

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



03
Resolution No. ____, Series of 2017

**A RESOLUTION EXTENDING THE SUBMISSION OF AUDIT REPORT
ON METER DEPOSIT REFUND**

WHEREAS, pursuant to the provisions of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act or EPIRA, the Energy Regulatory Commission (ERC) promulgated the Magna Carta for Residential Electricity Consumers and the Distribution Services and Open Access Rules (DSOAR) on June 17, 2014 and January 18, 2006, respectively;

WHEREAS, on October 27, 2004, the ERC adopted the Guidelines to Implement Articles 7, 8, 14 and 28 of Chapter III of the Magna Carta which govern the guidelines and procedures to implement the meter deposit refund to residential consumers;

WHEREAS, on February 17, 2006, the ERC approved Resolution No. 1, 2006, entitled "Distribution Services and Open Access Rules (DSOAR)", which established, among others, the guidelines and procedures for meter deposit refund for non-residential consumers;

WHEREAS, on June 4, 2008, the ERC promulgated Resolution No. 8, Series of 2008, entitled "Rules to Govern the Refund of Meter Deposits to Residential and Non-Residential Customers". These Rules established the terms and conditions for the implementation of the meter deposit refund to residential and non-residential customers;

WHEREAS, on April 5, 2016, the Commission issued Resolution No. 13, 2016, entitled "Guidelines to Govern the Audit Process of Meter Deposit Refund to Residential and Non-Residential Consumers", directing all distribution utilities to: a) engage the services of an Independent External Auditor (IEA) for the conduct of an audit of the meter deposit refund; and b) submit an Audit Report, on or before December 31, 2016;

WHEREAS, records of the Commission disclosed that there are only three (3) distribution utilities that filed their respective audit reports, namely: a) Biliran Electric Cooperative, Inc. (BILECO); b) Marinduque Electric Cooperative, Inc. (MARELCO); and c) Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV);

WHEREAS, on various dates, several distribution utilities filed their letter-requests for additional time within which to submit the Audit Report on meter deposit refund due to: a) the audit time constraints; b) voluminous documents involved; c) the request of auditors for additional time; d) lost data due to typhoon Yolanda; and e) on-going reconciliation of records/data of consumers;

NOW THEREFORE, after thorough and due deliberation, the Commission **RESOLVES**, as it hereby **RESOLVED**, to **APPROVE** and **ADOPT** the "Resolution Extending the Submission of Audit Report on Meter Deposit Refund".

Section 1. Audit of Refund. Section 9, Article IV of Resolution No. 8, Series of 2008 provides that the implementation of the meter deposit refund shall be subject to audit by the ERC or such person or entity as the ERC may authorize.

For monitoring and audit purposes, all distribution utilities are hereby directed to prepare and submit the Audit Report on Meter Deposit Refund on or before June 30, 2017, without further extension.

Section 2. Imposition of Fines and Penalties. Violation of any of these Rules shall be subject to the imposition of fines and penalties in accordance to the "Rules to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of Republic Act No. 9136, As Amended."

Section 3. Exception Clause. Where good reason appears, the ERC may allow an exception from any provision of these Rules, if such exception is found to be in the public interest and is not contrary to law or any other pertinent rules and regulations.

Section 4. Separability Clause. If any of the foregoing amendments is declared unconstitutional or invalid, the other provisions which are not affected thereby shall remain in force and effect, unless such declaration would render the whole rules unenforceable or non-implementable.

Section 5. Repealing Clause. All Rules and Guidelines, or portion thereof, issued by the ERC, which are inconsistent with these Rules are hereby repealed or modified accordingly.

Section 6. Effectivity. This Resolution shall take effect immediately.

Let copies of these Rules be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR), Philippine Electric Power Operators Association, Inc. (PEPOA), the Philippine Electric Cooperatives Association, Inc. (PHILRECA) and all distribution utilities (DUs).

Pasig City, May 23, 2017.


JOSE VICENTE B. SALAZAR*
Chairman


GLORIA VICTORIA C. YAP-TARUC
Commissioner


ALFREDO J. NON
Commissioner


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Commissioner

(On Leave)
GERONIMO D. STA. ANA
Commissioner


Go/mccg/MDR Resolution extending the submission of MDR Audit Report

*On preventive suspension as per Order of the Office of the President (OP-DC Case No. 17-D-094) dated May 2, 2017

Copy furnished:

All Distribution Utilities