

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



IN THE MATTER OF THE
APPLICATION FOR APPROVAL OF
THE TRANSLATION INTO
DISTRIBUTION RATES OF
DIFFERENT CUSTOMER CLASSES
FOR THE FIRST REGULATORY
YEAR OF THE ERC-APPROVED
ANNUAL REVENUE REQUIREMENT
FOR COTABATO LIGHT AND
POWER COMPANY, INC. (CLPC)
UNDER THE PERFORMANCE
BASED REGULATION (PBR) FOR
THE REGULATORY PERIOD 2009-
2013

ERC CASE NO. 2009-006 RC

COTABATO LIGHT AND POWER
COMPANY, INC. (CLPC),

Applicant.

X-----X

Date: **APR 15 2009**
By: _____

DECISION

Before the Commission for resolution is the application filed on January 26, 2009 by Cotabato Light and Power, Incorporated (CLPC) for approval of the translation into distribution rates of its different customer classes for the first regulatory year of the ERC-Approved Annual Revenue Requirement (ARR) under the Performance Based Regulation (PBR) for the regulatory period 2009-2013.

In the said application, CLPC alleged, among others that:

1. Under ERC Resolution No. 54, Series of 2006, or the "Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Distribution Utilities Entering Performance Based Regulation (Second and Later Entry Points)", PBR-entrant distribution utility will be given an ARR which will be used to derive the Maximum Average Price

(MAP) which shall be allocated by the distribution utility in setting the rate schedule for its distribution, supply and metering charges for each customer class or segment.

2. It was among the entrants at the second entry point to the PBR rate setting methodology adopted by the Commission pursuant to Section 43(f) of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA). As such, on May 27, 2008, it filed an application for approval of its ARR and Performance Incentive Scheme (PIS) for the Second Regulatory Period covering the period April 1, 2009 to March 31, 2013. Said application was docketed as ERC Case No. 2008-029RC.
3. Thereafter, the Commission, in the aforesaid case, issued the Final Determination for the Applicant contained in its Decision dated December 15, 2008.
4. In compliance with the requirements under the RDWR and the Final Determination for the conversion of the approved MAP into a distribution rate structure, it applies for the approval of the translation into distribution rates of different customer classes of its approved MAP for the First Regulatory Year (April 1, 2009 to March 31, 2010) of the Second Regulatory Period.
5. The smoothed MAP₂₀₁₀ of PhP1.319 per kWh (net of Regulatory Intervention) was broken down into the average unbundled components of Distribution Charge, Supply Charge and Metering Charge, with the following resulting figures:

Distribution Charge	PhP0.93/kWh
Supply Charge	PhP0.14/kWh
Metering Charge	PhP0.25/kWh
TOTAL	PhP1.32/kWh

6. Summarized below is its proposed distribution-related rate structure:

	Distribution		Supply		Metering	
	PhP/kWh	PhP/kW	PhP/kWh	PhP/Cust./Mo.	PhP/kWh	PhP/Meter/Mo.
Residential	1.1569	-	0.2846	-	0.2306	38.55
General retail 1	1.1852	-	0.0932	-	-	153.81
General retail 2	0.4085	99.0554	-	110.5735	-	369.02
General retail 3	0.3224	81.8698	-	198.3431	-	482.51
General retail 4	0.2923	133.3342	-	1,299.8561	-	4,114.31
Streetlight	1.3658	-	-	68.2893	-	-

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, a signature in the center, and initials on the right.

7. New lifeline subsidies are also herein proposed as follows:

	No. of Cust.	kWh Consumption	Generation	Transmission	Total Distribution	Total Rate	Gross	Discount Rate	Revenue Discount
0-35	3717	63,610	2.3659	1.3227	1.9054	5.5940	355,835.21	50%	177,917.60
36-40	649	24,698	2.3659	1.3227	1.9054	5.5940	138,160.95	45%	62,172.43
41-45	675	29,075	2.3659	1.3227	1.9054	5.5940	162,645.95	40%	65,058.38
46-50	722	34,703	2.3659	1.3227	1.9054	5.5940	194,129.06	35%	67,945.17
51-55	687	36,431	2.3659	1.3227	1.9054	5.5940	203,795.51	30%	61,138.65
56-60	769	44,558	2.3659	1.3227	1.9054	5.5940	249,258.06	25%	62,314.52
61-65	657	41,328	2.3659	1.3227	1.9054	5.5940	231,189.40	20%	46,237.88
66-70	684	46,548	2.3659	1.3227	1.9054	5.5940	260,390.15	15%	39,058.52
71-75	688	50,199	2.3659	1.3227	1.9054	5.5940	280,813.89	10%	28,081.39
76-80	612	47,693	2.3659	1.3227	1.9054	5.5940	266,795.29	5%	13,339.76

TOTAL 623,264.30
 Annual TOTAL 7,479,171.66
 kWh without Lifeline 127,442,907

Lifeline Discount per kWh (Uniform per Customer Class)	0.0587
---	--------

8. To enable it to implement in a timely manner its capital expenditure program and address its operating and maintenance requirements for the Second Regulatory Period, particularly for the Regulatory Year 2010 and avert financial prejudice to it as well as its consumers, it is necessary and indispensable that a provisional authority be immediately issued authorizing it to implement the new rates pending hearing on the merit of the instant Application.

It prayed that its application be approved and that it be authorized to adopt the herein proposed distribution-related rate structure and rate schedules, including lifeline subsidies, summarized as follows:

	Distribution		Supply		Metering	
	PhP/kWh	PhP/kW	PhP/kWh	PhP/Cust./Mo.	PhP/kWh	PhP/Meter/Mo.
Residential	1.1569	-	0.2846	-	0.2306	38.55
General retail 1	1.1852	-	0.0932	-	-	153.81
General retail 2	0.4085	99.0554	-	110.5735	-	369.02
General retail 3	0.3224	81.8698	-	198.3431	-	482.51
General retail 4	0.2923	133.3342	-	1,299.8561	-	4,114.31
Streetlight	1.3658	-	-	68.2893	-	-

Proposed Lifeline Subsidy:

	No. of Cust.	kWh Consumption	Generation	Trans- mission	Total Distribution	Total Rate	Gross	Discount Rate	Revenue Discount
0-35	3717	63,610	2.3659	1.3227	1.9054	5.5940	355,835.21	50%	177,917.60
36-40	649	24,698	2.3659	1.3227	1.9054	5.5940	138,160.95	45%	62,172.43
41-45	675	29,075	2.3659	1.3227	1.9054	5.5940	162,645.95	40%	65,058.38
46-50	722	34,703	2.3659	1.3227	1.9054	5.5940	194,129.06	35%	67,945.17
51-55	687	36,431	2.3659	1.3227	1.9054	5.5940	203,795.51	30%	61,138.65
56-60	769	44,558	2.3659	1.3227	1.9054	5.5940	249,258.06	25%	62,314.52
61-65	657	41,328	2.3659	1.3227	1.9054	5.5940	231,189.40	20%	46,237.88
66-70	684	46,548	2.3659	1.3227	1.9054	5.5940	260,390.15	15%	39,058.52
71-75	688	50,199	2.3659	1.3227	1.9054	5.5940	280,813.89	10%	28,081.39
76-80	612	47,693	2.3659	1.3227	1.9054	5.5940	266,795.29	5%	13,339.76

TOTAL	623,264.30
Annual TOTAL	7,479,171.66
kWh without Lifeline	127,442,907
Lifeline Discount per kWh (Uniform per Customer Class)	0.0587

Pending the necessary public hearing, it further prayed for the issuance of a temporary/provisional authority to implement the proposed distribution-related rate.

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 February 4, 2009, were issued setting the case for initial hearing, expository presentation and pre-trial conference on March 3, 2009 and evidentiary hearing on March 4, 2009.

CLPC 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

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, their reasons therefor, and of the scheduled hearing thereon.

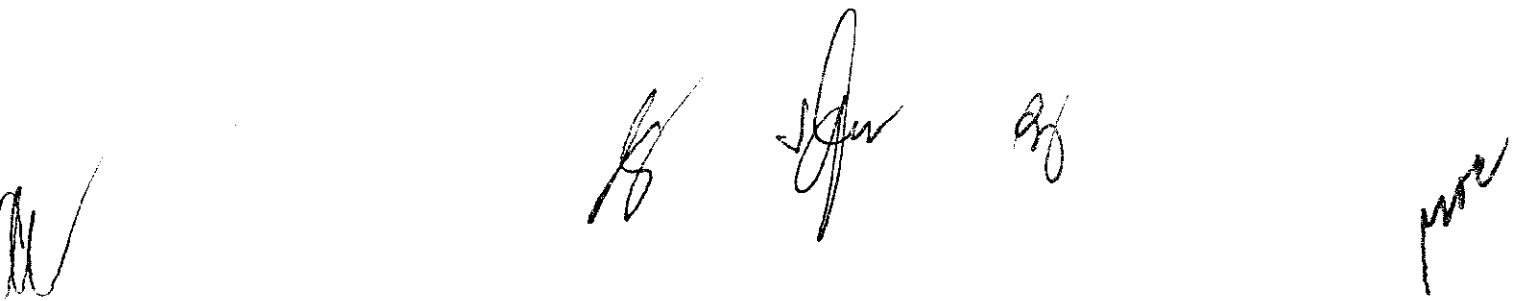
The Office of the Solicitor General (OSG), the Commission on Audit (COA) and the Committees on Energy of both Houses of Congress were furnished with copies of the Order and the Notice of Public Hearing and were requested to have their respective duly authorized representatives present at the initial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

Likewise, the Offices of the Mayors of Cotabato City, Datu Odin Sinsuat and Sultan Kudarat were furnished with copies of the Order and the Notice of Public Hearing for the appropriate posting thereof on their respective bulletin boards.

On February 26, 2009, CLPC submitted its "Pre-Trial Brief".

During the March 3, 2009 initial hearing of this case, the following entered their appearances: a) Attys. Norberto Manjares, Jr. and Norberto Manjares, III for CLPC; and b) Ms. Erlinda Beniares for Transport Group of Cotabato City (TGCC). No other intervenors/oppositors appeared nor were there any other interventions/ oppositions registered.

TGCC manifested its intention to participate as an oppositor in the proceedings. The same was duly noted by the Commission.

The bottom of the page contains several handwritten signatures and initials. On the far left, there is a large, stylized signature. In the center, there are three distinct signatures or initials. On the far right, there is another large, stylized signature.

In the said hearing, CLPC presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "H-3", inclusive. Thereafter, it conducted an expository presentation of its application.

Subsequently, the Commission conducted a pre-trial conference.

At the continuation of the hearing on March 4, 2009, the Consumers Group of Cotabato City (CGCC), through Mr. Rockman Sampulna appeared and manifested its intention to intervene.

For the benefit of the said consumer group and before presenting its witness, CLPC conducted again its expository presentation.

At the termination of the expository presentation, CGCC manifested that it would no longer intervene in the instant case. However, it requested the Commission to defer the implementation of the new rates in view of the present financial crisis. TGCC joined the manifestation of CGCC.

Thereafter, CLPC presented its lone witness, Mr. Alvin S. Arco, its Vice-President for Finance, who testified, among others, on: a) the figures used in the determination of CLPC's MAP for the first regulatory year of the regulatory period 2009-2013 as well as the conversion of the same into distribution rates of its different customer classes were all derived from its Final Determination dated December 15, 2008 and the Uniform Filing Requirements (UFR) in the rate unbundling using updated scenarios and values; and b) the conversion of the



MAP is in accordance with the guidelines and methodology set forth in the UFR, RDWR and Distribution Services Open Access Rules (DSOAR).

In the course of his direct examination, the witness identified various documents in support of the application. Said documents were duly marked as exhibits.

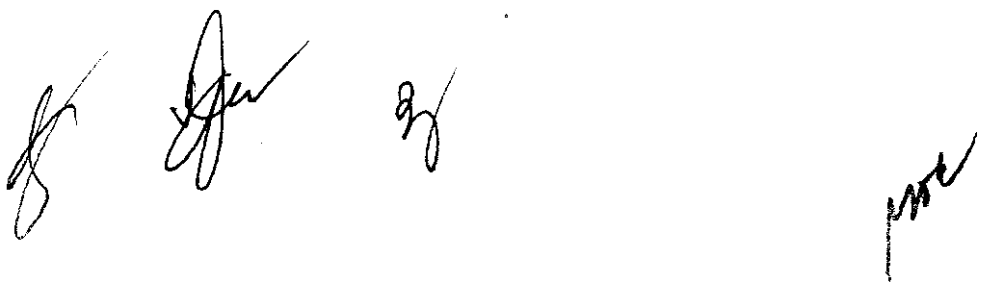
The said witness was, likewise, required to address the clarificatory questions propounded by the Commission.

On March 13, 2009, CLPC filed its "Formal Offer of Exhibits and Compliance" which are hereby admitted for being relevant and material to the final resolution of this application.

DISCUSSION

On December 15, 2008, the Commission issued a Decision and a Final Determination (FD) both approving CLPC's MAP for regulatory year 2010 at PhP1.3189/kWh.

Section 1.4.1 of the said FD requires the conversion of the MAP into distribution rate structure by the filing of an application before the Commission for its approval.



Handwritten signatures and initials at the bottom of the page, including a large signature on the left, three smaller signatures in the center, and a signature on the right.

CLPC converted the MAP₂₀₁₀ into the distribution rates as follows:

**Table 1: CLPC's Proposed Distribution Rate Schedule
 for the Regulatory Year 2010**

	Units	Existing (PhP)	Proposed (RY 2010) (PhP)
DISTRIBUTION			
Residential	PhP/kWh	0.8781	1.1569
General Retail 1	PhP/kWh	0.6447	1.1852
General Retail 2	PhP/kWh	0.2633	0.4085
	PhP/kWh	80.92	99.06
General Retail 3	PhP/kWh	0.2375	0.3224
	PhP/kWh	79.31	81.87
General Retail 4	PhP/kWh	0.2137	0.2923
	PhP/kWh	78.54	133.33
Streetlights	PhP/kWh	0.6743	1.3658
SUPPLY			
Residential	PhP/kWh	0.2422	0.2846
General Retail 1	PhP/kWh	0.0939	0.0932
General Retail 2	PhP/Cust./Mo.	38.67	110.57
General Retail 3	PhP/Cust./Mo.	38.67	198.34
General Retail 4	PhP/Cust./Mo.	38.67	1,299.86
Streetlights	PhP/Cust./Mo.	38.67	68.29
METERING			
Residential	PhP/kWh	0.4442	0.2306
	PhP/Cust./Mo.	5.00	38.55
General Retail 1	PhP/Cust./Mo.	314.59	153.81
General Retail 2	PhP/Cust./Mo.	544.19	369.02
General Retail 3	PhP/Cust./Mo.	544.19	482.51
General Retail 4	PhP/Cust./Mo.	2,188.81	4,114.31
AVERAGE TOTAL RATE	PhP/kWh	1.1571	1.3189

CLPC, likewise, submitted its proposed lifeline rate discount for the marginalized end-users based on November 2008 frequency distribution of Residential customer, as follows:

Table 2: Proposed Lifeline Level and Discount

kWh Consumption	Level of Discount
0-20	50%
21-35	50%
36-40	45%
41-45	40%
46-50	35%
51-55	30%
56-60	25%
61-65	20%
66-70	15%
71-75	10%
76-80	5%
Subsidy	PhP0.0587/kWh

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, a signature in the center, initials 'R' on the right, and another signature on the far right.

1. Translation of MAP₂₀₁₀ Into Distribution Tariffs

The rates applied for by CLPC were thoroughly reviewed and evaluated by the Commission. The instant application was found to be in accordance with the FD dated December 15, 2008 and in conformity with the requirements set forth in the RDWR.

During the hearing, CLPC was directed to submit, among others, a revised customer class which will combine the Residential and Small Commercial (General Retail I) customers under one class. However, it should be noted that Residential customers are entitled to certain benefits under the law (Magna Carta, lifeline discounts and Mandated Rate Reduction, among others) which are not equally enjoyed by other customer classes. As such, the Commission deems it prudent that for purposes of customer classification, which is the basis for entitlement to certain statutory benefits, the distinction between Residential and Small Commercial customers of CLPC be maintained.

The Commission also believes that both Residential and Small Commercial customers should be charged the same Distribution, Supply and Metering Rates.

In deriving the rates, CLPC adhered to the UFR. The functionalization and allocation factors were reasonably structured and appropriately founded and supported by analysis.

On March 24, 2009, CLPC submitted its revised rate structure combining the Residential customers and General Retail 1, as shown below:

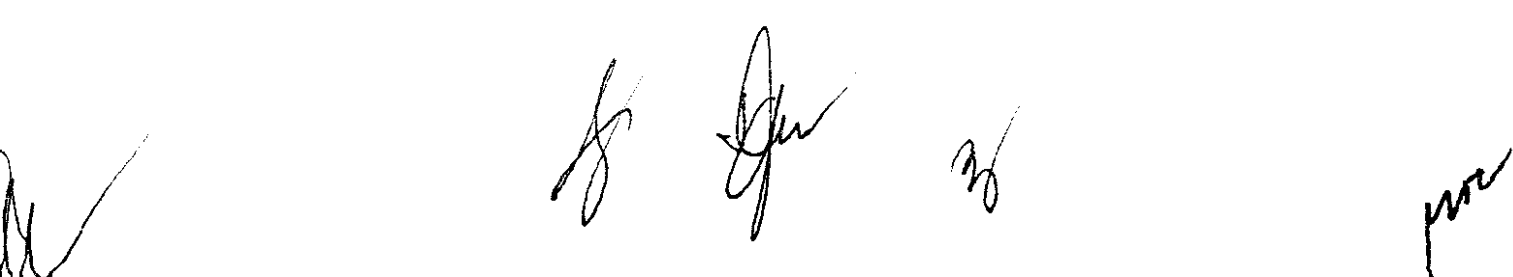
The bottom of the page contains several handwritten signatures and initials. From left to right, there is a large, stylized signature on the far left. In the center, there are three distinct signatures: the first is a cursive 'S', the second is a cursive 'J', and the third is a cursive 'M'. On the far right, there is another cursive signature that appears to be 'M'. These signatures are likely representing the Commission members or staff involved in the decision.

Table 3: Revised Rate Structure

	Units	Proposed (PhP)
DISTRIBUTION		
Residential / General Retail 1	PhP/kWh	1.1632
General Retail 2	PhP/kWh	0.4085
	PhP/kW	99.06
General Retail 3	PhP/kWh	0.3224
	PhP/kW	81.87
General Retail 4	PhP/kWh	0.2923
	PhP/kW	133.33
Streetlights	PhP/kWh	1.3658
SUPPLY		
Residential / General Retail 1	PhP/kWh	0.2419
General Retail 2	PhP/Cust./Mo.	110.57
General Retail 3	PhP/Cust./Mo.	198.34
General Retail 4	PhP/Cust./Mo.	1,299.87
Streetlights	PhP/Cust./Mo.	68.29
METERING		
Residential / General Retail 1	PhP/kWh	0.3975
	PhP/Cust./Mo.	5.0000
General Retail 2	PhP/Cust./Mo.	369.06
General Retail 3	PhP/Cust./Mo.	482.51
General Retail 4	PhP/Cust./Mo.	4,114.31
AVERAGE TOTAL RATE	PhP/kWh	1.3189

2. Side Constraints

A perusal of the instant application disclosed that CLPC committed an error in the computation of the side constraints. It used the forecasted revenue for the regulatory year 2010 (April 1, 2009 to March 31, 2010) instead of the forecast period (October 2008 to September 2009), as provided in Section 6.4 of the RDWR.

Handwritten signatures and initials are present at the bottom of the page, including a large signature on the left, three smaller signatures in the center, and a signature on the right.

Thus, the computation should have been as follows:

Computation of Side Constraints on Proposed Maximum Distribution Wheeling Rates

$$\frac{((FCR_{k,t}/FQ_{k,t})-S_t) - ((CR_{k,t-1}/AQ_{k,t-1})-S_{t-1})}{(CR_{k,t-1}/AQ_{k,t-1})-S_{t-1}} \leq (CWI_t + SC_t)$$

$$\leq (CWI_t + 18.50\%)$$

$$\leq 24.40\%$$

Customer Class	$(FCR_{k,t}/FQ_{k,t})-S_t$	$(CR_{k,t-1}/AQ_{k,t-1})-S_{t-1}$	% Increase	
Residential	1.8050	1.7023	6.03%	Within Side Constraints
General Retail 1	1.5102	1.4549	3.80%	Within Side Constraints
General Retail 2	0.9431	0.9207	2.44%	Within Side Constraints
General Retail 3	0.7667	0.7868	-2.56%	Within Side Constraints
General Retail 4	0.5603	0.4791	16.95%	Within Side Constraints
Flat Lighting	1.0790	0.7516	43.56%	Side Constraints Breached
Total	1.2432	1.1602	7.16%	Within Side Constraints

Customer Class	$FCR_{k,t}$	$FQ_{k,t}$	S_t	$(FCR_{k,t}/FQ_{k,t})-S_t$
Residential	92,706,847.55	51,360,668.38	0	1.8050
General Retail 1	21,855,847.81	14,471,964.45	0	1.5102
General Retail 2	8,255,050.72	8,752,713.00	0	0.9431
General Retail 3	7,373,731.01	9,617,761.00	0	0.7667
General Retail 4	20,649,100.70	36,852,520.00	0	0.5603
Flat Lighting	2,252,597.91	2,087,679.80	0	1.0790
Total	153,093,175.69	123,143,306.63	-	1.2432

Customer Class	$CR_{k,t-1}$	$AQ_{k,t-1}$	S_{t-1}	$(CR_{k,t-1}/AQ_{k,t-1})-S_{t-1}$
Residential	83,246,578.81	48,902,653.91	0	1.7023
General Retail 1	19,569,671.74	13,450,730.05	0	1.4549
General Retail 2	7,683,788.91	8,345,768.00	0	0.9207
General Retail 3	7,205,745.35	9,158,043.00	0	0.7868
General Retail 4	17,044,848.79	35,575,030.00	0	0.4791
Flat Lighting	1,526,947.99	2,031,635.20	0	0.7516
Total	136,277,581.58	117,463,860.17	-	1.1602

In terms of the RDWR, side constraints apply to annual rate increases for any single rate category. This is based on the CWI-factor and an allowance made in the FD. With the exception of the Streetlights category, the side

[Handwritten signatures and initials at the bottom of the page]

constraints set in the FD were not breached for any other customer category. The overall expected revenue from these rates, based on current sales forecasts, does not breach the MAP₂₀₁₀.

The Commission made a simulation of CLPC's distribution rates for regulatory year 2010, taking into consideration the side constraints limitation, as follows:

Table 4: Distribution Rate Structures: (With and Without Side Constraints)

	Units	Existing (PhP) (a)	Without Side Constraint (PhP) (b)	With Side Constraint (PhP) (c)	Increase (Decrease) (PhP) (b-a)
DISTRIBUTION					
Residential	PhP/kWh	0.8781	1.1632	1.1632	0.2851
General Retail 1	PhP/kWh	0.6447	1.1632	1.1632	0.5185
General Retail 2	PhP/kWh	0.2633	0.4085	0.4085	0.1452
	PhP/kW	80.92	99.06	99.06	18.14
General Retail 3	PhP/kWh	0.2375	0.3224	0.3224	0.0849
	PhP/kW	79.31	81.87	81.87	2.56
General Retail 4	PhP/kWh	0.2137	0.2923	0.2923	0.0786
	PhP/kW	78.54	133.33	133.33	54.79
Streetlights	PhP/kWh	0.6743	1.3658	1.1774	0.6915
SUPPLY					
Residential	PhP/kWh	0.2422	0.2419	0.2419	(0.0003)
General Retail 1	PhP/kWh	0.0939	0.2419	0.2419	0.1480
General Retail 2	PhP/Cust./Mo.	38.67	110.57	110.57	71.90
General Retail 3	PhP/Cust./Mo.	38.67	198.34	198.34	159.67
General Retail 4	PhP/Cust./Mo.	38.67	1,299.87	1,299.87	1,261.20
Streetlights	PhP/Cust./Mo.	38.67	68.29	58.87	29.62
METERING					
Residential	PhP/kWh	0.4442	0.3975	0.3975	(0.0467)
	PhP/Cust./Mo.	5.00	5.00	5.00	0
General Retail 1	PhP/kWh	0	0.3975	0.3975	0.3975
General Retail 1	PhP/Cust./Mo.	314.59	5.00	5.00	(309.59)
General Retail 2	PhP/Cust./Mo.	544.19	369.02	369.02	(175.17)
General Retail 3	PhP/Cust./Mo.	544.19	482.51	482.51	(61.68)
General Retail 4	PhP/Cust./Mo.	2,188.81	4,114.31	4,114.31	1,925.50
Streetlights		0	0	0	0
AVERAGE TOTAL RATE	PhP/kWh	1.1571	1.3189	1.2432	0.1618

Adhering with the side constraints effectively reduces the MAP_{2010} by $PhP0.0757/kWh$ after a breach of the side constraints for the streetlights customers. The difference between the MAP_{2009} of $PhP1.1571/kWh$ and MAP_{2010} of $PhP1.3189/kWh$ is $PhP0.1618/kWh$, or 13.98%.

While the RDWR provides flexibility in expeditiously adjusting rates between regulatory resets, the Commission, however, is constrained to ensure that use of such flexibility is in accordance with the policies set forth in the EPIRA, particularly, all DUs shall only charge rates that reflect the cost-based unbundled structure provided in the UFR. At no time may costs or revenues that should be recovered from one unbundled function be shifted unto other unbundled functions. The rate design shall be free from inter-class subsidies. That is, costs or revenues that should be recovered from one customer segment shall not intentionally be shifted unto other customer segments. Thus, the side constraints set forth in Section 4.21 of the RDWR shall not be used to justify the shifting of revenues from one customer segment to other customer segments.

Consistent with Section 6.4.2 of the RDWR, the Commission is allowed to relax the side constraints (for streetlight consumption) in order to mitigate future under or over recoveries. As such, the Commission deems it necessary to relax the side constraints to avert any future under-recoveries. It is worth mentioning that it already imposed a Regulatory Intervention under the FD for CLPC's rates.



3. Lifeline Rate and Level

CLPC proposed a lifeline level similar to its approved rate unbundling Decision which consists of Residential customers consuming up to 80 kWh. It recalculated its lifeline rate using data for the month of February 2009.

In computing the lifeline rates, the Commission made reference to its earlier Decision dated November 10, 2008 in ERC Case No. 2008-016 RC [In the Matter of the Application for Approval of the New Lifeline Rate for the Marginalized End-Users in Accordance with the Provisions of Sections 43(j) and 73 of Republic Act No. 9136 and the Implementing Rules and Regulations, Bureau of Trade Regulation and Consumer Protection-Department of Trade and Industry – Applicant] wherein it took cognizance of the fact that the public is in for hard times in view of the pervading global financial crises. It, likewise, recognized its mandate to protect the interest of the consumers insofar as they are affected by the rates. Consequently, it decided to grant a one hundred percent (100%) discount to Residential customers consuming 0-20 kWh and maintain the level of kWh consumption threshold so that no customer previously enjoying a discount would be deprived thereof as a result of the new lifeline structure.

Thus, the Commission deems it necessary to modify CLPC's lifeline structure.

For purposes of determining the lifeline consumption thresholds and corresponding discounts for CLPC, the Commission made a comparison between CLPC's unbundled and proposed rates, as follows:


The block contains four handwritten signatures in black ink, arranged horizontally from left to right. The signatures are stylized and cursive, with varying lengths and flourishes. The first signature is the longest, followed by a shorter one, then a very short one, and finally a signature on the far right that is partially cut off by the edge of the page.

Table 5: Lifeline Rate and Level

	Per Approved Unbundled Rates	Per Proposed	Approved Consumption Threshold and Discount Levels	
kWh Consumption	Level of Discount		kWh Consumption	Level of Discount
0-20	50%	100%	0-20	100%
21-35		50%	21-35	50%
36-40	45%	45%	36-40	45%
41-45	40%	40%	41-45	40%
46-50	35%	35%	46-50	35%
51-55	30%	30%	51-55	30%
56-60	25%	25%	56-60	25%
61-65	20%	20%	61-65	20%
66-70	15%	15%	66-70	15%
71-75	10%	10%	71-75	10%
76-80	5%	5%	76-80	5%
Subsidy Rate to Non-Lifeline Customers	PhP0.0855/kWh	PhP0.0628/kWh	Subsidy Rate to Non-Lifeline Customers	PhP0.0741/kWh

With the implementation of the new lifeline structure, Residential customers of CLPC consuming 0-20 kWh per month will enjoy a one hundred percent (100%) discount in their rates, subject only to the payment of a PhP5.00/month metering charge.

WHEREFORE, the foregoing premises considered, the application for approval of the translation into distribution rates of its different customer classes for the first regulatory year of the ERC-approved annual revenue requirement under the Performance Based Regulation (PBR) for the regulatory period 2009-2013 filed by Cotabato Light and Power Company, Incorporated (CLPC) is hereby **APPROVED** with modification.

Accordingly, CLPC is hereby directed to implement, starting May 1, 2009, its approved Distribution, Supply and Metering Charges shown as follows:

	Units	Approved Rates for the Regulatory Year 2010 (PhP)
DISTRIBUTION		
Residential	PhP/kWh	1.1632
General Retail 1	PhP/kWh	1.1632
General Retail 2	PhP/kWh	0.4085
	PhP/kW	99.06
General Retail 3	PhP/kWh	0.3224
	PhP/kW	81.87
General Retail 4	PhP/kWh	0.2923
	PhP/kW	133.33
Streetlights	PhP/kWh	1.3658
SUPPLY		
Residential	PhP/kWh	0.2419
General Retail 1	PhP/kWh	0.2419
General Retail 2	PhP/Cust./Mo.	110.57
General Retail 3	PhP/Cust./Mo.	198.34
General Retail 4	PhP/Cust./Mo.	1,299.87
Streetlights	PhP/Cust./Mo.	68.29
METERING		
Residential	PhP/kWh	0.3975
	PhP/Cust./Mo.	5.00
General Retail 1	PhP/kWh	0.3975
General Retail 1	PhP/Cust./Mo.	5.00
General Retail 2	PhP/Cust./Mo.	369.02
General Retail 3	PhP/Cust./Mo.	482.51
General Retail 4	PhP/Cust./Mo.	4,114.31
Streetlights		0
AVERAGE TOTAL RATE	PhP/kWh	1.3189


CLPC is further directed to implement its revised lifeline levels and corresponding discounts and subsidy, as follows:


The bottom of the page contains several handwritten signatures and initials. From left to right, there is a large, stylized signature, followed by a smaller signature, then the initials 'BN', and finally a signature that appears to be 'MOC'.

kWh Consumption	Level of Discount
0-20	100%
21-35	50%
36-40	45%
41-45	40%
46-50	35%
51-55	30%
56-60	25%
61-65	20%
66-70	15%
71-75	10%
76-80	5%
Subsidy Rate to Non-Lifeline Customers	PhP0.0741/kWh

SO ORDERED.


Pasig City, March 30, 2009.

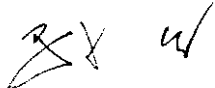

ZENAIDA G. CRUZ-DUCUT
Chairperson *grace*


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner



Copy Furnished:

1. Cotabato Light and Power Company (CLPC)
Sinsuat Avenue, Cotabato City
2. Manjares and Manjares Law Firm
Counsel for Applicant
No. 5 St. Anne St., Provident Village
Marikina City
3. Office of the Solicitor General
134 Amoroso Street, Legaspi Village, Makati City
4. Commission on Audit
Don Mariano Marcos Avenue, Diliman, Quezon City
5. Senate Committee on Energy
House of Senate
GSIS Building, Roxas Boulevard, Pasay City
6. House of Representatives Committee on Energy
House of Representatives
Batasan Hills, Quezon City
7. Office of the City Mayor
Cotabato City
8. Office of the Mayor
Datu Odin Sinsuat
9. Office of the Mayor
Sultan Kudarat