

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



IN THE MATTER OF THE
APPLICATION FOR AUTHORITY TO
RECOVER FROM CONSUMERS
NATIONAL FRANCHISE TAXES PAID
FROM 2001 TO 2006 AND LOCAL
FRANCHISE TAXES PAID TO THE
CITY OF TAGBILARAN FROM 2002
TO 2008, WITH PRAYER FOR
PROVISIONAL AUTHORITY

ERC CASE NO. 2008- 025 RC

BOHOL LIGHT COMPANY, INC.
(BLCI),

Applicant.

x -----x

D O C K E T E D

Date: DEC 16 2008

By: [Signature]

D E C I S I O N

Before the Commission for resolution is the application filed by Bohol Light Company, Inc. (BLCI) on May 12, 2008 for authority to recover from its consumers the national franchise taxes (NFTs) paid from 2001 to 2006 and local franchise taxes (LFTs) paid to the City of Tagbilaran from 2002 to 2008, with prayer for provisional authority.

In its application, BLCI alleged, among others, the following:

1. From Calendar Years (CYs) 2002 to 2008, it paid to the City Government of Tagbilaran LFT in the total amount of PhP14,481,339.54 pursuant to Section 3D.02 of Ordinance No. RC-001 entitled "An Ordinance Enacting the Revenue Code of the City of Tagbilaran", as amended, which reads:

"SECTION 3D.02 – Imposition of Tax – There is hereby levied a tax on business enjoying franchise at a rate of seventy-five percent (75 %) of one percent (1 %) of the gross annual receipts for the preceding year based

on the incoming receipts, or realized within the territorial jurisdiction of the City of Tagbilaran. x x x.”

2. From January 2001 to May 2006, it paid the national government, through the Bureau of Internal Revenue (BIR), NFT in the total amount of PhP22,121,771.54;
3. It filed this application in view of the nature of franchise tax as a pass-through charge, and in compliance with the following: (a) the Order dated July 20, 2007 in ERC Case No. 2007-122 RC, which is its application for the unbundling of its rates, allowing it to charge national and local franchise taxes to its consumers; (b) the Decision dated March 27, 2008 in ERC Case No. 2007-122 RC, directing it to provide a separate line item in its customers’ billings for franchise taxes; and (c) ERC Resolution No. 36, Series of 2006, directing “every private distribution utility to file an application for recovery of new local franchise tax rates imposed by the LGUs after the approval of its rate unbundling application”;
4. It proposed to recover from its consumers over a period of three (3) years, at a monthly rate of PhP0.1683/kWh, the local and national franchise taxes that it had already paid;
5. In support of its application, it submitted the following schedules:

Schedule 1	Summary of the Local Franchise Tax Paid (PhP14,481,339.54)
Schedule 2	Summary of the National Franchise Taxes (PhP22,121,771.54)
Schedule 3	Proposed Computation for Franchise Tax Recovery Rate for 3 Years
Schedule 4	BLCI’s Annualized kWh Sales for CY 2007

6. It prayed that the Commission grants it authority to recover from its consumers over a period of three (3) years at a monthly rate of PhP0.1683/kWh, the local and national franchise taxes it had already paid, with provisional authority to recover the same.

Having found said application sufficient in form and in substance with the required fees having been paid, an Order and a Notice of Public Hearing, both dated May 15, 2008, were issued setting the same for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on June 12, 2008 and June 13, 2008.

In the same Order, BLCI was directed to cause the publication of the Notice of Public Hearing, at its own expense, twice (2x) for two (2) successive



weeks in two (2) newspapers of general circulation in the Philippines, with the date of the last publication to be made not later than ten (10) days before the scheduled date of the initial hearing. It was also directed to inform the consumers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor, and of the scheduled hearing thereon.

The Office of the Solicitor General (OSG), the Commission on Audit (COA) and the Committees on Energy of both Houses of Congress were furnished with copies of the Order and the attached Notice of Public Hearing and were requested to have their respective duly authorized representatives present at the aforesaid initial hearing.

Likewise, the Offices of the Provincial Governor of Bohol and the City Mayor of Tagbilaran were furnished with copies of the said Order and Notice of Public Hearing, for the appropriate posting thereof on their respective bulletin boards.

On June 6, 2008, BLCI filed its "Pre-Trial Brief".

During the June 12, 2008 initial hearing, the following entered their appearances: 1) Atty. Remigio Michael A. Ancheta II, for BLCI; 2) Hon. Mayor Dan Neri Lim, Attys. Doni D. Piquero, Nerio D. Zamora II, and Danilo A. Bantugan, for the City of Tagbilaran; 3) Atty. Raul P. Barbarona, for Holy Name University Alumni Association (HNUAA); 4) Atty. Menedio Thadeus P. Bernido, representing Rep. Adam Relson L. Jala; 5) Mr. Nemesio C. Monton, for Tagbilaran Concerned Citizens' Organization (TACCO); and 6) Atty. Thadeus Jose C. Acero, for the Provincial Government of Bohol (PGB).



In the said hearing, the Commission acknowledged receipt of the following correspondences: 1) the Letter of Hon. Prospero C. Nograles, dated June 11, 2008; 2) the Letter of Rep. Jala, dated June 11, 2008; and 3) the Letter of Rep. Edgar M. Chatto, Rep. Roberto C. Cajes and Rep. Jala of the 1st, 2nd and 3rd Districts of Bohol, respectively, dated June 12, 2008.

On even date, Gov. Erico B. Aumentado, for and in behalf of the PGB, and Mayor Lim, for and in behalf of the City Government of Tagbilaran, likewise, filed their respective Oppositions. The Integrated Bar of the Philippines (IBP) Bohol Chapter filed its "Unnumbered Resolution (In the Matter of ERC Case No. 2008-025 RC)" approved on June 11, 2008 adopting the position of the City Mayor of Tagbilaran.

Subsequently, the Commission provisionally considered the following as Intervenors subject, however, to the filing of the appropriate petitions to formalize their intervention, within five (5) days from the date of the said initial hearing: 1) City Government of Tagbilaran, Bohol; 2) Atty. Barbarona; 3) Atty. Bernido; and 4) Mr. Monton.

On the other hand, the Commission considered PGB and IBP Bohol Chapter as Oppositors in the instant case.

Thereafter, BLCI presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "D" to "K", inclusive.

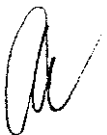


Mayor Lim moved for the suspension of the proceedings in view of the alleged existence of a prejudicial question relative to the validity of BLCI's franchise on the ground that it was not granted by the Philippine Congress. The Commission deferred the proceedings pending resolution of the propriety of the said motion. BLCI and the Intervenors were directed to file their respective Memoranda within ten (10) days from the date of the initial hearing relative to the issue of suspension of the proceedings.

In the meantime, the Commission noted the following submissions made by the parties:

1. BLCI's "Memorandum", "Manifestation with Motion for Time" and "Vehement Opposition to the Motions for Intervention with Reiteratory Motion to Declare a General Default" filed on June 23, 2008;
2. The respective Oppositions filed by Gov. Aumentado and Mayor Lim filed on July 8, 2008;
3. Mayor Lim's "Petition to Intervene" filed on July 10, 2008;
4. Mr. Monton's "Petition for Intervention" filed on July 14, 2008;
5. Mayor Lim's "Position Paper in Support of Petition for Intervention" filed on July 14, 2008;
6. BLCI's "Motion for Further Extension of Time to File Replies" filed on July 17, 2008;
7. BLCI's "Motion for Final Extension of Time to File Replies" filed on July 23, 2008; and
8. BLCI's "Reply to Opposition" filed on July 28, 2008.

On August 11, 2008, the Commission issued an Order resolving the following: 1) the Motion and Letter-requests of the following for the suspension of the proceedings in the instant case: a) City of Tagbilaran; b) Hon. Speaker Nograles; and c) Rep. Jala; and 2) Petitions for Intervention of the following: a)



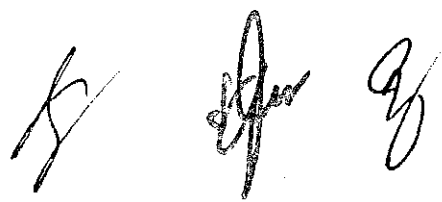
City of Tagbilaran; b) Atty. Barbarona of HNUAA; c) Atty. Bernido; and d) Mr. Monton of TACCO.

In the said Order, the Commission denied the motion and letter-requests for the suspension of the proceedings of the instant case. The City of Tagbilaran and Mr. Monton were allowed to intervene in the instant case. On the other hand, Atty. Barbarona and Atty. Bernido were recognized merely as Oppositors.

At the continuation of the hearing on August 28, 2008, only BLCI appeared. The Intervenors failed to appear despite due notice.

In the said hearing, BLCI conducted an expository presentation of its application. Thereafter, BLCI presented its lone witness, Mr. Noel L. Alingig, its General Manager, who testified to prove the bases and justifications for the recovery from the consumers of the national and local franchise taxes paid by BLCI. In the course of his testimony, additional documents were presented and marked as Exhibits "L" to "N", inclusive.

The direct examination of the said witness having been terminated, the Commission propounded clarificatory questions. BLCI was then directed to submit various documents and its formal offer of evidence within thirty (30) days from the date of the said hearing. In compliance therewith, BLCI filed its "Compliance and Formal Offer of Documentary Exhibits" on October 7, 2008 which are hereby admitted for being relevant and material to the resolution of this application.



DISCUSSION

Each local government unit (LGU) shall have the power to create its own sources of revenues and to levy taxes, fees and charges subject to such guidelines and limitations as the Congress may provide, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local governments. (*Article X, Section 5, Constitution of the Republic of the Philippines*).

In relation thereto, Republic Act No. 7160 (R.A. 7160) was enacted modifying the revenue raising powers of the local governments under the then Local Tax Code. The following are the pertinent provisions of R.A. 7160 governing the scope of taxing powers of the City and Province applicable in the instant case:

- A. **Section 129. Power to Create Sources of Revenue** – Each local government unit shall exercise its power to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions herein, consistent with the basic policy of local autonomy. Such taxes, fees, and charges shall accrue exclusively to the local government units.
- B. **Section 132. Local Taxing Authority.** The power to impose tax, fee, or charge or to generate revenue under this Code shall be exercised by the Sanggunian of the local government unit concerned through an appropriate ordinance.
- C. **Section 137. Franchise Tax** – Notwithstanding any exemption granted by any law or other special law, the province may impose a tax on businesses enjoying a franchise, at a rate not exceeding fifty percent (50%) of one (1%) of the gross annual receipts for the preceding calendar year based on the incoming receipt, or realized, within its territorial jurisdiction.
- D. **Section 151. Scope of Taxing Powers** – Except as otherwise provided in this Code, the city may levy the taxes, fees and charges which the province or municipality may impose; Provided, however, That the taxes, fees and charges levied and collected by highly urbanized and independent component cities



shall accrue to them and distributed in accordance with the provisions of this Code.

The rates of taxes that the city may levy may exceed the maximum rates allowed for the province or municipality by not more than fifty percent (50%) except the rates of professional and amusement taxes.

E. Section 186. Power to Levy Other Taxes, Fees or Charges.

– Local government units may exercise the power to levy taxes, fees or charges on any base or subject not otherwise specifically enumerated herein or taxed under the provisions of the National Internal Revenue Code, as amended, or other applicable laws: Provided, That the taxes, fees, or charges shall not be unjust, excessive, oppressive, confiscatory or contrary to declared national policy; Provided, further, That the ordinance levying such taxes, fees or charges shall not be enacted without any prior public hearing conducted for the purpose.

F. Section 191. Authority of Local Government Units to Adjust Rates of Tax Ordinance

– Local government units shall have the authority to adjust the tax rates as prescribed herein not oftener than once every five (5) years, but in no case shall such adjustment exceed 10% of the rates fixed under this Code.

BLCI is a private distribution utility organized and existing as a corporation under Philippine laws with a Franchise and a Certificate of Public Convenience and Necessity (CPCN) to operate electric light and power services in the City of Tagbilaran.

On October 22, 1996, the Sixth Sangguniang Panlungsod of the City of Tagbilaran enacted Ordinance No. RC-001, otherwise known as "An Ordinance Enacting the Revenue Code of the City of Tagbilaran", as amended, which took effect on November 27, 1996. The Amended Revenue Code imposes upon businesses a franchise tax at the rate of 75% of 1% based on the gross annual receipts for the preceding year, or realized within the territorial jurisdiction of the City.

From Calendar Year (CY) 2002 to CY 2008, BLCI paid to the City Government of Tagbilaran the assessed LFT based on Gross Revenues in the total amount of PhP14,481,339.54, pursuant to Section 3D.02 of Ordinance No. RC-001, which reads:

“Section 3D.02 – Imposition of Tax – There is hereby levied a tax on business enjoying franchise at a rate of seventy - five percent (75%) of one percent (1%) of the gross annual receipts for the preceding year based on the incoming receipts, or realized within the territorial jurisdiction of the City of Tagbilaran.”

From January 2001 to May 2006, BLCI likewise paid to the national government, through the BIR, NFT computed based on Gross Revenues in the total amount of PhP22,121,771.54.

Consequently; BLCI is seeking authority from the Commission to recover from its consumers the local and national franchise taxes paid amounting to PhP36,603,111.08 for a period of three (3) years at a proposed rate of PhP0.1683/kWh, computed as follows:

National Franchise Tax (Jan. 2001-May 2006)	PhP22,121,771.54
Local Franchise Tax (CY 2002-2006)	<u>14,481,339.54</u>
Total Proposed Franchise Taxes for Recovery	PhP36,603,111.08
Divided by annualized sales for 2007	<u>72,509,647</u>
	0.5048
Proposed Recovery Period	<u>3 years</u>
Proposed Amount for Recovery (PhP/kWh)	0.1683
	=====

I. FRANCHISE TAX AS A PASS-THROUGH CHARGE

Anent the issue of whether or not a franchise tax is a pass-through charge, the City of Tagbilaran and Mr. Monton contended that the franchise tax is



not a pass-through charge; that there is nothing in *Section 137 of the LGC and Section 119 of the National Internal Revenue Code (NIRC)* which sanctions the recovery of franchise tax from the consumers; that said sections, likewise, did not mention that the burden of paying the franchise tax may be shifted from the franchise holder to the consumers, unlike in the case of the Value-Added Tax (VAT); that the franchise tax is a tax on the privilege of being granted a franchise, and therefore, the rightful obligor is the franchise holder and not the consumers; that the Commission has no authority to prescribe the recovery of the franchise tax from the consumers since there is nothing in *Section 43 (f) of the EPIRA* which authorizes it to amend the provisions of the LGC and NIRC but it merely authorizes it to adopt reasonable Return on Rate Rase (RORB) which cannot be invoked for the recovery of the franchise tax from the consumers; that it was never the intention to subject the consumers to the payment of franchise tax and exempt the franchise holder therefrom; and that BLCI is estopped from recovering the franchise tax since it already reflected the same as an operating expense in its financial statements.

On the other hand, BLCI countered that franchise tax as a pass-through charge has legal bases; that *Section 43 (f) of the EPIRA* sanctions the Commission to adopt alternative forms of internationally accepted rate-setting methodology as it may deem appropriate; that tax recovery is part of an internationally accepted rate-setting methodology which is applied in other jurisdictions and there is no cogent reason for not applying the same in the Philippines; that *Section 5 (a), Rule 15 of the Implementing Rules and Regulations (IRR) of the EPIRA* mandates the Commission to take into consideration franchise taxes for rate fixing purposes; that the language of Section 5 evinces the clear intention of the legislature to allow distribution utilities



to recover franchise taxes through the rates charged to the consumers; that it also bears stressing that even before the EPIRA was passed into law, the then Energy Regulatory Board (ERB) recognized that taxes can be passed on to the consumers (*ERB Case No. 94-223, "In the Matter of the Application for Authority to Adopt and Implement a Tax Recovery Clause with Prayer for Provisional Authority, La Union Electric Co., Inc. dated May 3, 1995*); and that it declared, in its financial statements, that the franchise taxes paid were booked as an operating expense since no regulation yet has been issued by the Commission at the time of its recovery from the consumers.

BLCI further argued that VAT is similar to franchise tax in that they are both privilege and indirect taxes and may be passed on to the consumers. Franchise tax is a privilege tax not on the privilege of being granted a franchise but on the privilege of rendering public service. The BIR itself, in *BIR Ruling (DA-120-05) dated April 6, 2005*, recognizes that franchise tax is an indirect tax that may be passed on to the consumers.

BLCI's contentions are impressed with merit. Franchise tax is simply a pass-through charge imposed by the distribution utility (DU) to its consumers. The DU should neither earn any additional revenue nor incur loss from the imposition of the same.

The Commission, in its Decisions on rate unbundling applications, allowed franchise taxes to be charged to the electricity customers and authorized the DUs to include this charge as a separate line item on the bills. Thus, BLCI should be authorized to pass on the franchise tax rate to its customers.

The Commission is empowered under the EPIRA to adopt any internationally accepted rate-setting methodology. Tax recovery has been an international regulatory practice whereby all kinds of taxes paid by the DUs are treated as operating expenses deductible from revenues before determination of return and eventually passed on to the consumers. In this sense, DUs act as tax collecting conduits for the government. Thus, the then ERB, now the Commission, correctly applied such tax recovery principle in the Philippines. It has been said that:

“all kinds of taxes incurred by electric utilities are accepted and acknowledged as **reasonable operating expenses** and, thus, **can be recovered through the basic rates or recovery formula**. This means that taxes as well as other operating expenses are deductible from revenues prior to determining the fair return for a particular period or the fair return to be allowed in case there is an application for rate adjustment and before finally fixing the rates. (ERB Case No. 97-11, *In the Matter of the Application for Authority to Adopt and Implement a Tax Recovery Clause to Recover any and/or All Charges Paid to the Government, Local or National, with Prayer for Provisional Authority, SFELAPCO*)”

II. RECOVERY OF LOCAL FRANCHISE TAX

Based on the submitted documents, BLCI paid LFT at a rate of seventy-five percent (75%) of one percent (1%) of the gross annual receipts for the years 2002 to 2008 in the amount of PhP14,481,339.54, to wit:

Year	Amount Paid (PhP)	O.R. No.	Date Paid
2002	1,013,373.32	5278451	Jan. 18, 2002
2003	1,642,081.11	5626680	Jan. 21, 2003
2004	1,642,024.85	5920124	Jan. 24, 2004
2005	2,001,466.68	5444531	Jan. 20, 2005
2006	2,447,803.68	6545498	Jan. 19, 2006
2007	2,785,240.93	4357848	Jan. 19, 2007
2008	2,949,348.97	1326196	Mar. 19, 2008
TOTAL	14,481,339.54		

Rule 7, Section 4(q) of the Implementing Rules and Regulations (IRR) of the EPIRA provides that a DU shall pay franchise tax only on its distribution wheeling and captive market supply revenues.

On June 28, 2007, the Department of Finance (DOF) issued Local Finance Circular No. 1-07 prescribing the Guidelines Governing the Powers of LGUs to impose taxes, fees and charges on Electric Cooperatives (ECs). Section 3 thereof states that for purposes of assessing franchise and business taxes, the gross receipts shall be based on the sales made to end-users within the respective jurisdictions of each LGU as follows:

1. Before the effectivity of the EPIRA (1997 to 2001), franchise and business taxes shall be based on the total gross receipts pursuant to Section 131(n) of R.A. No.7160 (Local Government Code); and
2. Upon the effectivity of the EPIRA (2002), the basis shall be as follows:

Gross Receipts
Less: NPC charges
TransCo Charges
Reinvestment Fund
Universal Charges

Further, the Commission, in its *Decision* dated May 21, 2008 under ERC Case No. 2008-005RC (*In the Matter of the Application for Authority to Recover from Consumers Local Franchise Taxes Paid to the City of Tagbilaran from 2002 to 2007 and to Charge Consumers the Local Franchise Tax of the City of Tagbilaran for 2008 and Onwards, with Prayer for Provisional Authority*), authorized BLCI to implement prospectively and charge its consumers in the City of Tagbilaran the LFT at a rate of seventy-five percent (75%) of one percent (1%) for the year 2008 and onwards based on its distribution revenues. It is

appropriate to exclude the recovery of franchise tax paid last July 2008 since it has already been recovered by BLCI as reflected in the consumer bills.

The LFT, which may be recovered by BLCI based on its submitted distribution revenues, amounted to Php2,271,655.68, to wit:

Period	Distribution Revenues (in PhP)	Local Franchise Tax for Recovery (in PhP)
Jan. - Dec. 2002	36,812,292.27	276,092.19
Jan. - Dec. 2003	40,472,734.38	303,545.51
Jan. - Dec. 2004	44,594,061.54	334,455.46
Jan. - Dec. 2005	47,195,921.35	353,969.41
Jan. - Dec. 2006	50,276,591.68	377,074.44
Jan. - Dec. 2007	54,075,520.94	405,566.41
Jan. - June 2008	29,460,300.94	220,952.26
TOTAL	302,887,423.10	2,271,655.68

III. RECOVERY OF NATIONAL FRANCHISE TAX

BLCI paid the National Government, through the BIR, NFT amounting to Php22,121,771.54 for the period January 2001 to May 2006.

On November 7, 2005, the Commission promulgated ERC Resolution No. 20, Series of 2005 (*Implementing the Recovery of Value Added Tax [VAT] and Other Provisions of Republic Act No. 9337 Affecting the Electric Power Industry*) which took effect on November 2005.

The imposition of the VAT replaces the payment of NFT, thus, revoking the authority granted to all private DUs to collect NFT. It should be noted that BLCI included for recovery the NFT payments for the period November 2005 to May 2006. BLCI asserted that the payments pertained to arrearages for the previous years which it paid after the effectivity of the VAT.



Consistent with Rule 7, Section 4(q) of the EPIRA IRR and DOF Circular No. 1-07, the NFT allowed for recovery was calculated based on distribution revenues which amounted to **PhP3,807,309.18**, to wit:

Period	Distribution Revenues (in PhP)	National Franchise Tax for Recovery (in PhP)
March - Dec. 2001	29,124,059.58	582,481.19
Jan. - Dec. 2002	36,812,292.27	736,245.85
Jan. - Dec. 2003	40,472,734.38	809,454.69
Jan. - Dec. 2004	44,594,061.54	891,881.23
Jan. - Oct. 2005	39,362,311.03	787,246.22
TOTAL	190,365,458.80	3,807,309.18

IV. TOTAL AMOUNT OF FRANCHISE TAXES TO BE RECOVERED BY BLCI

The Local and National Franchise Taxes proposed to be recovered by BLCI from its consumers amounted to **PhP6,078,964.86**, to wit:

Year	Local Franchise Tax	National Franchise Tax	TOTAL (in PhP)
Jan. 2002 - June 2008	2,271,655.68	-	2,271,655.68
March 2001 – Oct. 2005	-	3,807,309.18	3,807,309.18
TOTAL	2,271,655.68	3,807,309.18	6,078,964.86

The table below shows the different recovery options of the average rates corresponding to the varying number of months of recovery:

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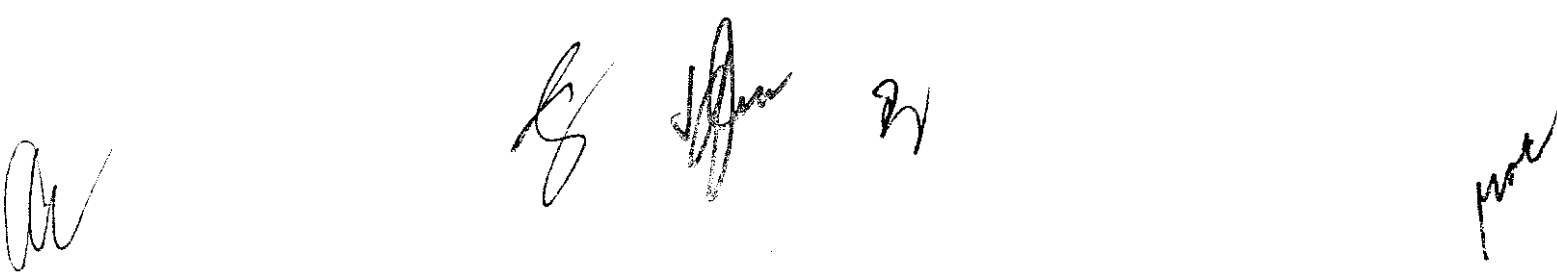
Recovery Period	Total Amount for Recovery	kWh Sales	PhP/kWh
12 months	6,078,964.86	77,773,752	0.0782
24 months	6,078,964.86	155,547,504	0.0391
36 months	6,078,964.86	233,321,256	0.0261
48 months	6,078,964.86	311,095,008	0.0195
60 months	6,078,964.86	388,868,760	0.0156

A five (5) year or sixty (60) month-recovery period would be more reasonable consistent with the Commission's policy that the recovery or refund period should be the same length as the period of incurrence.

Upon thorough review and evaluation of the local tax ordinances and other supporting documents submitted by BLCI, the Commission finds said submissions to be in accordance with the pertinent provisions of R.A. 7160. Without such authority to pass on the LFT and NFT, BLCI's cash flow will be affected and its viability may be seriously impaired to the detriment of its consumers.

WHEREFORE, the foregoing premises considered, the application for authority to recover from consumers national franchise taxes paid from 2001 to 2006 and local franchise taxes paid to the City of Tagbilaran from 2002 to 2008, filed by Bohol Light Company, Inc. (BLCI) is hereby **APPROVED**.

Accordingly, BLCI is hereby authorized to recover the total amount of **PhP6,078,964.86** equivalent to an average rate of **PhP0.0156/kWh** for a period of **sixty (60) months** or until such time that the full amount has been recovered, effective on the next billing cycle upon receipt hereof.

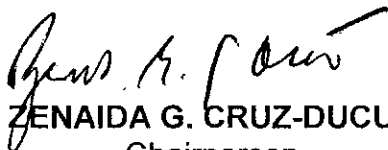
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BLCI is hereby directed to:

1. Incorporate the recovery charge under the existing line item "Recovery on Local and National Franchise Tax" (in PhP/kWh) to be reflected in the end-user's bill; and
2. Submit on or before the 30th day of each month, a summary of the tax recoveries/collections of the local and national franchise taxes including copies of monthly sample bills for each customer class in the affected city or municipality.

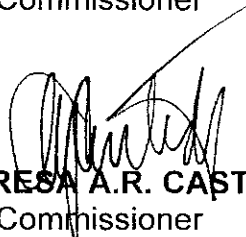
SO ORDERED.

Pasig City, November 24, 2008.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
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