

**[ ERC RESOLUTION NO. 17, S. 2005, September 07, 2005 ]**

**A RESOLUTION CLARIFYING COMMISSION'S LETTER DATED AUGUST 4, 2005 TO ALL DISTRIBUTION UTILITIES**

WHEREAS, the Congress of the Philippines has enacted Republic Act No. 9337 (An Act Amending Sections 27, 28, 34, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 117, 119, 121, 148, 151, 236, 237, and 288 of the National Internal Revenue Code [NIRC] of 1997, As Amended, and For Other Purposes);

WHEREAS, said Act imposes a value-added tax equivalent to ten percent (10%) of gross receipt derived from, among others, the sales of electricity by generation companies, transmission, and distribution companies; services of franchise grantees of electric utilities;

WHEREAS, to mitigate the impact of the said Act, the Commission issued a letter to all Distribution Utilities (DUs) requesting them to file a petition with the Commission for approval of their Revised Lifeline Rate Structure, within sixty (60) days from receipt thereof;

WHEREAS, on various dates, the Commission received numerous queries from the DUs on whether or not the request to file a petition for approval of their Revised Lifeline Rate Structure is mandatory;

NOW, THEREFORE, be it resolved, as this Commission hereby resolves, to CLARIFY that the request to file a petition with the Commission for approval of their Revised Lifeline Rate Structure is NOT MANDATORY.

This Resolution shall take effect immediately.

Adopted: 07 Sept. 2005

(SGD.) RODOLFO B. ALBANO, JR.  
*Chairman*

(SGD.) OLIVER B. BUTALID  
*Commissioner*

(SGD.) JESUS N. ALCORDO  
*Commissioner*

(SGD.) ALEJANDRO Z. BARIN  
*Commissioner*

(SGD.) RAUF A. TAN  
*Commissioner*

