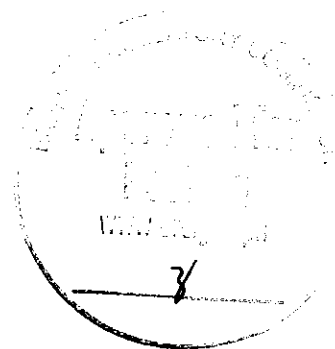


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



VIRGINIA

HOLGADO,
Complainant,

- versus -

ERC CASE NO. 2006-344CC

MANILA ELECTRIC COMPANY,
(MERALCO)

Respondent.

x-----x

DOCKETED
Date: OCT 29 2008
By: [Signature]

DECISION

Before this Commission for resolution is the verified complaint filed by Virginia Holgado on May 19, 2006 against the respondent Manila Electric Company (MERALCO) due to the alleged high billing.

FACTS OF THE CASE

The subject matter of the complaint is the February 2006 electric bill of the complainant in the amount of One Hundred Eleven Thousand One Hundred Forty Six Pesos and 45/100 (PhP111,146.45) covering the January 22, 2006 to February 20, 2006 billing cycle.

On February 20, 2006, respondent conducted a regular reading on complainant's electric service meter, registered under the name of Eleonor Narciso, to determine her electricity consumption for the billing month of February, 2006. Due to the sudden increase in complainant's consumption, respondent conducted a re-reading on the same date to confirm the first reading.

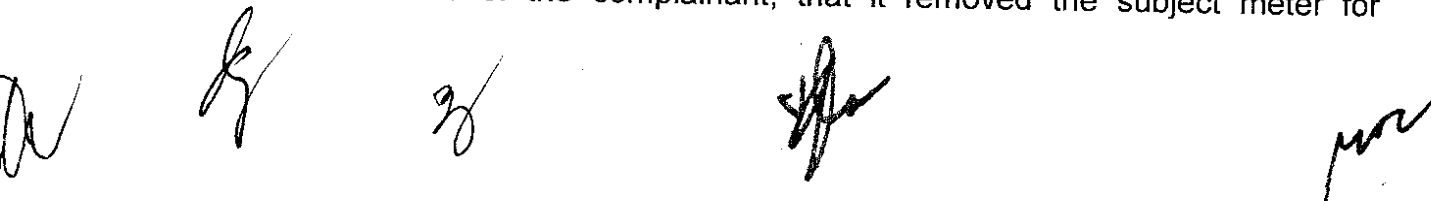
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When both readings were confirmed to be correct, complainant was billed with the amount aforesaid.

Complainant questioned the said bill for being exorbitant and without basis. Thus, an investigation was conducted by the respondent. Complainant's service meter was also removed on February 27, 2006 for testing and was found to be accurate.

Complainant alleged that with a small hollow-block making business, her average monthly electricity consumption before the February 2006 bill was between PhP1,500.00 to PhP2,500.00; that her average monthly consumption after the February 2006 bill only went up from PhP4,000.00 to PhP6,000.00 beginning April 2006 when she allegedly opened an additional burger machine business; that she was allegedly shocked to receive the February 2006 billing with the amount aforesaid; and that she admitted that the replaced meter and the new meter were both accurate.

Respondent, on the other hand, alleged that on February 20, 2006, it conducted a reading on complainant's meter, which reflected a reading of 19757; that based on this reading, the actual consumption was computed by getting the difference between the said reading and the previous month reading (8777 - January 22, 2006) resulting to a consumption of 10980 kilowatthours; that due to the apparent increase in complainant's consumption, an audit reading was conducted on the same day on the same meter to confirm the reading of 19757; that based on the findings of its accredited auditing firm, the meter reading it conducted was read accurately; that it allegedly conducted an inspection on the electrical facilities of the complainant; that it removed the subject meter for



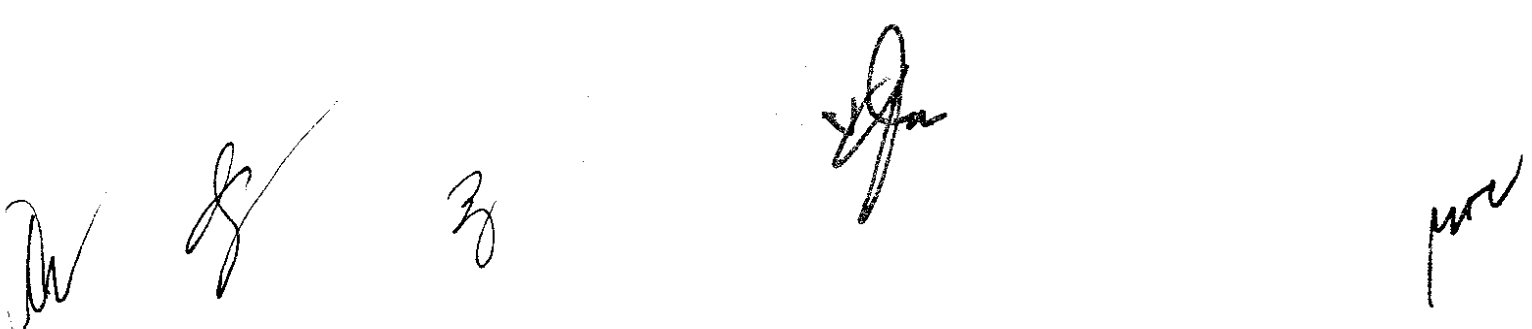
verification purposes which was found to be accurate; that complainant's recorded consumption was allegedly not proportionate to her actual connected loads which included two (2) hollow blocks molder motors at one (1) horsepower each; that its investigation disclosed that the previous kilowatthour readings of complainant's meter, particularly from November, 2003 to January, 2006, were controlled to a desired level of consumption; that the alleged irregularity was made in connivance with its meter reader who registered only a fraction of the complainant's consumption in his reading equipment; and that the February 2006 bill, thus, reflected the accumulated underbillings when the correct reading was taken by its new meter reader on February 20, 2006.

Several pre-hearing conferences were conducted by the Commission to explore the possibility of an amicable settlement between the parties. However, no settlement was reached and by agreement of both parties, the Rules on Summary Procedure was applied to this case.

On various dates, the complainant and the respondent filed their respective "Position Papers" with the latter attaching thereto its documentary evidence.

DISCUSSION

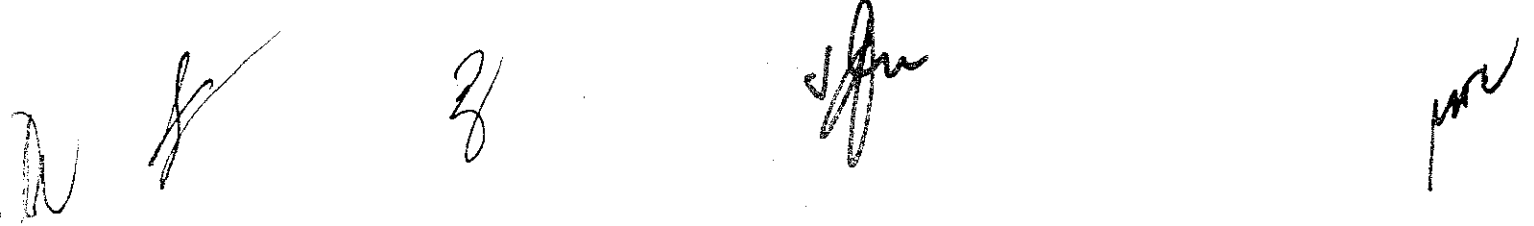
There being no issue as to the accuracy or integrity of complainant's meter, the crux of the case is simple: Whether or not the complainant's electric consumption of 10980 kilowatthours for the billing period February, 2006 was correct.



Based on the evidence presented, there is reason to believe that the billing is incorrect despite the accuracy of the meter. A review of the billing history of the complainant shows that her subsequent consumption for three (3) months after the billing month in question reflected a monthly average consumption of 460 kilowatthours. Further, based on complainant's connected load, an estimate of 415 kilowatthours monthly consumption was derived. Clearly, these figures dispute the 10980 kilowatthours consumption being claimed by the respondent.

Respondent, in its position paper, impliedly acknowledged that the 10980 kilowatthours consumption was irregular by stating that the only explanation for such consumption was the collusion between the complainant and its own meter reader. However, no evidence was presented by the respondent to support said allegation. Moreover, it should be pointed out that a simple error or incompetence on the part of respondent's meter reader may result to the unusually high billing of 10980 kilowatthours. Thus, considering that the meter was accurate, it can be reasonably deduced that the 10980 kilowatthours reading for the month of February, 2006 was a result of a prior inaccurate reading, which respondent likewise posited.

Such being the case, the respondent cannot charge or bill complainant based on the 10980 kilowatthours consumption. In the absence of any evidence of collusion between the complainant and the respondent's own meter reader, liability for prior inaccurate readings, whether intentional or unintentional, should be that of the respondent. Respondent must exercise better control and supervision of its personnel. A situation where errors in meter reading are

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attributable to the Distribution Utility should not prejudice its consumers absent any clear showing of collusion or violation on the part of the consumer.

Article 3.5.7 of the Distribution Services and Open Access Rules (DSOAR) provides that:

"In cases of other billing errors, the following principles shall apply:

xxx xxx

- (b) Payments for undercharge shall be computed back to the date on which the error commenced, *however*, in no case where the error or omission is due to the fault of the DU, shall a bill for undercharge be computed for a period exceeding three (3) months." (italics ours)

Accordingly, complainant's billing adjustment shall be computed based on her approximate monthly consumption, which is 415 kilowatthours and multiplied by the average rate of electricity at the time of discovery, or PhP10.1226/kilowatthour.

Accordingly, pursuant to the DSOAR, the billing adjustment should be **PhP4,200.88**, computed as follows:

$$\text{Billing Adjustment} = 415 \times \text{PhP}10.1226$$

Where:

415 kwhs - approx. monthly consumption based on actual loads

PhP10.1226/kwh - average rate of electricity based on February, 2006 bill



WHEREFORE, the foregoing premises considered, VIRGINIA HOLGADO should only be made liable to pay the amount of Four Thousand Two Hundred Pesos and 88/100 (PhP4,200.88), and is hereby directed to remit the same to the MANILA ELECTRIC COMPANY (MERALCO).

SO ORDERED.

Pasig City, September 26, 2008.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA R. CASTANEDA
Commissioner


JOSE C. REYES
Commissioner


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