

2002

(January 1 - December 31)

Annual Report



“Before the end of April of each year, (ERC shall) submit to the Office of the President of the Philippines and Congress, copy furnished the DOE, an annual report containing such matters or cases which have been filed before or referred to it during the preceding year, the actions and proceedings undertaken and its decision or resolution in each case...”

Section 43(n), R.A. 9136

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Photos courtesy of NPC

The Electric Power Industry Reform Act of 2001 provides for a truly competitive market which can better achieve the social policy objectives of ensuring adequate, reliable, efficient and reasonably priced power - MTPDP 2001-2004.

Chairman's Message

A STRONG REPUBLIC, A STRONG POWER SECTOR

A strong republic needs a strong power sector to anchor the growth and development of the nation. The passage of Republic Act No. 9136, which served as the economic blueprint for the restructuring of the electric power industry, was envisioned to provide a solid base for the introduction of the much needed reforms in the power sector.

While the implementation of this law requires the concerted efforts of all industry stakeholders, ERC plays the most pivotal role in realizing its success.

During the transition phase of the reform process, the Regulatory Body laid the groundworks for the electric industry restructuring. For one, in the exercise of its quasi-judicial functions, the Regulator has promulgated certain rules and regulations, guidelines and procedures which are vital to the restructuring of the power sector.



While performing its rule-making function, the Commission is also mandated to hear cases involving unbundling of rates or otherwise, in the exercise of its quasi-judicial function. In this respect, the Commission conducted an average of 3 to 4 hearings a day for year 2002.

On top of these functions, ERC is likewise tasked to enforce its orders and decisions, monitor their compliance, and accordingly impose the corresponding punitive sanctions in the exercise of its administrative enforcement function.

Considering the enormity of the work of the Regulator and the statutorily prescribed timelines that it has to meet, the greatest challenge it has continuously grappled with is balancing the interests of the consumers and the utility investors.

In issuing its Decisions on the rates unbundling of NPC Main, NPC-Small Power Utilities Group (SPUG) and four (4) electric cooperatives for the year 2002, ERC modified some of the previous rulings of its predecessor agencies by setting new key regulatory policies to further the promotion of public interest.

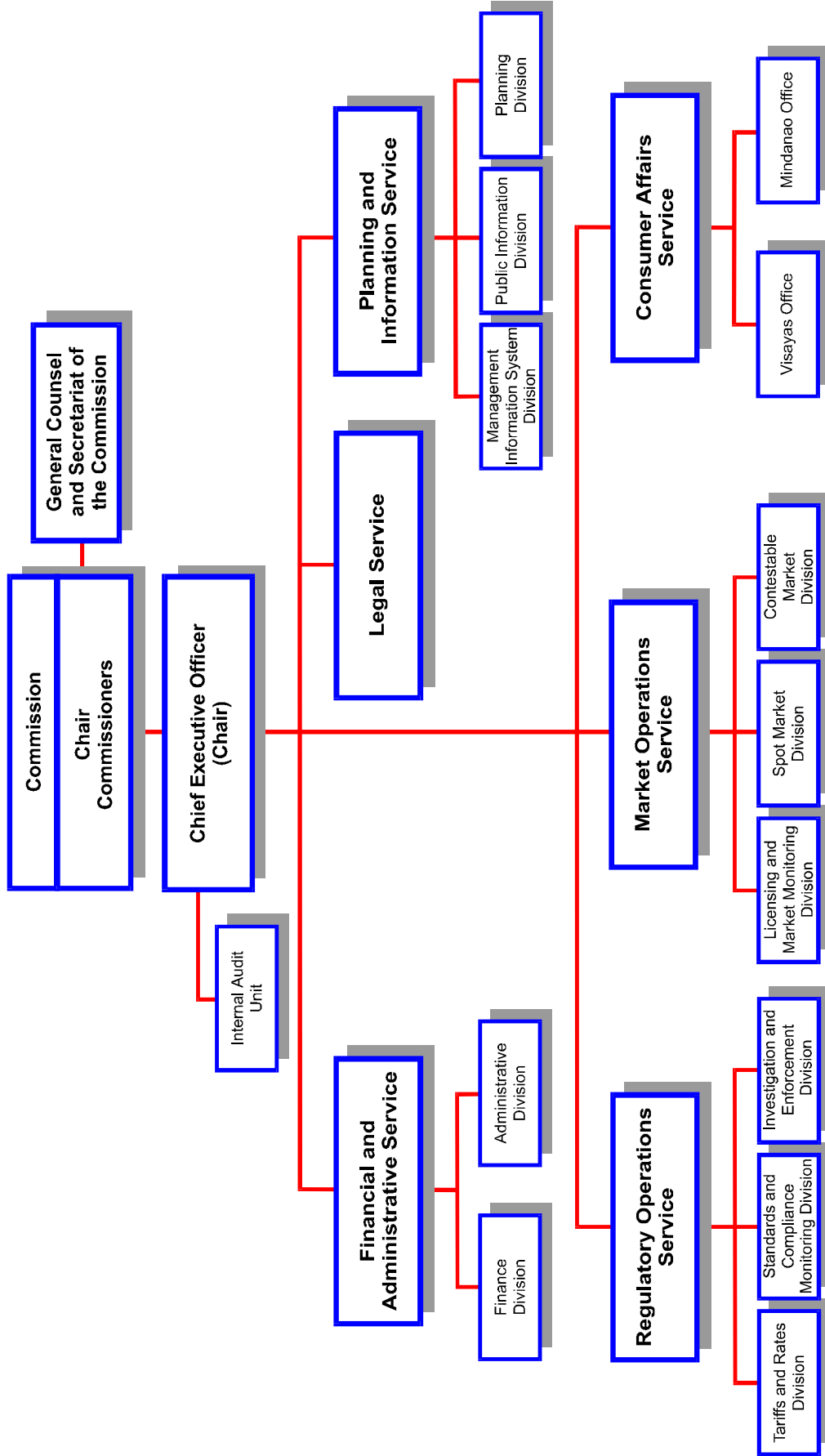
Calendar Year 2002 was indeed a year of moulding and re-shaping the regulatory environment that is responsive to the needs of the electric power industry. This task of the Regulatory Commission is not yet done though. In the next two years, the foundations of the industry restructuring will continuously be built, until such time that the electricity market is ready, and retail competition and open access shall have already taken place.

The years ahead will definitely be full of challenges, and we are counting on the electricity stakeholders to do their share in meeting these challenges head-on.

Leticia V. Ibay
LETICIA V. IBAY
 Acting Chairman



ENERGY REGULATORY COMMISSION
Organizational Structure



The Commission Officials



Leticia V. Ibay
Acting Chairman



Mary Anne B. Colayco
Commissioner



Oliver B. Butalid
Commissioner



Carlos R. Alindada
Commissioner

HIGHLIGHTS OF ACCOMPLISHMENTS FOR CALENDAR YEAR (CY) 2002

The major accomplishments of the ERC for the year 2002 focused primarily on the unbundling of rates, hearing of cases and rendering of decisions, promotion of consumer interests, and the promulgation of rules, regulations, guidelines, and procedures that are vital to the restructuring of the Philippine electric power industry pursuant to R.A. No. 9136.

1. UNBUNDLING OF RATES

For National Power Corporation (NPC) and each distribution utility, the ERC prescribed a format for the Uniform Filing Requirements (UFR) to separate the costs related to the functions of Generation, Transmission, Distribution, and Supply and to present the relevant issues that affect their rates. Year 2000 data were used in accordance with the law being the most current audited full year available at filing time.

Decisions:

- National Power Corporation (Main) - With updated fuel and purchased power costs using the June 2002 billing month, NPC's rate in Luzon was increased by PhP 0.0956/kWh and reduced in Visayas and Mindanao by PhP 0.5170/kWh and PhP 0.4769/kWh, respectively.
- National Power Corporation-Small Power Utilities Group (NPC-SPUG) was granted a Provisional Authority (PA) to implement the unbundling of rates in the Small-Island Grids. With updated FCA and FOREX based on the October 2002 level, NPC's effective rate was reduced by PhP 0.1084/kWh for Luzon, PhP 0.2719/kWh for Visayas and PhP 0.1922/kWh for Mindanao which accounts for the deferred FCA.
- Applications of the following distribution utilities resulted in an overall rate reduction primarily due to the decrease in power cost purchased from NPC:
 - Pampanga I Electric Cooperative, Inc. (PELCO I)
 - Pangasinan I Electric Cooperative, Inc. (PANELCO I)

Former Senator Juan Ponce Enrile attended the public hearing in ERC as witness of the oppositor on the hearing of MERALCO's unbundling petition.



- Sorsogon I Electric Cooperative, Inc. (SORECO I)
- Zamboanga Del Sur II Electric Cooperative, Inc. (ZAMSURECO II)

Table 1. SUMMARY OF UNBUNDLING DECISIONS

Name of Electric Utility	Areas Covered	Date of Issuance of Decision	Overall Average Tariff Adjustment (OATA)*
1. NPC-Main	Luzon, Visayas and Mindanao	June 26, 2002	(PhP 0.07/kWh)
2. PELCO I	Arayat, Candaba, Magalang, Mexico, Sta. Ana and San Luis – all in the Province of Pampanga	November 15, 2002	(PhP 0.2719/kWh)
3. PANELCO I	Agno, Anda, Alaminos, Bani, Bolinao, Burgos, Dasol, Infanta and Mabini – all in the Province of Pangasinan	November 15, 2002	(PhP 0.3392/kWh)
4. SORECO I	Bulan, Bulusan, Casiguran, Irosin, Juban, Magallanes, Matnog and Sta. Magdalena – all in the Province of Sorsogon	November 15, 2002	(PhP 0.2831/kWh)
5. ZAMSURECO II	Bayog, Buug, Diplahan, Imelda, Ipil, Kabasalan, Kumalarang, Lakewood, Vitali, Mabuhay, Olutanga, Talusan – all in the Province of Zamboanga del Sur, Baliguian, Sibuco, Siocon, Siraway – all in the Province of Zamboanga del Norte	November 15, 2002	(PhP 0.0189/kWh)

*comparison between the approved and the existing rates

Key Adjustments to the NPC Main Unbundling

The resulting reduction from current average effective rates of NPC was due to the following key adjustments:

- The net amount disallowed from rate base was P37.9 billion, including removal of non-utility plant, electric plant for disposal, and plant leased to others which



Photos courtesy of NPC

Making the rates of NPC more transparent is the goal of rates unbundling.

failed to meet the “used and useful” standard. Other rate base amounts disallowed include the accumulated amortization of electric plant under capital lease and a portion of the cash working capital.

- Items included as additions to the rate base by the Commission are: (a) Materials and Supplies and (b) Construction Work in Progress. Materials and supplies are necessary to the provision of reliable electricity service even if not physically in service. This is so because without immediate access to equipment held in inventory, an electric utility may have to wait for an unacceptable period of time for delivery of the assets necessary to correct an outage. Construction Work in Progress is a continuous process for NPC and was included so as not to discourage reasonable and necessary investment.



- Expenses disallowed by the Commission amounted to more than P8 billion primarily consisting of depreciation and amortization, and purchased power. Depreciation expense based on revalued assets was disallowed because it allowed said utility to recoup or amortize more than its original price investment. This effectively forced the customers to finance the increment between original and replacement cost. Such being the case, investors should only be allowed depreciation expense based on original cost.



Photos courtesy of NPC

The Commission adopted the “used and useful” standard in allowing or disallowing plants and assets in NPC’s rate base.

Key Policies in the Electric Cooperatives (EC) Unbundling

In issuing its decisions on the four ECs, the ERC effectively laid down key policies related to the determination of total revenue requirement and rate structure/design. The following policies will be consistently applied to the remaining 115 applications of electric cooperatives.

- **Line Losses**

System Loss caps prescribed in R.A. 7832 maintained. Electric coops are allowed to recover only up to 14% system loss and up to 1% for company use. The Commission emphasized, however, that company use should not include the personal consumption of its Board of Directors, officers and staff.

Photo courtesy of NPC



The restructuring of the electric power industry would call for the setting of new regulatory policies that are responsive to the needs of said industry.

- **Payroll**

Adoption of the policy of adjusting the *payroll* account to current salary levels of permanent employees if justifiable, even if the basis for other costs was year 2000.

Removal of the *Wage Adjustment Clause (WAC) Formula* authorized by the then Energy Regulatory Board through ERB Case Nos. 94-25 and 94-96. The wage increases can be recovered by the ECs through improvements in efficiency and revenue growth.

- **Disallowance of Operation and Maintenance Expense**

Disallowances, with material impact in the calculation of rates per customer class, made on expenses found to be excessive and unnecessary in the electric operation.

- **Debt Service**

The ECs shall apply for a rate reduction under the Guidelines for the Implementation of the Reduction in Rates of the Electric Cooperatives due to the

Condonation of Debts issued by the Commission on October 21, 2002 and amended on November 15, 2002.

● **Reinvestment Fund (5% of Gross Revenues)**

Granting, as general rule, a provision for *capital expenditures* equivalent to five percent (5%) of the Gross Revenue to finance expansion and rehabilitation/upgrading of its existing electric power system.

● **Other Revenue Items**

Deduction of the *Other Revenue Items* from the revenue requirement used for rate calculation to ensure that customers benefit from other income sources of the cooperative. In case of prompt payment discounts, the Commission ruled that the cooperative can keep half and pass the balance to the consumers.

● **Graduated Lifeline Rate**

Fixing the maximum level of specific lifeline consumption for each of the ECs to maximize the benefit to marginalized end-users. The Commission adopted the *graduated scale for lifeline discounts* based on the recognition that individual end-user consumption levels may slightly vary from month to month.

● **Lifeline Subsidy not more than PhP 0.10/kWh**

Consideration of the impact of *Subsidized Lifeline Rates* on non-lifeline consumers who will carry the costs associated with such subsidy. As a general rule, the subsidy on lifeline consumers shall not exceed PhP 0.10/kWh.

● **Supply and Metering Charges**

Consideration of the other factors in determining the rate design to protect below average consumers. While the cost-causation principle implies the recovery of customer-related costs associated with the *metering and supply* functions through fixed monthly charges, the Commission maintains flexibility by considering rate design impacts across spectrum of end-users within each rate class.



● **Distribution Wheeling Charge**

Utilization of the distribution charge provided on the approved rate schedules as *distribution wheeling charges* available to the future competitive market. However, other distribution utilities requesting to wheel power across the EC's facilities shall pay wheeling charges equivalent to distribution wheeling charges for industrial end-users.

● **Other Charges**

Pegging the *Other Charges of the ECs* at their existing levels until such time that the Commission sets new rates on the same. In line with this, the ECs were ordered to make a compliance filing on its Other Charges a year from the date of the Decision. The compliance filing for approval of Other Charges shall include rates that are cost-based, as well as, all supporting cost justification for the rates.

2. HEARING OF CASES AND RENDERING OF DECISIONS

The Commission conducted five hundred thirty-eight (538) hearings and rendered twenty-eight (28) decisions in 2002. Included in the hearings were the eighty (80) cases filed in 2002. Below is the breakdown:

**Table 2. SUMMARY OF PREVIOUS YEARS' CASES
HEARD AND DECIDED BY ERC IN 2002**

Nature of Decision		No. of Cases Filed in 2002	No. of Hearings ¹	No. of Cases Decided ²
1.	Approval of unbundling of electricity rates as mandated by Section 36 of R.A. 9136	31	180	5
2.	Approval of revised rate schedule	5	60	5
3.	Approval of application to build, install, operate, and/or increase the capacities of generation/distribution facilities	2	26	4
4.	Issuance of Certificate of Public Convenience and Necessity (CPCN)	1	12	3
5.	Approval/Denial to terms and conditions of service of a utility	1	–	1
6.	Violation of ERC Rules and Regulations and other related laws	3	7	5
7.	Approval of sound value appraisal of properties	2	1	2
8.	Approval of electric power supply agreement	2	–	1
9.	Consumer complaint ³	27	245	2
10.	Approval of the Demand Side Management (DSM) Program		2	–
11.	Authority to Increase Capital Stock	1	1	–
12.	Availment from the Universal Charge	3	3	–
13.	Approval for sale of property	2	1	-
Total		80	538	28

Note:

¹Included were hearings conducted for cases filed prior to year 2002.

²Included were the cases filed prior to year 2002.

³(Litigation/Conciliatory) nature of the complaint

Forty-six percent (46%) of the total number of hearings concerns consumer complaints filed against Utilities/Cooperatives after the required arbitration process (conference) by the Consumer Affairs Service of the ERC.

Hearings on unbundling of rate applications comprised thirty-three percent (33%) of the total. Both unbundling and consumer complaint cases translate to 80% of the cases heard. The rest accounts for the remaining 20% (refer to table 2).

Out of the twenty-eight (28) cases decided, five (5) were on the application of unbundling of electricity rates by electric utilities (NPC- Main, PELCO I, PANELCO I, SORECO I, and ZAMSURECO II) filed in compliance with Section 36 of R.A. 9136. In the case of the application for rate unbundling of NPC-SPUG, the Commission issued a Provisional Authority (PA); hence an Order, not a Decision was issued.

Five (5) cases involved a petition for a rate increase. The Provisional Authority previously issued to Lanao del Norte Electric Cooperative, Inc. (LANECO) and Negros Occidental Electric Cooperative, Inc. (NOCECO) were made permanent. The rate of the Don Orestes Romualdez Electric Cooperative, Inc. was, however, maintained to its existing level. In addition, a Provisional Authority was issued to Sorsogon II Electric Cooperative, Inc. (SORECO II) and Tarlac I Electric Cooperative, Inc. (TARELCO I).

To improve the provision for electricity services, the Commission approved the application of MERALCO (2 applications), Visayan Electric Cooperative, Inc. and Ibaan Electric and Engineering Corp. to build, install, operate, and/or increase the capacities of generation/distribution facilities. A CPCN was also issued to MERALCO, extending for another 25 years its authority to operate in Cabuyao, Laguna. Moreover, separate CPCNs were issued to the said utility for its operation of electric service in Obando and Sta. Maria in Bulacan.

The Amendment to the Terms and Conditions of Service proposed by MERALCO in BOE Case No. 85-121 was denied because it is contrary to the provisions of Section 3.2.4 of Article 32 (Power Quality Standards for Distributors) of the Philippine Distribution Code.

Three (3) violation cases filed against Meralco were decided. A fine was imposed on two violations to Section 8 & 16 of ERB Resolution No. 95-21. The third case, a violation of Section 16 of ERB Resolution No. 95-21, was dismissed after noting that the utility firm only failed to report the corrective action to make its distribution equipment and facilities in Maragondon and Magallanes, Cavite complying to standards set forth in the above cited resolution. Cases filed against Agusan del Norte Electric Cooperative (ANECO) and Panay Electric Cooperative I (PANELCO I) for violating ERB Rules and Regulations were closed and terminated.



The Commission en banc: the regulator's greatest challenge is to balance the interests of the consumers and the utility investors.

The application for sound value appraisal of the properties of Visayan Electric Company, Inc. and Panay Electric Co., Inc. were approved based on the appraisal report of the team dispatched to inspect and reassess the properties.

The Electric Power Supply Agreement (EPSA) between SFELAPCO and HEDCOR was also approved by the Commission.

A consumer complaint was filed against MERALCO on the alleged high voltage delivered to the complainant's household, claiming damage to appliances. This was dismissed for lack of merit as the difference in voltage specifications to that actually delivered was within tolerable limits. Another complaint was filed against said utility on differential billing but was settled amicably by both parties.



The CAS in Action: Walk-in consumers make a query on their electricity bills to the CAS.

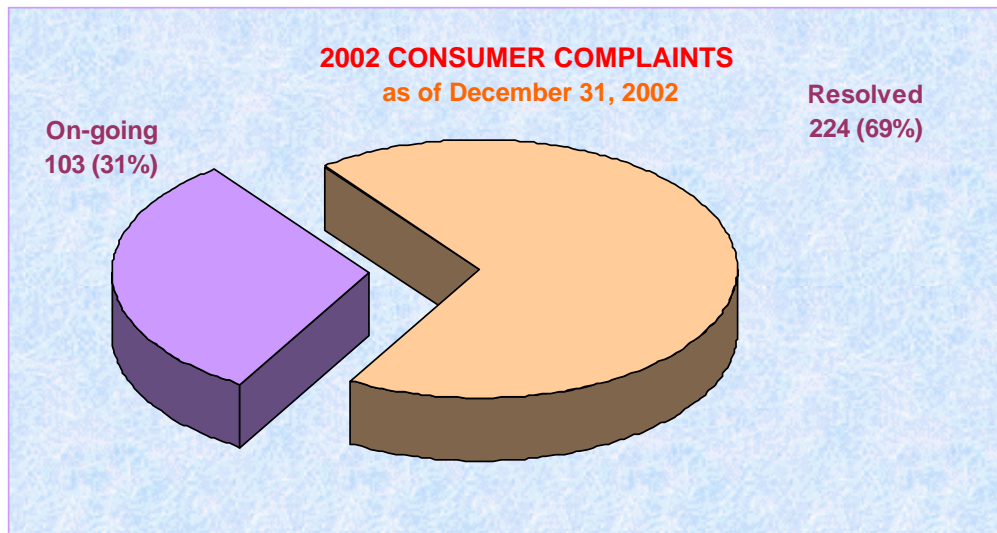
3. PROMOTION OF CONSUMER INTERESTS

ERC is mandated to handle consumer complaints and to ensure the adequate promotion of consumer interests. Below are the highlights of the activities done to promote consumer interests:

- Total complaints filed were 327 cases, of which 224 (or 69%) were already resolved. As shown in the chart, 31% of the total complaints are ongoing negotiations. Below is a summary of complaints filed and resolved:

Table 3. SUMMARY OF COMPLAINTS FILED AND RESOLVED
(As of December 31, 2002)

	Filed	Resolved			Conferences	Letters	Orders
		Old	New	Total			
Old (Prior to 2002)	115						
Jan - 02	5				72		
Feb - 02	22	6	1	7	79	48	89
Mar - 02	16	4	2	6	96	52	73
Apr - 02	27	19	4	23	102	56	114
May - 02	15	15	3	18	115	84	141
Jun - 02	8	10	5	15	114	73	143
Jul - 02	15	10	16	26	129	93	144
Aug - 02	29	6	22	28	114	178	141
Sep - 02	26	12	18	30	139	230	154
Oct - 02	23	5	17	22	136	213	147
Nov - 02	17	7	30	37	119	234	211
Dec - 02	9	2	10	12	83	95	70
Sub-total for Year 2002	212						
Total	327	96	128	224	1298	1356	1427



- Information dissemination drives on the purchased power adjustment (PPA), unbundling of rates, consumer welfare desk, and the wholesale electricity spot market were conducted for year 2002 to educate all the stakeholders in the industry, including the consumers.



ERC Chief Information Officer guested at Radyo ng Bayan with PPA as the subject of discussion.

- The Rules of Procedure Governing Complaints Filed with the Consumer Affairs Service (CAS) was promulgated and published.
- All electric utilities were required to establish a consumer desk in their premises to promptly address the concerns of electricity consumers. All electric utilities complied, except for 23 electric cooperatives and 1 private utility. The said utilities were issued a stern warning to set up their own consumer desks.
- ERC has made its services available to the consumers through its Hotline Numbers: 687-55-77 or 687-55-44, and through the ERC Website at www.erc.gov.ph.

4. PROMULGATION OF THE RULES, REGULATIONS, GUIDELINES AND PROCEDURES

In the exercise of its quasi-legislative functions, ERC issued a number of rules, regulations, guidelines, and procedures for year 2002 as requisites to building the foundations of the restructuring of the Philippine electric power industry.

- *Guidelines to Govern Imposition of Administrative Sanction in the Form of Fines and Penalties*
 - ERC's enforcement and punitive powers have been expanded and strengthened to protect the interests of the consumers, as well as those of the utility investors.
- *Rules of Procedure Governing Complaints Filed with the Consumer Affairs Service of the Energy Regulatory Commission*
- *Guidelines for the Issuance of Certificate of Compliance for Generation Companies/Facilities*
 - 38 generating companies have submitted applications for certificates of compliance (COCs) with ERC as of December 31, 2002.
- *Guidelines to Govern the Formation of the Grid Management Committee and the Distribution Management Committee*
 - Appointment and Oath Taking of the Regulars Members and Government Representatives to the Grid Management Committee (GMC) and the Distribution Management Committee (DMC).



The Philippine Grid Code establishes the basic rules, requirements, procedures, and standards that govern the operation, maintenance, and development of the high-voltage backbone transmission system in the Philippines.

- *Guidelines on the Submission, Evaluation, and Approval of the Statement of Compliance and Compliance Plans of the Distributors and, Grid Owner and System Operator to the Philippine Grid and Distribution Code (PGDC).*
- *Promulgation of Guidelines for the Implementation of the Reduction in Rate of the Electric Cooperatives Due to the Condonation of Debts*
 - Applications submitted to the Commission under evaluation.
- *Amendment to the Rules and Regulations on De-monopolization and Shareholding Dispersal*
 - Based on the constitutional mandate for dispersal of ownership, the EPIRA provided for the de-monopolization of public utilities to enhance the inflow of private capital and broaden the ownership base of the distribution sector.



Oathtaking of the Grid Management Committee (GMC)



The Regular Members and Government Representatives to the Distribution Management Committee (DMC) take their oath of office before Acting Chairman Leticia V. Ibay.

OTHER ACCOMPLISHMENTS

ERC Goes on Line

The ERC formally launched its website, www.erc.gov.ph on October 30, 2002. The launching was held at the ERC Board Room, Pacific Center, San Miguel Ave., Pasig City. It was highlighted by a simple turnover ceremony attended by Acting Chairman Leticia V. Ibay, Commissioners Oliver B. Butalid, Carlos R. Alindada, and Mary Anne B. Colayco, and Ms. Rosario Calderon of the USAID, which funded the development of the ERC website.

The ERC website contains general information about the Commission, energy related laws, rules, regulations, and other issuances. It also includes ERC news articles and publications, hearing schedules, electricity rates, feedback on public consultations, power industry directory, featured topics, and other matters. In addition, the decisions, orders and resolutions of the Commission are posted on the website.

The main page contains a welcome message and a section called “What’s New at ERC”, which lists recent news articles. Links to major sections of the site are also provided for faster navigation to inside pages. The main links lead to general information about the ERC (About Us), energy related laws and ERC guidelines (EPIRA and Other Issuances), links to sites of energy sector participants and government agencies (Related Links), electric rates and cases (Rates and Cases), and contact information about the ERC (Contact Us).



Commissioners Oliver B. Butalid and Mary Anne B. Colayco, ERC Acting Chairman Leticia V. Ibay, Ms. Rosario Calderon of USAID and Commissioner Carlos R. Alindada with the ERC Website Team and guests.

Capacity Building of ERC Personnel

Crucial to the success of implementing the EPIRA is the backbone of the Commission: its work force.

Pursuant to Section 40 of the Act, the ERC shall establish rigorous training programs for its staff for the purpose of enhancing the technical competence of the ERC in the following areas: evaluation of technical performance and monitoring of compliance with service and performance standards, performance-based-rates-setting reform, environmental standards used, other areas that will enable the ERC to adequately perform its duties and functions.

During the transition phase of the electric industry restructuring, the Commission, in consonance with the statutorily prescribed timelines, embarked on a comprehensive on-the-job training program on Cost of Service Analysis and Rates Unbundling in collaboration with foreign and local consultants.

For CY 2002, the ERC conducted training programs on rates unbundling, wholesale electricity spot market, rules and guidelines on electricity regulation, new government accounting system (NGAS) and information technology.



ERC engineers in the field offices underwent training on the new technologies in watt-hour meter testing and meter laboratory standards.



The Commission on Audit (COA) conducted training on the New Government Accounting System (NGAS).



An intensive cost of service - ratemaking seminar was conducted for ERC staff.

Compendium of Energy Regulation Laws and Other Issuances

The growing number of laws, rules and regulations, guidelines, procedures and other issuances pertaining to the regulation of the electric power industry is now conveniently compiled in book form. Considered as a pioneering effort in the industry, the compendium serves as a quick reference to almost all energy regulation laws and other issuances. The industry stakeholders, government agencies, consumer groups, law firms and the academe are expected to benefit from this project.

The Compendium was published initially in three volumes. *Volume I* contains the pre-restructuring laws and other issuances. It also includes laws pertaining to the oil industry, which are related to the regulation of the natural gas industry. *Volumes II* and *III* embody those issuances governing the restructuring, governance and administration of the electric industry in chronological order. The compendium could also be accessed through the website of ERC: www.erc.gov.ph.



The Compendium was launched officially on October 7, 2002 during the Consumer Welfare Month (CWM) celebration. (From left to right: DOE Secretary Vince S. Perez, ERC Acting Chair Leticia V. Ibay and DTI Usec. Adrian Cristobal).

CHALLENGES AHEAD

Service Quality Regulation

Veering away from a tariff-focused regulation, the Commission shall play a significant role in ensuring the quality, reliability, adequacy and efficiency of electricity services. With the promulgation of the Philippine Grid and Distribution Code (PGDC) and the guidelines that will be issued by the Commission to implement the PGDC, the Regulatory Commission shall see to it that the electricity consumers are provided with quality electric services and that all electric utilities comply with the PGDC to enable them to improve their level of performance and financial efficiency.

In the future, after all the guidelines, rules and regulations, and procedures pertinent to service quality regulation have been put in place, the Commission shall be seen focusing its effort at monitoring and enforcing the electric utilities' compliance with the PGDC.

Competition Regulation

The introduction of competition in the electric power industry opens another critical aspect in energy regulation: *competition regulation*.

In the exercise of this function, the Commission shall monitor market behavior with the end in view of developing an electricity market that is efficient and beneficial to all industry participants and allow for the greatest range of customer choices in terms of product, servicing, pricing and supplier. It behooves the Commission to stay alert and closely monitor developments so that in case of abuse of market power, cartelization and anti-competitive or discriminatory behavior, the Commission will come in, exercise its regulatory powers, and tip the balance.

Promulgation of Other Rules and Regulations, Guidelines and Procedures

Work has started so that, barring issues beyond its control, ERC shall, in the next few years issue other rules and regulations which are essential to building the foundations of the restructured electric power industry. These rules and other issuances of the Commission, among others shall include the following:

- Promulgation and Enforcement of Competition Rules
- Guidelines for the Business Separation and Unbundling Plan (BSUP)
- Guidelines on the Alternative Form of Rate-setting Methodology for the TRANSCO and Any Future Concessionaire Thereof
- Guidelines on the Delineation of Transmission and Subtransmission Assets
- Guidelines on the Open Access Transmission Service (OATS)
- Rules, Guidelines and Procedures for Licensing of Suppliers
- Development of *Other* Guidelines for the Implementation of the PGDC
- Development of New Recoverable System Loss Caps
- Performance Based Rate Setting Methodology for Distribution Utilities
- Pricing Methodology for Natural Gas
- Issuance of ERC Order on the Universal Charge
- Review and Approval of the NPC Transition Supply Contracts
- Issuance of Guidelines for the Regulation of Power Sales by Generation Companies Prior to the Implementation of Retail Competition and Open Access or Establishment of WESM
- Determination of the Manner and Duration for the Full Recovery of Stranded Contract Costs of NPC/PSALM and the Distribution Utilities



Photos courtesy of NPC

“The future electric power industry will be driven by market forces. In a competitive electricity environment, it is envisioned that utility services will be greatly improved and the cost of electricity will become reasonably affordable to everybody.”