

[ERC RESOLUTION NO. 04, S. 2013, March 04, 2013]

A RESOLUTION AMENDING RESOLUTION NO. 26, SERIES OF 2011

WHEREAS, on October 17, 2003, the Energy Regulatory Commission (ERC) issued the *"Guidelines to the Sale and Transfer of the TRANSCO's Subtransmission Assets and the Franchising of Qualified Consortiums"*;

WHEREAS, on various dates, the ERC amended the said Guidelines;

WHEREAS, Section 5, Article V of Resolution No. 01, Series of 2009 provides that *"the subtransmission assets of TRANSCO/Concessionaire which have not been sold or disposed of by December 31, 2010 shall remain as its assets which shall be included in its Regulatory Asset Base (RAB)"*;

WHEREAS, in its Resolution No. 26, Series of 2011, the ERC extended the deadline for the disposition of Residual Subtransmission Assets (RSTAs) or the subtransmission assets which are shared by and between two (2) or more connected Distribution Utilities (DUs) until December 31, 2012;

WHEREAS, on July 23, 2012, the National Transmission Corporation (TRANSCO) requested the ERC to: a) direct the National Grid Corporation of the Philippines (NGCP) to carry out its duties under Resolution No. 15, Series of 2011, particularly, the capitalization of deferred charges; and b) extend the December 31, 2012 deadline for the disposition of its RSTAs considering that it still has thirty-nine (39) contracts pending ERC's approval and ten (10) contracts for execution;

WHEREAS, on November 5, 2012, the ERC directed TRANSCO to provide a list of the assets covered by the thirty-nine (39) contracts pending approval and ten (10) contracts for execution;

WHEREAS, on December 7, 2012, Angeles Electric Corporation (AEC) requested the ERC to extend the deadline for the acquisition of the RSTAs;

WHEREAS, on December 14, 2012, TRANSCO submitted to the ERC the required list of assets;

WHEREAS, on January 15, 2013, NGCP requested the ERC to: a) direct TRANSCO not to dispose subtransmission assets that have been reverted to its RAB effective January 1, 2011 pursuant to Resolution No. 18, Series of 2009; and b) allow it to enter into a Memorandum of Agreement (MOA) with the Electric Cooperatives (ECs) for the amortization of the uncollected Connection Charges/Residual Subtransmission Charges (CC/RSTC);

WHEREAS, considering that the deadline for the disposition of RSTAs has been extended twice already, the ERC deems it appropriate to deny the proposed