

REGULATION BY PUBLIC SERVICE COMMISSION

ERB REVISED ORDER NO. 1, November 27, 1941

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Chapter I

General Provisions

SECTION 1. Applicability — the following rules and regulations shall apply to all public service or public service operators.

The term "public service," "public utility," or "operator" as used in this Order shall include every individual, co-partnership, jointstock company or corporation, whether domestic or foreign, their lessees, trustees or receivers, as well as any municipality, province, branch or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate, manage, or control in the Philippines, for hire or compensation, with general or limited clientele, whether permanent, occasional or accidental, and done for general purposes any of the public services enumerated in section 13 of Commonwealth Act No. 146 as amended by Commonwealth Act No. 454.

SECTION 2. Observance — Each operator shall observe and comply strictly with all the terms and conditions prescribed in his certificate of public convenience or certificate of public convenience and necessity, rules, regulations, memoranda, orders and circulars of the Commission, the laws of the Philippines, provincial resolutions, municipal ordinances and any other rules or regulations issued by any competent authority, and in case of a grantee of municipal or legislative franchise, with the terms and conditions thereof.

SECTION 3. Service — Each operator under the supervision, control, and jurisdiction of the Commission shall maintain, operate and furnish safe, proper, adequate, efficient and continuous service.

SECTION 4. Information and Assistance to Customers — Each public service shall, upon request, give its customers or users, all information and assistance pertaining to his service in order that they may secure proper, efficient and economical service.

SECTION 5. Discrimination — It shall be unlawful for any operator to give undue preferences or make unjust discrimination in his service.

SECTION 6. Commercial or Business Name — No operator shall adopt a commercial or business name without first securing the approval of the Commission.

SECTION 7. Authorized Equipment — No operator shall increase, substitute, install, withdraw from the service any of his authorized equipment and/or machinery without the previous authority from the Commission.

SECTION 8. Fictitious Registration of Equipment — It shall be unlawful for any operator to cause, allow or in any other manner help or consent to the registration in his name, fictitiously, surreptitiously or otherwise any equipment belonging to another person and/or to cause, allow, or in any other manner, help, or consent to the operation of the same or of any other equipment, under his certificate of public convenience or certificate of public convenience and necessity.

SECTION 9. Sworn Statement — Each operator of public service shall, within thirty days immediately following the date of the publication of this order or in the case of new operators within thirty days after the granting of a certificate of public convenience or certificate of public convenience and necessity in his favor, submit to the Commission the sworn statement required in paragraph (1) of section 17 of Commonwealth Act No. 146.

SECTION 10. Schedule of Rates — Each operator shall be strictly governed in his charged by the schedule of rates prescribed by the Commission and shall not change, alter, or in any manner modify the same without previous authority of the Commission and shall post a copy thereof in a conspicuous place at his office, waiting stations, and in the interior of each motor vehicle which is in actual service.

SECTION 11. Receipts — Each operator shall issue to his customers or users duplicate or stub receipts which shall be of the form or model prescribed by the Commission: Provided, however, That the operator must submit a sample of said receipts for the approval of the Commission before adopting the same in his service.

He shall safely keep the stubs or duplicate of the receipts used and shall not destroy them without authority from the Commission.

SECTION 12. Investigation of Complaints — All operators shall, within a reasonable time, make a full and prompt investigation of all complaints referred to them concerning the service.

SECTION 13. Investigation, Inspection, Examination, and Test — The Commission, through its officials, inspectors or agents may, at any time, conduct an inspection and investigation of the operation of any public service or an examination and test of any equipment operated for public service. The refusal, obstruction or hindrance by the operator or any of his employees to the investigation or inspection of his service or examination or test or any of his equipment shall constitute a violation herein by the operator.

SECTION 14. Accident Report — Each operator shall keep a record, in chronological order, of all accidents that may occur in connection with his operation, their nature, causes and consequences, and the measures taken to avoid their recurrence. A detailed report of all accidents must be submitted to the Commission on or before the tenth of each month. Accidents which result in death or physical injuries shall be reported to the Commission within 24 hours from their occurrence.

SECTION 15. Accounts — Each operator shall keep such accounts, books and other records as are necessary to afford an intelligent understanding of his business. If a uniform system of accounting is prescribed by the Commission for a particular class of public service to which such operator belongs, the said system shall be observed. Each public service shall keep his books of accounts by the double entry method except those expressly exempted from doing so.

SECTION 16. Classification of Operators for Accounting Purposes — Motor vehicle operators, for purposes of accounting, shall be divided into two groups:

Class "A" — Operators having an average annual gross operating revenue in excess of P20,000.

Class "B" — Operators having average annual gross operating revenue of P20,000 or less.

Class "A" operators shall keep their books of accounts by the double entry method in the same manner as other classes of public services.

Class "B" operators need not keep double entry books but may do so if they desire; Provided, however, That if they do not keep double entry books, the prescribed form for this class should be followed in recording their revenue, expenses, investment, and other necessary data required therein.

For the purpose of classifying motor vehicle operator the average gross annual revenue for the past years immediately preceding the year covered by the annual report required by the Commission shall be used as basis, provided, however, that in the case of new operators, or operators who have not been in operation for three years, the basis shall be the average annual gross revenue beginning from the year of their operations or the estimated gross revenue respectively.

SECTION 17. Depreciation Fund — Each public service shall set aside annually from its earnings an amount for depreciation purposes which shall be subject to revision by the Commission and shall keep said amount in a depreciation fund which shall be spent only in accordance with the Public Service Law.

SECTION 18. Annual Report — Each operator shall file with the Commission on or before March first of every year a detailed report of his finances and operations corresponding to the previous year, in accordance with the form prescribed by the Commission.

Operators engaged in more than one class of public service shall file separate annual reports for each.

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Chapter III

Industrial Public Services

SECTION 91. Definition — The term "industrial public service" shall include public services operating warehouse, ice plant, refrigerating plant, canal, irrigation system, sewerage, gas, electric light, heat and power, water supply and power, petroleum sewerage system, telephone, wire or wireless telegraph system, and broadcasting radio stations.

SECTION 92. Equipment, Generating or Producing Units — Each public service shall install in its plant only the generating or producing unit or units and/or equipment authorized in its certificate of public convenience or certificate of public convenience and necessity.

SECTION 93. Poles, Sage of Wires — No pole located on or near a public place shall have a one-way sweep exceeding 3 percent of its total length and all horizontal wires attached to it shall be pulled up so that their sage shall not be greater than those allowed by the United States Bureau of Standards National Electrical Safety Code (2-3 per cent of the span, distance between poles).

SECTION 94. Identification of Poles, Towers, etc. — Poles, towers, structures, sheds, standpipes, transformers and pumping stations shall be marked and numbered by the public service to facilitate identification.

SECTION 95. Service Connection — Each public service shall connect its service lines and meters with customers premises without charge.

SECTION 96. Refusal of Discontinuance of Service — A public service shall not refuse or discontinue service to an applicant, or customer, who is not in arrears to the public service, even though there are unpaid charges due from the premises occupied by applicant, or customer, on account of unpaid bill of a prior tenant, unless there is evidence of conspiracy between them to defraud the public service.

SECTION 97. Payment of Bills — A public service may require that bills for service be paid within a specified time after rendition. When the billing period covers a month or more, the minimum time allowed will be ten days and upon expiration of the specified time, service may be discontinued for the nonpayment of bills, provided that a 48 hours' written notice of such disconnection has been given the customer; Provided, further, That if at the moment the disconnection is to be made the customer tenders payment of the unpaid bills to the agent or employee of the operator who is to effect the disconnection, the said agent or employee shall be obliged to accept

tendered payment and issue a temporary receipt for the amount and shall desist from disconnecting the service.

SECTION 98. Bills for Metered and Flat Rate Service — Bills to metered service customers shall be rendered at reasonably regular intervals, and shall show at least the data upon which the meter was last read, the reading of the meter on that data, the number and kinds of units supplied, reference to the schedule of rates applicable and the amount of the bill.

Bills to flat rate service customers shall be rendered at reasonably regular intervals and shall show the period for which the bill is rendered, reference to the schedule of rates applicable and the amount of the bill. The number and kinds of units for which a flat rate bill is rendered shall also be shown on the bill.

There shall be shown on the bill such additional factors other than those contained in the schedule of rates, as may be necessary in computing the bill. It shall be indicated on each bill that copies of the schedules of rates applicable will be furnished by the public service upon request.

SECTION 99. Advice to Customers on Rates Applicable — Where there are two or more authorized schedules of rates applicable to a customer's conditions, the public service should advise said customer accordingly and apply to him only the most advantageous schedule of rate.

SECTION 100. Location of Meters — All meters installed in customers' premises shall be located in a clean, dry, safe place, not subject to great variations in temperature and on support free from vibration.

SECTION 101. Information Regarding Reading of Meters — Each public service supply metered service shall inform its customers regarding the manner in which meters are read, either by printing on its bills for each service, a description of the method used in reading meters, by distributing booklets describing such methods, or in any other suitable manner.

SECTION 102. Service Meters — Each service meter shall indicate clearly the units of service for which charge is made to the customer. In case the dial reading of a meter must be multiplied by a constant to obtain the units of the service, the constant to be applied shall be clearly marked on the face or dial of the meter. Where the quantity of service determined by calculation from the reading of the meter, the public service shall upon request supply the customer with such information as well show clearly the method of determining the units of service rendered.

SECTION 103. Record of Meter Readings — Each public service shall instruct its meter reader when reading periodically the meter installed in the premises of a customer, to leave in such premises a card, showing thereon the date of reading, the reading made and the total consumption expressed in units of service used, as read by the meter reader, and the signature or initials of the meter reader.

SECTION 104. Testing and Sealing of Meter by the Commission — No meter shall be placed in service unless it has been tested, certified and sealed by the Commission. - Whenever a meter in service is found to be defective or functioning beyond the limit of tolerance allowed for that particular kind of service, it must be adjusted and shall not be returned in the service unless it has been tested, certified and sealed by the Commission.

The seal attached to the meter by the Commission is a warranty (1) that the meter is an acceptable or accepted type and (2) that it operates within the allowable limits of tolerance.

SECTION 105. Test of Customer's Meter by Public Service — Each public service shall, upon request of a customer, make a test without charge of the accuracy of the meter installed in his premises. A written report giving the result of such test shall be furnished the customer and the Commission.

SECTION 106. Record of Meter — Each public service furnishing metered service shall keep an adequate record of each meter showing (1) make, type and identification marks and/or number of meter, (2) names and addresses

of customers, dates when meter installed or removed, (3) adjustment or repair made, and (4) Commission certification dates.

SECTION 107. Suspension or Change of Service — Each public service shall serve notice to the public in advance of any proposed suspension or change to be made in the service that would affect the utilization, efficiency and/or safety of any installation, appliances, equipment, etc., used by any customer and shall not put into effect such suspension or change without first obtaining authority therefor from the Commission.

SECTION 108. Construction, Operation and Maintenance of Electric Plant — The electric plant which includes:

- Power Plant;
- Transmission and distribution lines;
- Substations;
- Overhead system, poles, lines, transformer, etc;
- Underground systems, manholes, conduits, etc.;
- Street lighting systems;
- Service wires and attachments;
- Meters and instruments;

shall be constructed, installed, maintained, and operated in accordance with accepted engineering practice.

Accepted engineering practice shall be defined by such rules governing construction, operation and maintenance as may be issued by the Commission, and those in conflict therewith which are found in the United States Bureau of Standard National Electrical Safety Code.

SECTION 109. Equipment at Generating Station — Each public service shall install and maintain at its generating station or stations:

1. Watthour meter or meters to record the kilowatt hours generated by each generating station.
2. Watthour meter or meters to record the kilowatt hours purchased from other sources.
3. Either indicating or graphic wattmeters to indicate or record the load in kilowatts of each generating unit at any particular time.
4. Either indicating or graphic wattmeters to indicate or record the load in kilowatts at any particular time of the territory served.
5. Voltmeter or voltmeters to indicate the potentials of each generating unit and each feeder. The voltmeter or voltmeters installed in A.C. stations shall be so connected as to indicate the potential of each phase.
6. Ammeter or ammeters to indicate the current in each generating unit and each feeder. The ammeter or ammeters installed in A.C. stations shall be so connected as to indicate the current in each phase.
7. Frequency meter or meters to indicate the frequency in A.C. stations of more than 100 kw capacity.
8. Power factor meter for a.c. stations with generating units of over 100 KVA capacity each.
9. Automatic voltage regulator for central stations of 251 kw capacity or more.

10. And other instruments, safety devices and control that maybe necessary to determine the operating characteristics and for voltage control of the plant.

SECTION 110. Equipment at Substation — Each public service taking power from a transmission line shall install in its authorized territory at the receiving and:

1. Watthour meter or meters to register the total kilowatthours delivered.
2. Either indicating or graphic wattmeter or meters to indicate or record the load.
3. Voltmeter or voltmeters to indicate the potentials of each phase of the circuit or circuits feeding the territory.
4. Ammeter or ammeters to indicate the current in each phase of the circuit or circuits feeding the territory.
5. And other instruments, safety devices and control that may be necessary to determine the demand and characteristics and the voltage control in the authorized territory.

SECTION 111. Log Book — (a) Each public service shall keep a log book in its generating station and shall record therein:

- Time of starting and stopping of each generating unit.
- Time of switching on and off of each feeder.
- Daily reading of watthour meters.
- At least quarter-hourly reading of wattmeters, voltmeters and ammeters during the three consecutive hours of heavy load each day, and at least hourly readings during the remainder of the day; also the time and magnitude of station peak load each day.
- Interruptions of service, giving the time, duration, extent, and cause of each interruption.
- The daily consumption of lubricating oil, fuel, waste, etc.

b. Each public service taking power from a transmission line shall keep a log book at its receiving and showing:

- Time of switching on and off of each feeder.
- Daily readings of watthour meter or meters to show kilowatthours delivered.
- At least quarter-hourly reading of load during the three consecutive hours of heaviest load each day, and at least hourly reading during the remainder of the day; also the time and magnitude of maximum demand.
- At least quarter-hourly readings of the voltmeters and ammeters of each feeder during the three consecutive hours of heavy demand each day and at least hourly readings during the remainder of the day.

c. Log books shall be signed by the person in charge and shall not be removed from the switchboard side or room.

SECTION 112. Test of Station Meters — All station meters and instruments shall be submitted at least once every two years to the Commission for test and certification. Each instrument shall at all times be accompanied by a certificate of the Commission showing the corrections to be applied at various readings and the date when it was last calibrated.

SECTION 113. Rotating Standard — Each public service furnishing metered electric service shall provide itself and have available at least one working standard meter, commonly called "rotating standard", to check customers' watthour meters.

SECTION 114. Watthour Meter Accuracy Requirements — (a) No watthour meter that has an incorrect register constant, gear ratio, register ratio or dial train, or that registers on no load (“creeps”) shall be placed in service or be allowed to remain in service without adjustment and correction. Register constant is the factor used in conjunction with the register reading in order to ascertain the total amount of electrical energy in kilowatthours that has passed through the meter. Watthour constant is the registration of one revolution of the rotating element expressed in watthours. Gear ratio is the number of revolutions to the rotating element for one revolution of the first dial pointer. Register ratio is the number of revolutions of the wheel meshing with the worm or pinion on the rotating element for one revolution of the first dial pointer. “Dial train” is the term applied to all the gear wheels and pinions used to interconnect the dial pointers. A meter is service “creeps” when, with all lead wires disconnected, the moving element makes one complete rotation in twenty minutes or less.

b. All watthour meters before being placed in service, must be adjusted as closely as possible to the condition of zero error. The tolerance of plus or minus two percent is hereby fixed to allow for necessary variations, but watthour meters shall not be adjusted merely to be within this tolerance.

c. No watthour meter that has an error in registration of more than plus or minus three percent at any lead shall be allowed to remain in service without adjustment.

SECTION 115. Determination of Average Error — In tests made by the Commission or the public service, the average error of a meter shall be determined by the following method:

$$E_n = .3E_1 + .7E_n$$

Where N is the average error, E1 is the error at light load, Xn is the error at heavy load.

Provided, however, That at the request of the customer or in referee cases, this method may be modified by admitting tests at a third load, if, and when in the opinion of the Commission, such load is more representative of the ordinary use of meter, in which case, the average error shall be determined as follows:

Take one-fifth of the algebraic sum of (1) error at light load, (2) three times the error at normal load, (3) the error of full-rated capacity.

In both methods, light load shall be taken from 5 to 10 percent of the rated capacity of the meter, and heavy load, not less than 60 percent nor more than 100 percent of the rates capacity of the meter.

From normal load the following percentages of the several classes of full connected installations may be used:

Percent

Residence and apartment lighting

25

Elevator service

40

Factories (individual drive), theaters, clubs, hallways,

entrance, and general store lighting

60

Restaurants, pumps, air compressors, ice machines,

and moving picture theaters

70

Sign and window lighting,

blowers and battery charging

100

SECTION 116. Indicating and Recording Portable Voltmeters — Each public service shall provide itself with at least one portable indicating voltmeter, and should it be servicing more than 500 customers it shall also have at least one recording voltmeter. Those instruments shall be of a type and voltage rating suited to the system. The portable indicating voltmeter shall be used to check the potentials maintained in each center of distribution at least once a month. Data obtained in those tests must be kept available for the inspection of the representatives of the Commission. A public service required to have a recording voltmeter shall place at least one instrument in continuous service at its power plant or office.

SECTION 117. Standard Voltage and Regulation — Each public service shall adopt a standard nominal voltage or standard nominal voltages as may be required by its distributing system for its entire constant voltage service, or for each of the several districts into which the system may be divided, and shall file with voltages adopted. The voltage maintained at the main service terminals of the public service, as installed for each customer or group of customers, shall reasonable be constant, as follows:

1. For services rendered under a lighting contract or primary for lighting purposes, between sunset and 11:00 o'clock p.m. the variation in voltage shall be not more than 5 percent or minus of the standard nominal voltage adopted and the total variation of voltage from minimum to maximum shall not exceed 6 percent of the nominal voltage.
2. For services rendered under a power contract or primarily for power purposes, the voltage variation shall not exceed 10 percent above or 10 percent below the standard nominal voltage at any time when the service is furnished.

3. A greater variation of voltage than that specified above may be allowed in case of emergency service or in a certain area where customers are widely scattered and the business done does not, in the judgment of the Commission, justify close voltage regulation.

b. Exceptions — Variations in voltage in excess of those specified, caused (1) by the operation of power apparatus on customers' the action of the elements and (3) infrequent and unavoidable fluctuations of shorts duration due to station operation, shall not be considered a violation of this section.

SECTION 118. Standard Frequency and Allowable Variation — Each public service supplying alternating current shall adopt the standard frequency of sixty cycles per second and shall maintain said frequency reasonable constant so that its variation shall not exceed 3 cycles above or below the standard frequency, at all times. Infrequency and unavoidable fluctuations of short duration due to station operation or caused by the elements shall not be considered a violation of this section.

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Chapter IV

Final Provisions

SECTION 168. Copy of Revised Order No. 1 — Each public service under the jurisdiction and control of the Public Service Commission must keep on file in its offices a copy of this Revised Order No. 1.

SECTION 169. Violation of Revised Order No. 1 — Violation of any section of the foregoing Revised Order will be subject to the penalty which the Commission may impose in accordance with law.

SECTION 170. Revocation — This Order supersedes and revokes Public Service Commission Order No. 1, adopted on December 13, 1926, and all other rules and regulations inconsistent with any of its provisions.

SECTION 171. Publication and Effectivity of the Revised Order No. 1 — This Revised Order No. 1 shall be published once in the Official Gazette in English and shall take effect thirty days after its publication.

Adopted: 27 Nov. 1941

(SGD.) VICENTE DE VERA

Public Service Commissioner

Re-issued: 19 Mar. 1990

By: Energy Regulatory Board

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