Network Provider in accordance with the processes set out in these OATS Rules, including but not limited to C(AI)1 to this Module C.

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C5.2 **Non-Firm Power Delivery Services to Transmission Customers.** In general, the Transmission Network Provider shall provide only Firm Power Delivery Service to Transmission Customers. The Transmission Network Provider shall provide Non-Firm Power Delivery Services for Transmission Customers in the following circumstances (refer to Rule F7 for further detail):

- (a) If the Load Customer has sources of Electricity that do not require use of the Transmission Network Provider's facilities and those sources of Electricity are sufficient to allow the Load Customer to be temporarily disconnected from the Grid from time to time.
- (b) Generation Customer drawing power from the Grid for its own use.
- (c) If there are technical constraints in the transmission facilities.
- (d) Energy Storage Systems drawing power for the purpose of temporarily storing energy for eventual and timely reinjection to the Grid.
- (e) Embedded Generator/ Distributed Energy Resource (DER) drawing power from the Grid from outside its host DU, for its own use.

C5.3 **Criteria for Non-Firm Service.** Non-Firm Power Delivery Service for Transmission Customers shall only be provided by the Transmission Network Provider if sufficient surplus capacity is available on the Transmission Network after use by the Firm Power Delivery Services.

Non-Firm Power Delivery Service shall be provided by Transmission Network Provider where the Transmission Customer provides a Service Application which proves it meets the following criteria:

**1. For Generation Customers:**

- (a) Generation Customers occasionally drawing power for own use.

**2. For Load Customers:**

- (a) Load Customers must have embedded generation or self-generation access to a level which meets 100% of their normal demand requirements during normal operation; and
- (b) During planned or unplanned interruption to the embedded generation, Load Customer require the use of PDS to wheel Electricity from the Grid; and
- (c) Must have valid contract(s) with DU(s), Supplier(s) or Generation Facility(s), which provide for back-up power over the contract period during which Non-Firm Service is sought;

Or where the Load Customer meets the following criteria:

- (a) Load Customers must be connected to transmission facilities which have technical constraints such that the Transmission Network Provider cannot deliver Electricity at the same level of reliability as is generally available to other Load Customers in that region; and
- (b) The Load Customers must have interruptible contracts with the Transmission Network Provider, or the DU, or Generation Facility(s),

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- (c) which are clearly documented and remain valid over the Billing Period in which Non-Firm Service is sought; and
- (d) The Load Customers must have experienced an interruption to their load for cumulative periods of greater than or equal to one hundred sixty eight (168) hours in the last twelve (12) months.

### 3. For Energy Storage Systems:

- (a) Drawing power from the Grid (either directly connected to the Grid or drawing power from outside their host DU), for the purpose of temporarily storing energy for eventual and timely reinjection to the Grid.

### 4. For Distributed Energy Resources (DER)/ Embedded Generator:

- (a) Drawing power from the Grid from outside its host DU, for its own use.

C5.4 **Disputes Related to Non-Firm Service Application.** Where a Transmission Customer disputes a decision by the Transmission Network Provider to reject provision of Non-Firm Service, it can apply to the ERC for resolution of such dispute. The ERC shall adopt the following approach:

- (a) The ERC accepts that an approval for Non-Firm PDS to a Transmission Customer shall not be issued unless at least the criteria in C5.3 have been proved to be satisfied;
- (b) Following its processes; and
- (c) Non-Firm Service applies only to the Power Delivery Service Charge, and other transmission charges applicable to that Transmission Customer continue to apply.

C5.5 **Re-dispatch.** In the event that re-dispatch procedures are required in the circumstances outlined in C11D(AI)1 to Module D of these OATS Rules, the Transmission Network Provider shall ensure the System Operator follows the redispatch procedures set out in Annex I, Module D as they affect Firm and Non-Firm Power Delivery Customers.

C5.6 **WESM Operations.** Subsequent to the Spot Market Commencement Date, all Transmission Customers shall be subject to the scheduling and dispatch procedures and processes as specified in the WESM Rules.

C5.7 **Non-Firm Service and Curtailment Adjustment.** Transmission Customers committing to Non-Firm Service, cannot receive an Interruption and Curtailment Billing Adjustment under F(AV)1.

C5.8 **Voluntary Load Curtailment.** Load Customers committing to Firm Service, can receive an Interruption and Curtailment Billing Adjustment as described in F(AV)1, under the following circumstances:

- (a) where a Load Customer commits to a Voluntary Load Curtailment provision in Schedule of their Service Agreement; and
- (b) the Transmission Network Provider cannot deliver Electricity at the same level of reliability as is generally available to other Load Customers in that region, due to short term technical constraints in the transmission network; and
- (c) the System Operator exercises the Curtailment under the Voluntary Load Curtailment provision in Schedule of their Service Agreement.

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### C6 Safety

- C6.1 The Transmission Network Provider shall ensure the safe operation and maintenance of the Grid in accordance with the PGC.

### C7 Management of Outages

- C7.1 **Consultations.** The Transmission Network Provider shall prepare the Grid Maintenance Programs in consultation with Transmission Customers as required by the PGC.

- C7.2 **Management of Outages.** The Transmission Network Provider shall manage the outages of Grid Facilities in a manner that is consistent with the Grid Maintenance Programs.

### C8 Information

- C8.1 The Transmission Network Provider shall consider any request for additional information from the Transmission Customer and shall provide such addition information by charging a fee, determined in a cost reflective manner, if appropriate.

### C9 Transmission Customer obligations

- C9.1 **Connection arrangements.** The Transmission Customer shall comply with all the connection arrangements laid out in Module B of these OATS Rules.

- C9.2 **Information.** The Transmission Customer shall provide the Transmission Network Provider with the Standard and Detailed Planning Data required under the PGC, including:

- (a) Its Generation and/or Load forecasts in the manner outlined in the PGC.
- (b) Annual updates of their likely demand for Power Delivery Service on a date specified by the Transmission Network Provider in advance.
- (c) Written notice of material changes in any other information provided in the Transmission Customer's Service Agreement agreed with the Transmission Network Provider that can affect the Transmission Network Provider's ability to provide the Power Deliver Service as soon as practicable.
- (d) Any information the Transmission Customer is required to provide the Transmission Network Provider under the WESM Rules.
- (e) Any other information that the Transmission Network Provider, shall deem necessary in accordance with the PGC in order for it to provide the services in this Agreement.

Further, submission of the Standard and Detailed Planning Data shall be in accordance with the timeline prescribed by the PGC.

- C9.3 **Operations Standard.** The Transmission Customer shall operate and manage all of its Equipment that impact the Grid in accordance with the PGC and other technical codes.

- C9.4 **Management of Outages.** The Transmission Customer shall manage outages of all of the Transmission Customer's Equipment and of the Equipment and Facilities connected to the Transmission Customer's Facilities that impact the Transmission Grid in a manner consistent with the Grid Maintenance Programs as specified in the PGC and other technical codes.

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### C10 Change to Power Delivery Service

C10.1 If the Transmission Customer intends to change any arrangements relating of its Power Delivery Service in its Service Agreement, it shall submit a modified Service Application to the Transmission Network Provider under the process outlined in Rule A21 of Module A of these OATS Rules.

### C11 Conditions

C11.1 **Failure to Deliver.** In addition to all other Conditions pertaining to the provision of the services under these OATS Rules, the Transmission Network Provider shall not be held liable for a failure to deliver the services in this Module C where the following events have had a Material Effect on the Transmission Network Provider's ability to deliver the service and the Transmission Network Provider has taken actions to mitigate their impact on the service:

- (a) The System Operator having to curtail the Power Delivery Service as a result of its obligations under the PGC, or these OATS Rules, and, subsequent to the Spot Market Commencement Date, the WESM Rules.
- (b) Where the Transmission Network Provider, in a non-discriminatory manner, has to curtail the Power Delivery Service in accordance with the PGC, for the following purposes:
  - (i) In the event where the continuance of Power Delivery Service would endanger persons or property, and by the discontinuance of such Service the Transmission Network Provider is to make necessary adjustments to, changes in, or repairs on its lines, substations and Facilities to alleviate such danger;
  - (ii) To limit the extent or damage of the adverse condition(s) or disturbance(s);
  - (iii) To prevent damage to the generating or transmission facilities;
  - (iv) To expedite the restoration of service in the event of any adverse condition(s) or disturbance(s) on the Grid or on any other system(s) directly or indirectly interconnected with the Grid.
- (c) The Transmission Customer failing to comply with their obligations under the PGC, these OATS Rules or, subsequent to the Spot Market Commencement Date, the WESM Rules.
- (d) The Transmission Customer providing the Transmission Network Provider with incomplete or inaccurate information.
- (e) Any other Transmission Customer failing to comply with their obligations under the PGC, these OATS Rules or, subsequent to the Spot Market Commencement Date, the WESM Rules.

C11.2 **Term.** The minimum term for Firm Power Delivery Power service shall be one (1) year. The minimum term for Non-Firm Power Delivery Service shall be one (1) day. From the Spot Market Commencement Date, all Transmission Customers shall be subject to the WESM Dispatch Rules.



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### Annex I, Module C: Allocation of Firm Power Delivery Service

- C(AI)1 On the date the Initial OATS Rules took effect in 2004, those Transmission Customers who were receiving Firm Power Delivery Service on the day immediately prior to the Initial OATS Rules taking effect shall continue to receive Firm Power Delivery Service, namely:
- (a) National Power Corporation (NPC) owned generating plants;
  - (b) All Private Sector Generating Facilities (PSGFs) that have existing contracts with NPC under the various types of power purchase agreements such as Build-Operate-Transfer (BOT), Build-Own Operate (BOO) and the like, to the extent of the capacity contracted with the NPC;
  - (c) All PSGFs and Load Customers with existing Firm Transmission Service Agreements with NPC or the National Transmission Corporation (TransCo) prior to the effectivity of the Initial OATS Rules.
- C(AI)2 Prior to the Spot Market Commencement Date, current Firm Power Delivery Service Customers have first priority for continuing to take Firm Power Delivery Service from the Transmission Network Provider when their Service Agreements expire. This transmission reservation priority for current Firm Transmission Customers shall be exercised at the end of their Firm Service Agreement terms for one (1) year or longer, until either a new Service Agreement is executed by and between the parties or one (1) year after the expiration of the Service Agreement, whichever is the earlier, subject to Rule C(AI)3.
- C(AI)3 The Transmission Network Provider will determine whether Firm or Non-Firm Power Delivery Service will be available to meet any request for a new Power Delivery Service or an expanded Power Delivery Service for Generation Transmission Customers. The Transmission Network Provider will offer a Firm Power Delivery Service if it concludes as a result of the System Impact Study that there is sufficient Available Transmission Capacity for the Transmission Customer to operate at its nominated level of output without giving rise to a Transmission Constraint.
- C(AI)4 If, however, the Transmission Network Provider cannot accommodate all the requests for Firm Power Delivery Service at this time, the affected Transmission Customer shall agree to accept a contract term at least equal to a competing request by any new Transmission Customer and to pay the charge to be determined by F(AI)1 of Module F to these OATS Rules, for such service.
- C(AI)5 Subsequent to the Spot Market Commencement Date, all Transmission Customers shall be subject to the scheduling and dispatch procedures and processes as specified in the WESM Rules and the Transmission Network Provider shall not distinguish between Firm and Non-firm services for Generation Customers.

# D. System Operator functions

## D1 Dispatch and re-dispatch services

- D1.1 **Pre-Market.** Prior to the Spot Market Commencement Date, the System Operator shall carry out the Central Dispatch of Generation Facilities, Ancillary Services, and Loads connected directly or indirectly to the Grid in a manner consistent with the PGC and these OATS Rules. Prior to the Spot Market Commencement Date, the System Operator shall follow the re-dispatch procedures outlined in Annex I to this Module D.
- D1.2 **WESM Operations.** Subsequent to the Spot Market Commencement Date, the System Operator shall carry out the Central Dispatch of Generation Facilities, Ancillary Services, and Loads connected directly or indirectly to the Grid in a manner consistent with the PGC, the WESM Rules and applicable WESM Manuals and these OATS Rules.

## D2 Power Quality

- D2.1 The System Operator shall deliver the Power Quality standards in the PGC, including but not limited to:
- (a) Frequency variations;
  - (b) Voltage Variations;
  - (c) Harmonics;
  - (d) Voltage Unbalance;
  - (e) Voltage Fluctuation and Flicker severity; and
  - (f) Transient Voltage Variations.

## D3 Safety

- D3.1 The System Operator shall ensure the safe operation of the Grid in accordance with the PGC.

## D4 Security of Power System

- D4.1 **Security Standard - General.** The System Operator shall minimise the risk of Interruptions and Power System failure in a manner consistent with its obligations under the PGC, and subsequent to the Spot Market Implementation Date, the WESM Rules and applicable WESM Manuals.
- D4.2 **Security Standard - Restoration.** The System Operator shall restore the normal operation of the Power System as soon as possible following an Interruption, a threat to the Security of the Power System, or a Force Majeure Event in a manner consistent with the PGC and, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.

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### D5 Load Shedding and Interruptions

- D5.1 **Standard.** The System Operator shall follow the agreed Load Shedding procedures recorded in the Transmission Customer's Service Agreement and act in a manner consistent with its obligations under these OATS Rules, the PGC and, subsequent to the Spot Market Implementation Date, the WESM Rules and applicable WESM Manuals.
- D5.2 **Prior Notice.** The System Operator shall give the Transmission Customer as much advance notice in a manner consistent with its obligation under the PGC or as is practicable of any Interruption to the Transmission Customer's Power Delivery Service.
- D5.3 **Interruption Schedule.** The System Operator shall take into account any views of the Transmission Customer as to the effect of the timing of the proposed Interruption on the Transmission Customer, before finalising the timing and duration of the Interruption. Any Interruption of the Power Delivery Service shall not be unjustifiably biased towards any Transmission Customer. Those Transmission Customers using Non-firm PDS should expect to have their PDS interrupted before the Transmission Customers using Firm PDS, except in cases where the use of the Non-firm PDS has been scheduled due to maintenance of the Embedded Generator.
- D5.4 **Restoration of Service.** The System Operator shall restore service as soon as possible in the event that an Interruption to the Power Delivery Service is required in accordance with the PGC.
- D5.5 The System Operator shall report on Interruptions in the manner specified in the PGC.

### D6 Assessment of availability

- D6.1 The System Operator/ Transmission Network Provider shall prepare the Grid Operating Program and the Grid Maintenance Program, in accordance with the PGC and use it to:
- (a) Provide the services outlined in these OATS Rules; and
  - (b) Comply with its obligations under the PGC and, subsequent to the Spot Market Implementation Date, the WESM Rules and applicable WESM Manuals.

In accordance with DOE Circular DC2020-02-0004, the System Operator in consultation with Market Operator, shall devise a mechanism to come up with an optimal generation and transmission planned outage schedule which shall be the basis of the Grid Operating and Maintenance Programs, in accordance with the PGC.

### D7 Management of Ancillary Services

- D7.1 **Pre-Market.** Prior to the Spot Market Commencement Date, the System Operator shall suggest to the ERC each year, amendments required (if any) to the Ancillary Services Rules covering the forthcoming year.
- D7.2 **WESM Operations.** Subsequent to the Spot Market Commencement Date, the System Operator shall suggest to the ERC each year, in consultation with the Market Operator, amendments required (if any) to the Ancillary Services Rules covering the forthcoming year.
- D7.3 **AS Rules.** The ERC shall develop the AS Rules. This AS Rules shall, for each Ancillary Service:

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- (a) Describe the Ancillary Service in sufficient detail such that prospective providers of the service can determine whether they have the capability to provide the service.
  - (b) Specify the minimum technical requirements that plant and equipment providing Ancillary Services shall meet.
  - (c) Describe the tests that the System Operator shall use to verify that the plant and Equipment meet the minimum technical requirements.
  - (d) Specify the quantity or level of Ancillary Services required by the System Operator to meet its obligations under these Rules and to meet the Power Quality and Reliability performance standards outlined in the PGC.
  - (e) Describe the reasoning or principles applied by the System Operator in determining the required quantity or level of Ancillary Services.
  - (f) Specify the manner of procurement of Ancillary Services.
  - (g) Specify the cost recovery mechanism for Ancillary Service charges.
- D7.4 **Considerations.** The AS Rules shall outline the processes that the System Operator shall use to procure each Ancillary Service taking into account the following:
- (a) The System Operator shall use market mechanisms to procure each Ancillary Service wherever technology and transaction costs make this practical and efficient; and
  - (b) Until such time as ancillary service markets are developed, the System Operator shall use transparent processes which encourage all potential providers to compete to supply the Ancillary Services required for the System Operator at the best economic cost; and
  - (c) Subsequent to the Spot Market Commencement Date, the processes and mechanisms contained in the WESM Rules and applicable WESM Manuals.
- D7.5 **ERC Approval.** AS Rules shall have been approved by the ERC before they are implemented by the System Operator.
- D7.6 **Pre-Market; Standard.** Prior to the Spot Market Commencement Date, the System Operator shall direct any Ancillary Service Provider to provide Ancillary Services as required by the Grid in a manner consistent with the PGC and these OATS Rules.
- D7.7 **WESM Operations; Standard:** Subsequent to the Spot Market Commencement Date, the System Operator shall direct any Ancillary Service Provider to provide Ancillary Services as required by the Grid, in a manner consistent with the PGC, the WESM Rules and applicable WESM Manuals and these OATS Rules.
- D7.8 When contracting for the provision of Ancillary Services, the System Operator shall use the template Ancillary Services Procurement Agreement (ASPA), as approved by the ERC in accordance with AS Rules.

## D8 Alternative Ancillary Services Arrangements

- D8.1 **When Allowed.** Where the Transmission Customer is able to provide its own Ancillary Services, or contracts with a third party to provide Ancillary Services, it shall apply to the System Operator to have that arrangement authorized as an Alternative Ancillary Services Arrangement.

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- D8.2 **Requirements.** A Transmission Customer seeking an Alternative Ancillary Services Arrangement shall:
- (a) Provide such information as requested by the System Operator; and
  - (b) Shall test their Equipment to the satisfaction of the System Operator, and provide the test results to the System Operator, as required by the System Operator.
- D8.3 **Conditions.** The System Operator shall authorize an arrangement as an Alternative Ancillary Services Arrangement if:
- (a) Alternative Ancillary Service arrangement can only be procured in cases where System Operator is not able to meet its responsibility for prolonged periods to procure sufficient Ancillary Service, in accordance with the PGC and the AS Rules.
  - (b) The proposed arrangement complies with the technical requirements for that Ancillary Service as set out in AS Rules.
  - (c) The implementation of the proposed arrangement shall make the Ancillary Service available for Dispatch by the System Operator in substantially the same manner as if that Ancillary Service had been procured pursuant to the process described in the AS Rules.
  - (d) The Transmission Customer enters into such arrangement which the System Operator considers necessary, to ensure that the System Operator can meet its obligations under these OATS Rules and the Power Quality and Reliability performance standards outlined in the PGC and, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.
- D8.4 **Terms of arrangement.** A Transmission Customer holding an Alternative Ancillary Services Arrangement shall:
- (a) Be relieved of any obligation to pay costs for Ancillary Services in the manner provided for in Module F of these OATS Rules to the extent set out in the Alternative Ancillary Services Arrangement authorized by the System Operator;
  - (b) Cooperate with the System Operator to restore compliance with the Alternative Ancillary Services Arrangement at any time that the System Operator notifies the Transmission Customer that the System Operator, in its opinion believes the Transmission Customer is not in compliance with said Arrangement; and
  - (c) Be required to meet its share of ancillary costs outlined in Module F as if the Alternative Ancillary Services Arrangement had not been authorised whenever Ancillary Services are not made available to the System Operator in accordance with the Alternative Ancillary Services Arrangement or whenever there is a failure, suspension or cancellation of the Alternative Ancillary Services Arrangement.
- D8.5 **Suspension or cancellation.** The Transmission Customer, can at any time give written notice to the System Operator of suspension or cancellation of the Alternative Ancillary Services Arrangement which shall come into effect on the date specified in the notice but no earlier than three (3) days from the date the System Operator receives the notice.
- D8.6 **Amendment, suspension or revocation.** The System Operator can require the amendment of the Alternative Ancillary Services Arrangement or suspend or revoke its authorization of the Alternative Ancillary Services Arrangement if at any time the System Operator is satisfied that one or more of the following factors apply:

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- (a) The Alternative Ancillary Services Arrangement was authorized on information that was false or misleading in relation to a material item;
- (b) A prerequisite of the Alternative Ancillary Services Arrangement has changed;
- (c) A condition upon which the authorization was granted has not been complied with;
- (d) Such amendment, suspension, or revocation is provided for under the terms of any authorization;
- (e) The Alternative Ancillary Services Agreement has become materially inconsistent with the AS Rules; or
- (f) Subsequent to the Spot Market Commencement Date, the WESM Rules do not provide for Alternative Ancillary Services Arrangements.

D8.7 **Notice and submissions.** The System Operator shall not revoke or amend an Alternative Ancillary Services Arrangement unless the Transmission Customer to whom the authorization was granted has been given advance notice of the System Operator's intentions and an opportunity to make submissions to the System Operator and the System Operator has had regard to those submissions.

D8.8 Transmission Customers shall file a case with the ERC, for recovery of their costs of procuring Alternative Ancillary Services arrangements, appropriately.

### D9 Transition to new market conditions

D9.1 Prior to the Spot Market Commencement Date, the System Operator shall perform the functions specified in the WESM Rule 10.4 to allow for the smooth transition to the new market arrangements.

### D10 Management of Energy Imbalance

D10.1 **Pre-Market arrangement.** Prior to the Spot Market Commencement Date, the System Operator shall prepare a schedule of generation levels for each hour in each day for each Generation Facility including Embedded Generator within each Power System. Transmission Customers shall provide all data necessary to enable the System Operator to prepare said schedules.

D10.2 **Monitoring.** The System Operator shall continuously monitor, and record on appropriate time interval basis, the Energy Imbalance of each Generation Facility and Embedded Generator.

D10.3 Subsequent to the Spot Market Commencement Date, Energy Imbalance will be governed by the WESM Rules and applicable WESM Manuals.

### D11 Transmission Customer Obligations

D11.1 **Information.** The Transmission Customer shall supply information that the System Operator deems necessary in accordance with the PGC in order for it to provide the services in this Module D and its obligations under the PGC and, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.

D11.2 **Compliance.** The regulated Transmission Customer shall comply with all directions and instructions of the System Operator issued under these OATS Rules and all relevant

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obligations under the PGC and, subsequent to the Spot Market Commencement Date, all relevant obligations under the WESM Rules and applicable WESM Manuals. Any Transmission Customer who fails to act in accordance with the directions and instructions of the System Operator without suitable cause, shall be liable for a penalty imposed by the ERC. The penalty shall be imposed on the basis of a non-compliance report submitted by System Operator to the ERC.

- D11.3 **Load Shedding.** Transmission Customers shall comply with the System Operator's Load Shedding (Manual and Automatic) program and procedures during any period when the System Operator determines that a Contingency exists and such procedures are necessary to alleviate such Contingency. Subsequent to the Spot Market Commencement Date, Connected Transmission Customers shall also comply with Load Shedding procedures in the PGC, WESM Rules and applicable WESM Manuals.
- D11.4 **Generation Customer's Obligation.** Except during a Contingency condition or situation affecting the Generation Customer's facilities as defined under the PGC, the Generation Customer shall be responsible for ensuring that its Generation Facility shall not disconnect from the Transmission System during an Electric Disturbance except when the Frequency or Voltage Variation would damage the Generation Facility and/or Connection Facilities, as provided under the PGC, or when there is an issue of public or personnel safety, or with the consent of the System Operator.
- D11.5 **Embedded Generation.** Transmission Customers with an Embedded Generation Facility shall comply with the PGC and seek the approval of the ERC in a manner consistent with the DOE Circular DC2019-02-003 'Providing for the Framework Governing the Operations of Embedded Generators'.

## D12 Conditions

- D12.1 **Right to open and disconnect facilities.** Subject to the System Operator's obligations under this Module D, in the event of an Electric Disturbance, the System Operator shall have the unilateral right to open, or order to be opened, and/or disconnect any Connection Facility in accordance with its obligations under these OATS Rules, the PGC and, subsequent to the Spot Market Commencement Date, the WESM Rules.
- D12.2 **Exceptions to liability.** The System Operator shall not be held liable for a failure to deliver the services in this Module D where the following events have had a Material Effect on its ability to deliver the service and the System Operator has taken actions to mitigate the impact of these events on the service:
- (a) The Transmission Customer failing to comply with their obligations under the PGC, these OATS Rules or, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.
  - (b) The Transmission Customer failing to comply with an instruction from the System Operator issued in accordance with these OATS Rules, the PGC or, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.
  - (c) The Transmission Customer providing the System Operator with incomplete or inaccurate information.
  - (d) Any other Transmission Customer failing to comply with their obligations under these OATS Rules, the PGC or, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.

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### Annex I, Module D: Re-dispatch Procedures up until the Spot Market Commencement Date

#### **D(AI)1 Conditions for Re-dispatch**

D(AI)2.1 Prior to the Spot Market Commencement Date, the System Operator shall immediately undertake generation re-dispatch procedures in the manner outlined in Rules D(AI)2 and D(AI)3 and in accordance with the PGC where a Transmission Constraint arises or if necessary to immediately contain and mitigate the effect of system disturbances.

D(AI)2.2 Subsequent to the Spot Market Commencement Date, the System Operator will undertake dispatch (including re-dispatch) in accordance with the WESM Rules and applicable WESM Manuals.

#### **D(AI)2 Re-dispatch Guidelines with Transmission Constraints**

D(AI)2.1 The System Operator shall determine the magnitude of the reduction required in flows across the constrained Grid Equipment to ensure the PGC requirements can be met and that Equipment is operated within the ratings set by the Transmission Network Provider.

D(AI)2.2 The System Operator shall curtail the Power Delivery Service for the Generation Facilities of Non-Firm Power Delivery Customers before the Generation Facilities of Firm Power Delivery Customers on a last-in-first out basis. Firm Power Delivery Customers will be restored before Non-Firm Power Delivery Customers on a last-out-first-in basis.

D(AI)2.3 If the actions under D(AI)2.2 are not sufficient to remove the Transmission Constraint, and when conditions allow, the System Operator shall determine the Generation Ratio Share for each Generation Facility of the Firm Power Delivery Customers whose generation affects the Transmission Constraint. The System Operator shall curtail the Power Deliver Service for each Firm Power Delivery Customer in proportion to their Generation Ratio Shares, subject to minimum loading of generation units, in order to limit flows across constrained Equipment to acceptable levels.

D(AI)2.4 If a Generation Facility cannot be re-dispatched in accordance with its Generation Ratio Share, any Facility that is as a consequence over curtailed beyond its Generation Ratio Share shall receive an Electricity credit to be offset in the next dispatch contingency if possible. The Electricity credit shall be offset as much as possible within the same Billing Period. However, if the Electricity credit is not offset within the same Billing Period, or in subsequent Billing Periods, it shall be allowed to accumulate up to the end of the billing year, after which the System Operator and the Generation Customer shall mutually agree on the manner of settlement.

#### **D(AI)3 Re-dispatch Guidelines for system disturbances**

Prior to the Spot Market Commencement Date, the System Operator shall issue Dispatch Instructions to increase or decrease the output of Transmission Customers' Generation Facilities as required to contain and mitigate the effect of Electric Disturbances. An Electric Disturbance can arise in any of, but not limited to, the following circumstances:

- (a) Load forecast error;
- (b) Change in generation availability;
- (c) National security measures;
- (d) Force Majeure Events.



# E. Metering

## E1 Metering Service

E1.1 **Pre-Market.** The Metering Service Provider shall provide metering services as outlined in this Module E and in accordance with these OATS Rules, with the standards as set out in the PGC and ERC Resolution No. 4 of Series of 2021.

The scope of OATS metering service shall include:

- (a) Provision of revenue metering equipment to be part of the OATS revenue metering facilities in accordance with these OATS Rules.
- (b) Installation, testing and commissioning services of revenue metering equipment that the Metering Service provides for new OATS metering facilities.
- (c) Metering Installation operation and maintenance, covering the following activities:
  - (i) Monthly reading and/or retrieval of metered demand and energy data for the billing system of the Transmission Network Provider in accordance with the Transmission Network Provider billing procedures;
  - (ii) Provision to the Transmission customer of Metering Installation data and metered data used in billing for transmission service;
  - (iii) Periodic calibration, testing, maintenance and inspection of Metering Installation and its equipment as prescribed in the PGC and ERC Resolution No. 4 of Series of 2021.

E1.2 **WESM Conditions.** From the Spot Market Commencement Date, the Transmission Network Provider, or an entity authorised by ERC in accordance with WESM Rules, shall continue to undertake the role of Metering Service Provider for the Transmission Customer in accordance with the PGC and these OATS Rules. In addition to the scope of services indicated in E1.1, the Metering Service Provider shall likewise provide additional Metering Services in accordance with the WESM Rules and applicable WESM Manuals, if the Transmission Customer becomes a WESM trading participant.

## E2 Metering Requirements

E2.1 **Standard.** All Metering Installations shall be provided by the Metering Service Provider in accordance with the requirements of the PGC.

The Metering Point shall be at the Connection Point. However, the Metering Point can also be located away from the Connection Point due to technical, site, and security considerations, as identified by the Metering Service Provider, provided that the Demand and the Energy will be adjusted in order to account for the losses between the actual Metering Point and the Connection Point.

The Metering Service Provider and the Transmission Customer shall both ensure that Metering Installations are provided, tested and maintained in accordance with the requirements of the PGC and ERC Resolution No. 4 of Series of 2021, for their respective scope of responsibility in relation with the Metering Installations.

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E2.2 **WESM Conditions.** From the Spot Market Commencement Date, the Metering Service Provider, if it is likewise the WESM Metering Service Provider for the Transmission Customer, shall:

- (a) Ensure that Metering Installations are provided, tested and maintained in accordance with the WESM Rules and applicable WESM Manuals in addition to the requirements of the PGC and ERC Resolution No. 4, Series of 2021.
- (b) Ensure that the Market Operator is able to obtain the metering data from each Metering Point.
- (c) Assist the Transmission Customer in the registration of Meter Installations with the Market Operator, including in the provision of the information required for the Metering Database as described in the WESM Rules.

### E3 Provision of Revenue Metering Equipment

E3.1 **Pre-Market.** The Metering Service Provider shall provide the revenue metering equipment, unless otherwise agreed upon with the Transmission Customer in accordance with these OATS Rules.

E3.2 **WESM Conditions.** From the Spot Market Commencement Date, the Metering Service Provider, if the Transmission Network Provider is likewise the WESM Metering Service Provider, shall provide the WESM Metering Equipment in accordance with the Metering Service Provider obligations under the WESM Rules and applicable WESM Manuals.

### E4 Provision of Metering Installation Information

E4.1 **Pre-Market.** The Metering Service Provider shall provide metering information to those entitled parties requiring this information.

E4.2 **WESM Conditions.** From the Spot Market Commencement Date, the Metering Service Provider, if the Transmission Network Provider is likewise the WESM Metering Service Provider, shall:

- (a) Provide the metering information to those entitled parties requiring the information as prescribed in the WESM Rules and applicable WESM Manuals.
- (b) Maintain a Metering Database in accordance with the WESM Rules and applicable WESM Manuals.

### E5 Metering equipment testing and maintenance

E5.1 The Metering Service Provider shall:

- (a) Test and calibrate the revenue meters and instrument transformers or ensure that these are tested and calibrated in accordance with the PGC, WMSP Rules and other relevant ERC Rules and Regulations.
- (b) Allow the Transmission Customer to witness any test requested by that Transmission Customer, Market Operator, Energy Supplier/ Generation Customer/ RES or any affected parties.
- (c) Maintain the Metering Equipment at the Metering Installation, in accordance with the PGC.

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### E6 Meter reading

- E6.1 **Pre-Market.** The Metering Service Provider shall perform on-site and/or remote meter-reading in accordance with the PGC and as required by the billing system of the Transmission Network Provider.
- E6.2 **WESM Conditions.** From the Spot Market Commencement Date, if the Transmission Network Provider is likewise the WESM Metering Service Provider, it shall provide on-site and/or remote meter-reading services in accordance with the PGC and the WESM Rules and applicable WESM Manuals.

### E7 Validation of metering data

- E7.1 **Pre-Market.** The Metering Service Provider shall undertake the basic validation and substitution of metering data, using check metering where available and where not available, using the best available method and data acceptable to all concerned parties.
- E7.2 **WESM Conditions.** The validation and substitution of metering data shall be in accordance with the WESM Rules and applicable WESM Metering Manuals. The result of such validation and substitution shall be used for OATS billing and settlement.

### E8 Settlement

- E8.1 **Metering Data.** The Metering Service Provider shall use the metering data of Demand and Energy that is either visually read from the meter display or the electronically-retrieved Demand and Energy data for billing and settlement purposes in accordance with these OATS Rules.
- E8.2 **Cooperation.** In the event that a Transmission Customer requests an audit of settlement data related to its account, the Metering Service Provider shall cooperate in the auditing process in accordance with the PGC.

### E9 Treatment of metering data

- E9.1 The Metering Service Provider shall ensure that all metering data is kept secure and in accordance with the Confidentiality provisions in Module A to these OATS Rules and, subsequent to the Spot Market Commencement Date, in accordance with the WESM Rules.

### E10 Application for new Metering Points, or changes to existing Metering Points

- E10.1 **Standard.** The Metering Service Provider shall respond to, and, if agreed between the parties, implement requests for additional Metering Points, or for changes to existing Metering Points by the Transmission Customer, via the Service Application process outlined in Module A and in a manner consistent with the PGC and, subsequent to the Spot Market Commencement Date, the WESM Rules and applicable WESM Manuals.
- E10.2 **WESM Conditions.** From the Spot Market Commencement Date, if the Metering Service Provider shall record all details of a new Metering Installation and subsequent changes to the Metering Installations and shall provide the information to the Market Operator for inclusion in the Installation Database, in accordance with the WESM Rules and applicable WESM Manuals.

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### E11 Transmission Customer or Joint Obligations

- E11.1 **Space.** At each Metering Installation at the Transmission Customer's Connection Point, the Transmission Customer shall provide, at its own cost, the space for the Metering Installation. This space shall be fully secured by the Transmission Customer against access by any party other than Transmission Network Provider authorized personnel.
- E11.2 **Access.** The Transmission Customer shall make the Metering Installation accessible, at all times, to the Metering Service Provider's authorized personnel and representatives.
- E11.3 **Metering Equipment.** The Metering Service Provider shall provide the required Metering Equipment at the Connection Point in accordance with the PGC subject to following conditions:
- (a) The Transmission Customer shall collaborate with the Metering Service Provider on the conduct of testing, calibration and maintenance in a manner as prescribed by the PGC;
  - (b) The Transmission Customer shall allow the Metering Service Provider to access the Metering Installation at all times;
  - (c) The Transmission Customer shall be required to consistently cooperate with the Metering Service Provider for any compliance with the requirements of the PGC; and
  - (d) Any non-compliance of the Transmission Customer shall be subject to Rule A13 of these OATS Rules.
- E11.4 **Record and Modification.** Both parties shall ensure that the number and location of Metering Installations are recorded in Schedule of the Transmission Customer's Service Agreement. The parties agree to amend Schedule of the Transmission Customer's Service Agreement as necessary to reflect any additions or modifications to the Metering Installations.
- E11.5 **Testing and Calibration.** Where the Transmission Customer has sought the testing and calibration of one or more Metering Installations, the Transmission Customer shall pay for the testing and calibration if the test finds the Metering Installation to be within the accuracy specification of the PGC. Otherwise, the Metering Service Provider shall assume the cost of the testing and calibration. The Metering Service Provider shall correct the metering error and make the necessary billing adjustments in accordance with section F4 (Billing and Settlement Service) of these OATS Rules.
- E11.6 **Payment for Testing and Calibration.** Where the Transmission Customer is required to pay for the testing and calibration of one or more Metering Installations under section E11.5, any such charge must be fair and transparent and reflect the costs of the Metering Service Provider in providing the testing and calibration service.
- E11.7 **Relocation of Metering Point.** Where there is a need to relocate a Metering Installation that was earlier installed by the Transmission Customer at a location that is not the Connection Point as prescribed in the PGC, the Transmission Customer shall assume the cost of relocation.

Likewise, when there is a need to relocate a Metering Installation away from the Connection Point due to technical, site, and security considerations as identified by the Metering Service Provider, the cost of the relocation shall be borne by the owner of the Metering Installation. In any case, the Demand and Energy will be adjusted in order to account for the losses between the actual Metering Point and the Connection Point.

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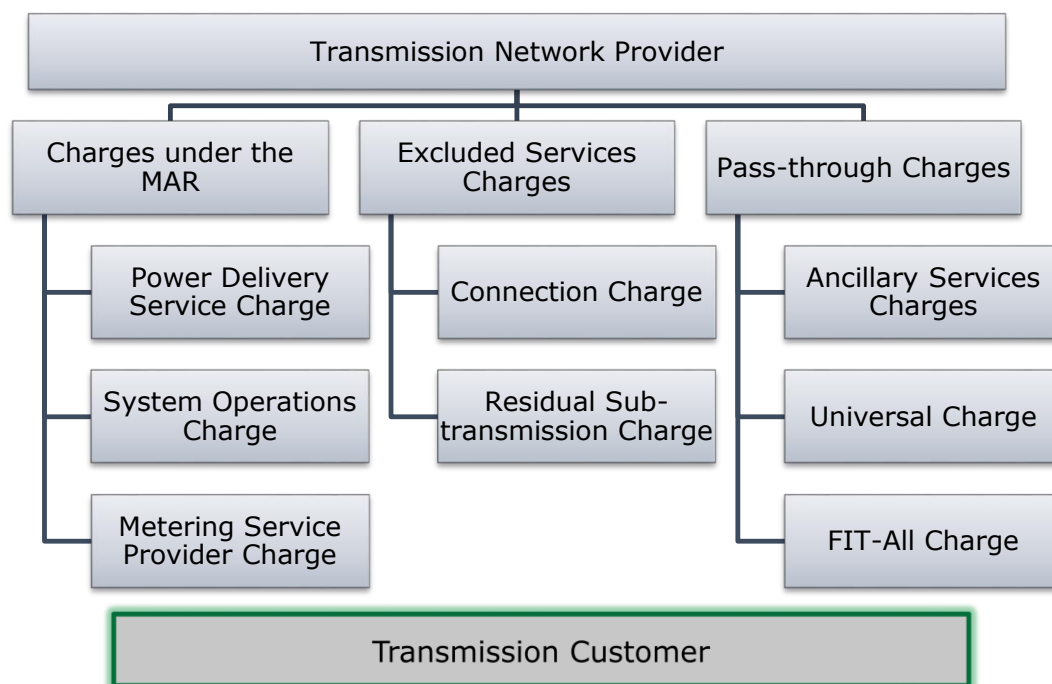
### **E12 Changes in Metering Arrangements**

- E12.1 If the Transmission Customer wishes to change any arrangements relating to its Metering provided by the Metering Service Provider in its Service Agreement, it shall submit a Service Application to the Transmission Network Provider under the process outlined in Rule A21 of Module A of these OATS Rules.

# F. Rates, Methodology, Billing and Settlement

## F1 Charges applicable to each category of Transmission Customer

The charges which the Transmission Network Provider shall charge are summarized in Figure F1.1. Different charges apply depending on the Transmission Customer's circumstances, and the charges to apply are described in F1.1, F1.2 and F1.3.



**Figure F1.1: Summary of Transmission Network Provider Charges**

F1.1 **Applicability of Charges.** The following matrix provides the specific charges to be charged by the Transmission Network Provider/ System Operator to the Transmission Customer.

Type of Charge	Transmission Customer		
	Generation Customer	Load Customer	Embedded Generator
<b>Regulated</b>			
Power Delivery Service (PDS) charge	Applicable	Applicable	Applicable
System Operation (SO) Charge	Applicable	Applicable	Applicable
Metering Service Provider (MSP) Charge	Applicable	Applicable	Applicable
<b>Excluded Services</b>			
Connection Charge	Applicable	Applicable	
Residual Sub-Transmission Charge	Applicable	Applicable	

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### Note:

1. SO charges shall apply on Embedded Generators / Distributed Energy Resources (DER)/ Energy Storage Systems (ESS), which are either supplying power outside their host DUs or are WESM registered participant. In accordance with DOE Circular DC2019-02-0003 'Providing for the framework governing the operations of Embedded Generators', the following Embedded Generators shall register in the WESM:
  - (a) With Pmax equal to or above the following regional thresholds:
    - (i) 10 MW for Luzon Grid;
    - (ii) 5 MW for Visayas Grid; and
    - (iii) 5 MW for Mindanao Grid.
  - (b) With Pmax below the regional thresholds that have a contract outside its host DU, or it intends to sell to the WESM, or inject power to the Grid; and
  - (c) FIT eligible RE plants
2. For those periods of time when the Grid-Connected Generation Customers or Embedded Generators draw power from the Grid for their own use, the PDS charges relevant to Grid-Connected Load Customers shall apply;
3. PDS charges shall be applied on Generation Customers in accordance with F(AI)4.3 and F(AI)4.4 of these OATS rules;
4. PDS charges shall only be applicable on Embedded Generators, Energy Storage Systems (ESS) and Distributed Energy Resources (DER), for their output or portion thereof injected into the grid to supply Transmission Customers other than their host DUs in accordance with WESM rules. The PDS charges for such Embedded Generators, ESS and DERs shall be determined using the same methodology applicable for Generation Customers as per Annex I, Module F of these OATS rules.
5. Residual Sub-transmission charges shall apply on Load and Generation Customers, subject to Rule B22 of these OATS Rules.
6. Transmission Network Provider shall charge MSP to only those customers, for whom the Transmission Network Provider is also Metering Services Provider.

F1.2 **Pass-Through Charges:** Following pass through charges shall apply on applicable Transmission Customers, in accordance with their respective Act/regulations/orders:

- (a) Ancillary Services Charges in accordance with AS Rules and/or Ancillary Services Cost Recovery Mechanism (AS-CRM) issued by ERC;
- (b) Universal Charge in accordance with the EPIRA;
- (c) Feed-in Tariff Allowance (FIT-All) Charge in accordance with ERC's Resolution No. 16, Series of 2010.

F1.3 **Other Customers.** Any person or entity purchasing services from the Transmission Network Provider/System Operator other than a Generation Customer, Load Customer, or Embedded Generator shall pay the charges corresponding to the OATS services listed in their Service Agreement using the methodologies outlined in the Annexes to this Module F.

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F1.4 **Designated Agent.** References to the Transmission Customer, Generation Customer, Load Customer, and Embedded Generators in this entire Module F include references to their Designated Agents.

### F2 Adjustments to Transmission Customers

F2.1 The amount that is to be charged to any Transmission Customer as determined under F1 shall be adjusted by any other charge payable by any Transmission Customer to the Transmission Network Provider/System Operator under any Applicable Law or management discretion and set out in Annex F(AV) and F(AVI) to this Module F.

### F3 All amounts are exclusive of value-added tax

F3.1 All amounts determined under F1 and F2 are exclusive of value-added-tax and other taxes, if applicable.

### F4 Billing and settlement service

F4.1 **Billing Statement.** Within ten (10) days after the Billing Period, the Transmission Network Provider shall issue a billing invoice and statement ("Billing Statement") to each Transmission Customer, detailing all charges and credits for that previous Billing Period for the services provided under these OATS Rules. The Billing Statement shall list separately the charges for all services provided by the Transmission Network Provider/System Operator under these OATS Rules during the preceding Billing Period and present the net amount due from or to the Transmission Customer. The Billing Statement shall include all supporting data necessary to enable the Transmission Customer to verify the amount payable to, or owed by, the Transmission Network Provider for that Billing Period.

F4.2 **Correction – identified by Transmission Network Provider.** In the event that the Transmission Network Provider identifies an error in the Billing Statement, the Transmission Network Provider shall issue a debit/credit notice within ninety (90) days from the date of receipt of the Billing Statement to correct the error; Provided that metering errors, such as but not limited to the following, incorrect use of multiplier, partial metering failure, inaccurate meter registration due to drift and others, shall be corrected within ninety (90) days from detection or within the time period prescribed by applicable WESM Rules and Manuals; Provided further, that the metering error was detected within one (1) year from its occurrence.

F4.3 **Correction – identified by Transmission Customer.** If the Transmission Customer identifies an error in the Billing Statement, it shall immediately notify the Transmission Network Provider within fourteen (14) days from receipt thereof. Upon verification of an error, the Transmission Network Provider at its discretion shall either:

(a) Issue a new Billing Statement to correct the error within seven (7) days from receipt of notice from the Transmission Customer; or

(b) Issue a debit/credit notice within ninety (90) days from date of its receipt of notice from the Transmission Customer.

F4.4 **Billing Statement binding.** If no error is notified by either the Transmission Customer or the Transmission Network Provider within the periods of time specified in F4.2 and F4.3, the Billing Statement shall be deemed correct and binding upon the Transmission Customer and the Transmission Network Provider.



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### F5 Transmission Customer obligations

F5.1 **Payment.** The Transmission Customer shall pay the amount stated in the Billing Statement on or before the due date without necessity of demand via the Collection Facility Arrangement with the Transmission Network Provider's designated banks, unless otherwise agreed.

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.

F5.2 **Interest.** The Transmission Customer shall pay interest on any amounts unpaid after the due date (and including amounts placed in escrow), on the daily balance outstanding for each day that the unpaid amount remains outstanding after the due date. The rate to be imposed on the Transmission Customer's overdue account, regardless of age of account, shall be based on the highest non-prime lending rate for the current quarter among the commercial banks designated by the Transmission Network Provider.

### F6 Billing Disputes

F6.1 **Non-interruption of Service.** In the event of a billing dispute between the Transmission Network Provider and the Transmission Customer, both parties shall follow the Disputes Procedures set out in Module A of these OATS Rules and the Transmission Network Provider shall continue to provide service under these OATS Rules as long as the Transmission Customer:

(a) Continues to make all payments due to the Transmission Network Provider not in dispute; and

(b) Pays into an independent escrow account the portion of the amounts due to the Transmission Network Provider in the Billing Statement in dispute, pending resolution of such dispute.

F6.2 **Suspension of Service.** If the Transmission Customer fails to meet the requirements in Rule F6.1, then the Transmission Network Provider shall notify the Transmission Customer of its intention to suspend service to the Transmission Customer upon the lapse of five (5) days from Transmission Customer's receipt of notice, and the Transmission Network Provider shall suspend service following such period. In case the fifth (5<sup>th</sup>) day falls on a Friday, weekend, or a holiday, the suspension of service shall be executed on the next working day in accordance with DOE Department Circular No. DC2010-08-0010.

### F7 Non-Firm Power Delivery Service for Transmission Customers

F7.1 **Charges for Non-Firm Service.** The approach to the Power Delivery Service Charge described in Annex I, Module F shall apply, with the change for Non-Firm PDS, such that the Billing Determinant shall be measured in time intervals defined as under WESM rules, of that Non-Firm Transmission Customer for each day (measured from 0000H to 2400H), for which the Non-Firm PDS were provided during the whole or part of that billing cycle.

### F8 Reporting to ERC

F8.1 Transmission Network Provider/System Operator shall submit to ERC, latest by 15<sup>th</sup> of each month, calculation of all charges charged to Customers for the preceding month, with

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details of sum of Billing Determinants used (customer category wise and grid wise), MAR applicable, charge rate calculated for the month and any other detail requested by the ERC.

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## Annex I, Module F: Charges for the Power Delivery Service

### F(AI)1 Power Delivery Service Charge

F(AI)1.1 The Power Delivery Service Charges recover that proportion of the Transmission Network Provider's Maximum Annual Revenue approved by ERC under the RTWR that is associated with the cost of conveying Electricity to or from Connection Points and is payable by applicable Customers.

### F(AI)2 Power Delivery Service Charge payable by Generation Customers

F(AI)2.1 Generation Customers shall pay a monthly Power Delivery Service charge for each of its Points of Receipt, determined as follows:

$$GPDS = GBD_i * GR$$

Where:

GPDS = Generator Power Delivery Service Charge

GBD<sub>i</sub> = Generator Billing Determinant for customer i, as determined under F(AI)2.2

GR = Generator Power Delivery Service Rate, as determined under F(AI)5

F(AI)2.2 The Generator Billing Determinant for each point of injection shall be the average of the twelve (12) monthly injections, co-incident with monthly transmission system peak demand in kW. The Generator Billing Determinant for new Generation Customers or those reconnecting to the Transmission Network Provider's facilities and for those without a twelve (12) month history would be determined by the Transmission Network Provider from the information provided in the Service Agreement.

F(AI)2.3 The revised Billing Determinant as per F(AI)2.2 of these OATS Rules, shall be applied from the next Billing Period after 30 days from effectivity of these OATS rules.

### F(AI)3 Power Delivery Charge payable by Load Transmission customers

F(AI)3.1 Load Customers shall pay a monthly Power Delivery Service charge for each of their points of delivery, determined as follows:

$$LPDS = LBD_i * LR$$

Where:

LPDS = Load Power Delivery Service Charge

LBD<sub>i</sub> = Load Billing Determinant for Customer i, as determined under F(AI)3.2

LR = Load Power Delivery Service Rate, as determined under F(AI)6

F(AI)3.2 The Load Billing Determinant for each point of delivery shall be the average of the twelve (12) monthly demand, co-incident with monthly transmission system peak demand in kW. The Load Billing Determinant for new Load Customers or for those reconnecting to the Transmission Network Provider's facilities and for those without a twelve (12) month

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history would be determined by the Transmission Network Provider from the information provided in the Service Agreement.

F(AI)3.3 The revised Billing Determinant as per F(AI)3.2 of these OATS Rules, shall be applied from the next Billing Period after 30 days from effectivity of these OATS rules.

### F(AI)4 Customer Segment Power Delivery Revenue Requirement

F(AI)4.1 The Customer Segment Power Delivery Revenue Requirement shall be determined as follows:

(a) The Customer Segment Revenue Requirement (CSRR) is that proportion of the Maximum Annual Revenue that is allocated by the Transmission Network Provider to each ERC-approved Customer Segment and shall be based on its demand considered relative to the MAR cap approved by the ERC at the regulatory reset for the relevant Regulatory Period under the RTWR. The PDR shall reflect, to the extent practicable and subject to the application of the Side Constraints in the RTWR, the relative or proportional value of the Revenue Requirement required for the provision of the Regulated Services in each Customer Segment relative to the total demand.

$$CSRR = MAR_t \times CS_{DP}$$

Where,

CSRR = The Maximum Annual Revenue for the current Regulatory Year as allocated by the Transmission Network Provider to that Customer Segment under Rule F(AI)4.1

MAR<sub>t</sub> = The Maximum Annual Revenue for the current Regulatory Year as approved by the ERC

CS<sub>DP</sub> = The Customer Segment proportion considered relative to the Maximum Annual Revenue in accordance with Rule F(AI)4.1

(b) To the extent the Side Constraints determined by the ERC for the relevant Regulatory Period constrain the revenue recovery from each Customer Segment otherwise, such side constraints shall apply until these revenue recovery proportions are achieved. Any under or over recovery of the Maximum Annual Revenue shall be recovered or returned to Customers through the Kt factor as defined in the RTWR.

F(AI)4.2 The Customer Segment Power Delivery Revenue Requirement (PDR<sub>CS</sub>) is determined as follows:

$$PDR_{CS} = \frac{CSRR_t - (SOC_{CS} + MSP_{CS})}{12}$$

Where:

CSRR<sub>t</sub> = The Maximum Annual Revenue cap for the current Regulatory Year as allocated by the Transmission Network Provider to that Customer Segment under F(AI)4.1

SOC<sub>CS</sub> = The Aggregate Revenue the Transmission Network Provider Expects to receive in the current Regulatory Year from System

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Operator Charges from that Customer Segment, where this revenue has been included in the  $MAR_t$

$MSP_{CS}$  = The Aggregate Revenue the Transmission Network Provider expects to receive in the current Regulatory Year from Metering Service Provider Charges from that Customer Segment, provided that Metering Services remain a Regulated Transmission Service under the RTWR and this revenue has been included in the  $MAR_t$

F(AI)4.3 The Generator Power Delivery Service Revenue Requirement (GDR) for each Customer Segment is that proportion of the Customer Segment Power Delivery Revenue Requirement which is to be recovered from Generation Customers and is determined as follows:

$$GDR = G * PDR$$

Where

G = Percentage of the Power Delivery Service Revenue Requirement to be recovered from Generation Customers, as determined by ERC; Value of 'G' to be used as zero percent (0%) until re-determined by ERC

PDR = Customer Segment Power Delivery Service Revenue Requirement as determined under F(AI)4.2

F(AI)4.4 The Load Power Delivery Service Revenue Requirement (LDR) for each Customer Segment is that proportion of the Customer Segment Power Delivery Revenue Requirement determined which is to be recovered from Load Customers and is determined as follows:

$$LDR = L * PDR$$

Where

L = Percentage of the Power Delivery Service Revenue Requirement to be recovered from Load Customers, as determined by ERC; Value of 'L' to be used as hundred percent (100%) until re-determined by ERC

PDR = Customer Segment Power Delivery Revenue Requirement as determined under F(AI)4.2

### F(AI)5 Generator Power Delivery Service Rate

F(AI)5.1 The Generator Power Delivery Service Rate (GR) is determined as follows:

$$GR = \frac{GDR}{\sum GBD_i}$$

Where:

GDR = The Generator Power Delivery Service Revenue Requirement as determined under F(AI)4.3

$\sum GBD_i$  = The sum of Generator Billing Determinants for all Points of Receipt, as defined under F(AI)2.2; the Billing Determinant of Non-Firm customers shall be converted into their Firm

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Equivalent, by extrapolating for the regulatory period, and added in total Billing Determinants, used to calculate the PDS rates

### F(AI)6 Load Power Delivery Service Rate

F(AI)6.1 The Load Power Delivery Service Rate (LR) is determined as follows:

$$LR = \frac{LDR}{\sum LBD_i}$$

Where:

- LDR = The Load Power Delivery Service Revenue Requirement as determined under F(AI)4.4
- $\sum LBD_i$  = The sum of Load Billing Determinants for all points of delivery, as defined under F(AI)3.2; the Billing Determinant of Non-Firm customers shall be converted into their Firm Equivalent, by extrapolating for the regulatory period, and added in total Billing Determinants, used to calculate the PDS rates

## Annex II, Module F: System Operator Charges

### F(AII)1 System Operator Charges

F(AII)1.1 The System Operator Charge (SOC) recovers that portion of the Transmission Network Provider's Maximum Annual Revenue Cap, and any other costs approved by ERC, that are associated with the cost of System Operation. This includes (1) the costs of providing generation dispatch and operation and control services to ensure Safety, Power Quality, Stability, Reliability and Security of the Grid, (2) the Communication and SCADA cost, and (3) the cost of managing Ancillary Services as specified in the AS Rules.

F(AII)1.2 The SOC charge payable by each Transmission Customer shall be determined as follows:

$$SOC = SOR \times BD$$

Where:

- SOR = The System Operator Rate as determined under F(AII)1.3
- BD = The applicable Billing Determinants of Transmission Customer under Rule F1 as the case may be.

F(AII)1.3 The System Operator Rate is determined as follows:

$$SORrate = \frac{SORR}{\sum BD_i}$$

Where:

- SORR = The System Operator Revenue Requirement is that amount of the Transmission Network Providers' Annual Revenue Requirement (ARR) determined by the ERC as per RTWR for the current Regulatory Year that is attributable to System Operation Services, and any other costs approved by the ERC that are associated with the cost of System Operation.

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$\Sigma BD_i$  = The sum of the Billing Determinants of applicable Transmission Customers under Rule F1 as the case maybe, for the previous Regulatory Year, as approved by the ERC.

F(AII)1.4 The Embedded Generator Billing Determinant for each point of injection shall be the average of the twelve (12) monthly injections, co-incident with monthly transmission system peak demand in kW at that point of injection, measured in time intervals as defined under WESM Rules, of that embedded generating for the Billing Period. The revised Billing Determinant as per F(AII)1.4 of these OATS Rules, shall be applied from the next Billing Period after 30 days from effectivity of these OATS rules.

F(AII)1.5 The Transmission Network Provider shall maintain a register of the System Operator assets that are used to provide System Operator services to Transmission Customers. This register shall include:

- (a) List of System Operator assets, including land used for System Operator services.
- (b) A record of the value of each System Operator asset for the current Regulatory Year, as determined under the RTWR.
- (c) A record of the regulated depreciation of each System Operator asset for the current Regulatory Year, as determined under the RTWR.

### Annex III, Module F: Metering Service Provider Charge

#### F(AIII)1 Metering Service Provider Charge

F(AIII)1.1 The Metering Service Provider Charge recovers that portion of the Transmission Network Provider's Maximum Annual Revenue Cap, and any other cost approved by the ERC, that are associated with the cost of metering services. A Metering Service Provider Charge will apply to all Connected Transmission Customers and will vary in accordance with the ownership and voltage level of the infrastructure provided by the Metering Service Provider for a Metering Installation.

F(AIII)1.2 If more than one Metering Installation exists for a Connection Point and each Metering Installation has to be serviced by the Metering Service Provider, a Metering Service Provider Charge shall apply separately to each Metering Installation.

F(AIII)1.3 Metering Service Provider Charges determined in accordance with this Annex III, Module F shall come into effect on the same date as the new tariff rates resulting from the approval by the ERC of the MAR for the current Regulatory Year take effect.

F(AIII)1.4 Metering Service Provider Charges shall consist of a per Voltage Level Charge and a Common Charge. The Metering Service Provider Charge per Voltage Level shall vary in accordance with the voltage level of the infrastructure provided by the Metering Service Provider for a Metering Installation, while the Metering Service Provider Common Charge shall be a uniform rate applicable to the Transmission Customers for metering services provided to all Metering Installations.

#### F(AIII)2 Metering Service Charge payable by Connected Transmission Customers

F(AIII)2.1 The monthly Metering Service Provider Charge payable by Connected Transmission Customers shall be determined as follows:

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$$MSC = \frac{ODRC_m * WACC + D_m + L_m + O_m + T_m}{12 \times NMI}$$

Where:

- ODRC<sub>m</sub> = The Optimised Depreciated Replacement Cost of the Metering Installation assets as determined under F(AIII)3.1
- WACC = The Weighted Average Cost of Capital as determined under F(AIII)3.3
- D<sub>m</sub> = The depreciation cost of the Metering Installation assets for the current year, as determined under F(AIII)3.1
- L<sub>m</sub> = The annual lease cost charged to the Metering Service Provider for assets used at the Metering Installation and leased by Metering Service Provider
- O<sub>m</sub> = The operation and maintenance cost attributable to the provision of metering services for the current year, as determined under F(AIII)3.4
- T<sub>m</sub> = The corporate tax expense attributable to the Metering Installation assets for the current year, as determined under F(AIII)3.5
- NMI = Total number of metering installations

### F(AIII)3 Components of Metering Service Provider Charge

F(AIII)3.1 The Metering Service Provider shall maintain a Metering Asset Register of its assets form part of the Metering Installations installed at all Metering Points. The Metering Asset Register shall include:

- (a) List of metering assets that make up the Metering Installation which shall include, but not limited to, the following:
- (i) Revenue metering instrument transformers;
  - (ii) Revenue class meters;
  - (iii) Lightning or surge protection installation;
  - (iv) Communication device(s) and/or any part of a larger communication installation dedicated solely to the Metering Installation to allow remote meter reading, meter operation or meter interrogation;
  - (v) Housing or the Metering Installation;
  - (vi) All interconnection cables, wires and associated devices, including test blocks, pulse repeaters, loading resistors, etc.
- (b) A record of the value of each metering asset for the current Regulatory Year, as determined under the RTWR.
- (c) A record the Regulated Depreciation of each metering asset for the current Regulatory Year as determined under the RTWR.



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- (d) An allocation of the value, and the depreciation cost, of each metering asset recorded in the Metering Asset Register to one of the following categories:
- (i) Common assets; where the asset is used to provide services to all Metering Installations.
  - (ii) 500 kV assets
  - (iii) 230 kV assets
  - (iv) 138 kV assets
  - (v) 115 kV assets
  - (vi) 69 kV assets
  - (vii) 34.5 kV assets
  - (viii) 13.8 kV assets
  - (ix) below 13.8 kV assets

In Instances when some, or all, of the metering equipment forming part of a Metering Installation are not the property of the Metering Service Provider, such metering equipment should not be recorded in the Metering Asset Register.

F(AIII)3.2 Metering assets could include, but are not limited to, the following items that make up the Metering Installation:

- (a) Revenue Metering Instrument transformers;
- (b) Revenue class meters;
- (c) Integrating pulse recorder(s) and time source;
- (d) Lightning or surge protection installation;
- (e) Communication device(s) and/or any part of a larger communication installation dedicated solely to the Metering Installation to allow remote meter reading, meter operation or meter interrogation;
- (f) Housing of the Metering Installation;
- (g) All interconnection cables, wires and associated devices, i.e. test blocks, pulse repeaters, loading resistors, etc.

F(AIII)3.3 The Weighted Average Cost of Capital (WACC) shall be the WACC for the Regulatory Period as determined by the ERC under the RTWR.

F(AIII)3.4 The amount of Transmission Network Provider's operational and maintenance costs ( $O_m$ ) to be recovered in relation to each Metering Installation shall be determined as follows:

- (a) That amount of the Transmission Network Providers' MAR determined by the ERC under the RTWR for the current Regulatory Year that is attributable to operation and maintenance of metering assets
- (b) The Metering Service Provider shall adjust the allocation of operation and maintenance expenditure determined under F(AIII)3.4(a), if warranted by the variation in cost of serving customers (WESM or non-WESM participants). Such

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allocation must be on a non-discriminatory basis as required by the EPIRA. Customers in like situations shall be treated in a like manner.

F(AIII)3.5 The corporate tax cost ( $T_m$ ) to be included in the Metering Service Charge for each Metering Installation shall be determined as:

- (a) That portion of the corporate tax expense to be recovered through the Metering Service charges as determined under F(AIII)2
- (b) The portion of corporate tax cost (CTM) to be recovered through Metering Service Charges shall be determined by the following formula:

$$CTM = \frac{\sum ODRC_m}{RAB} \times TC$$

Where:

- |               |   |  |
|---------------|---|--|
| $\sum ODRC_m$ | = | Is the Optimised Depreciated Replacement Cost value of all Metering Installations as determined under F(AIII)3.1 |
| RAB           | = | Regulated Asset Base for the current Regulatory Year as determined by the ERC under the RTWR.                    |
| TC            | = | Total corporate tax cost for the current Regulatory Year as determined by the ERC under the RTWR.                |

### F(AIII)4 Additional Metering Services

F(AIII)4.1 The Transmission Service Provider shall charge the Transmission Customer for providing additional services. Such services would be considered Excluded Services under the RTWR and might for instance cover operation and maintenance of Customer meters used for non-OATS Rules purposes at a particular Metering Installation. Any such charges must be fair and transparent and reflect the costs to the Transmission Service Provider.

### F(AIII)5 Calculation of Loss Factors

F(AIII)5.1 From time-to-time the Transmission Network Provider is required for regulatory or reporting purposes to compute grossed-up billing determinants which factor in the average Loss Factors for each Grid or Customer Segment. The "Loss Factor" refers to transmission losses as percent of net generation determined to the nearest second decimal point.

F(AIII)5.2 The Transmission Network Provider shall compute the applicable Loss Factor based on system net generation, excluding plant station use, for all Grid Generation Facilities and total Electricity delivered to all Point(s) of Delivery for a period of twelve (12) months, which period is considered to be sufficiently long to insure stability in the resulting Loss Factor.

F(AIII)5.3 The Loss Factor shall be recomputed by the Transmission Network Provider periodically (but not less frequently than once each year) based on the prior twelve (12) month period.

F(AIII)5.4 The Loss Factor shall be determined separately for each Grid or where necessary for each Customer Segment.

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### Annex IV, Module F: Connections Charges and Residual Sub-transmission Charges

#### F(AIV)1 Connection Charges and Residual Sub-transmission Charges

F(AIV)1.1 Sub-transmission assets are defined in the ERC Amended Rules for the Approval of the Sale and Transfer of TransCo's Sub-transmission Assets and Acquisition by Qualified Consortiums [refer to ERC Resolution No. 15, Series of 2011 issued on 06 July 2011]. Provided, however, that these sub-transmission assets have not been reclassified as transmission assets by resolutions of the ERC.

F(AIV)1.2 Connection Charges and Residual Sub-transmission Charges allow the recovery of these assets and other costs associated with the provision of sub-transmission service to Transmission Customers.

Connection Charges and Residual Sub-transmission Charges determined in accordance with Annex IV, Module F shall come into effect on the same date as the new rates resulting from the final determination by the ERC of the MAR for the Regulatory Period take effect.

F(AIV)1.3 The Connection Charges and Residual Sub-transmission Charges shall be updated annually during the rate verification and adjustment process under Article VI of the RTWR, and the charges to the end of the Application Year shall be based on the rolled forward asset value to the end of the Application Year, as described in F(AIV)5.1 and F(AIV)9.1.

#### F(AIV)2 Connection Asset

F(AIV)2.1 Connection Assets are the assets connecting that Customer's facilities to the Transmission Network Providers facilities, including land required for the Connection Assets, as determined by applying the definition of Connection Assets specified by the ERC in the Amended Rules on the Definition and Boundaries of Connection Assets for Customers of Transmission Network Provider [refer to ERC Resolution No. 23, Series of 2016, issued on 10 May 2016] and any amendment to that document thereafter.

F(AIV)2.2 Connection Assets are a subset of the Sub-transmission Assets defined under ERC's Resolution No. 15, Series of 2011, entitled "A Resolution Adopting the Amended Rules for the Approval of the Sale and Transfer of Transco's Sub-Transmission Assets and the Acquisition by Qualified Consortiums".

#### F(AIV)3 Connection Charges

F(AIV)3.1 The Connection Charge recovers the costs, as defined in the RTWR, associated with connecting a single Transmission Customer's facility to the Grid.

F(AIV)3.2 Connection Charges are payable by Generation Customers and/or Load Customers on Connection Assets, financed by Transmission Network Provider.

#### F(AIV)4 Calculating the Connection Charge

F(AIV)4.1 Where the Service Agreement or another contract between the Transmission Network Provider and the Connected Transmission Customer specifies the amount that the Connected Transmission Customer shall pay the Transmission Network Provider for the Transmission Connection Assets identified in that contract, the Transmission Connected Customer shall pay the charges specified in that contract.

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F(AIV)4.2 Where there is no contract containing provisions relating to the allocation of the costs of Connection Assets, the Connected Transmission Customer shall pay a Connection Charge (CC) each month determined as follows:

$$CC = \frac{ODRC_i \times WACC + D_i + O_i + T_i + R_i}{12}$$

Where:

- ODRC<sub>i</sub> = Is the Optimised Depreciated Replacement Cost of the Connection Asset I as determined under F(AIV)4.1, subject to Rule B 20 of the OATS Rules
- WACC = Is the Weighted Average Cost of Capital as determined under F(AIV)5.2
- D<sub>i</sub> = Is the depreciation cost of the Connection Asset i for the current year, as determined under F(AIV)5.1(c)
- O<sub>i</sub> = Is the operational and maintenance cost attributable to the Connection Asset I for the current year, as determined under F(AIV)5.3
- T<sub>i</sub> = Is the corporate tax expense attributable to the Connection Asset i for the current year, as determined under F(AIV)5.4
- R<sub>i</sub> = Is the short-fall, or surplus, in the Connection Charge collected for that Connection Asset i in the previous year, increased by an amount to reflect the time value of money calculated using the Weighted Average Cost of Capital as determined under F(AIV)5.2. If R<sub>i</sub> is a surplus, it shall be expressed as a negative.

### F(AIV)5 Components of Connection Charge

F(AIV)5.1 The Transmission Network Provider shall maintain a register of the Connection Assets attributable to each Connected Transmission Customer. This register shall:

- (a) Allocate to each Connected Transmission Customer the assets connecting that Customer's facilities to the Grid, including land required for the Connection Assets, as determined by applying the definition of Connection Assets determined by the ERC, and the asset valuation used by the ERC for the final determination relating to the current Regulatory Period;
- (b) Record the rolled-forward depreciated value of each Connection Asset for the current Regulatory Year, using the method specified under the RTWR. The value recorded for each Connection Asset should be net of any capital contribution, prepayment or asset donated by the Connected Transmission Customer, and net of any asset owned by the Connected Transmission Customer. For the purposes of determining the Connection Charge, the rolled-forward depreciated value for the current Regulatory Year will be determined using actual capital expenditure (rather than forecast capital expenditure), including capital expenditure incurred upgrading or replacing (in part or in whole) donated assets. The rolled forward value will be updated at least annually during the rate verification and adjustment process in Article VI of the RTWR, and the charges to the end of the application year shall be based on the rolled forward value to the end of the Application Year.

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- (c) Record the regulated depreciation for the current Regulatory year for each Connection Asset using the regulatory life of that asset type as determined by the ERC at the last regulatory reset for the current Regulatory Period, under the RTWR.

F(AIV)5.2 The Weighted Average Cost of Capital (WACC) shall be the approved WACC for the Regulatory Period as determined by the ERC at the last regulatory reset for the current Regulatory Period under the RTWR.

F(AIV)5.3 The amount of Transmission Network Provider's operational and maintenance costs to be recovered in relation to each Connection Asset shall be determined as follows:

- (a) The operational and maintenance cost to be included in the Connection Charge for each Connection Asset shall be determined as follows:

$$O_{CA} = \frac{ODRC_{CA}}{\sum_{CA=1}^n ODRC_{CA}} \times O_{CC}$$

Where:

$O_{CA}$  = The operation and maintenance cost allocated to each Connection Asset included in Rule F(AIV)5.1

$ODRC_{CA}$  = The Optimized Depreciated Replacement Cost of the Connection Asset as determined under Rule F(AIV)5.1

$\sum_{CA=1}^n ODRC_{CA}$  = The Optimized Depreciated Replacement Cost value of all Connection Assets as determined under Rule F(AIV)5.1(b)

$O_{CC}$  = The amount of operation and maintenance costs to be recovered through Connection Charges as determined under Rule F(AIV)5.3(b)

- (b) The amount of operation and maintenance costs (COC) to be recovered through Connection Charges shall be determined by the following formula:

$$O_{CC} = \frac{\sum_{CA=1}^n ODRC_{CA}}{\sum_{RAB=1}^n ODRC_{RAB}} \times O_{RAB}$$

Where:

$O_{CC}$  = The amount of operation and maintenance costs to be recovered through Connection Charges

$\sum_{CA=1}^n ODRC_{CA}$  = The Optimized Depreciated Replacement Cost value of all Connection Assets as determined under Rule F(AIV)5.1(b)

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$$\sum_{RAB=1}^n ODRC_{RAB}$$
 = The Optimized Depreciated Replacement Cost value of the Regulated Asset Base for the application year as determined by the ERC at the last regulatory reset for the current Regulatory Period, as determined under the RTWR

$O_{RAB}$  = The operation and maintenance costs for the application year as determined by the ERC at the last regulatory reset for the current Regulatory Period, under the RTWR

F(AIV)5.4 The amount of Transmission Network Provider's corporate tax expense to be recovered in relation to each Connection Asset shall be determined as follows:

(a) The corporate tax expense ( $T_i$ ) to be included in the Connection Charge for each Connection Asset shall be determined as follows:

$$T_i = \frac{ODRC_i}{\sum ODRC_i} \times CTC$$

Where:

$ODRC_i$  = Is the Optimised Depreciated Replacement Cost of the Connection Asset as determined under F(AIV)4.1

$\sum ODRC_i$  = Is the Optimised Depreciated Replacement Cost value of all Connection Assets as determined under F(AIV)5.1(b)

$CTC$  = The amount of corporate tax cost to be recovered through connection charges as determined under F(AIV)5.4(b)

(b) The corporate tax cost ( $CTC$ ) to be recovered through Connection Charges shall be determined by the following formula:

$$CTC = \frac{\sum ODRC_i}{RAB} \times TC$$

Where:

$\sum ODRC_i$  = Is the Optimised Depreciated Replacement Cost value of all Connection Assets as determined under F(AIV)5.1(b)

$RAB$  = Regulated Asset Base for the current Regulatory Year as determined by the ERC at the last regulatory reset for the current Regulatory Period, as determined under the RTWR

$TC$  = The corporate tax cost for the current Regulatory Year as determined by the ERC at the last regulatory reset for the current Regulatory Period, under the RTWR

### F(AIV)6 Residual Sub-transmission Assets

F(AIV)6.1 Residual Sub-transmission Assets are sub-transmission assets identified in accordance with ERC Resolution No. 15, Series of 2011 and ERC Resolution No. 4, Series of 2016 less any asset defined as a Connection Asset under Rules F(AIV)2.1, less any asset that is no longer owned by the Transmission Network Provider and less any asset that has been reclassified as a transmission asset by resolution of the ERC.

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### F(AIV)7 Residual Sub-transmission Charges

F(AIV)7.1 Residual Sub-transmission Charge recovers the costs (as per provisions for Excluded Services under RTWR), associated with sub-transmission assets that are not otherwise recovered through the Connection Charges.

F(AIV)7.2 Residual Sub-transmission Charges are payable by Load Customers or Generation Customers when they accept services from the Transmission Network Provider as if they were Load Customers.

### F(AIV)8 Calculating the Residual Sub-transmission charge

F(AIV)8.1 Where the Service Agreement or another contract between the Transmission Network Provider and the Transmission Customer specifies the amounts that the Connected Transmission Customer shall pay the Transmission Network Provider for the Sub-transmission Assets identified in that contract, the Connected Transmission Customer shall pay the Transmission Network Provider the charges specified in that contract.

F(AIV)8.2 Where there is no contract containing provisions relating to the allocation of the costs of Sub-transmission Assets, the Connected Transmission Customer shall pay a Residual Sub-transmission Charge (RSC) each month determined as follows:

$$RSTC_{RSTA} = \frac{ODRC_{RSTA} \times WACC + D_{RSTA} + O_{RSTA} + T_{RSTA} + R_{RSTA}}{12} \times PRSTC$$

Where:

RSTA	=	Each Residual Sub-transmission Asset included in Rule F(AIV)9.1
RSTC <sub>RSTA</sub>	=	The Residual Sub-transmission Charge for each Residual Sub-transmission Asset included in Rule F(AIV)9.1
ODRC <sub>RSTA</sub>	=	The Optimized Depreciated Replacement Cost of the Residual Sub-transmission Asset as determined under Rule F(AIV)9.1
WACC	=	The Weighted Average Cost of Capital as determined under Rule F(AIV)9.2
D <sub>RSTA</sub>	=	The depreciation cost of the Residual Sub-transmission Asset for the application year, as determined under Rule F(AIV)9.1(c)
O <sub>RTSA</sub>	=	The operation and maintenance cost attributable to the Residual Sub-transmission Asset for the application year, as determined under Rule F(AIV)9.3
T <sub>RTSA</sub>	=	The tax cost other than corporate tax cost attributable to the Residual Sub-transmission Asset for the application year, as determined under Rule F(AIV)9.4
R <sub>RSTA</sub>	=	The short-fall, or surplus, in the Residual Sub-transmission Charge collected for that Residual Sub-transmission Asset in the previous year, increased by an amount to reflect the time value of money calculated using the Weighted Average Cost of Capital as determined under F(AIV)9.2. If RRSTA is a surplus, it shall be expressed as a negative.

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F(AIV)8.3 Where a Residual Sub-transmission Asset is used by two or more Transmission Customers, the proportion of the Residual Sub-transmission Charge payable by each Transmission Customer is determined as follows:

$$PRSTC = \frac{BD_{RSTA}}{\sum_{RSTA=1}^n BD_{RSTA}}$$

Where:

$BD_{RSTA}$  = The Generator Billing Determinant as determined under Rules F(AI)2 or the Load Billing Determinant as determined under Rules F(AI)3, as the case may be, for the Transmission Customer at the relevant Connection Point

$\sum_{RSTA=1}^n BD_{RSTA}$  = The sum of the Billing Determinants of all Transmission Customers at the relevant Connection Point

### F(AIV)9 Components of Residual Sub-transmission Charge

F(AIV)9.1 The Transmission Network Provider shall maintain a register of the Residual Sub-transmission Assets attributable to each Connected Transmission Customer. This register shall:

- (a) Allocate to each Connected Transmission Customer the Sub-transmission Assets connecting that Customer's facilities to the Grid, including land required for the Sub-transmission Assets, as determined by applying the definition of Residual Sub-transmission Assets under F(AIV)6.1;
- (b) Record the rolled-forward depreciated value of each Residual Sub-transmission Asset for the current Regulatory Year, using the method specified as determined under the RTWR. The value recorded for each Residual Sub-transmission Asset should be net of any capital contribution, or prepayment or asset donated made by the Connected Transmission Customer for that Sub-transmission Asset. For the purposes of determining the Residual Sub-transmission Charge, the rolled-forward depreciated value for the current Regulatory year will be determined using actual capital expenditure (rather than forecast capital expenditure), including capital expenditure incurred upgrading or replacing (in part or in whole) donated assets. The rolled forward value will be updated annually during the rate verification and adjustment process in Article VI of the RTWR, and the charges to the end of the Application Year shall be based on the rolled forward value to the end of the Application Year;
- (c) Record the Regulated Depreciation for the current Regulatory Year for each Residual Sub-transmission Asset using the regulatory life of that asset type as determined by the ERC for the final determination relating to the current Regulatory Period under the RTWR.

F(AIV)9.2 The Weighted Average Cost of Capital (WACC) shall be the approved WACC for the Regulatory Period as determined by the ERC at the last regulatory reset for that Regulatory Period under the RTWR.

F(AIV)9.3 The amount of Transmission Network Provider's operational and maintenance costs approved by the ERC under the RTWR for the current Regulatory Year, to be recovered in relation to each Residual Sub-transmission Asset shall be determined as follows:



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- (a) The operational and maintenance cost ( $O_s$ ) to be included in the Residual Sub-transmission Charge for each Residual Sub transmission Asset shall be determined as follows:

$$O_s = \frac{ODRC_s}{\sum ODRC_s} \times SOC$$

Where:

- $ODRC_s$  = Optimised Depreciated Replacement Cost of the Residual Sub-transmission Asset as determined under F(AIV)9.1
- $\sum ODRC_s$  = Optimised Depreciated Replacement Cost value of all Residual Sub-transmission Assets as determined under F(AIV)9.1 (b)
- $SOC$  = The amount of operational and maintenance costs to be recovered through Residual Sub-transmission charges as determined under F(AIV)9.3(b)

- (b) The amount of operation and maintenance costs ( $SOC$ ) to be recovered through Residual Sub-transmission Charges shall be determined by the following formula:

$$SOC = \frac{\sum ODRC_s}{RAB} \times OC$$

Where:

- $\sum ODRC_s$  = Optimised Depreciated Replacement Cost value of all Residual Sub-transmission Assets as determined under F(AIV)9.1 (b)
- $RAB$  = Regulated Asset Base for the current Regulatory Year as determined by the ERC at the last regulatory reset for the current Regulatory Period, as determined under the RTWR
- $OC$  = The operational and maintenance overhead costs for the current Regulatory Year as determined by the ERC at the last regulatory reset for the current Regulatory Period, under the RTWR

F(AIV)9.4 The amount of Transmission Network Provider's corporate tax expense to be recovered in relation to each Residual Sub-transmission Asset shall be determined as follows:

- (a) The corporate tax expense ( $T_s$ ) to be included in the Residual Sub transmission Charge for each Residual Sub-transmission Asset shall be determined as follows:

$$T_s = \frac{ODRC_s}{\sum ODRC_s} \times STC$$

Where:

- $ODRC_s$  = Is the Optimised Depreciated Replacement Cost of the Residual Sub transmission Asset as determined under F(AIV)9.1
- $\sum ODRC_s$  = Is the Optimised Depreciated Replacement Cost value of all Residual Sub-transmission Assets as determined under F(AIV)9.1 (b)
- $STC$  = The amount of corporate tax cost to be recovered through Residual Sub-transmission charges as determined F(AIV)9.4(b)

- (b) The amount of corporate tax cost ( $STC$ ) to be recovered through Residual Sub-transmission Charges shall be determined by the following formula:

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$$STC = \frac{\sum ODRC_s}{RAB} \times TC$$

Where:

$\sum ODRC_s$  = Is the Optimised Depreciated Replacement Cost value of all Residual Sub-transmission Assets as determined under F(AIV)9.1 (b)

RAB = Regulated Asset Base for the current Regulatory Year as determined by the ERC at the last regulatory reset for the current Regulatory Period, under the RTWR

TC = The corporate tax cost for the current Regulatory Year as determined by the ERC at the last regulatory reset for the current Regulatory Period, under the RTWR

F(AIV)9.5 The tax cost other than corporate tax cost to be recovered in relation to each Residual Sub-transmission Asset included in Rule F(AIV)9.1

## Annex V, Module F: Billing Adjustments

### F(AV)1 Interruption and Curtailment Billing Adjustment

F(AV)1.1 The Interruption Billing Adjustment reduces the relevant transmission charges to the Connected Transmission Customer when an Interruption below the level agreed in the Service Agreement is due to Transmission Network Provider related faults. The Interruption Billing Adjustment is determined under F(AV)1.3. For the avoidance of doubt, the Interruption Billing Adjustment does not apply when the Interruption arises from Generation or other non-Transmission Network Provider related causes.

F(AV)1.2 The Curtailment Billing Adjustment reduces the relevant transmission charges to the Connected Transmission Customer when a Curtailment below the level agreed in the Service Agreement is due to Transmission Network Provider related faults. The Curtailment Billing Adjustment is determined under F(AV)1.4 below. For the avoidance of doubt, the Curtailment Billing Adjustment does not apply when the Curtailment arises from Generation or other non-Transmission Network Provider related causes.

F(AV)1.3 The Interruption Billing Adjustment shall be computed using the formula below:

$$IBA = \sum PDSRC \times \frac{\text{Interruption Hours}}{\text{Billing Hours}} \times \frac{M_i}{\sum M_i}$$

Where:

$\sum PDSRC$  = The sum of Power Delivery Service Charges for the Connected Transmission Customer

Interruption Hours = Total number of hours during the Billing Period that service was interrupted

Billing Hours = Hours of the month

$M_i$  = Where the service was interrupted for:

Generation Customers, the injection peak for the Billing Period at the point of injection where the service was interrupted

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Load Customers, the peak demand for the Billing Period at the point of delivery where the service was interrupted

$\Sigma M_i$  = Where the service was interrupted for:

Generation Customers, the sum of the injection peaks for the Billing Period at all Points of Receipt for that Generation Customer

Load Customers, the sum of the peak demand for the Billing Period at all points of delivery for that Load Customer

F(AV)1.4 The Curtailment Billing Adjustment shall be computed using the formula below:

$$CBA = \Sigma PDSRC \times \frac{\text{Curtailment Hours}}{\text{Billing Hours}} \times \frac{M_i}{\Sigma M_i} \times \frac{CTC - ATC}{CTC}$$

Where:

CTC = Contracted Transmission Capacity agreed between the Transmission Network Provider and the Transmission Customer and recorded in the Transmission Customer's Service Agreement for the Connection Point under C4 of these OATS Rules

ATC = The maximum level of Actual Transmission Capacity during the Curtailment Hours

Curtailment Hours = Total number of hours during the Billing Period that service was Curtailed

All other components are the same as under F(AV)1.3.

F(AV)1.5 For each Billing Period, any applicable Interruption Billing Adjustment (IBA) and Curtailment Billing Adjustment (CBA) amount shall be reduced from the Power Delivery Service (PDS) charges billed to the customer.

$$\text{Net PDS Bill} = \text{PDS bill amount} - \text{IBA amount} - \text{CBA amount}$$

Where:

Net PDS Bill = Net amount of PDS bill to be paid by customer

IBA amount = Amount of Interruption Billing Adjustment calculated in accordance with Rule F(AV)1.3 of these OATS Rules

CBA amount = Amount of Curtailment Billing Adjustment calculated in accordance with Rule F(AV)1.4 of these OATS Rules

## F(AV)2 Force Majeure Adjustment

F(AV)2.1. During Force Majeure events, collection of OATS charges (including Power Delivery Service charge, System Operator charge and Metering Service Provider charge) by Transmission Network Provider/ System Operator shall be proportionately reduced in accordance with Rule F(AV)2.3 of these OATS Rules.

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- F(AV)2.2. Transmission Network Provider/ System Operator shall file a petition to the ERC, with suggested mechanism for recovery of the under-collection in MAR, due to such Force Majeure Event adjustment.
- F(AV)2.3. The proportionate billing for the Billing Period with a FME shall be computed by multiplying the regulated transmission charges with a factor using the actual metered energy consumed within the Billing Period over the average energy consumption for the preceding twelve (12) months of the affected Transmission Customers.
- F(AV)2.4. For the whole Billing Period without service due to the FME, the affected Transmission Customers are not liable to pay any transmission charges, and that Billing Period shall be included in the computation of the average twelve (12) month Billing Determinant under F(AI)2.2 and F(AI)3.2 accordingly.

## Annex VI, Module F: Other Adjustments and Charges

### F(AVI)1 Other Adjustments

- F(AVI)1.1 Laws, rules or regulations can provide for other adjustments to the Billing Statement issued to the Transmission Customer. If ERC approval is required for an adjustment, the adjustment shall be submitted to the ERC for approval prior to inclusion in the Billing Statement.

### F(AVI)2 Other Charges

- F(AVI)2.1 Other Excluded Services which relate to the provision of Transmission Connection Services, including those mentioned in this Section, shall also be charged using a detailed approach which meets the requirements of the RTWR.

- F(AVI)2.2 In addition to the basic annual Connection Charges, Customers shall pay the Transmission Network Provider for certain other costs related to their connection. These will be set out in the Service Agreement where appropriate and include those described below:

#### (a) Irregular Works

- (i) To provide a connection, the Transmission Network Provider may need to carry out works on the Transmission System, which although are directly attributable to the connection, may not give rise to additional Connection Assets. Where the Transmission Customer(s) are liable for such irregular works, they will pay a charge equal to the cost of the work involved, where charges are fair and transparent as Excluded Services under the RTWR.
- (ii) Payment for the irregular works shall be paid on an agreed date, which is usually upon completion of the works. However, arrangements can be agreed between the Transmission Network Provider and the Transmission Customer(s) to pay the charge on a periodic basis over a longer period.

#### (b) Miscellaneous/Termination Charges

- (i) Other contract specific changes, including contract termination charges, shall be payable by the Transmission Customer(s), which shall be set out in the Service Agreement.

# Annex A to these OATS Rules: Pro Forma Service Application and Service Agreement

## GUIDELINES FOR THE APPLICATION PROCESS

### **1. Terms**

- 1.1. In this Application/Service Agreement, capitalized terms have the meaning given to them in the OATS Rules.
- 1.2. An “**Other**” customer is any person or entity purchasing services off the Transmission Network Provider/System operator other than a Generation Customer, DU or an End-user.

### **2. All Applicants are to comply with the following instructions:**

- 2.1. Your Application shall be dealt with in accordance with Modules A and B of the OATS Rules. In the event of any inconsistency with these instructions, the OATS Rules shall prevail.
- 2.2. The Transmission Network Provider/System Operator shall acknowledge receipt of your Application within ten (10) days of receipt.
- 2.3. Should your Application be incomplete or otherwise unsatisfactory, the Transmission Network Provider/System Operator shall advise you of this within fifteen (15) days of receipt and provide you with a further fifteen (15) days to provide such information. Should you not provide this information within this further fifteen (15) day period, your Application shall be deemed to have lapsed.
- 2.4. The Applicant shall include the information specified in the PGC in Schedules B and C to this Application.
- 2.5. If the results of all of the necessary studies are agreed upon by you and the Transmission Network Provider/System Operator, the Acceptance Form at the end of this Application shall be signed in accordance with Rule B16 of OATS Rules, or your Application shall be deemed to have lapsed.
- 2.6. All relevant data (under Schedules C - K as applicable), shall be submitted within thirty (30) days of the signing of the Acceptance Form unless otherwise provided in this form or agreed on by the parties, and before the Commissioning Date.

### **Generation Facilities and Distribution Utilities shall also comply with the following instructions:**

- 2.7. Once the test and commissioning procedures have been carried out under this Service Agreement, you shall provide the Transmission Network Provider/System Operator with a statement of readiness to connect.
- 2.8. Within fifteen (15) days of receipt of this statement, the Transmission Network Provider/System Operator shall issue you with a Certificate of Approval to Connect, after

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which connection shall occur. The date on this Certificate of Approval shall be the Commissioning Date.

### 3. The Relevant Schedules

3.1. **All Applicants** seeking a new connection to the Grid shall fill in and submit the following Schedules:

Schedule A	OATS Services
Schedule B (2)	Forecast Data
Schedule B (4)	User System Data
Schedule C (2)	Detailed User System Data
Schedule D	Electrical Diagrams
Schedule E	Connection Point Drawings
Schedule F	Asset Boundary Information
Schedule G	Equipment
Schedule H	Protection Arrangements and Settings
Schedule I	Authorized Representatives
Schedule J	Proposed Maintenance Program
Schedule K	Test and Commissioning Procedures
Schedule L	Load Shedding and Curtailment Procedures
Schedule M	Contingency Actions
Schedule N	Critical Events List
Schedule O	Statement of Readiness to Connect
Schedule Q	Registered Equipment Data
Schedule R	Other Information

Existing Customers seeking a new connection shall also fill in and submit: Schedule B (1)

3.2. **Generation Customers** seeking a new connection to the Grid shall also fill in and submit:

Schedule B(2)(b)	
Schedule B (3)	Generation Unit Data
Schedule C	Detailed Generation Unit Data

3.3. **Load Customers** seeking a new connection to the Grid and who have Embedded Generation Plants connected to their Distribution System, shall also fill in and submit:

Schedule B(2)(a)	
Schedule B(2)(b)	
Schedule B (3)	Generation Unit Data
Schedule C (1)	Detailed Generation Unit Data

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Activities	Timelines	Responsibility
	-	<b>Prospective Transmission Customer</b> Prospective Transmission Customer shall submit a Service Application to the Transmission Network Provider seeking new connection or modification to existing connection.
	30 calendar days	<b>Transmission Network Provider</b> TNP to determine if SIS is necessary as per Rule B14.2 of the OATS Rules TNP to inform Customer if SIS is not required, or provide an Offer of Service as per Rule B14.3 of the OATS Rule.
	15 calendar days	<b>Prospective Transmission Customer</b> As per Rule B14.5 of the OATS Rules, either: a) Accept TNP's Offer of Service b) Reject TNP's Offer of Service/ Request a Modified Offer c) Request engagement of Third Party for SIS
	15 calendar days	<b>Transmission Network Provider</b> As per Rule B14.7 of the OATS Rules, TNP shall respond to Prospective Transmission Customer's action, with either modified (shorter) timelines for conduct of SIS or acceptance to engage a third party for conduct of SIS
	15 calendar days	<b>Prospective Transmission Customer</b> As per Rule B14.7 of the OATS Rules, the Prospective Transmission Customer shall either accept the modified Offer of Service for SIS or inform TNP of its wish to engage an accredited third party for conduct of SIS.
	-	<b>Prospective Transmission Customer/ TNP</b> As per Rule B14.8 of the OATS Rules, the Prospective Transmission Customer shall solicit offers from among the qualified third parties using competitive bidding. Selected third party to be engaged by TNP for conduct of SIS.
	60 calendar days	<b>Transmission Network Provider</b> Party responsible for providing SIS shall complete required SIS as per Rule B14.11 of the OATS Rules.
	3 calendar days	<b>Transmission Network Provider</b> Provide other party with a copy of completed SIS results and related work papers, as per Rule B14.14 of the OATS Rules.
	7 calendar days	<b>Transmission Network Provider</b> Notify if the Grid shall be adequate to accommodate all or part of the service application, as per Rule B14.15 of the OATS Rules.
	3 calendar days	<b>Transmission Network Provider</b> If SIS indicates that Facilities Study is required, notify to the Prospective Transmission Customer to submit a Facilities Study as per Rule B15.1 of the OATS Rules.
	14 calendar days	<b>Prospective Transmission Customer</b> Customer to inform TNP of its choice: a) Conduct Facilities Study itself, or b) Contract a 3 <sup>rd</sup> Party, or c) Engage TNP
	-	<b>Prospective Transmission Customer</b> As per Rule B15.3 of the OATS Rules
	3 calendar days	<b>Prospective Transmission Customer</b> Customer to provide results to TNP, as per Rule B15.8 of the OATS Rules
	30 calendar days	<b>Transmission Network Provider</b> TNP to review results of Facilities Studies, as per Rule B15.9 of the OATS Rules
	10 calendar days	<b>Transmission Network Provider/ Customer</b> Enter into Service Agreement as per Rule B16.1 of the OATS Rules

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## TRANSMISSION SERVICE APPLICATION FORM

ANNEX "B"  
TSD Form No.  
001

**New Customer**

**Modified Connection**

rev. October 2017

### CUSTOMER DATA

1 ▶ <b>Company Name:</b>		
<input type="text"/>		
2 ▶ <b>Address:</b>		
<input type="text"/>		
3 ▶ <b>Telephone Number:</b>	4 ▶ <b>Fax Number:</b>	5 ▶ <b>E-mail Address:</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
6 ▶ <b>Contact Person:</b>	7 ▶ <b>Designation:</b>	8 ▶ <b>Date of Application:</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
9 ▶ <b>Contracted Capacity (kW):</b>	10 ▶ <b>Start of Service (mm/dd/yyyy):</b>	11 ▶ <b>End of Service (mm/dd/yyyy):</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>

### GENERATING PLANT DATA

12 ▶ <b>Name of Generating Plant:</b>		13 ▶ <b>Completion Date (mm/dd/yyyy):</b>
<input type="text"/>		<input type="text"/>
14 ▶ <b>Location: (Please attach the location map of the facilities)</b>		15 ▶ <b>Power System/Region:</b>
<input type="text"/>		<input type="text"/>
16 ▶ <b>Plant Type:</b>	17 ▶ <b>Total Capacity (kW):</b>	18 ▶ <b>Voltage Level (kV):</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
19 ▶ <b>Connection: (Please attach single line diagram)</b> <small>(NOTE: The single line diagram should indicate the approximate distance of the applicant's facilities to the nearest NGCP tapping point where the applicant intends to connect.)</small>		20 ▶ <b>Generating Plant's Switchyard (step-up transformer capacity, MVA):</b>
<input type="text"/>		<input type="text"/>

**Note:** For additional information on Generating Unit Data, please accomplish Attachment "A" and submit along with this application form.

### LOAD DATA

21 ▶ <b>Load Customer's Substation:</b>	22 ▶ <b>Receiving Party:</b>
<input type="text"/>	<input type="text"/>
23 ▶ <b>Location: (Please attach the location map of the facilities)</b>	24 ▶ <b>Power System/Region:</b>
<input type="text"/>	<input type="text"/>
25 ▶ <b>Connection: (Please attach single line diagram)</b> <small>(NOTE: The single line diagram should indicate the approximate distance of the applicant's facilities to the nearest NGCP tapping point where the applicant intends to connect.)</small>	26 ▶ <b>Voltage Level (kV):</b>
<input type="text"/>	<input type="text"/>

25 ▶ **Remarks:**

The applicant must also submit its 10-year load forecast. Please specify the sheet(s)/information attached to this form.

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I declare that the information given above and in the attached sheet(s) are true and correct. By signing this form, I acknowledge and give consent that NGCP may use and disclose the information provided in accordance with the Data Privacy Act of 2012. The information provided will be coincided with the expiration of the service agreement.

26 ▶ <b>Signature over Printed Name:</b>	27 ▶ <b>Designation:</b>	28 ▶ <b>Date:</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>



## OATS Rules 2022 Edition

### Application Instructions

<b>Connection</b>	Please indicate through a single line diagram the proposed point(s) of connection relative to the existing or proposed transmission or substation facilities.
<b>Contracted Capacity</b>	Please indicate the amount of Transmission System capacity reserved by Transmission Network Provider for use by Transmission Customer.
<b>End of Service</b>	Please indicate the effective date on which the Agreement shall terminate or expire.
<b>Minimum Downtime</b>	Please indicate the total time a generating unit must be down before it can be restarted.
<b>Minimum Stable Load</b>	Please indicate the minimum generation that the generating unit can safely maintain for a continuous period.
<b>No. of Units</b>	Please indicate the number of generating units for each power plant.
<b>Plant Type</b>	Please indicate if the generating plant is hydroelectric, geothermal, oil thermal, coal thermal, gas turbine, diesel engine, combined cycle, etc.
<b>Load Customer's Substation</b>	Please indicate the station or portion of the Transmission System where the capacity and energy will be made available to the Receiving Party.
<b>Generating Plant's Switchyard</b>	Please indicate the station or portion of the Transmission System where the capacity and energy will be made available by the supplying entity.
<b>Power System/Region</b>	Please indicate the Grid (Luzon, Visayas or Mindanao) or Region (Northern Luzon, Southern Luzon, Metro Manila, Visayas or Mindanao) where the facilities will be connected.
<b>Ramp-up/down Rate</b>	Please indicate the sustained rate of change of generation facility output, in megawatts per minute.
<b>Receiving Party</b>	Please indicate the entity accepting the capacity and energy.
<b>Start-up Duration</b>	Please indicate the time duration of bringing a generating unit from shutdown to the time it is enabled to be synchronize to the system.
<b>Start of Service</b>	Please indicate the effective date on which the Agreement shall begin.
<b>Total Capacity</b>	Please indicate the total capacity of the power plant in kW.
<b>Transfer Capacity</b>	Please indicate the total maximum coincident power between the points of connection (generation and load).
<b>Unit Capacities</b>	Please indicate maximum kW output level of individual generating units in the power plants.
<b>Unit Power Factor</b>	Please indicate the leading and lagging Power Factor ranges of individual generating units in the power plant.
<b>Voltage Level</b>	Please indicate voltage level of the point of connection.

For more clarification and information regarding application for transmission service, please contact:

**[Division Name]**  
**[Address]**