NATIONAL ADMINISTRATIVE REGISTER · MAY 6, 2013

A RESOLUTION AMENDING ARTICLE IV, SECTION 1 OF THE "RULES TO GOVERN THE INTERRUPTIBLE LOAD PROGRAM OF DISTRIBUTION UTILITIES"

ERC RESOLUTION NO. 08, S. 2013, May 06, 2013

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WHEREAS, it is a declared policy of the State to ensure the quality, reliability, security and affordability of the supply of electric power;

WHEREAS, to address the imminent power shortage and augment the limited power requirements of the distribution utilities in the Visayas and Mindanao Regions, on March 10, 2010, the Commission adopted Resolution No. 8, Series of 2010, entitled "A Resolution Adopting the Rules to Govern the Interruptible Load Program (ILP) of Distribution Utilities (DUs)" or the ILP Rules;

WHEREAS, on February 11, 2013, the Commission received a petition to amend the ILP Rules, particularly, Article IV, Section 1 thereof in order to provide for a fairer and more reasonable cost recovery mechanism;

WHEREAS, on February 25, 2013, the proposed amendments to the ILP Rules were posted on the Commission's website directing all interested parties to file their respective comments thereon on or before March 11, 2013 for all Luzon stakeholders and March 26, 2013 for all Visayas and Mindanao stakeholders;

WHEREAS, on March 21, 2013, April 10, 2013 and April 12, 2013, public consultations were conducted in the Commission's Main Office, Mindanao Field Office and Visayas Field Office, respectively, to discuss the comments submitted by the following stakeholders: a) Davao Light and Power Company, Incorporated (DLPC); b) Bukidnon Second Electric Cooperative, Incorporated (BUSECO); and c) Distribution Management Committee (DMC);

WHEREAS, after a careful consideration of the comments submitted by interested parties, the Commission deems it appropriate to amend Article IV, Section 1 of the ILP Rules to alleviate the power crisis in Visayas and Mindanao Regions;

NOW, THEREFORE, be it RESOLVED, as the Commission hereby RESOLVES to APPROVE and AMEND Article IV, Section 1 of the "Rules to Govern the Interruptible Load Program (ILP) of Distribution Utilities (DUs)", as follows:

"Article IV
BILLING AND COMPENSATION

> Section 1. De-loading Compensation. The Distribution Utility shall pay the Participating Customer a compensation an amount representing the incremental cost incurred due to the full or partial de-loading, when it de-loads from the Distribution Utility as requested.
>
> The De-loading Compensation shall be computed by multiplying the "deloaded kWh" less registered kWh in the meter, if any, during periods when the Distribution Utility requests a Participating Customer to de-load, multiplied by the incremental de-loading cost per kWh, to wit:

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De-loading Compensationpesos

= (Incremental De-loading Rate x Compensable kWh) + Maintenance Cost

Where:

Incremental De-loading Rate

= [Generation Cost of Fuel x Fuel Consumption Rate] - PC Average Rate

Generation Cost of Fuel

= Average price of diesel fuel from Petron, Shell and Caltex as of the end of the previous calendar month in the City or Municipality where the Participating Customer is located

Fuel Consumption Rate = 0.34 liter/kWh

PC Average Rate = The Participating Customer's Average Rate for the current billing period

Compensable kWh = Actual de-loaded kWh for the current billing period

Maintenance Cost = PhP0.32/kWh x Compensable kWh or PhP23,548.00/month, whichever is lower

For purposes of determining the Participating Customer's actual generation cost of fuel, the Distribution Utility shall file a verified report thereon upon filing of its Automatic Generation Rate Adjustment (AGRA) report requirements.

The "de-loaded kWh" will depend on the Participating Customer's actual realtime reading by the Distribution Utility or its agreed 24-hour load profile based on its latest average load profile for previous month, if the DU has not installed realtime metering for Participating Customer."

This Resolution shall take effect after fifteen (15) days following the completion of its publication in a newspaper of general circulation in the Philippines.

Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR) and all distribution utilities.

(SGD.) ZENAIDA G. CRUZ-DUCUT
Chairperson

(SGD.) MARIA TERESA A.R. CASTAÑEDA
Commissioner

(SGD.) JOSE C. REYES
Commissioner

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