

[ERC RESOLUTION NO. 19, S. 2008, December 08, 2008]

RESOLUTION ADOPTING THE POSITION PAPER OF DISTRIBUTION UTILITIES (DUS) ENTERING PERFORMANCE-BASED REGULATION (PBR) FOR THE REGULATORY RESET PERIOD JULY 1, 2010 – JUNE 30, 2014 (3 RD ENTRANTS)

WHEREAS, Section 43(f) of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and 5(a), Rule 15 of its Implementing Rules and Regulations (IRR), authorize the Commission to adopt alternative forms of internationally accepted rate-setting methodology;

WHEREAS, on December 10, 2005, the Commission adopted a performance-based rate setting methodology for setting distribution wheeling rates of private distribution utilities embodied in a document denominated as the “Distribution Wheeling Rates Guidelines” (DWRG);

WHEREAS, under Section 7.1.2 of the DWRG, the Commission must issue a Regulatory Reset Issues Paper embodying its initial views on the issues raised by the pending Regulatory Reset Process, specifying the information required to be delivered and indicating the procedure to be undertaken by Regulated Entities for purposes of the Regulatory Reset Process;

WHEREAS, on September 5, 2008, the Commission posted in its official website at www.erc.gov.ph the Issues Paper of the following distribution utilities (DUs) entering performance based regulation (PBR) for the regulatory reset period July 1, 2010 – June 30, 2014: Cabanatuan Electric Corporation (CELCOR), Davao Light and Power Company, Incorporated (DLPC), Ibaan Electric and Engineering Corporation (IEEC), La Union Electric Company Incorporated (LUECO), Tarlac Electric, Incorporated (TEI) and Visayan Electric Company, Incorporated (VECO);

WHEREAS, on September 10, 2008, the Commission issued a Notice of Public Consultation informing the public where they can secure a copy or access said issues paper and set the same for public consultation on October 23, 2008;

WHEREAS, in the same Notice, interested parties were directed to file their written comments/inputs on the said issues paper not later than October 3, 2008;

WHEREAS, on October 9, 2008, the Commission issued an Order resetting the public consultation to October 27, 2008;

WHEREAS, on various dates, CELCOR, DLPC, LUECO, TEI and VECO submitted their respective written comments/inputs on the said issues paper;

WHEREAS, during said public consultation, various stakeholders [private DUs, National Transmission Corporation (TRANSCO) and Philippine Chamber of Commerce