[ERC RESOLUTION NO. 13, S. 2009, May 18, 2009]

A RESOLUTION AMENDING RESOLUTION NO, 16, SERIES OF 2008

WHEREAS, the Commission issued Resolution No. 16, Series of 2008 entitled "A Resolution Adopting Policies to Govern the Transition Supply Contracts Which Have Been Assigned and Transferred to National Power Corporation Successor Generating Companies" promulgated on 15 January 2009 and became effective on 31 January 2009;

WHEREAS, on 22 January 2009, Masinloc Power Partners Ltd., Inc. filed a "Petition to Initiate Rule-making", docketed as ERC Case No, 2009-002RM, praying for the amendment of Resolution No. 16, Series of 2008, specifically, on the policy on the Mandated Rate Reduction (MRR) under Section 10 thereof;

WHEREAS, a public consultation attended by concerned stakeholders was conducted to address such issue on the MRR;

WHEREAS, after considering the arguments and submissions of the parties, the Commission rendered a Decision in ERC Case No. 2009-002RM partially granting the Petition;

NOW THEREFORE, the Commission, after thorough and due deliberation, RESOLVED, as it hereby RESOLVES to AMEND Section 10 of Resolution No. 16, Series of 2008, to read, as follows:

> *"10. Section 72 of the EPIRA on the Mandated Rate Reduction (MRR) shall continue to be implemented. The NPC successor generating companies shall implement the same subject to the execution of a written instrument between NPC and/or PSALM and the concerned NPC successor generating company specifically containing the assumption by the latter of such obligation. In the absence of such specific written instrument, the rights of the residential end-users shall not be impaired and NPC and/or PSALM shall bear the cost of the rate reductions implemented by the NPC successor generating company. Thus, residential end-users of the affected DUs shall continue to enjoy the rate reduction of thirty centavos per kilowatthour (PhP0.30/KWh) and the implementation of the same shall terminate upon the expiration of the term of the assigned and transferred TSCs. If, after the expiration of the TSC's term, the NPC successor generating company shall continue to supply the requirements of the affected DU under an extension as allowed by the ERC, the obligation to provide the MRR shall cease, unless otherwise stipulated upon by the NPC successor generating company and the affected DU, in which case the cost of implementing the MRR shall be borne by the NPC successor generating company."*