

Description : The average frequency of momentary interruptions over the Measurement Period.

Calculation : The MAIFI is calculated with the following formula :

$$MAIFI = \frac{\sum N_{mi}}{N_T}$$

where,

$N_{mi}$  = Number of End-users experiencing Momentary Interruptions as a result of Momentary Interruption event  $i$ .

$N_T$  = Total number of End-users served in the Measurement Area (average over the Measurement Period).

- Comments :
- i. The MAIFI is to be calculated across the full End-user base, for the whole Regulated Distribution System, regardless of the voltage level at which the End-user is served or the capacity of the connection.
  - ii. Interruptions arising from Excluded Events are not to be taken into account in calculating the planned SAIDI.

#### **D4.2 Frequency of Tripping Events per 100 circuit-km**

Description : The frequency of Tripping Events experienced on subtransmission and distribution circuits forming part of the Primary Side of the Distribution Network per 100 km of circuit length making up the circuits forming part of the Primary Side of the Distribution Network.

Calculation : Frequency of tripping events per 100 circuit-km:

$$FTI = \frac{\text{Number of tripping events over Measurement Period}}{\left(\frac{CK}{100}\right)}$$

where,

$FTI$  = Frequency of tripping events per 100 circuit-km

$CK$  = Length of circuits in the Primary Side of the Distribution Network (distribution and subtransmission circuits) measured in kilometer

- Comments :
- i. The index is to be calculated for the whole Regulated Distribution System.
  - ii. Only Tripping Events associated with components of the Regulated Distribution System are to be considered.

#### **D4.3 Average time to respond to queries and complaints**

Description : The average time between receiving a substantive query or complaint and responding to it in a substantive manner.

Calculation : The average time will be calculated as follows :

$$AQT = \frac{\sum (DatR_i - DL_i - DatQ_i)}{QueNum}$$

where,

*AQT* = The average time to respond to queries and complaints

*DatR<sub>i</sub>* = Date when a substantive response is provided to a query or complaint (*i*), converted to a numerical index that allows the calculation of calendar days elapsed between this date and another.

*DatQ<sub>i</sub>* = Date when a substantive query or complaint (*i*) is received by a Regulated Entity, converted to a numerical index that allows the calculation of calendar days elapsed between this date and another.

*DL<sub>i</sub>* = Time lost in processing query or complaint (*i*) due to factors outside the control of the Regulated Entity (measured in days). Any such event lasting less than 12 hours shall be counted as one half-day (0.5 days).

*QueNum* = Number of queries or complaints received over the Measurement Period.

- Comments :
- i. Calendar days are considered for the calculations.
  - ii. Substantive reaction is considered to be a reaction that either fully addresses a query or complaint, or sets in motion a chain of actions that will address the issue on which a complaint was laid. Merely acknowledging receipt of a query or complaint is not considered substantive reaction.
  - iii. Casual or facetious queries or complaints are not considered substantive and should be excluded from this measure. Queries or complaints made purely for vindictive or malignant reasons are likewise to be excluded.
  - iv. Time lost due to factors outside the control of Regulated Entities will be limited to the following :
    - time to obtain information from third parties, not being employees or contractors of the Regulated Entity after requests for such information has been passed on; and
    - time awaiting further information from an applicant, without which further processing of the query or complaint cannot proceed, from the Notification Date for a request for further information until the Response Date, when the information is received that allows the query or complaint to be addressed.

#### **D4.4 Average time to reconnect a service after payment of all dues**

Description : The average time to reconnect a service that had been disconnected before due to non-payment of dues, after all such dues have been fully settled.

Calculation : The average time will be calculated as follows :

$$ARS = \frac{\sum (DatS_i - DL_i - DatD_i)}{SerRc}$$

where,

*ARS* = The average time to reconnect a service after all dues have been settled

*DatS<sub>i</sub>* = Date when a service *i* is fully restored after all dues have been settled, converted to a numerical index that allows the calculation of calendar days elapsed between this date and another.

*DatD<sub>i</sub>* = Date when full settlement of all outstanding dues in relation to service *i* is made, converted to a numerical index that allows the calculation of calendar days elapsed between this date and another.

*DL<sub>i</sub>* = Time lost in restoring service *i* due to factors outside the control of the Regulated Entity (measured in days). Any such event lasting less than 12 hours shall be counted as one half-day (0.5 days).

*SerRc* = Number of services reconnected over the Measurement Period, after settlement of dues for these services.

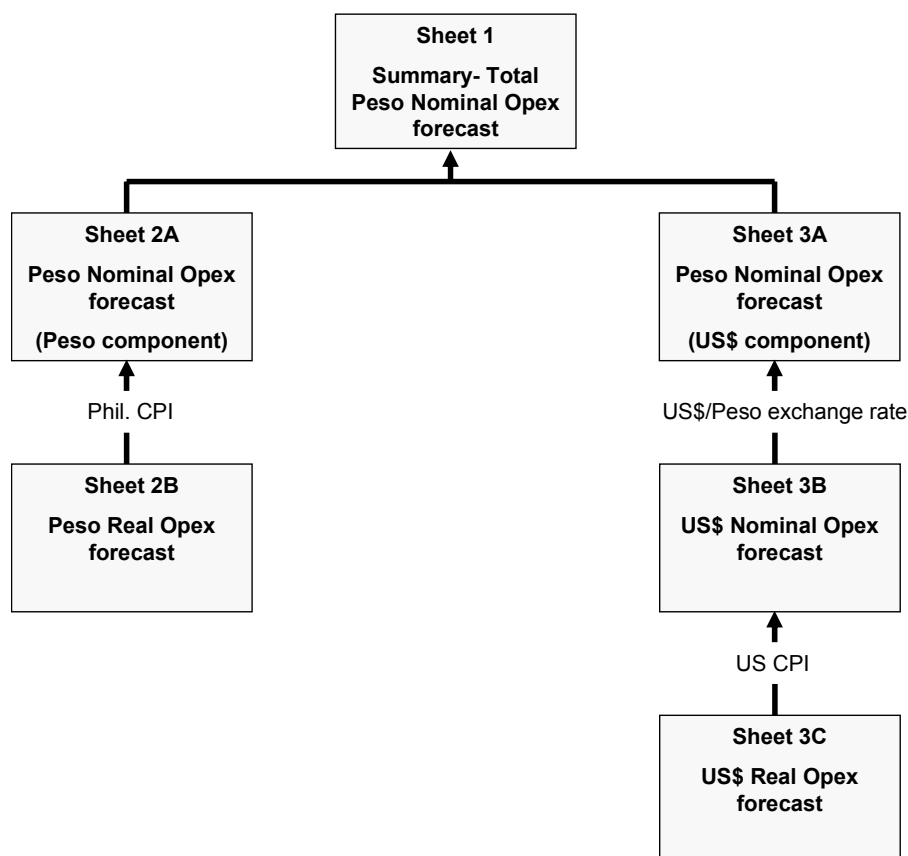
- Comments :
- i. Calendar days are considered for the calculations.
  - ii. Time lost due to factors outside the control of Regulated Entities will be limited to the following :
    - time that access to the connection site is not possible due to actions or non-actions by the connection applicant or where severe weather conditions, natural or manmade disasters prevent access to the site; and
    - time awaiting further information from an applicant after it has been notified of a problem that hinders reconnection of the service, from the Notification Date until the Response Date when an answer or commitment is received that allows the installation of the connection to proceed.

#### **D5. Templates for Service Performance Measurement**

For the purposes of the performance incentive scheme required in terms of clause 4.18.1 of the RDWR and as expanded in above, the service performance templates in appendix J are to be completed for each Regulated Distribution System.

## APPENDIX E : TEMPLATES FOR FORECASTING OPERATING AND MAINTENANCE EXPENDITURE

For the purposes of clause 4.13.1 of the RDWR, the following templates should be used to provide summaries of historical and forecast operating and maintenance expenditure incurred by a Regulated Entity on Regulated Distribution Services. The templates are assumed to link according to figure E1.



**Figure E1 : Development of operating & maintenance expenditure forecast summary**

In completing the templates, the following should be noted:

- The actual figures for 2004 to 2007 refer to calendar years, while the forecasts for 2009 to 2012 refer to Regulatory Years (Oct 1 to Sep 30).
- The budgeted figure for 2008 refers to the nine months from Jan 1, 2008 to Sep 30, 2008.
- Quarterly data refers to the value as at the end of each quarter for the year indicated.
- Where quarterly figures are forecast for Regulatory Years (2009 to 2012), these refer to the Regulatory Year quarters, with the first such quarter ending on Dec 31.<sup>71</sup>
- Where CPI forecasts are made, the same base value must apply for all years.

<sup>71</sup> In other words, the Dec quarter fall in the previous calendar year. (E.g. the Dec quarter for regulatory year 2010 is the quarter ending on 31 Dec 2009.)

**Table E.1 : Sheet 1 – Total Operating & maintenance expenditure forecast summary (expressed in nominal PhP)**

<b>SHEET 1 : PESO OPERATING &amp; MAINTENANCE EXPENDITURE (TOTAL, NOMINAL)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Distribution</b>										
Operation										
Operation supervision & engineering										
Load dispatching										
Station expenses										
Overhead lines										
Streetlighting and signal systems										
Metering (distribution network)										
Rents										
Information technology (distribution network)										
Miscellaneous										
Maintenance										
Maintenance supervision & engineering										
Structures										
Substations										
Overhead lines										
Streetlighting and signal systems										
Line transformers										
Information technology (distribution network)										
Metering (distribution network)										
Miscellaneous										
<b>Sub-total Distribution</b>										
<b>Consumer accounts</b>										
Supervision										
Meter reading										
Information technology										
Consumer records & collection expenses										
Uncollectible accounts										
Informational and instructional advertising expenses										
Miscellaneous										
Consumer prompt payment discount										
<b>Sub-total Consumer accounts expenses</b>										

<b>SHEET 1 : PESO OPERATING &amp; MAINTENANCE EXPENDITURE (TOTAL, NOMINAL)</b>										
<b>Opex Category and Sub-category</b>	Actual (peso, nominal in peso of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (peso, nominal in peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Administrative &amp; general</b>										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
Regulatory liaison & compliance										
Other										
<b>Sub-total Administration &amp; general</b>										
<b>WESM compliance</b>										
Registration fees										
Metering fees										
Billing & settlement fees										
Administration fees										
Costs for the PEM board, committees & working groups										
Market management software & upgrades										
Provision of security										
Other										
<b>Sub-total WESM compliance</b>										
<b>Distribution Connection Services</b>										
Operation										
Operation supervision & engineering										
Overhead connections										
Consumer installations										
Rents										
Information technology (connection assets)										

<b>SHEET 1 : PESO OPERATING &amp; MAINTENANCE EXPENDITURE (TOTAL, NOMINAL)</b>										
<b>Opex Category and Sub-category</b>	Actual (peso, nominal in peso of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (peso, nominal in peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Maintenance	Miscellaneous									
	Maintenance supervision & engineering									
	Overhead connections									
	Consumer installations									
	Information technology (distribution connection assets)									
Administrative & general	Miscellaneous									
	Admin & general salaries									
	Office supplies & expenses									
	Information technology (admin & general)									
	Outside services employed									
	Property insurance									
	Injuries & damages									
	Employee pension & benefits									
	Rents									
	Maintenance of office & general plant									
	Officers allowance & benefits									
	Travel									
	Training									
	<b>Sub-total Distribution Connection Services</b>									
<b>Regulated Retail Services</b>										
	Administration and management									
	Consumer meter installations (planning, supply, install, maintain)									
	Meter reading expenses									
	Information technology (consumer related)									
	Consumer records, billing and collection									
	Bad debts									
	Informational and instructional advertising									
	Energy trading expenses									
	Miscellaneous consumer services expenses									
	Consumer prompt payment discount									

SHEET 1 : PESO OPERATING & MAINTENANCE EXPENDITURE (TOTAL, NOMINAL)											
Opex Category and Sub-category		Actual (peso, nominal in peso of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (peso, nominal in peso of regulatory year)			
		2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Sub-total Distribution Connection Services											
<b>Total Operating &amp; Maintenance Expenditure</b>											
Exchange Rate Assumption for Forecast Period (peso/US\$)	Dec quarter					Annual average					
	Mar quarter										
	Jun quarter										
	Sep quarter										
Philippines Consumer Price Index Assumption	Dec quarter					Annual inflation rate					
	Mar quarter										
	Jun quarter										
	Sep quarter										
USA Consumer Price Index Assumption	Dec quarter					Annual inflation rate					
	Mar quarter										
	Jun quarter										
	Sep quarter										
Base value assumed for Philippine CPI figures		Year :		Value :							
Base value assumed for USA CPI figures		Year :		Value :							

**Table E.2 : Sheet 2A - Operating & maintenance expenditure forecast summary: Peso Component (in nominal PhP)**

<b>SHEET 2A: PESO OPERATING &amp; MAINTENANCE EXPENDITURE (NOMINAL)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Distribution</b>										
Operation										
Operation supervision & engineering										
Load dispatching										
Station expenses										
Overhead lines										
Streetlighting and signal systems										
Metering (distribution network)										
Rents										
Information technology (distribution network)										
Miscellaneous										
Maintenance										
Maintenance supervision & engineering										
Structures										
Substations										
Overhead lines										
Streetlighting and signal systems										
Line transformers										
Information technology (distribution network)										
Metering (distribution network)										
Miscellaneous										
<b>Sub-total Distribution</b>										
<b>Consumer accounts</b>										
Supervision										
Meter reading										
Information technology										
Consumer records & collection expenses										
Uncollectible accounts										
Informational and instructional advertising expenses										
Miscellaneous										
Consumer prompt payment discount										
<b>Sub-total Consumer accounts expenses</b>										

SHEET 2A: PESO OPERATING & MAINTENANCE EXPENDITURE (NOMINAL)										
Opex Category and Sub-category	Actual (peso, nominal in peso of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (peso, nominal in peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Administrative &amp; general</b>										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
Regulatory liaison & compliance										
Other										
<b>Sub-total Administration &amp; general</b>										
<b>WESM compliance</b>										
Registration fees										
Metering fees										
Billing & settlement fees										
Administration fees										
Costs for the PEM board, committees & working groups										
Market management software & upgrades										
Provision of security										
Other										
<b>Sub-total WESM compliance</b>										
<b>Distribution Connection Services</b>										
Operation										
Operation supervision & engineering										
Overhead connections										
Consumer installations										
Rents										

**SHEET 2A: PESO OPERATING & MAINTENANCE EXPENDITURE (NOMINAL)**

		Actual (peso, nominal in peso of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (peso, nominal in peso of regulatory year)			
		2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Opex Category and Sub-category</b>	Information technology (distribution connection assets)										
	Miscellaneous										
	Maintenance										
	Maintenance supervision & engineering										
	Overhead connections										
	Consumer installations										
	Information technology (distribution connection assets)										
	Miscellaneous										
	Administrative & general										
	Admin & general salaries										
	Office supplies & expenses										
	Information technology (admin & general)										
	Outside services employed										
	Property insurance										
	Injuries & damages										
	Employee pension & benefits										
	Rents										
	Maintenance of office & general plant										
	Officers allowance & benefits										
	Travel										
Training											
<b>Sub-total Distribution Connection Services</b>											
<b>Regulated Retail Services</b>	Administration and management										
	Consumer meter installations (planning, supply, install, maintain)										
	Meter reading expenses										
	Information technology (consumer related)										
	Consumer records, billing and collection										
	Bad debts										
	Informational and instructional advertising										
	Energy trading expenses										
	Miscellaneous consumer services expenses										

**SHEET 2A: PESO OPERATING & MAINTENANCE EXPENDITURE (NOMINAL)**

Opex Category and Sub-category	Actual (peso, nominal in peso of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (peso, nominal in peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Consumer prompt payment discount										
<b>Sub-total Distribution Connection Services</b>										
<b>Total Operating &amp; Maintenance Expenditure</b>										
Philippines Consumer Price Index Assumption	Dec quarter				Annual inflation rate					
	Mar quarter									
	Jun quarter									
	Sep quarter									
Base value assumed for Philippine CPI figures	Year :		Value :							

**Table E.3 : Sheet 2B - Operating & maintenance expenditure forecast summary : Peso Component (expressed in real PhP)**

<b>SHEET 2B: PESO OPERATING &amp; MAINTENANCE EXPENDITURE (REAL)</b>										
<b>Opex Category and Sub-category</b>	2004	2005	2006	2007	Budget (Peso, Real)	Budget regulatory year	Forecast (peso, real as at March 31, 2008)			
					2008	2008	2009	2010	2011	2012
<b>Distribution</b>										
Operation										
Operation supervision & engineering										
Load dispatching										
Station expenses										
Overhead lines										
Streetlighting and signal systems										
Metering (distribution network)										
Rents										
Information technology (distribution network)										
Miscellaneous										
Maintenance										
Maintenance supervision & engineering										
Structures										
Substations										
Overhead lines										
Streetlighting and signal systems										
Line transformers										
Information technology (distribution network)										
Metering (distribution network)										
Miscellaneous										
<b>Sub-total Distribution</b>										
<b>Consumer accounts</b>										
Supervision										
Meter reading										
Information technology										
Consumer records & collection expenses										
Uncollectible accounts										
Informational and instructional advertising expenses										
Miscellaneous										
Consumer prompt payment discount										
<b>Sub-total Consumer accounts expenses</b>										

**SHEET 2B: PESO OPERATING & MAINTENANCE EXPENDITURE (REAL)**

Opex Category and Sub-category					Budget (Peso, Real)	Budget regulatory year	Forecast (peso, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Administrative &amp; general</b>										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
Regulatory liaison & compliance										
Other										
<b>Sub-total Administration &amp; general</b>										
<b>WESM compliance</b>										
Registration fees										
Metering fees										
Billing & settlement fees										
Administration fees										
PEM board, committees & working groups										
Market management software & upgrades										
Provision of security										
Other										
<b>Sub-total WESM compliance</b>										
<b>Distribution Connection Services</b>										
Operation										
Operation supervision & engineering										
Overhead connections										
Consumer installations										
Rents										
Information technology (connection assets)										
Miscellaneous										

**SHEET 2B: PESO OPERATING & MAINTENANCE EXPENDITURE (REAL)**

Opex Category and Sub-category					Budget (Peso, Real)	Budget regulatory year	Forecast (peso, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Maintenance										
Maintenance supervision & engineering										
Overhead connections										
Consumer installations										
Information technology (connection assets)										
Miscellaneous										
Administrative & general										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
<b>Sub-total Distribution Connection Services</b>										
<b>Regulated Retail Services</b>										
Administration and management										
Consumer meter installations (planning, supply, install, maintain)										
Meter reading expenses										
Information technology (consumer related)										
Consumer records, billing and collection										
Bad debts										
Informational and instructional advertising										
Energy trading expenses										
Miscellaneous consumer services expenses										
Consumer prompt payment discount										
<b>Sub-total Distribution Connection Services</b>										
<b>Total Operating &amp; Maintenance Expenditure</b>										

**Table E.4 : Sheet 3A - Operating & maintenance expenditure forecast summary : US\$ Component (in nominal PhP)**

<b>SHEET 3A: US\$ OPERATING &amp; MAINTENANCE EXPENDITURE – Expressed in Peso (nominal)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Distribution</b>										
Operation										
Operation supervision & engineering										
Load dispatching										
Station expenses										
Overhead lines										
Streetlighting and signal systems										
Metering (distribution network)										
Rents										
Information technology (distribution network)										
Miscellaneous										
Maintenance										
Maintenance supervision & engineering										
Structures										
Substations										
Overhead lines										
Streetlighting and signal systems										
Line transformers										
Information technology (distribution network)										
Metering (distribution network)										
Miscellaneous										
<b>Sub-total Distribution</b>										
<b>Consumer accounts</b>										
Supervision										
Meter reading										
Information technology										
Consumer records & collection expenses										
Uncollectible accounts										
Informational and instructional advertising expenses										
Miscellaneous										
Consumer prompt payment discount										
<b>Sub-total Consumer accounts expenses</b>										

<b>SHEET 3A: US\$ OPERATING &amp; MAINTENANCE EXPENDITURE – Expressed in Peso (nominal)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Administrative &amp; general</b>										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
Regulatory liaison & compliance										
Other										
<b>Sub-total Administration &amp; general</b>										
<b>WESM compliance</b>										
Registration fees										
Metering fees										
Billing & settlement fees										
Administration fees										
PEM board, committees & working groups										
Market management software & upgrades										
Provision of security										
Other										
<b>Sub-total WESM compliance</b>										
<b>Distribution Connection Services</b>										
Operation										
Operation supervision & engineering										
Overhead connections										
Consumer installations										
Rents										
Information technology (connection assets)										
Miscellaneous										

<b>SHEET 3A: US\$ OPERATING &amp; MAINTENANCE EXPENDITURE – Expressed in Peso (nominal)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Maintenance										
Maintenance supervision & engineering										
Overhead connections										
Consumer installations										
Information technology (distribution connection assets)										
Miscellaneous										
Administrative & general										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
<b>Sub-total Distribution Connection Services</b>										
<b>Regulated Retail Services</b>										
Administration and management										
Consumer meter installations (planning, supply, install, maintain)										
Meter reading expenses										
Information technology (consumer related)										
Consumer records, billing and collection										
Bad debts										
Informational and instructional advertising										
Energy trading expenses										
Miscellaneous consumer services expenses										
Consumer prompt payment discount										
<b>Sub-total Distribution Connection Services</b>										
<b>Total Operating &amp; Maintenance Expenditure</b>										

<b>SHEET 3A: US\$ OPERATING &amp; MAINTENANCE EXPENDITURE – Expressed in Peso (nominal)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Exchange Rate Assumption for Forecast Period (peso/US\$)</b>	<b>Dec quarter</b>						Annual average			
	<b>Mar quarter</b>									
	<b>Jun quarter</b>									
	<b>Sep quarter</b>									
<b>Base value assumed for Philippine CPI figures</b>	Year :		Value :							

**Table E.5 : Sheet 3B - Operating & maintenance expenditure forecast summary : US\$ Component (in nominal US\$)**

<b>SHEET 3B: US\$ OPERATING &amp; MAINTENANCE EXPENDITURE (NOMINAL)</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (US\$, nominal in US\$ of historical year)</b>				<b>Budget (calendar year)</b>	<b>Budget regulatory year</b>	<b>Forecast (US\$, nominal in US\$ of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Distribution</b>										
Operation										
Operation supervision & engineering										
Load dispatching										
Station expenses										
Overhead lines										
Streetlighting and signal systems										
Metering (distribution network)										
Rents										
Information technology (distribution network)										
Miscellaneous										
Maintenance										
Maintenance supervision & engineering										
Structures										
Substations										
Overhead lines										
Streetlighting and signal systems										
Line transformers										
Information technology (distribution network)										
Metering (distribution network)										
Miscellaneous										
<b>Sub-total Distribution</b>										
<b>Consumer accounts</b>										
Supervision										
Meter reading										
Information technology										
Consumer records & collection expenses										
Uncollectible accounts										
Informational and instructional advertising expenses										
Miscellaneous										
Consumer prompt payment discount										

**SHEET 3B: US\$ OPERATING & MAINTENANCE EXPENDITURE (NOMINAL)**

Opex Category and Sub-category	Actual (US\$, nominal in US\$ of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (US\$, nominal in US\$ of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Sub-total Consumer accounts expenses</b>										
<b>Administrative &amp; general</b>										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
Regulatory liaison & compliance										
Other										
<b>Sub-total Administration &amp; general</b>										
<b>WESM compliance</b>										
Registration fees										
Metering fees										
Billing & settlement fees										
Administration fees										
PEM board, committees & working groups										
Market management software & upgrades										
Provision of security										
Other										
<b>Sub-total WESM compliance</b>										
<b>Distribution Connection Services</b>										
Operation										
Operation supervision & engineering										
Overhead connections										
Consumer installations										
Rents										

**SHEET 3B: US\$ OPERATING & MAINTENANCE EXPENDITURE (NOMINAL)**

Opex Category and Sub-category	Actual (US\$, nominal in US\$ of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (US\$, nominal in US\$ of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Maintenance										
Information technology (connection assets)										
Miscellaneous										
Maintenance supervision & engineering										
Overhead connections										
Consumer installations										
Information technology (connection assets)										
Miscellaneous										
Administrative & general										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
<b>Sub-total Distribution Connection Services</b>										
<b>Regulated Retail Services</b>										
Administration and management										
Consumer meter installations (planning, supply, install, maintain)										
Meter reading expenses										
Information technology (consumer related)										
Consumer records, billing and collection										
Bad debts										
Informational and instructional advertising										
Energy trading expenses										
Miscellaneous consumer services expenses										
Consumer prompt payment discount										

**SHEET 3B: US\$ OPERATING & MAINTENANCE EXPENDITURE (NOMINAL)**

Opex Category and Sub-category	Actual (US\$, nominal in US\$ of historical year)				Budget (calendar year)	Budget regulatory year	Forecast (US\$, nominal in US\$ of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Sub-total Distribution Connection Services										
<b>Total Operating &amp; Maintenance Expenditure</b>										
USA Consumer Price Index Assumption	Dec quarter				Annual inflation					
	Mar quarter									
	Jun quarter									
	Sep quarter									
Base value assumed for USA CPI figures	Year :		Value :							

**Table E.6 : Sheet 3C - Operating & maintenance expenditure forecast summary : US\$ Component (expressed in real US\$)**

<b>SHEET 3B: US\$ OPERATING &amp; MAINTENANCE EXPENDITURE (REAL)</b>										
<b>Opex Category and Sub-category</b>					Budget (calendar year)	Budget regulatory year	Forecast (US\$, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Distribution</b>										
Operation										
Operation supervision & engineering										
Load dispatching										
Station expenses										
Overhead lines										
Streetlighting and signal systems										
Metering (distribution network)										
Rents										
Information technology (distribution network)										
Miscellaneous										
Maintenance										
Maintenance supervision & engineering										
Structures										
Substations										
Overhead lines										
Streetlighting and signal systems										
Line transformers										
Information technology (distribution network)										
Metering (distribution network)										
Miscellaneous										
<b>Sub-total Distribution</b>										
<b>Consumer accounts</b>										
Supervision										
Meter reading										
Information technology										
Consumer records & collection expenses										
Uncollectible accounts										
Informational and instructional advertising expenses										
Miscellaneous										
Consumer prompt payment discount										
<b>Sub-total Consumer accounts expenses</b>										
<b>Administrative &amp; general</b>										

**SHEET 3B: US\$ OPERATING & MAINTENANCE EXPENDITURE (REAL)**

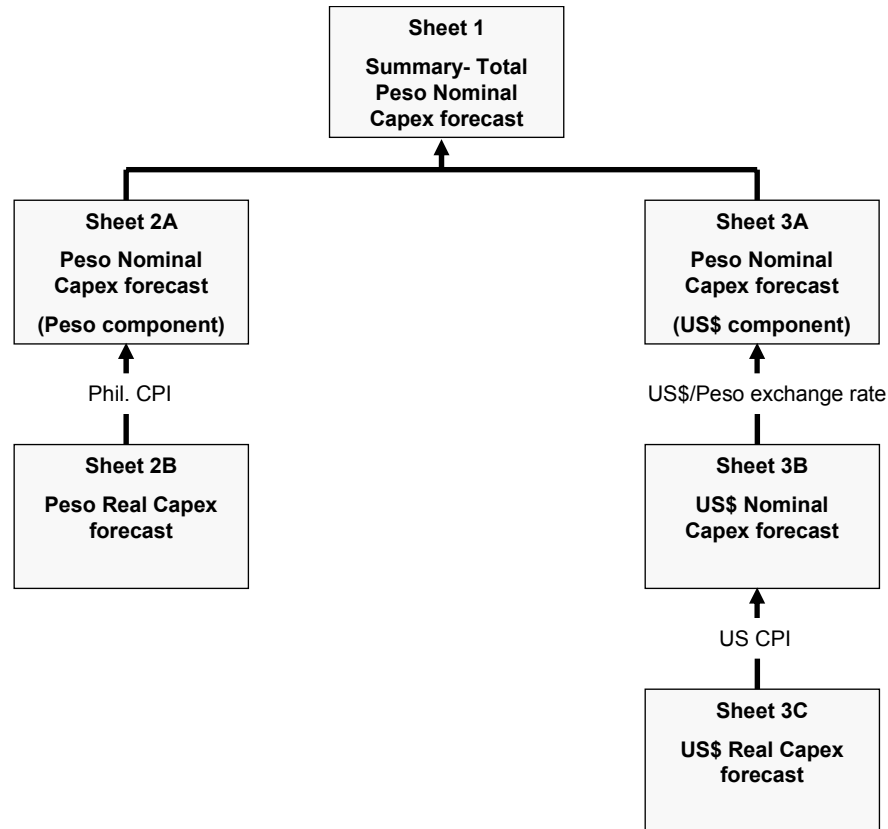
Opex Category and Sub-category					Budget (calendar year)	Budget regulatory year	Forecast (US\$, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
Regulatory liaison & compliance										
Other										
<b>Sub-total Administration &amp; general</b>										
<b>WESM compliance</b>										
Registration fees										
Metering fees										
Billing & settlement fees										
Administration fees										
PEM board, committees & working groups										
Market management software & upgrades										
Provision of security										
Other										
<b>Sub-total WESM compliance</b>										
<b>Distribution Connection Services</b>										
Operation										
Operation supervision & engineering										
Overhead connections										
Consumer installations										
Rents										
Information technology (connection assets)										
Miscellaneous										

**SHEET 3B: US\$ OPERATING & MAINTENANCE EXPENDITURE (REAL)**

Opex Category and Sub-category					Budget (calendar year)	Budget regulatory year	Forecast (US\$, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Maintenance										
Maintenance supervision & engineering										
Overhead connections										
Consumer installations										
Information technology (connection assets)										
Miscellaneous										
Administrative & general										
Admin & general salaries										
Office supplies & expenses										
Information technology (admin & general)										
Outside services employed										
Property insurance										
Injuries & damages										
Employee pension & benefits										
Rents										
Maintenance of office & general plant										
Officers allowance & benefits										
Travel										
Training										
<b>Sub-total Distribution Connection Services</b>										
<b>Regulated Retail Services</b>										
Administration and management										
Consumer meter installations (planning, supply, install, maintain)										
Meter reading expenses										
Information technology (consumer related)										
Consumer records, billing and collection										
Bad debts										
Informational and instructional advertising										
Energy trading expenses										
Miscellaneous consumer services expenses										
Consumer prompt payment discount										
<b>Sub-total Distribution Connection Services</b>										
<b>Total Operating &amp; Maintenance Expenditure</b>										

## APPENDIX F : TEMPLATES FOR CAPITAL EXPENDITURE

For the purposes of clause 4.12.1 of the RDWR, the following templates should be used to provide summaries of the historical and forecast capital expenditure incurred by a Regulated Entity for the provision of Regulated Distribution Services. The templates are assumed to link according to figure F1. As discussed in section 4.2.3, forecasts must be provided for demand, renewal and refurbishment expenditure. The same template given below is to be used for each.



**Figure F1 : Development of capital expenditure forecast summary**

In completing the templates, the following should be noted:

- The actual figures for 2003 to 2006 refer to calendar years, while the forecasts for 2008 to 2011 refer to Regulatory Years (July 1 to June 30).
- The budgeted figure for 2007 refers to the six months from Jan 1, 2007 to Jun 30, 2007.
- Quarterly data refers to the value as at the end of each quarter for the year indicated.
- Where quarterly figures are forecast for Regulatory Years (2008 to 2011), these refer to the Regulatory Year quarters, with the first such quarter ending on Sept 30.<sup>72</sup>
- Where CPI forecasts are made, the same base value must apply for all years.

<sup>72</sup> In other words, the Sept and Dec quarters fall in the previous calendar year. (E.g. the Sept quarter for regulatory year 2009 is the quarter ending on 30 Sept 2008.)

**Table F.1 : Sheet 1 – Total capital expenditure forecast summary (expressed in nominal PhP)**

ASSET CATEGORY	Sheet 1 : Capital Expenditure (total, expressed in nominal PhP)									
	Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>										
<b>A. Distribution Plant</b>										
1 Land and Land Rights (Distribution Purposes)										
2 Structures and Improvements										
3 Station Equipment										
3a Power transformers										
3b Switchgear										
3c Protective equipment										
3d Metering & control equipment										
3e Communications equipment										
3f Other station equipment										
4 Poles, Towers and Fixtures - Distribution										
5 Overhead Conductors and Devices - Distribution										
6 Underground Conductors and Devices - Distribution										
7 Underground Conduits - Distribution										
8 Line Transformers - Distribution										
9 Power Conditioning Equipment										
10 Services										
11 Meters, Instruments & Metering Transformers - Distribution										
12 Information Technology Equipment (distribution)										
13 Regulated Entity Property on Consumer's Premises										
14 Street Lights and Signal Systems										
15 Submarine Cables										
<b>SUB-TOTAL Distribution Plant</b>										
<b>B. General Plant (Non-network Assets)</b>										
1 Land and Land Rights (non-network)										
2 Structures and Improvements (non-network)										

ASSET CATEGORY	Sheet 1 : Capital Expenditure (total, expressed in nominal PhP)									
	Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
3 Office Furniture and Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop and Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant and Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>D. Transferred Subtransmission Assets</b>										
<b>SUB-TOTAL Regulated Distribution Services Assets</b>										
<b>DISTRIBUTION CONNECTION SERVICES ASSETS</b>										
<b>A. Distribution Connection Services</b>										
1 Poles, Towers and Fixtures (Customer)										
2 Overhead Conductors and Devices (Customer)										
3 Underground Conduits (Customer)										
4 Underground Conductors & Devices (Customer)										
5 Line Transformers (customer)										
6 Information Technology Equipment (Connection)										
<b>SUB-TOTAL Distribution Services</b>										
<b>B. General Plant (Distribution connection services)</b>										
1 Land and Land Rights (non-network)										
2 Structures & Improvements (non-network)										
3 Office Furniture & Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop & Garage Equipment										
7 Laboratory Equipment										

<b>Sheet 1 : Capital Expenditure (total, expressed in nominal PhP)</b>										
ASSET CATEGORY	Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>SUB-TOTAL Distribution Connection Services Assets</b>										
<b>REGULATED RETAIL SERVICES ASSETS</b>										
1 Meters, Metering Instruments & Metering Transformers (Consumer Consumption Metering)										
2 Land and Land Rights										
3 Structures and Improvements										
4 Office Furniture and Equipment										
5 Transportation Equipment										
6 Stores Equipment										
7 Tools, Shop & Garage Equipment										
8 Laboratory Equipment										
9 Information Systems Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL Regulated Retail Services Assets</b>										
<b>ALLOCATED OVERHEADS CAPITALIZED</b>										
<b>TOTAL CAPITAL EXPENDITURE</b>										
<b>Exchange Rate Assumption for Forecast Period (Peso/US\$)</b> (for quarters in regulatory year)	Dec quarter					Annual average				
	Mar quarter									
	Jun quarter									
	Sep quarter									
<b>Philippines Consumer Price Index Assumption</b> (for quarters in regulatory year)	Dec quarter					Annual inflation rate				
	Mar quarter									
	Jun quarter									

		Sheet 1 : Capital Expenditure (total, expressed in nominal PhP)									
		Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
ASSET CATEGORY		2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
	Sep quarter										
<b>USA Consumer Price Index Assumption</b> (for quarters in regulatory year)	Dec quarter					Annual inflation rate					
	Mar quarter										
	Jun quarter										
	Sep quarter										
<b>Base Value assumed for Philippine CPI figures</b>		Year:		Value:							
<b>Base Value assumed for USA CPI figures</b>		Year:		Value:							

**Table F.2 : Sheet 2A – Capital expenditure forecast summary : Peso Component (expressed in nominal PhP)**

ASSET CATEGORY	Sheet 2A : Capital Expenditure (Peso component, expressed in nominal PhP)									
	Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>										
<b>A. Distribution Plant</b>										
1 Land and Land Rights (Distribution Purposes)										
2 Structures and Improvements										
3 Station Equipment										
3a Power transformers										
3b Switchgear										
3c Protective equipment										
3d Metering & control equipment										
3e Communications equipment										
3f Other station equipment										
4 Poles, Towers and Fixtures - Distribution										
5 Overhead Conductors and Devices - Distribution										
6 Underground Conductors and Devices - Distribution										
7 Underground Conduits - Distribution										
8 Line Transformers - Distribution										
9 Power Conditioning Equipment										
10 Services										
11 Meters, Instruments & Metering Transformers - Distribution										
12 Information Technology Equipment (distribution)										
13 Regulated Entity Property on Consumer's Premises										
14 Street Lights and Signal Systems										
15 Submarine Cables										
<b>SUB-TOTAL Distribution Plant</b>										
<b>B. General Plant (Non-network Assets)</b>										
1 Land and Land Rights (non-network)										
2 Structures and Improvements (non-network)										

ASSET CATEGORY	Sheet 2A : Capital Expenditure (Peso component, expressed in nominal PhP)									
	Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
3 Office Furniture and Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop and Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant and Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>D. Transferred Subtransmission Assets</b>										
<b>SUB-TOTAL Regulated Distribution Services Assets</b>										
<b>DISTRIBUTION CONNECTION SERVICES ASSETS</b>										
<b>A. Distribution Connection Services</b>										
1 Poles, Towers and Fixtures (Customer)										
2 Overhead Conductors and Devices (Customer)										
3 Underground Conduits (Customer)										
4 Underground Conductors & Devices (Customer)										
5 Line Transformers (customer)										
6 Information Technology Equipment (Connection)										
<b>SUB-TOTAL Distribution Services</b>										
<b>B. General Plant (Distribution connection services)</b>										
1 Land and Land Rights (non-network)										
2 Structures & Improvements (non-network)										
3 Office Furniture & Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop & Garage Equipment										
7 Laboratory Equipment										

ASSET CATEGORY	Sheet 2A : Capital Expenditure (Peso component, expressed in nominal PhP)									
	Actual (Pesos, nominal in Peso of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Peso of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>SUB-TOTAL Distribution Connection Services Assets</b>										
<b>REGULATED RETAIL SERVICES ASSETS</b>										
1 Meters, Metering Instruments & Metering Transformers (Consumer Consumption Metering)										
2 Land and Land Rights										
3 Structures and Improvements										
4 Office Furniture and Equipment										
5 Transportation Equipment										
6 Stores Equipment										
7 Tools, Shop & Garage Equipment										
8 Laboratory Equipment										
9 Information Systems Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL Regulated Retail Services Assets</b>										
<b>ALLOCATED OVERHEADS CAPITALIZED</b>										
<b>TOTAL CAPITAL EXPENDITURE</b>										
<b>Philippines Consumer Price Index Assumption</b> (for quarters in regulatory year)	Dec quarter				Annual inflation rate					
	Mar quarter									
	Jun quarter									
	Sep quarter									
<b>Base Value assumed for Philippine CPI figures</b>	Year:				Value:					

**Table F.3 : Sheet 2B – Capital expenditure forecast summary : Peso Component (expressed in real PhP)**

ASSET CATEGORY	Sheet 2B : Capital Expenditure (total, expressed in real PhP)									
					Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>										
<b>A. Distribution Plant</b>										
1 Land and Land Rights (Distribution Purposes)										
2 Structures and Improvements										
3 Station Equipment										
3a Power transformers										
3b Switchgear										
3c Protective equipment										
3d Metering & control equipment										
3e Communications equipment										
3f Other station equipment										
4 Poles, Towers and Fixtures - Distribution										
5 Overhead Conductors and Devices - Distribution										
6 Underground Conductors and Devices - Distribution										
7 Underground Conduits - Distribution										
8 Line Transformers - Distribution										
9 Power Conditioning Equipment										
10 Services										
11 Meters, Instruments & Metering Transformers - Distribution										
12 Information Technology Equipment (distribution)										
13 Regulated Entity Property on Consumer's Premises										
14 Street Lights and Signal Systems										
15 Submarine Cables										
<b>SUB-TOTAL Distribution Plant</b>										
<b>B. General Plant (Non-network Assets)</b>										
1 Land and Land Rights (non-network)										
2 Structures and Improvements (non-network)										
3 Office Furniture and Equipment										

ASSET CATEGORY	Sheet 2B : Capital Expenditure (total, expressed in real PhP)									
					Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop and Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant and Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>D. Transferred Subtransmission Assets</b>										
<b>SUB-TOTAL Regulated Distribution Services Assets</b>										
<b>DISTRIBUTION CONNECTION SERVICES ASSETS</b>										
<b>A. Distribution Connection Services</b>										
1 Poles, Towers and Fixtures (Customer)										
2 Overhead Conductors and Devices (Customer)										
3 Underground Conduits (Customer)										
4 Underground Conductors & Devices (Customer)										
5 Line Transformers (customer)										
6 Information Technology Equipment (Connection)										
<b>SUB-TOTAL Distribution Services</b>										
<b>B. General Plant (Distribution connection services)</b>										
1 Land and Land Rights (non-network)										
2 Structures & Improvements (non-network)										
3 Office Furniture & Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop & Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										

ASSET CATEGORY	Sheet 2B : Capital Expenditure (total, expressed in real PhP)									
					Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>SUB-TOTAL Distribution Connection Services Assets</b>										
<b>REGULATED RETAIL SERVICES ASSETS</b>										
1 Meters, Metering Instruments & Metering Transformers (Consumer Consumption Metering)										
2 Land and Land Rights										
3 Structures and Improvements										
4 Office Furniture and Equipment										
5 Transportation Equipment										
6 Stores Equipment										
7 Tools, Shop & Garage Equipment										
8 Laboratory Equipment										
9 Information Systems Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL Regulated Retail Services Assets</b>										
<b>ALLOCATED OVERHEADS CAPITALIZED</b>										
<b>TOTAL CAPITAL EXPENDITURE</b>										

**Table F.4 : Sheet 3A – Capital expenditure forecast summary : US\$ Component (expressed in nominal PhP)**

ASSET CATEGORY	Sheet 3A : Capital Expenditure (US\$ component, expressed in nominal PhP)									
	Actual (Pesos, nominal in Pesos of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Pesos of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>										
<b>A. Distribution Plant</b>										
1 Land and Land Rights (Distribution Purposes)										
2 Structures and Improvements										
3 Station Equipment										
3a Power transformers										
3b Switchgear										
3c Protective equipment										
3d Metering & control equipment										
3e Communications equipment										
3f Other station equipment										
4 Poles, Towers and Fixtures - Distribution										
5 Overhead Conductors and Devices - Distribution										
6 Underground Conductors and Devices - Distribution										
7 Underground Conduits - Distribution										
8 Line Transformers - Distribution										
9 Power Conditioning Equipment										
10 Services										
11 Meters, Instruments & Metering Transformers - Distribution										
12 Information Technology Equipment (distribution)										
13 Regulated Entity Property on Consumer's Premises										
14 Street Lights and Signal Systems										
15 Submarine Cables										
<b>SUB-TOTAL Distribution Plant</b>										
<b>B. General Plant (Non-network Assets)</b>										
1 Land and Land Rights (non-network)										
2 Structures and Improvements (non-network)										
3 Office Furniture and Equipment										
4 Transportation Equipment										

<b>Sheet 3A : Capital Expenditure (US\$ component, expressed in nominal PhP)</b>										
<b>ASSET CATEGORY</b>	<b>Actual (Pesos, nominal in Pesos of calendar year)</b>				<b>Budget (Calendar year)</b>	<b>Budget (Regulatory year)</b>	<b>Forecast (Pesos, nominal in Pesos of regulatory year)</b>			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
5 Stores Equipment										
6 Tools, Shop and Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant and Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>D. Transferred Subtransmission Assets</b>										
<b>SUB-TOTAL Regulated Distribution Services Assets</b>										
<b>DISTRIBUTION CONNECTION ASSETS</b>										
<b>A. Distribution Connection Services</b>										
1 Poles, Towers and Fixtures (Customer)										
2 Overhead Conductors and Devices (Customer)										
3 Underground Conduits (Customer)										
4 Underground Conductors & Devices (Customer)										
5 Line Transformers (customer)										
6 Information Technology Equipment (Connection)										
<b>SUB-TOTAL Distribution Services</b>										
<b>B. General Plant (Distribution connection services)</b>										
1 Land and Land Rights (non-network)										
2 Structures & Improvements (non-network)										
3 Office Furniture & Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop & Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										

<b>Sheet 3A : Capital Expenditure (US\$ component, expressed in nominal PhP)</b>											
ASSET CATEGORY	Actual (Pesos, nominal in Pesos of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (Pesos, nominal in Pesos of regulatory year)				
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012	
10 Communication Plant & Equipment											
11 Miscellaneous Equipment											
<b>SUB-TOTAL General Plant</b>											
<b>C. Materials and Supplies (including spares)</b>											
<b>SUB-TOTAL Distribution Connection Services Assets</b>											
<b>REGULATED RETAIL SERVICES ASSETS</b>											
1 Meters, Metering Instruments & Metering Transformers (Consumer Consumption Metering)											
2 Land and Land Rights											
3 Structures and Improvements											
4 Office Furniture and Equipment											
5 Transportation Equipment											
6 Stores Equipment											
7 Tools, Shop & Garage Equipment											
8 Laboratory Equipment											
9 Information Systems Equipment											
10 Communication Plant & Equipment											
11 Miscellaneous Equipment											
<b>SUB-TOTAL Regulated Retail Services Assets</b>											
<b>ALLOCATED OVERHEADS CAPITALIZED</b>											
<b>TOTAL CAPITAL EXPENDITURE</b>											
Exchange Rate Assumption for Forecast Period (Peso/US\$)	Dec quarter				Annual average						
(for quarters in regulatory year)	Mar quarter										
	Jun quarter										
	Sep quarter										

**Table F.5 : Sheet 3B – Capital expenditure forecast summary : US\$ Component (expressed in nominal US\$)**

ASSET CATEGORY	Sheet 3B : Capital Expenditure (US\$ component, expressed in nominal US\$)									
	Actual (US\$, nominal in US\$ of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (US\$, nominal in US\$ of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>										
<b>A. Distribution Plant</b>										
1 Land and Land Rights (Distribution Purposes)										
2 Structures and Improvements										
3 Station Equipment										
3a Power transformers										
3b Switchgear										
3c Protective equipment										
3d Metering & control equipment										
3e Communications equipment										
3f Other station equipment										
4 Poles, Towers and Fixtures - Distribution										
5 Overhead Conductors and Devices - Distribution										
6 Underground Conductors and Devices - Distribution										
7 Underground Conduits - Distribution										
8 Line Transformers - Distribution										
9 Power Conditioning Equipment										
10 Services										
11 Meters, Instruments & Metering Transformers - Distribution										
12 Information Technology Equipment (distribution)										
13 Regulated Entity Property on Consumer's Premises										
14 Street Lights and Signal Systems										
15 Submarine Cables										
<b>SUB-TOTAL Distribution Plant</b>										
<b>B. General Plant (Non-network Assets)</b>										
1 Land and Land Rights (non-network)										
2 Structures and Improvements (non-network)										
3 Office Furniture and Equipment										
4 Transportation Equipment										

ASSET CATEGORY	Sheet 3B : Capital Expenditure (US\$ component, expressed in nominal US\$)									
	Actual (US\$, nominal in US\$ of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (US\$, nominal in US\$ of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
5 Stores Equipment										
6 Tools, Shop and Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant and Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>D. Transferred Subtransmission Assets</b>										
<b>SUB-TOTAL Regulated Distribution Services Assets</b>										
<b>DISTRIBUTION CONNECTION ASSETS</b>										
<b>A. Distribution Connection Services</b>										
1 Poles, Towers and Fixtures (Customer)										
2 Overhead Conductors and Devices (Customer)										
3 Underground Conduits (Customer)										
4 Underground Conductors & Devices (Customer)										
5 Line Transformers (customer)										
6 Information Technology Equipment (Connection)										
<b>SUB-TOTAL Distribution Services</b>										
<b>B. General Plant (Distribution connection services)</b>										
1 Land and Land Rights (non-network)										
2 Structures & Improvements (non-network)										
3 Office Furniture & Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop & Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										

Sheet 3B : Capital Expenditure (US\$ component, expressed in nominal US\$)										
ASSET CATEGORY	Actual (US\$, nominal in US\$ of calendar year)				Budget (Calendar year)	Budget (Regulatory year)	Forecast (US\$, nominal in US\$ of regulatory year)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
9 Power-operated Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>SUB-TOTAL Distribution Connection Services Assets</b>										
<b>REGULATED RETAIL SERVICES ASSETS</b>										
1 Meters, Metering Instruments & Metering Transformers (Consumer Consumption Metering)										
2 Land and Land Rights										
3 Structures and Improvements										
4 Office Furniture and Equipment										
5 Transportation Equipment										
6 Stores Equipment										
7 Tools, Shop & Garage Equipment										
8 Laboratory Equipment										
9 Information Systems Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL Regulated Retail Services Assets</b>										
<b>ALLOCATED OVERHEADS CAPITALIZED</b>										
<b>TOTAL CAPITAL EXPENDITURE</b>										
<b>USA Consumer Price Index Assumption</b> (for quarters in regulatory year)	Dec quarter				Annual inflation rate					
	Mar quarter									
	Jun quarter									
	Sep quarter									
<b>Base Value assumed for Philippine CPI figures</b>	Year:			Value:						
<b>Base Value assumed for USA CPI figures</b>	Year:			Value:						

**Table F.6 : Sheet 3C – Capital expenditure forecast summary : US\$ Component (expressed in real US\$)**

ASSET CATEGORY	Sheet 3C : Capital Expenditure (US\$ component, expressed in real US\$)									
					Budget (Calendar year)	Budget (Regulatory year)	Forecast (US\$, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>										
<b>A. Distribution Plant</b>										
1 Land and Land Rights (Distribution Purposes)										
2 Structures and Improvements										
3 Station Equipment										
3a Power transformers										
3b Switchgear										
3c Protective equipment										
3d Metering & control equipment										
3e Communications equipment										
3f Other station equipment										
4 Poles, Towers and Fixtures - Distribution										
5 Overhead Conductors and Devices - Distribution										
6 Underground Conductors and Devices - Distribution										
7 Underground Conduits - Distribution										
8 Line Transformers - Distribution										
9 Power Conditioning Equipment										
10 Services										
11 Meters, Instruments & Metering Transformers - Distribution										
12 Information Technology Equipment (distribution)										
13 Regulated Entity Property on Consumer's Premises										
14 Street Lights and Signal Systems										
15 Submarine Cables										
<b>SUB-TOTAL Distribution Plant</b>										
<b>B. General Plant (Non-network Assets)</b>										
1 Land and Land Rights (non-network)										
2 Structures and Improvements (non-network)										
3 Office Furniture and Equipment										
4 Transportation Equipment										

Sheet 3C : Capital Expenditure (US\$ component, expressed in real US\$)										
ASSET CATEGORY					Budget (Calendar year)	Budget (Regulatory year)	Forecast (US\$, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
5 Stores Equipment										
6 Tools, Shop and Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										
10 Communication Plant and Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>D. Transferred Subtransmission Assets</b>										
<b>SUB-TOTAL Regulated Distribution Services Assets</b>										
<b>DISTRIBUTION CONNECTION ASSETS</b>										
<b>A. Distribution Connection Services</b>										
1 Poles, Towers and Fixtures (Customer)										
2 Overhead Conductors and Devices (Customer)										
3 Underground Conduits (Customer)										
4 Underground Conductors & Devices (Customer)										
5 Line Transformers (customer)										
6 Information Technology Equipment (Connection)										
<b>SUB-TOTAL Distribution Services</b>										
<b>B. General Plant (Distribution connection services)</b>										
1 Land and Land Rights (non-network)										
2 Structures & Improvements (non-network)										
3 Office Furniture & Equipment										
4 Transportation Equipment										
5 Stores Equipment										
6 Tools, Shop & Garage Equipment										
7 Laboratory Equipment										
8 Information Systems Equipment (non-network)										
9 Power-operated Equipment										

ASSET CATEGORY	Sheet 3C : Capital Expenditure (US\$ component, expressed in real US\$)									
					Budget (Calendar year)	Budget (Regulatory year)	Forecast (US\$, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL General Plant</b>										
<b>C. Materials and Supplies (including spares)</b>										
<b>SUB-TOTAL Distribution Connection Services Assets</b>										
<b>REGULATED RETAIL SERVICES ASSETS</b>										
1 Meters, Metering Instruments & Metering Transformers (Consumer Consumption Metering)										
2 Land and Land Rights										
3 Structures and Improvements										
4 Office Furniture and Equipment										
5 Transportation Equipment										
6 Stores Equipment										
7 Tools, Shop & Garage Equipment										
8 Laboratory Equipment										
9 Information Systems Equipment										
10 Communication Plant & Equipment										
11 Miscellaneous Equipment										
<b>SUB-TOTAL Regulated Retail Services Assets</b>										
<b>ALLOCATED OVERHEADS CAPITALIZED</b>										
<b>TOTAL CAPITAL EXPENDITURE</b>										

## APPENDIX G : ASSET BASE DATA TEMPLATES

For the purposes of clause 4.8 of the RDWR, the following template should be used to provide summaries of the historical and ODRC values of the Regulatory Asset Base. The worksheets which feed into this template need to show the individual projects and the grouped asset values, the categorization of project types, the justification by project and the estimation process (where applicable) for converting overseas values into local values. The same template should be used for the Rolled Forward Depreciated Asset Base.

Asset Category	HISTORICAL COST				OPTIMIZED REPLACEMENT COST				
	Historic cost	Depreciated historic cost	Weighted average age of asset category	Weighted average asset life (tax purposes)	Replacement cost	Optimized replacement cost	Depreciated optimized replacement cost	Weighted average age of asset category	Weighted average asset life (regulatory purposes)
<b>REGULATED DISTRIBUTION SERVICES ASSETS</b>									
<b>A. Distribution Plant</b>									
1	Land and Land Rights (Distribution Purpose)								
2	Structures and Improvements (Distribution Purpose)								
3	Station Equipment								
3a	Power transformers								
3b	Switchgear								
3a	Protective equipment								
3b	Metering & control equipment								
3a	Communications equipment								
3b	Other station equipment								
4	Poles, Towers and Fixtures								
5	Overhead Conductors and Devices								
6	Underground Conduits								
7	Underground Conductors and Devices								
8	Line Transformers								
9	Power Conditioning Equipment								
10	Services								
11	Meters, Instruments & Metering Transformers-distribution								

	HISTORICAL COST				OPTIMIZED REPLACEMENT COST				
	Historic cost	Depreciated historic cost	Weighted average age of asset category	Weighted average asset life (tax purposes)	Replacement cost	Optimized replacement cost	Depreciated optimized replacement cost	Weighted average age of asset category	Weighted average asset life (regulatory purposes)
<b>Asset Category</b>									
12 Information technology equipment (distribution)									
13 Regulated Entity Property on Consumers' Premises									
14 Street Lights and Signal Systems									
15 Submarine Cables									
<b>Sub-total Distribution Plant</b>									
<b>B. General Plant (Non-network assets)</b>									
1 Land and Land Rights (non-network)									
2 Structures and Improvements (non-network)									
3 Office Furniture and Equipment									
4 Transportation Equipment									
5 Stores Equipment									
6 Tools, Shop and Garage Equipment									
7 Laboratory Equipment									
8 Information systems equipment (non-network)									
9 Power-operated Equipment									
10 Communication Plant and Equipment									
11 Miscellaneous Equipment									
<b>Sub-total General Plant</b>									
<b>C. Materials and Supplies (including spares)</b>									
<b>D. Transferred subtransmission assets</b>									
<b>DISTRIBUTION CONNECTION SERVICES ASSETS</b>									
<b>A. Connection Assets</b>									
1 Poles, Towers and Fixtures									
2 Overhead Conductors and Devices									

	HISTORICAL COST				OPTIMIZED REPLACEMENT COST				
	Historic cost	Depreciated historic cost	Weighted average age of asset category	Weighted average asset life (tax purposes)	Replacement cost	Optimized replacement cost	Depreciated optimized replacement cost	Weighted average age of asset category	Weighted average asset life (regulatory purposes)
<b>Asset Category</b>									
3 Underground Conduits									
4 Underground Conductors and Devices									
5 Line Transformers									
6 Information Technology Equipment (connection)									
<b>Sub-total Distribution Connection Services</b>									
<b>B. General Plant (Distribution Connection Services)</b>									
1 Land and Land Rights (non-network)									
2 Structures and Improvements (non-network)									
3 Office Furniture and Equipment									
4 Transportation Equipment									
5 Stores Equipment									
6 Tools, Shop and Garage Equipment									
7 Laboratory Equipment									
8 Information systems equipment (non-network)									
9 Power-operated Equipment									
10 Communication Plant and Equipment									
11 Miscellaneous Equipment									
<b>Sub-total General plant</b>									
<b>C. Materials &amp; Supplies (including spares)</b>									
<b>Sub-total Distribution Connection Assets</b>									
<b>REGULATED RETAIL SERVICES ASSETS</b>									
1 Meters, Instruments & Metering Transformers – Consumer consumption metering									

	HISTORICAL COST				OPTIMIZED REPLACEMENT COST				
	Historic cost	Depreciated historic cost	Weighted average age of asset category	Weighted average asset life (tax purposes)	Replacement cost	Optimized replacement cost	Depreciated optimized replacement cost	Weighted average age of asset category	Weighted average asset life (regulatory purposes)
<b>Asset Category</b>									
2 Land and Land Rights									
3 Structures and Improvements									
4 Office Furniture and Equipment									
5 Transportation Equipment									
6 Stores Equipment									
7 Tools, Shop and Garage Equipment									
8 Laboratory Equipment									
9 Information systems equipment									
10 Communication Plant and Equipment									
11 Miscellaneous Equipment									
<b>Sub-total Regulated Retail Services Assets</b>									
<b>ALLOCATED OVERHEADS CAPITALIZED</b>									
<b>TOTAL ASSET VALUE</b>									

## APPENDIX H : TEMPLATE FOR ANNUAL RATE ADJUSTMENT

For the purposes of Article VI of the RDWR, the following templates should be used to provide the information that will be required for each annual rate setting application.

The information calculated in sheets 2, 3A and 3B will feed into the final calculation of the new maximum average price cap in sheet 1.

SHEET 1 : ANNUAL ADJUSTMENT OF TARIFFS						
Regulatory Year for which adjustment is required :						(year t)
ITEM	SYMBOL	PERIOD		QUANTITY	UNIT	RDWR REFERENCE
		From	To			
Amount billed to customers, 12 months ending in March of year t-1	$CR_{t-1}$				PhP	4.3, 4.5, 5.1
Net income derived from related business undertakings, 12 months ending in March of year t-1 (supply details separately)	$RBR_{t-1}$				PhP	4.3, 4.5, 5.1
Total amount of energy delivered through the Regulated Distribution System, 12 months ending in March of year t-1	$CQ_{t-1}$				kWh	4.3, 4.5, 5.1
Simple average of the 180 day weighted average Manila Reference Rate, 12 months ending in March of year t-1	$i_t$				% p.a.	4.3, 5.1
Maximum average price in Regulatory Year t-1	$MAP_{t-1}$				PhP/kWh	4.2.1, 4.3.1
Maximum average price in Regulatory Year t-2	$MAP_{t-2}$				PhP/kWh	4.2.1, 4.3.1
Correction factor for under/over recovery for the application year t	$K_t$				PhP/kWh	4.3, 5.1
Change in weighted index (as calculated from sheet 2)	$CWI_t$				Number	4.2, 5.1, 5.2
Actual corporate income tax paid in Regulatory Year t-2 arising from the provision of Regulated Distribution Services	$ActTax_{p,t-2}$				PhP	4.4
Regulatory WACC for the Regulatory Period	$WACC_t$				Number	4.11
Estimated corporate income tax paid in Regulatory Year t-2 arising from the provision of Regulated Distribution Services	$Tax_{p,n}$				PhP	4.4, 4.14
Tax adjustment during application year t	$ITA_t$				PhP/kWh	4.4, 5.1
Incentive scheme adjustment factor (as calculated from sheet 3), 12 months ending in March of year t-1	$S_t$				PhP/kWh	Position Paper
Maximum average price for application year t	$MAP_t$				PhP/kWh	4.2, 5.1, 5.2

<b>SHEET 2 : CALCULATION OF CHANGE IN WEIGHTED INDEX</b>					
Regulatory Year for which adjustment is required :					(year t)
ITEM	SYMBOL	ACTUAL		UNIT	RDWR REFERENCE
		DATE	VALUE		
Philippines Consumer price index for year t-1	$CPI_{t-1}$			Number	4.5.2
CPI September t-2 quarter	$CPI_{(QJ, t-2)}$			Number	4.5.2
CPI December t-1 quarter	$CPI_{(QS, t-1)}$			Number	4.5.2
CPI March t-1 quarter	$CPI_{(QD, t-1)}$			Number	4.5.2
CPI June t-1 quarter	$CPI_{(QM, t-1)}$			Number	4.5.2
Philippines Consumer price index for year t-2	$CPI_{t-2}$			Number	4.5.2
CPI September t-3 quarter	$CPI_{(QJ, t-3)}$			Number	4.5.2
CPI December t-2 quarter	$CPI_{(QS, t-2)}$			Number	4.5.2
CPI March t-2 quarter	$CPI_{(QD, t-2)}$			Number	4.5.2
CPI June t-2 quarter	$CPI_{(QM, t-2)}$			Number	4.5.2
Change in Philippines CPI for application year t	$\Delta CPI_t$			Number	4.5.2
USA Consumer price index for year t-1	$USCPI_{t-1}$			Number	4.5.2
CPI September t-2 quarter	$USCPI_{(QJ, t-2)}$			Number	4.5.2
CPI December t-1 quarter	$USCPI_{(QS, t-1)}$			Number	4.5.2
CPI March t-1 quarter	$USCPI_{(QD, t-1)}$			Number	4.5.2
CPI June t-1 quarter	$USCPI_{(QM, t-1)}$			Number	4.5.2
USA Consumer price index for year t-2	$USCPI_{t-2}$			Number	4.5.2
CPI September t-3 quarter	$USCPI_{(QJ, t-3)}$			Number	4.5.2
CPI December t-2 quarter	$USCPI_{(QS, t-2)}$			Number	4.5.2
CPI March t-2 quarter	$USCPI_{(QD, t-2)}$			Number	4.5.2
CPI June t-2 quarter	$USCPI_{(QM, t-2)}$			Number	4.5.2
PhP/US\$ exchange rate change for year t-1	$USER_{t-1}$			Number	4.5.3
PhP/US% exchange rate September t-2 quarter	$USER_{(QJ, t-2)}$			Number	4.5.3
PhP/US% exchange rate December t-1 quarter	$USER_{(QS, t-1)}$			Number	4.5.3
PhP/US% exchange rate March t-1 quarter	$USER_{(QD, t-1)}$			Number	4.5.3
PhP/US% exchange rate June t-1 quarter	$USER_{(QM, t-1)}$			Number	4.5.3
PhP/US\$ exchange rate change for year t-2	$USER_{t-2}$			Number	4.5.3
PhP/US% exchange rate September t-3 quarter	$USER_{(QJ, t-3)}$			Number	4.5.3
PhP/US% exchange rate December t-2 quarter	$USER_{(QS, t-2)}$			Number	4.5.3
PhP/US% exchange rate March t-2 quarter	$USER_{(QD, t-2)}$			Number	4.5.3
PhP/US% exchange rate June t-2 quarter	$USER_{(QM, t-2)}$			Number	4.5.3
Change in PhP/US\$ rate	$\Delta USER_t$			Number	4.5.3
Should the exchange rate be included in the weighted index for application year t ?					
If it is to be included, based on which quarter(s) ?					
Weighted index for application year t	$CWI_t$				

INCENTIVE FACTOR CALCULATION					
Regulatory Year for which adjustment is required :			(year t)		
ITEM	SYMBOL	FROM	TO	QUANTITY	UNIT
Measured SAIFI, 12 months ending in March of year t-1	SAIFI <sub>t</sub>				Number
SAIFI performance band 1		higher than			Number
SAIFI performance band 2					Number
SAIFI performance band 3					Number
SAIFI performance band 4					Number
SAIFI performance band 5		lower than			Number
Assessment of SAIFI performance					Band #
Performance factor allocated	Perf <sub>SAIFI, t-1</sub>				Number
Weighting allocated to SAIFI index	W <sub>SAIFI</sub>				Number
Contribution of SAIFI index to S-factor	S <sub>SAIFI,t</sub>				Number
Measured CAIDI, 12 months ending in March of year t-1	CAIDI <sub>t</sub>				Minutes
CAIDI performance band 1		higher than			Minutes
CAIDI performance band 2					Minutes
CAIDI performance band 3					Minutes
CAIDI performance band 4					Minutes
CAIDI performance band 5		lower than			Minutes
Assessment of CAIDI performance					Band #
Performance factor allocated	Perf <sub>CAIDI, t-1</sub>				Number
Weighting allocated to CAIDI index	W <sub>CAIDI</sub>				Number
Contribution of CAIDI index to S-factor	S <sub>CAIDI,t</sub>				Number
Measured planned SAIDI, 12 months ending in March of year t-1	SAIDI <sub>t</sub>				Minutes
Planned SAIDI performance band 1		higher than			Minutes
Planned SAIDI performance band 2					Minutes
Planned SAIDI performance band 3					Minutes
Planned SAIDI performance band 4					Minutes
Planned SAIDI performance band 5		lower than			Minutes
Assessment of planned SAIDI performance					Band #
Performance factor allocated	Perf <sub>SAIDI, t-1</sub>				Number
Weighting allocated to planned SAIDI index	W <sub>SAIDI</sub>				Number
Contribution of planned SAIDI index to S-factor	S <sub>SAIDI,t</sub>				Number
Measured voltage regulation performance, 12 months ending in March of year t-1	VoltViol <sub>t</sub>				%
Voltage regulation performance band 1		higher than			%
Voltage regulation performance band 2					%
Voltage regulation performance band 3					%
Voltage regulation performance band 4					%
Voltage regulation performance band 5		lower than			%
Assessment of voltage regulation performance					Band #
Performance factor allocated	Perf <sub>VoltViol, t-1</sub>				Number
Weighting allocated to voltage regulation index	W <sub>VoltViol</sub>				Number
Contribution of voltage regulation index to S-factor	S <sub>VoltViol,t</sub>				Number

INCENTIVE FACTOR CALCULATION					
Regulatory Year for which adjustment is required :					(year t)
ITEM	SYMBOL	FROM	TO	QUANTITY	UNIT
Measured system losses, 12 months ending in March of year t-1	$Sysloss_t$				%
System losses performance band 1					%
System losses performance band 2					%
System losses performance band 3					%
System losses performance band 4					%
System losses performance band 5		lower than			%
Assessment of system losses performance					Band #
Performance factor allocated	$Perf_{Sysloss, t-1}$				Number
Weighting allocated to system losses index	$W_{Sysloss}$				Number
Contribution of system losses index to S-factor	$S_{Sysloss, t}$				Number
Measured application processing time, 12 months to March year t-1	$Proc_t$				Days
Application processing performance band 1		higher than			Days
Application processing performance band 2					Days
Application processing performance band 3					Days
Application processing performance band 4					Days
Application processing performance band 5		lower than			Days
Assessment of application processing performance					Band #
Performance factor allocated	$Perf_{Proc, t-1}$				Number
Weighting allocated to application processing index	$W_{Proc}$				Number
Contribution of application processing index to S-factor	$S_{Proc, t}$				Number
Measured connection time, 12 months ending in March of year t-1	$Con_t$				Days
Connection time performance band 1		higher than			Days
Connection time performance band 2					Days
Connection time performance band 3					Days
Connection time performance band 4					Days
Connection time performance band 5		lower than			Days
Assessment of connection time performance					Band #
Performance factor allocated	$Perf_{Con, t-1}$				Number
Weighting allocated to connection time index	$W_{Con}$				Number
Contribution of connection time index to S-factor	$S_{Con, t}$				Number
Measured call center performance, 12 months ending in March year t-1	$Call_t$				Minutes
Call center performance band 1		higher than			Minutes
Call center performance band 2					Minutes
Call center performance band 3					Minutes
Call center performance band 4					Minutes
Call center performance band 5		lower than			Minutes
Assessment of call center performance					Band #
Performance factor allocated	$Perf_{Call, t-1}$				Number
Weighting allocated to call center index	$W_{Call}$				Number
Contribution of call center index to S-factor	$S_{Call, t}$				Number
Forecast annual allowed revenue for application year t	$ARR_t$				PhP
Forecast energy consumption for application year t	$FQ_t$				kWh
<b>S-factor for application year t</b>	<b><math>S_t</math></b>				PhP/kWh

## APPENDIX I : ENERGY CONSUMPTION FORECASTS TEMPLATE

For the purposes of clause 4.23 of the RDWR, the following templates should be used to provide the forecast energy consumption and maximum demand for each Regulated Distribution System.

### SHEET 1 : ENERGY CONSUMPTION FORECASTS

MEASUREMENT POINT	UNITS	HISTORICAL FIGURES (CALENDAR YEARS)				Forecast (Calendar year)	Forecast (Regulatory year)	FORECAST (REGULATORY YEARS)			
		2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Total Regulated Distribution System	MWh										
Grid connection points (Describe each point)	MWh MWh										
Direct connection points to generators (Describe each point)	MWh MWh										
Customer Segment 1	MWh										
Customer Segment 2 (Provide for each segment)	MWh MWh										
Estimated system losses	%										

### SHEET 2 : MAXIMUM DEMAND FORECASTS

MEASUREMENT POINT	UNITS	HISTORICAL FIGURES (CALENDAR YEARS)				Forecast (Calendar year)	Forecast (Regulatory year)	FORECAST (REGULATORY YEARS)			
		2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
Total Regulated Distribution System	kW										
Grid connection points (Describe each point)	kW kW										
Direct connection points to generators (Describe each point)	kW kW										
Substations (Describe each substation)	kW kW										
Subtransmission feeder (Describe each feeder)	kW kW										
Major distribution feeder (Describe each feeder)	kW kW										

## APPENDIX J : TEMPLATE FOR SERVICE PERFORMANCE MEASUREMENT

For the purposes of the performance incentive scheme required in terms of clause 4.18.1 of the RDWR and as expanded in section 9 above, the following service performance templates are to be completed for each Regulated Distribution System.

Sheet 1 contains the template for historical performance information to be submitted and sheet 2 for the ongoing monthly performance information. The following should be noted:

- Information must be provided separately for each Regulated Distribution System.
- Where information cannot be supplied, this should be indicated and the reason for this provided.
- All information submissions have to be certified by the CEO (or equivalent) and the responsible Member of the Board (or equivalent) of the Regulated Entity.
- For the ongoing monthly submissions, the cumulative total or cumulative average for that Regulatory Year (up to the end of the month for which information is submitted) also has to be provided. The cumulative total at the end of June will be the annual total for a Regulatory Year.
- The template in sheet 2 should also be used for the provision of monthly performance information for the period between April 1, 2007 and September 30, 2008.

SHEET 1 : HISTORICAL PERFORMANCE DATA		(Calendar year)									
Performance index	Units	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
System average interruption frequency index (SAIFI)	Number										
Customer average interruption duration index (CAIDI)	Minutes										
Planned system average interruption duration index (SAIDI)	Minutes										
Probability of voltage levels falling within prescribed limits	%										
System losses	%										
Average time to process applications for Regulated Distribution Services	Days										
Average time to connect premises to the Regulated Distribution System	Days										
Average time to answer calls at call center	Seconds										
Number of urban/sub-urban customers experiencing service interruptions longer than 10 hours	Number										
Number of urban/sub-urban customers experiencing service interruptions longer than 15 hours	Number										
Number of urban/sub-urban customers experiencing service interruptions longer than 20 hours	Number										
Number of rural customers experiencing service disruption longer than 15 hours	Number										
Number of rural customers experiencing service disruption longer than 25 hours	Number										

SHEET 1 : HISTORICAL PERFORMANCE DATA		(Calendar year)									
Performance index	Units	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of rural customers experiencing service disruptions longer than 35 hours.	Number										
Number of urban/sub-urban customers experiencing more than 10 sustained interruptions per year	Number										
Number of urban/sub-urban customers experiencing more than 15 sustained interruptions per year	Number										
Number of urban/sub-urban customers experiencing more than 20 sustained interruptions per year	Number										
Number of customers in rural areas experiencing more than 15 sustained interruptions per year.	Number										
Number of customers in rural areas experiencing more than 25 sustained interruptions per year.	Number										
Number of customers in rural areas experiencing more than 35 sustained interruptions per year.	Number										
Number of customers for whom restoration of faults on the secondary distribution network were not restored within 12 hours	Number										
Number of connections not delivered on days agreed with customers	Number										
Number of connections delivered 2 days late	Number										
Number of connections delivered 3 days late	Number										
Number of connections delivered 4 day late	Number										
Number of connections delivered 5 or more days late	Number										
Momentary average interruption frequency index (MAIFI)	Number										
Frequency of tripping events per 100 circuit-km	Number										
Average forced-outage duration	Minutes										
Average time to respond to emergency calls	Minutes										
Average time to respond to billing queries and complaints	Days										
Average time to respond to payment queries and complaints	Days										
Average time to reconnect a service after payment of all dues	Days										
Average time to provide the complainant with a substantive answer to the complaint	Days										
Average time to correct a power quality complaint	Days										

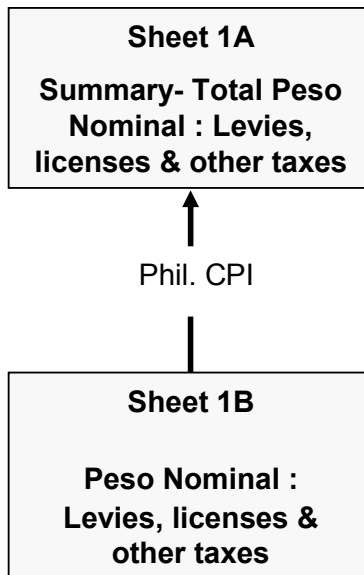
SHEET 2 : MONTHLY PERFORMANCE DATA														
Regulatory Year														
Performance index	Units	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Cumulative
System average interruption frequency index (SAIFI)	Number													
Customer average interruption duration index (CAIDI)	Minutes													
Planned system average interruption duration index (SAIDI)	Minutes													
Probability of voltage levels falling within prescribed limits	%													
System losses	%													
Average time to process applications for Regulated Distribution Services	Days													
Average time to connect premises to the Regulated Distribution System	Days													
Average time to answer calls at call center	Seconds													
Number of urban/sub-urban customers experiencing service interruptions longer than [GSL1 target]	Number													
Number of rural customers experiencing service interruptions longer than [GSL1 target]	Number													
Number of urban/sub-urban customers experiencing more than [GSL2 target] sustained interruptions per year	Number													
Number of urban/sub-urban customers experiencing more than 15 sustained interruptions per year	Number													
Number of rural customers experiencing more than [GSL2 target] sustained interruptions per year	Number													
Number of customers for whom restoration of faults on the secondary distribution network were not restored within 12 hours	Number													
Number of connections not delivered on days agreed with customers	Number													
Number of connections delivered 2 days late	Number													
Number of connections delivered 3 days late	Number													
Number of connections delivered 4 day late	Number													
Number of connections delivered 5 or more days late	Number													
Momentary average interruption frequency index (MAIFI)	Number													
Frequency of tripping events per 100 circuit-km	Number													
Average Forced Outage Duration	Minutes													

SHEET 2 : MONTHLY PERFORMANCE DATA														
Regulatory Year														
Performance index	Units	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Cumulative
Average time to respond to emergency calls	Minutes													
Average time to respond to billing queries and complaints	Days													
Average time to respond to payment queries and complaints	Days													
Average time to reconnect a service after payment of all dues	Days													
Average time to provide a complainant with a substantive answer to the complaint	Days													
Average time to correct a power quality complaint	Days													

## APPENDIX K : LEVIES, LICENCES & OTHER TAXES TEMPLATE

For the purposes of clause 4.13.2 of the RDWR, the following templates should be used to provide summaries of the historical and forecast expenditure incurred by a Regulated Entity for levies, licenses and tax other than corporate income tax payable in the course of providing Regulated Distribution Services.

The templates are assumed to link according to figure K1.



**Figure K1 : Development of levies, licenses and other taxes expenditure forecast summary**

In completing the templates, the following should be noted:

- The actual figures for 2003 to 2006 refer to calendar years, while the forecasts for 2008 to 2011 refer to Regulatory Years (July 1 to June 30).
- The budgeted figure for 2007 refers to the six months from Jan 1, 2007 to Jun 30, 2007.
- Quarterly data refers to the value as at the end of each quarter for the year indicated.
- Where quarterly figures are forecast for Regulatory Years (2008 to 2011), these refer to the Regulatory Year quarters, with the first such quarter ending on Sept 30.<sup>73</sup>
- Where CPI forecasts are made, the same base value must apply for all years.

<sup>73</sup> In other words, the Sept and Dec quarters fall in the previous calendar year. (E.g. the Sept quarter for regulatory year 2009 is the quarter ending on 30 Sept 2008.)

**Table K.1 : Sheet 1A – Levies, duties and other taxes expenditure forecast summary (expressed in nominal PhP)**

<b>SHEET 1a: Levies, duties and taxes (excluding corporate income tax) , Nominal expenditure</b>										
<b>Opex Category and Sub-category</b>	<b>Actual (peso, nominal in peso of historical year)</b>				<b>Budget (peso, nominal)</b>	<b>Budget regulatory year</b>	<b>Forecast (peso, nominal in peso of regulatory year)</b>			
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Levies</b> (specify)										
<b>Sub-total Levies</b>										
<b>Duties</b> (specify)										
<b>Sub-total Levies</b>										
<b>Other taxes</b> (specify)										
<b>Sub-total Levies</b>										
<b>Total Levies, Duties &amp; Other Taxes Expenditure</b>										
<b>Philippines Consumer Price Index Assumption</b>	<b>Dec quarter</b>				<b>Annual inflation rate</b>					
	<b>Mar quarter</b>									
	<b>Jun quarter</b>									
	<b>Sep quarter</b>									
<b>Base Value Assumed for Philippine CPI figures</b>	<b>Year:</b>				<b>Value:</b>					

**Table K.2 : Sheet 1B – Levies, duties and other taxes expenditure forecast summary (expressed in real PhP)**

SHEET 1B: Levies, duties and taxes (excluding corporate income tax) , Real expenditure										
Opex Category and Sub-category					Budget (peso, real)	Budget regulatory year	Forecast (peso, real as at March 31, 2008)			
	2004	2005	2006	2007	2008	2008	2009	2010	2011	2012
<b>Levies</b> (specify)										
<b>Sub-total Levies</b>										
<b>Duties</b> (specify)										
<b>Sub-total Levies</b>										
<b>Other taxes</b> (specify)										
<b>Sub-total Levies</b>										
<b>Total Levies, Duties &amp; Other Taxes Expenditure</b>										

## APPENDIX L : ENTRY POINTS INTO PBR

Following ERC Resolution No. 12-02 Series of 2004, the privately owned Distribution Utilities in the Philippines will enter Performance Based Regulation according to the schedule in table L1 below. The dates for the reset process, as well as the Regulatory Periods associated with each entry group are also indicated.<sup>74</sup>

**Table L1 : Further Entry Groups for Performance Based Regulation**

<p><b><u>First entry group</u></b> Cagayan Electric Light &amp; Power Company Dagupan Electric Corporation Manila Electric Company</p>	<p><b><u>Reset period</u></b> Jan 1, 2006 to Jun 30, 2007</p> <p><b><u>First Regulatory Period</u></b> Jul 1, 2005 to Jun 30, 2007</p> <p><b><u>Second Regulatory Period</u></b> Jul 1, 2007 to Jun 30, 2011</p>
<p><b><u>Second Entry Group</u></b> Cotabato Light &amp; Power Company, Inc Iligan Light &amp; Power Company, Inc Mactan Electric Company</p>	<p><b><u>Reset period</u></b> Apr 1, 2007 to Sep 30, 2008</p> <p><b><u>Second Regulatory Period</u></b> Oct 1, 2008 to Sep 30, 2012</p>
<p><b><u>Third entry group</u></b> Cabanatuan Electric Corporation La Union Electric Company, Inc Tarlac Electric Inc Visayan Electric Company, Inc</p>	<p><b><u>Reset period</u></b> Jan 1, 2008 to Jun 30, 2009</p> <p><b><u>Second Regulatory Period</u></b> Jul 1, 2009 to Jun 30, 2013</p>
<p><b><u>Fourth entry group</u></b> Davao Light &amp; Power Company, Inc Panay Electric Company Subic Enerzone Corporation San Fernando Electric Light &amp; Power Company</p>	<p><b><u>Reset period</u></b> Apr 1, 2009 to Sep 30, 2010</p> <p><b><u>Second Regulatory Period</u></b> Oct 1, 2010 to Sep 30, 2014</p>
<p><b><u>Fifth entry group</u></b> Angeles Electric Corporation Bauan Electric Light Systems Bohol Light Company Inc Ibaan Electric and Engineering Corp Public Utilities Dept. – Olongapo City</p>	<p><b><u>Reset period</u></b> Jan 1, 2010 to Jun 30, 2011</p> <p><b><u>Second Regulatory Period</u></b> Jul 1, 2011 to Jun 30, 2015</p>

<sup>74</sup> None of the later entrant groups were subject to a First Regulatory Period as described in the original Distribution Wheeling Rate Guidelines for the first entrant group. All later entrant groups therefore commence Performance Based Regulation in the Second Regulatory Period.

## APPENDIX M : STANDARD ASSET LIVES

For the First Entry Point, the ERC appointed a Regulatory Reset Expert to assist it with the valuation of the Regulatory Asset Base of the Regulated Entities involved. Included in the scope of work was a study into the lives of standard assets used by these Regulated Entities.

The findings of this study are presented below.<sup>75</sup> The categories are as defined in Section 5.1.2.

**Table M1 : Proposed Standard Asset Lives of System Fixed Assets**

Category		Recommended Standard Asset Life
<b>A3</b>	<b>Station Equipment</b>	
A3A	Power Transformers (operated in an N-1 or higher redundancy level configuration)	40
	Power Transformers (operated without any redundancy)	30
A3B	Switchgear	30
A3C	Protective Equipment	
A3D	Metering & Control	
A3E	Communications Equipment	10
A3F	Other Substation Equipment	30
<b>A4 &amp; A5</b>	<b>Poles, Towers &amp; Fixtures</b>	
	Steel towers	50
	Steel poles	40
	Concrete poles	30
	Wood poles	20
<b>A6 &amp; A7</b>	<b>Overhead Conductors &amp; Devices</b>	30
<b>A8 &amp; A9</b>	<b>Underground Conduits</b>	N.A.

<sup>75</sup> The study is reported in the PB Associates confidential report titled “Standard Asset Lives for Philippines Distribution Utilities”, dated August 2006. This report is available from the ERC for release if its confidentiality requirements are met, which includes entering into a non-disclosure agreement.

Category		Recommended Standard Asset Life
<b>A10 &amp; A11</b>	<b>Underground Conductors &amp; Devices</b>	35
<b>A12 &amp; A13</b>	<b>Line Transformers</b>	30
<b>A14</b>	<b>Power Conditioning Equipment</b>	30
<b>A15</b>	<b>Services</b>	30
<b>A16 &amp; A17</b>	<b>Meters, Instruments &amp; Metering Transformers</b>	25
<b>A20</b>	<b>Streetlights &amp; Signalling</b>	30

**Table M2 : Proposed Standard Asset Lives for Non-Electrical Assets**

Category		Recommended Standard Asset Life
<b>B</b>	<b>General Plant</b>	
<b>B2</b>	<b>Structures &amp; Improvements</b>	
	Transmission	40
	Distribution	40
	General Plant	40
<b>B3</b>	<b>Furniture &amp; Office Equipment</b>	
	Tables	20
	Chairs	20
<b>B4</b>	<b>Transportation Equipment</b>	
	Cars & Motorcycles	5
	Pick-Ups	7
	Trucks & Trailers	10
<b>B5</b>	<b>Stores Equipment</b>	20
<b>B6</b>	<b>Tools, Shop &amp; Garage Equipment</b>	20
<b>B7</b>	<b>Laboratory Equipment</b>	20
<b>B8</b>	<b>Information Systems Equipment (Non-Network)</b>	5
<b>B9</b>	<b>Power Operated Equipment</b>	20
<b>B10</b>	<b>Communication Plant and Equipment</b>	10
<b>B11</b>	<b>Miscellaneous Equipment</b>	20

## **APPENDIX N : DEFINITION OF CAPITAL ASSET CATEGORIES**

In this appendix, a definition of the categories to be used for describing the Distribution System assets is provided. The lists provided are indicative only and are not intended to be exhaustive.

In the case of uncertainty, Regulated Entities should include assets in the category they deem the best fit for such assets. It is however essential to ensure that such categorization is applied consistently over time.

### **A. DISTRIBUTION PLANT**

#### **1. Land and Land Rights (dedicated to distribution purposes)**

This account shall include the cost of land and land rights used in connection with distribution operations.

Note: Do not include in this account the costs of permits to erect poles, towers, etc., or to trim trees.

#### **2. Structures and Improvements (dedicated to distribution purposes)**

This account shall include the cost of structures and improvements used in connection with distribution operations.

#### **3. Station Equipment (power transformers, switchgear, protective equipment, metering and control equipment, communications equipment and other station equipment)**

This account shall include the cost installed of substation equipment, including transformer banks, protection installation, switchgear, communication systems, etc., which are used for the purpose of converting voltage levels or controlling and directing the flow of electricity through the distribution network.

Note: The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in Street Lights and Signal Systems.

#### **4. Poles, Towers and Fixtures – Distribution; Customer**

This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

#### **5. Overhead Conductors and Devices – Distribution; Customer**

This account shall include the cost installed of overhead conductors and other overhead devices used for distribution purposes.

Note: The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in Street Lights and signal Systems.

#### **6. Underground Conduits – Distribution; Customer**

This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

Note: The cost of underground conduit used solely for street lighting or signal systems shall be included in Street Lights and Signal Systems.

**7. Underground Conductors and Devices – Distribution; Customer**

This account shall include the cost installed of underground conductors and associated devices used for distribution purposes.

Note: The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in Street Lights and Signal Systems.

**8. Line Transformers – Distribution; Customer**

This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer.

Note: The cost of line transformers used solely for street lighting or signal systems shall be included in Street Lighting and Signal Systems.

**9. Power Conditioning Equipment**

This refers to equipment such as capacitor banks for power factor correction, synchronous condensers, static VAR compensators, line filters, voltage regulators, generators used to provide spinning reserve or voltage stability, etc..

**10. Services**

This account shall include the cost installed of overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

**11. Meters, Metering Instruments and Metering Transformers – Distribution; Customer**

This account, in as far as it pertains to customer assets, shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users, whether actually in service or held in reserve.

In as far as this account pertains to distribution assets, this account shall include meter installations for monitoring energy flows at various points in the system, as well as meters installed to monitor and manage system losses.

**12. Information Technology Equipment (dedicated to distribution purposes)**

This account is for any other information technology equipment used to manage the distribution network, that are not already included under substation or similar categories.

**13. Regulated Entity Property on Consumers' Premises**

**Installations on Customers' Premises**

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property.

**Leased Property on Customers' Premises**

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporations), leased or loaned to customers, but not including property held for sale.

**14. Street Lights and Signal Systems**

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

**15. Submarine Cables**

**B. GENERAL PLANT (NON-NETWORK ASSETS)**

**1. Land and Land Rights (non-network related)**

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights accounts.

**2. Structures and Improvements (non-related related)**

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts.

**3. Office Furniture and Equipment**

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

**4. Transportation Equipment**

This account shall include the cost of transportation vehicles used for utility purposes.

**5. Stores Equipment**

This account shall include the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies.

**6. Tools, Shop and Garage Equipment**

This account shall include the cost of tools, implements, and equipments used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

**7. Laboratory Equipment**

This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specifically provide for or includible in other departments or functional plant accounts,

**8. Information Systems Equipment (non-network related)**

This account should include all information system equipment used to provide support services to the distribution function, including desktop computers, software, back-up storage devices, computer network assets, UPS or similar systems, etc.

**9. Power-operated Equipment**

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

**10. Communication Plant and Equipment**

This account shall include the cost installed of telephone, telegraph, and wireless equipment for general use in connection with utility operations. It shall exclude any items included under the information system category.

**11. Miscellaneous Equipment**

This account shall include the cost of equipment, apparatus, etc., used in the utility operations, which is not includible in any other account of this system of accounts.

**C. MATERIALS AND SUPPLIES**

**1. Materials and Supplies - Fuel Stock**

This account represents the cost of fuel on hand, and includes (1) invoice price less any cash or other discounts, (2) freight, switching, demurrage and other transportation charges except any charges for unloading from the shipping medium, and (3) excise taxes, purchasing agent's commissions, insurance and other expenses directly assignable to cost of fuel.

**2. Materials and Supplies – Electric**

This account represents the cost of materials purchased primarily for use in the conduct of utility business for construction, operation and maintenance purposes and materials recovered in connection with construction, maintenance or retirement of property. This includes (1) cost of electric materials and supplies purchased, (2) freight, insurance, unloading, handling and other transportation charges, if can be directly assigned to particular purchases, and (3) cost of special tests of materials prior to acceptance.

**3. Materials and Supplies – Others**

This account represents cost of materials and supplies held primarily for use in the repairs and maintenance of general plant items such as vehicles, office equipment and like items.

**4. Office Supplies**

This account represents the cost of postage, stationery and all other office supplies on hand.

**5. Stores Expense Undistributed**

This account shall include the cost of freight and delivery charges not directly identifiable to each type of materials and supplies purchased. This account shall be cleared by adding to the cost of materials and supplies issued a prorated amount of freight and delivery charges to distribute the expenses equitable over stores issues. This includes (1) freight, delivery and handling charges of materials and supplies purchased when not assignable to specific items, (2) adjustments of inventories of materials but not including large differences which can readily be assigned to important classes of materials and equitably distributed among the accounts to which such class of materials were charged since the previous inventory, and (3) excise and other similar taxes (paid on materials and supplies purchased) not assignable to specific materials.