[ERC RESOLUTION NO.15, S. 2005, August 09, 2005]

IN THE MATTER OF AMENDING THE TEMPLATE FOR THE TRANSITION SUPPLY CONTRACT (TSC)

This is to AMEND Sections 4.7.2 and 5.2 of the Contract for the Supply of Electricity Template (approved by the Commission on July 7, 2005) which read as follows:

"SECTION FOUR - SERVICE SPECIFICATIONS

4.7.2 Temporary reduction in the Contract Energy caused by decrease in the production level and/or unavailability of indigenous raw materials (such as coconuts, abaca, banana, tomato, etc.) of industrial customers of the CUSTOMER as listed in Annex la. The allowable reduction in the contract energy of each of the pre-identified industrial customer mentioned above is fifty (50%) percent maximum, not to exceed two (2) billing periods per year. To be able to avail of this exemption, CUSTOMER must inform SUPPLIER sixty (60) days prior to the effectivity of the temporary reduction in the Contracted Energy. It is understood that the reduction is neither due to self-generation nor transfer to another power supplier.

SECTION FIVE - SECURITY DEPOSIT

5.2. The Security Deposit shall be posted upon privatization of the generation asset/s to which this Contract is allocated/assigned as provided for in Section 4.8 hereof, or upon commercial operation of the WESM, whichever comes first. Failure of the CUSTOMER to post the required Security Deposit within fifteen (15) days upon receipt of the demand letter of the SUPPLIER shall be a ground for disconnection. It shall be in the form of cash, manager's or cashier's check, certified check, irrevocable stand-by letter of credit, or performance bond "callable on demand" issued by a financial institution acceptable to SUPPLIER. CUSTOMER shall ensure that the Security Deposit remains valid during the commercial operation of the WESM. Once it is drawn partially or fully by the SUPPLIER, the CUSTOMER shall replace the Security Deposit within fifteen (15) days thereafter. In the event that the CUSTOMER fails to replace the full amount of the Security Deposit as required herein, the