

IN THE MATTER OF AMENDING THE TEMPLATE FOR THE TRANSITION SUPPLY CONTRACT (TSC)

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This is to AMEND Sections 4.7.2 and 5.2 of the Contract for the Supply of Electricity Template (approved by the Commission on July 7, 2005) which read as follows:

“SECTION FOUR - SERVICE SPECIFICATIONS

4.7.2 Temporary reduction in the Contract Energy caused by decrease in the production level and/or unavailability of indigenous raw materials (such as coconuts, abaca, banana, tomato, etc.) of industrial customers of the CUSTOMER as listed in Annex 1a. The allowable reduction in the contract energy of each of the pre-identified industrial customer mentioned above is fifty (50%) percent maximum, not to exceed two (2) billing periods per year. To be able to avail of this exemption, CUSTOMER must inform SUPPLIER sixty (60) days prior to the effectivity of the temporary reduction in the Contracted Energy. It is understood that the reduction is neither due to self-generation nor transfer to another power supplier.

SECTION FIVE - SECURITY DEPOSIT

5.2. The Security Deposit shall be posted upon privatization of the generation asset/s to which this Contract is allocated/assigned as provided for in Section 4.8 hereof, or upon commercial operation of the WESM, whichever comes first. Failure of the CUSTOMER to post the required Security Deposit within fifteen (15) days upon receipt of the demand letter of the SUPPLIER shall be a ground for disconnection. It shall be in the form of cash, manager's or cashier's check, certified check, irrevocable stand-by letter of credit, or performance bond "callable on demand" issued by a financial institution acceptable to SUPPLIER. CUSTOMER shall ensure that the Security Deposit remains valid during the commercial operation of the WESM. Once it is drawn partially or fully by the SUPPLIER, the CUSTOMER shall replace the Security Deposit within fifteen (15) days thereafter. In the event that the CUSTOMER fails to replace the full amount of the Security Deposit as required herein, the SUPPLIER reserves the right to refuse or discontinue supply of electric energy."

The Commission, after due deliberation, RESOLVED as it hereby RESOLVES, to amend the above-quoted portion of the Contract for the Supply of Electricity template, to now read as follows:

"SECTION FOUR - SERVICE SPECIFICATIONS

4.7.2. Expected reduction in the Contracted Energy by the CUSTOMER with the SUPPLIER caused or initiated by the industrial customers of the CUSTOMER as listed in Annex 1a shall be excused by the

SUPPLIER. To be able to avail of this exemption, CUSTOMER must inform SUPPLIER in writing sixty (60) days prior to the effectivity of the reduction in the Contracted Energy. It is understood that the expected reduction is neither due to self-generation nor transfer to another power SUPPLIER.

SECTION FIVE - SECURITY DEPOSIT

5.2 The Security Deposit may be required to be posted upon privatization of the generating assets to which this Contract is allocated or assigned as provided for in Section 4.8 hereof if the prospective buyer, assignee, transferee or successor-in-interest so requires or upon commercial operation of the WESM, whichever comes first. It shall be in the form of cash, cash bond, manager's or cashier's check, bank certified check, irrevocable stand-by letter of credit, performance bond or bank guarantee "callable on demand" issued by a financial institution, or any other forms of security such as but not limited to escrow account to be administered by a bank acceptable to SUPPLIER. In the event the Security Deposit of the CUSTOMER becomes nil, the SUPPLIER reserves the right to refuse or discontinue supply of electric energy. In cases of partial depletion of the Security Deposit, the CUSTOMER shall replace the Security deposit not later than thirty (30) days thereafter. The SUPPLIER reserves the right to continue supply of electric energy to the extent of Security Deposit of the CUSTOMER."

This Resolution shall take effect immediately following its publication in a newspaper of general circulation in the country.

Adopted: 09 Aug. 2005

(SGD.) RODOLFO B. ALBANO, JR.

Chairman

(SGD.) OLIVER B. BUTALID

(SGD.) JESUS N. ALCORDO

Commissioner

Commissioner

(SGD.) ALEJANDRO Z. BARIN

(SGD.) RAUF A. TAN (On Official Travel)

Commissioner

Commissioner

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