

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

RESOLUTION NO. 10, Series of 2010

RESOLUTION ADOPTING A NEW TIMELINE FOR PRIVATELY OWNED DISTRIBUTION UTILITIES ENTERING PERFORMANCE BASED REGULATION UNDER THE FOURTH ENTRY POINT

WHEREAS, Section 43 (f) of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and its Implementing Rules and Regulations (IRR), authorize the Energy Regulatory Commission (Commission) to adopt alternative forms of internationally-accepted rate-setting methodology it may deem appropriate;

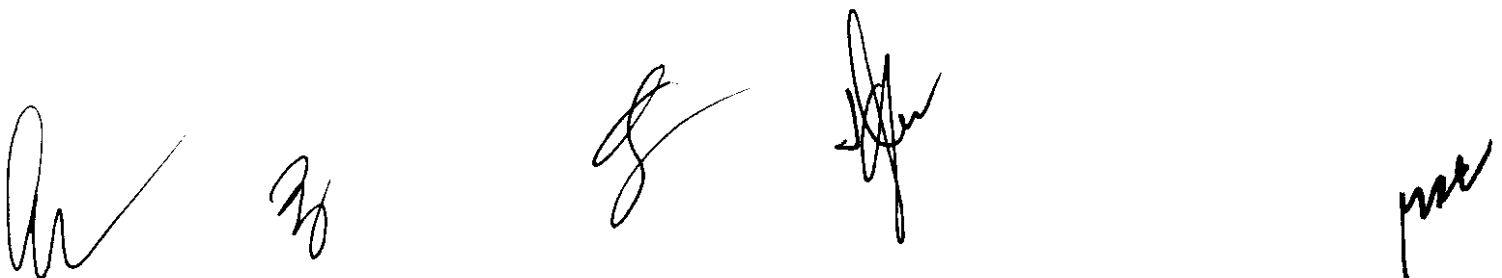
WHEREAS, on December 10, 2004, the Commission issued Resolution No. 12-02, Series of 2004 [Adopting a Methodology for Setting Distribution Wheeling Rates];

WHEREAS, on April 11, 2006, the Commission issued Resolution No. 16, Series of 2006 [Adopting a Policy That Entry to the Performance Based Regulation (PBR) by Private Utilities Under the Distribution Wheeling Rates Guidelines (DWRG) Be Made Mandatory];

WHEREAS, on July 26, 2006, the Commission issued Resolution No. 39, Series of 2006 [Adopting the Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Distribution Utilities Entering Performance Based Regulation (First Entry Point)];

WHEREAS, on December 13, 2006, the Commission issued Resolution No. 54, Series of 2006 [Adopting the Rules for Setting Distribution Wheeling Rates (RDWR) for Privately Owned Distribution Utilities Entering Performance Based Regulation (Second and Later Entry Points)];

WHEREAS, on October 24, 2007, the Commission issued Resolution No. 24, Series of 2007 [Resolution Adopting A New Grouping for Privately Owned Distribution Utilities Entering Performance Based Regulation (PBR)] adopting a new grouping of privately owned distribution utilities to enter PBR under Group B, C and D, and new timelines for the Second, Third and Fourth Entry points, subject to the RDWR provisions, as follows:

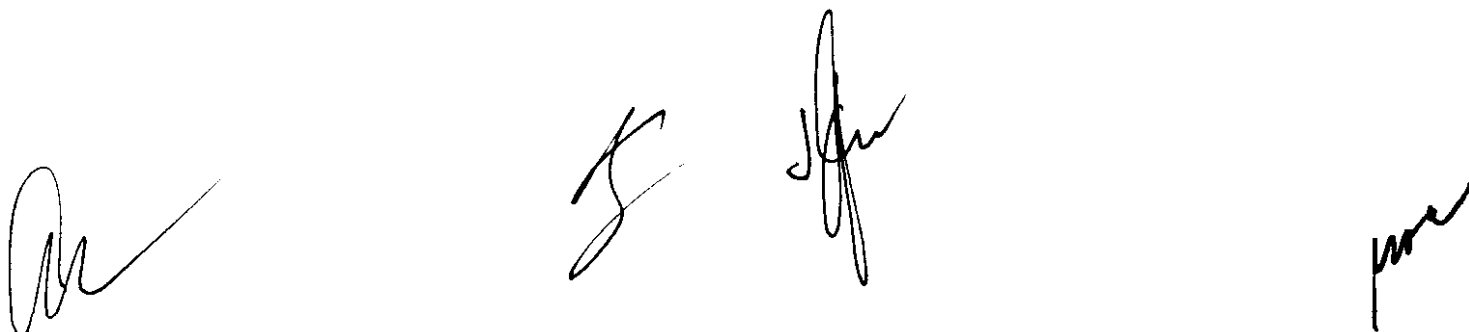


Resolution No. 10, Series of 2010
Resolution Adopting a New Timeline for Privately Owned Distribution Utilities Entering Performance Based Regulation Under the Fourth Entry Point
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GROUP	ENTRANT	REGULATORY PERIOD
A	Manila Electric Company (MERALCO)	July 1, 2007 – June 30, 2011
	Dagupan Electric Corporation (DECORP)	
	Cagayan Electric Power and Light Company, Inc. (CEPALCO)	
B	Cotabato Light and Power Company (CLPC)	April 1, 2009 – March 30, 2013
	Iligan Light and Power, Inc. (ILPI)	
	Mactan Electric Company (MECO)	
C	Cabanatuan Electric Corporation (CELCOR)	July 1, 2010 – June 30, 2014
	La Union Electric Company, Inc. (LUECO)	
	Tarlac Electric, Inc. (TEI)	
	Visayan Electric Company, Inc. (VECO)	
	Ibaan Electric and Engineering Corporation (IEEC)	
	Davao Light and Power Company, Inc. (DLPC)	
D	Panay Electric Company, Inc. (PECO)	April 1, 2011 – March 2015
	Subic Enerzone Corporation (SEZ)	
	San Fernando Electric Light and Power Company (SFELAPCO)	
	Bohol Light Company, Inc. (BLCI)	
	Angeles Electric Corporation (AEC)	

WHEREAS, on September 23, 2009, the Commission issued Resolution No. 22, Series of 2009 [Resolution Modifying Resolution No. 24, Series of 2007 [Resolution Adopting a New Grouping for Privately Owned Distribution Utilities Entering Performance Based Regulation (PBR)] allowing Clark Electric Distribution Corporation (CEDC) to join the Fourth Entry Group and adopting a new grouping of privately owned distribution utilities to enter PBR under the said Group and the timeline for the Fourth Entry point, subject to the RDWR provisions, as follows:

GROUP	ENTRANT	REGULATORY PERIOD
D	Angeles Electric Corporation (AEC)	April 1, 2011 – March 2015
	Bohol Light Company, Inc. (BLCI)	
	Panay Electric Company, Inc. (PECO)	
	Subic Enerzone Corporation (SEZ)	
	San Fernando Electric Light and Power Company (SFELAPCO)	
	Clark Electric Distribution Corporation (CEDC)	



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WHEREAS, as a consequence of such inclusion, the Commission deems it necessary to modify the existing regulatory period for the Fourth Entry points to afford the distribution utilities under Group D ample time to review their respective applications before filing the same with the Commission, as well as to prevent regulatory lags that may arise from the simultaneous evaluation of the existing applications of distribution utilities under Groups A, B and C;

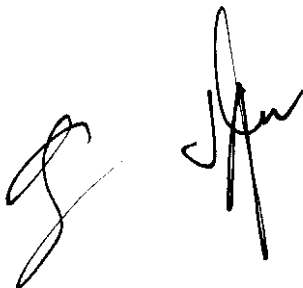
NOW, THEREFORE, be it **RESOLVED**, as the Commission hereby **RESOLVES** to:

1. **ADOPT** a new timeline for privately owned distribution utilities to enter PBR under Group D and the timeline for the Fourth Entry points, subject to the RDWR provisions, as follows:

GROUP	ENTRANT	REGULATORY PERIOD
D	Angeles Electric Corporation (AEC)	October 1, 2011 – September 30, 2015
	Bohol Light Company, Inc. (BLCI)	
	Panay Electric Company, Inc. (PECO)	
	Subic Enerzone Corporation (SEZ)	
	San Fernando Electric Light and Power Company (SFELAPCO)	
	Clark Electric Distribution Corporation (CEDC)	

2. **DIRECT** AEC, BLCI, PECO, SEZ, SFELAPCO and CEDC to file their respective applications for approval of their Annual Revenue Requirement (ARR) and Performance Incentive Scheme (PIS) for the Second Regulatory Period commencing on October 1, 2011 and terminating on September 30, 2015 in accordance with the provisions of the Rules for Setting Distribution Wheeling Rates (RDWR) on or before September 24, 2010.

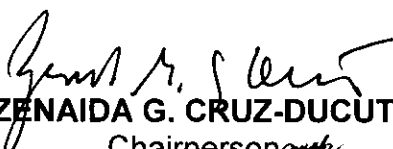
This Resolution shall take effect immediately following its publication in a newspaper of general circulation in the Philippines.


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Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR) and all privately owned distribution utilities entering PBR under Group D.

Pasig City, April 6, 2010.


ZENAIDA G. CRUZ-DUCUT
Chairperson *quadr*


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

Privately Owned Distribution Utilities under Group D

1. ANGELES ELECTRIC CORPORATION
1903 Robinsons Equitable Tower
ADB Avenue corner Poveda Street, Pasig City
2. BOHOL LIGHT COMPANY, INC.
6300 Tagbilaran City, Bohol
3. PANAY ELECTRIC COMPANY, INC.
Cacho Building, J.M. Basa Street
5000 Iloilo City
4. SUBIC ENERZONE CORPORATION
Building 502 Dewey Avenue, Subic Bay Freeport Zone,
2200 Olongapo City
5. SAN FERNANDO ELECTRIC LIGHT AND POWER COMPANY, INC.
2000 San Fernando, Pampanga
6. CLARK ELECTRIC DEVELOPMENT CORPORATION
Building N2830 Bayanihan Street
Clark Freeport Zone
Clark Field, Pampanga