

**[ ERC RESOLUTION NO. 01, S. 2009, January 26, 2009 ]**

**A RESOLUTION ADOPTING THE AMENDMENTS TO THE GUIDELINES TO THE SALE AND TRANSFER OF TRANSCO'S SUBTRANSMISSION ASSETS AND THE FRANCHISING OF QUALIFIED CONSORTIUMS**

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 March 17, 2005, the ERC amended the said Guidelines requiring third-party appraisal of TRANSCO's subtransmission assets;

WHEREAS, on various dates, the stakeholders raised several issues which prompted the ERC to revisit the provisions of the said Guidelines, namely: 1) terms and conditions in the lease purchase agreement; 2) eligibility of entities operating within ecozones to purchase subtransmission assets; 3) eligibility of directly connected end- users to purchase subtransmission assets *vis-a-vis* the franchised DU; 4) cost of right- of-way acquisition; 5) assets valuation (third-party appraisal of subtransmission asset); 6) TRANSCO rates; 7) subscription rights; and 8) eligibility of qualified consortiums to apply for a franchise;

WHEREAS, the ERC sees the need to amend the said Guidelines, particularly, Articles II, IV, V and VI thereof;

WHEREAS, the ERC posted on its website the first and second proposed amendments to the said Guidelines on July 1, 2008 and November 11, 2008, respectively, and set the deadline for submitting comments thereon on December 2, 2008;

NOW, THEREFORE, the ERC, after thorough and due deliberation, RESOLVES, as it is hereby RESOLVED to ADOPT the amendments to the "Guidelines to the Sale and Transfer of TRANSCO'S Subtransmission Assets and the Franchising of Qualified Consortiums' as contained in "Annex A"<sup>[\*]</sup> hereof.

This Resolution shall take effect fifteen (15) days following 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).

Adopted: 26 Jan. 2009

(SGD.) ZENAIDA G. CRUZ-DUCUT  
*Chairperson*