

**GUIDELINES AND PROCEDURES GOVERNING REMITTANCES AND DISBURSEMENTS OF THE UNIVERSAL CHARGE
PUBLIC CONSULTATION – June 20, 2003**

COMPANY	SECTIONS/PROVISIONS	COMMENTS/RECOMENDATION	PSALM's POSITION
NAPOCOR	Definition of Terms	Include the following definition: “Watershed Management Department” or “WMD” refers to the functional unit of NPC mandated to protect, manage watersheds areas under NPC.	
NAPOCOR	3.01 (5)	Should read as follows: NPC through the Watershed Management Department with respect to the environmental charge of one-fourth of one centavos per kilowatt-hour (PhP0.0025/kWh) of sales for the rehabilitation and maintenance of the watershed areas.	

<p>ROMELCO</p>	<p>3.02 <u>STFs and their Beneficiaries:</u> These Guidelines cover the following STFs to be established by PSALM, as provided in Section 4.02 (The STFs), for each intended purpose identified in Section 3.01 (Petitioners for Availment), and their respective beneficiaries:</p> <p>(1) ...</p> <p>(2)</p> <p>(3) Missionary Electrification for SPUG and QTPs;</p>	<p>Strongly suggest that Electric Cooperatives who performed Missionary Electrification through Power Generation in the islands should be a recipient of the Missionary Electrification Fund to be utilized for Capital Expenditures and Operation and Maintenance of its facilities specifically for Power Generation.</p> <p>ROMELCO has been doing this task since 1997 in Sibuyan Island due to the incapability of the NPC-SPUG to provide a sufficient capacity, reliable electric service and a 24 hours supply of electricity on the said island, in spite of its existing load of more than 850 kW and about 3,323 consumers.</p>	<p>This is subject to DOE's and ERC's guidelines.</p>
<p>MORESCO II</p>	<p>4.01 <u>The Main Trust Account - Universal Charge</u></p> <p>PSALM shall open one (1) Trust Account, referred to as the "Main Trust Account - Universal Charge", with the BTr or a GFI acceptable to the DOF. Collecting Entities shall deposit their collections of the Universal Charge in the Main Trust Account – UC.</p>	<p>Suggest that the concerned agency would make negotiation with other own banks like Land Bank of the Philippines (LBP) or any banks in our locality where we could remit our collection. Remitting this collection at the DBP Cagayan de Oro City Branch would incur us additional expenses, or otherwise we will deduct this expenses from our collection.</p>	<p>PSALM is currently negotiating with the DBP and LBP to accept remittances.</p>

<p>CELCOR</p>	<p>- same section 4.01 -</p>	<p>What is the rationale in keeping one (1) Main Trust Account-Universal Charge for the entire six (6) Special Trust Fund? Why not open/maintain a separate trust account for each of the six STF's for more transparent and far easier accounting of the monies that will be deposited and disbursed out of each STF?</p>	<p>Remittance to Main Trust Account entails lower operating costs for collecting entities in terms of information systems technology requirements, manpower costs, bank fees, and reconciliation because the UC remittances are made solely to one (1) account. Moreover, this will lessen misunderstanding particularly on the part of electric cooperatives.</p>
<p>NAPOCOR</p>	<p>4.01 (b) Within ten (10) business days of the approval of these Guidelines by the ERC, PSALM shall provide the Collecting Entities with the bank details and account number of the Main Trust Account-Universal Charge</p>	<p>There is no qualification indicated whether the bank being referred to is a private commercial bank or a government-owned bank. We believe it is appropriate that the Main Trust Account-Universal Charge should be maintained by PSALM and TRANSCO (as collecting entity) in a government-owned bank e.g. Philippine National Bank or Land Bank of the Philippines considering that the Universal Charge is basically government money. Priority should be given to government banks for security and propriety reasons, among others, despite the possibility that private commercial bank could offer higher interest rates.</p>	

SFELAPCO	<p>4.02 <u>The STFs</u></p> <p>(a) Pursuant to Section 6 (a) of Rule 18 of the IRR, PSALM shall create one (1) separate STF for each of the six (6) intended purposes enumerated in Section 3.01 (Petitioners for Availment). These STFs shall be established with the BTr or a GFI acceptable to the DOF.</p>	<p>Including the six Universal Charges in the bills as a separate item would require a lot of space. We cannot show all these in our present bill format, our suggestion is to simply show the six universal charges as a single item under the caption "DUE TO PSALM".</p>	<p>The six (6) UC components should be separately identified in the bills in accordance with Section 6 (a) of Rule 18 of the IRR. The provision mandates that separate STFs shall be established for each of the intended purposes of the UC, and that funds shall be disbursed in an open and transparent manner and shall be used solely for the intended purposes.</p>
NAPOCOR	<p>4.02 (f)</p>	<p>It should be ensured that the charges/fee to be imposed by the GFIs and/or BTr are reasonable</p>	
SFELAPCO	<p>5.01 <u>Remittance Procedures:</u> To avoid the penalties and unnecessary costs brought about by a delay in the remittance of the Universal Charge, the Collecting Entities shall faithfully comply with the procedures set forth below:</p> <p>a) Subject to Section 5.03 ("<i>Allowed Withholding of Universal Charge</i>"), each Collecting Entity shall remit its total actual collections of the Universal Charge to the Main Trust Account - Universal Charge without need of prior demand from PSALM.</p>	<p>Are we supposed to remit actual billing and NOT ACTUAL COLLECTIONS?</p>	<p>As provided for, each Collecting Entity shall REMIT its TOTAL ACTUAL COLLECTIONS of the Universal Charge, NOT actual billing.</p>

<p>DECORP</p>	<p>5.01 Remittance Procedures: To avoid the penalties and unnecessary costs brought about by a delay in the remittance of the Universal Charge, the Collecting Entities shall faithfully comply with the procedures set forth below:</p> <p>(a) ...</p> <p>(d) All remittances of the Universal Charge shall be in Philippines Pesos and shall be made through any one of the following forms, in each case clearly identifying the Collecting Entity and the billing and collection month to which the remittance pertains:</p> <ol style="list-style-type: none"> (1) Cash (2) Manager's/Cashier's Check (3) Demand Draft (4) Fund Transfer 	<p>We hope that this option be included because it is more convenient to us. Currently, we are paying our NPC & TRANSCO bills through company check.</p>	<p>Remittances may be made using any of the four (4) forms indicated under Section 5.01 of the Guidelines, for convenience purposes.</p>
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<p>CELCOR</p>	<p>5.01 <u>Remittance Procedures:</u></p> <p>(e) PSALM shall confirm with the BTr or GFI the amount of the Universal Charge remitted to the Main Trust Account - Universal Charge by each Collecting Entity in each month. PSALM shall issue a confirmation notice to each Collecting Entity within five (5) business days confirming the receipt of its funds in the Main Trust Account - Universal Charge.</p>	<p>To date, we have not received any confirmation notice from PSALM acknowledging our UC for Missionary Electrification (ME) remittance for the month of April and May 2003. With all of these collecting entities remitting their individual collections simultaneously, the confirmation period should be changed from 5 days (which is undoubtedly too short) to either 10, 15 or 30 days.</p>	
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<p>SUKELCO</p>	<p>5.02 <u>Late Remittances:</u> Subject to Section 5.03 (“<i>Allowed Withholding of Universal Charge</i>”), failure of a Collecting Entity to remit its total actual collections of the Universal Charge in each calendar month in accordance with Section 5.01 (“<i>Remittance Procedures</i>”) shall subject such Collecting Entity to a late remittance interest charge and the fines and penalties provided in Section 8 of Rule 18 of the IRR. The procedures for late remittances are as follows:</p> <p>(a)... The late remittance interest charge shall be applied to the difference between total actual collections of the Universal Charge for any calendar month and total actual remittances for said month, and will be calculated at the rate of five percent (5%) per month from the date upon which the remittance amount was due until the date when such amount is received in the Main Trust Account - Universal Charge. A sample calculation is provided in Annex A.</p>	<p>Section 8 of Rule 18 of the Implementing Rules and Regulations of EPIRA (IRR) which spells out late remittance interest charge of five (5) percent per month and the fines and penalties is unfair to Electric Cooperatives considering that there is no reimbursement of expenses, incentives or benefits granted to Electric Cooperatives as collecting arm.</p> <p>Would like to appeal for five percent (5%) retention for the following cost and expenses related to Universal Charge Collection:</p> <p>a) Collection efficiency should be factored in the remittance of Universal Charge. One hundred percent (100%) collection efficiency is too ideal. If the Coop fails to collect 100%, the Coop is partly subsidizing the remittance;</p>	<p>The 5% late remittance interest charge was purposely intended to deter late remittances and shortfalls.</p>
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		<p>b) Retention of three percent (3%) as allowance for doubtful accounts on disconnected consumers. The remaining two percent (2%) will be distributed as follows:</p> <p>b1) reimbursement on continuous consumers' information dissemination campaign and supplies used related to Universal Charge;</p> <p>b2) reimbursement of two percent (2%) withholding income tax on electric bill payments of Government Agencies and Offices; and</p> <p>b3) allowance for System Loss in excess of System Loss CAP of 14 %, which is unavoidable to Coops operation with lengthy lines extended to far-flung Barangays.</p>	
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<p>CELCOR</p>	<p>- same Section 5.02 (a) -</p>	<p>We would like to be clarified regarding the portion in Annex D1 that reads “Add 5% Penalty”. Does it pertain to the 5% interest due on the unremitted portion of the current month’s collection? If so, we suggest changing the word “penalty” with the word “interest” since PSALM, aside from interest can also charge the Collecting Entity with fines or penalties in the event of consistent delays in remittance, etc.</p> <p>The multiple tasks of billing, collection and remittance of the various types of universal charge entails a lot work for the Collecting Entities. In addition to keeping separate books of accounts for each UC component and keeping these separate books reconciled with their main books of accounts, may we suggest that PSALM reduce the rate of late remittance interest charge from 5% monthly to 2% monthly or better yet, the prevailing monthly interest rate on the Main Trust Account-Universal Charge.</p>	<p>As suggested, 5% penalty shall be modified to 5% interest.</p> <p>The 5% late remittance interest charge was purposely intended to deter late remittances and shortfalls.</p>
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<p>VECO</p>	<p>- same Section 5.02 (a) -</p>	<p>Suggest that the penalty for late remittance be reduced from 5% per month to 12% per annum, which approximates the average bank lending rates in the country. As imposed by other government units, this penalty should only apply for 36 months or a maximum of 36 % only.</p> <p>Whatever the penalty, it should also apply to PSALM if it fails to give the requested amount of a beneficiary on or before the due date of disbursement.</p>	<p>5% interest charge is reasonable.</p> <p>PSALM shall ensure that disbursements shall be made as provided for under the EPIRA.</p>
<p>COLIGHT & DALIGHT</p>	<p>- same Section 5.02 (a) -</p>	<p>What is the basis of the 5% interest charge for late remittance of Collecting Entity? This will translate to 60% per annum which is extremely high. Can we also charge penalties for non-payment by end-user as there are cost involve in monitoring of unpaid accounts?</p>	<p>5% interest charge is based on current rates charged by credit card companies.</p> <p>Collecting Entities are not obliged to remit what has not been collected.</p> <p>Charging penalties for non-payment by end-users of their bills rests upon the distribution utility's discretion.</p>

		<p>In the event of late remittances, collecting entities should explain the reasons of such late remittance to PSALM, there should have valid reasons why it happened.</p>	<p>Collecting Entities may provide explanations for late remittances, but nonetheless shall be imposed a 5% late remittance interest charge.</p>
<p>ORMECO</p>	<p>5.02 <u>Late Remittances:</u> Subject to Section 5.03 (“<i>Allowed Withholding of Universal Charge</i>”), failure of a Collecting Entity to remit its total actual collections of the Universal Charge in each calendar month in accordance with Section 5.01 (“<i>Remittance Procedures</i>”) shall subject such Collecting Entity to a late remittance interest charge and the fines and penalties provided in Section 8 of Rule 18 of the IRR. The procedures for late remittances are as follows:</p>	<p>To insert the phrase “without justifiable or valid reasons” between the word “remit” and “the entire”. The sentence then should read as follows: Failure of a Collecting Entity to <u>remit without justifiable or valid reasons</u> the entire Universal Charge... The justifiable or valid reasons must be presented by the Collecting Entity for approval to PSALM.</p> <p>The 5% per month is too harsh, instead a 2% is ideal.</p>	<p>We maintain our position that a 5% late remittance interest charge shall be imposed on collecting entities, WITH OR WITHOUT JUSTIFIABLE OR VALID REASONS. Inserting this phrase could subject the same to grave abuse and flood PSALM with voluminous letters every time remittance shall be made. The late remittance interest charge was set as high as 5% in order to deter shortfalls and late remittance of UC collections.</p>

	<p>(a)... The late remittance interest charge shall be applied to the difference between total actual collections of the Universal Charge for any calendar month and total actual remittances for said month, and will be calculated at the rate of five percent (5%) per month from the date upon which the remittance amount was due until the date when such amount is received in the Main Trust Account – Universal Charge. A sample calculation is provided in Annex A.</p>		
<p>VRESCO</p>	<p>- same Section 5.02 (a) -</p>	<p>Too much for Distribution Utility that is not compensated as collector of Universal Charge. A rate of 2% is reasonable.</p>	

<p>NAPOCOR</p>	<p>- same Section 5.02 (a) -</p>	<p>Five percent (5%) per month or equivalent to sixty percent (60%) per annum is clearly a very onerous provision. PSALM's intention is to really discourage the occurrence of late remittances however, the imposition of such a penalty charge seemed baseless and unreasonable. PSALM should consider a rate within the actual levels imposed by financial/banking institutions covering late payments of loan obligations.</p>	
<p>VECO</p>	<p>6.01 Reporting Requirements and Procedures</p> <p>(b) The statements or information described in Sections 6.02 through 6.03 in respect of each calendar month should be submitted to PSALM (by electronic mail or facsimile transmission) by each Collecting Entity to arrive on or before the fifteenth (15th) day of the succeeding month or in any case no later than the date on which the Collecting Entity remits its collections of the Universal Charge to the</p>	<p>Should include a provision for PSALM to provide the Collecting Entities with the e-mail address/es and fax number/s to be used for the transmission of the statements or information required and that any changes should immediately be disseminated.</p>	<p>Suggestion well taken. However, this need not be embodied in the UC Guidelines to allow flexibility. Once the Guidelines are approved, PSALM shall issue a memorandum to all collecting entities informing them of e-mail address/es and fax number/s in connection with the reporting requirements.</p>

	<p>Main Trust Account – Universal Charge. For documents sent by electronic mail or facsimile transmission, the original of said statement or report must be provided to PSALM within ten (10) business days from the remittance of the Universal Charge.</p>		
<p>COLIGHT & DALIGHT</p>	<p>6.02 <u>Reports by Distribution Utilities and Suppliers</u></p>	<p>The guidelines do not mention about the billed but subsequently disconnected customers, if these can be written-off and what is the manner of reporting. Also there will be billing adjustment (over/under billing). Can we show it as billing adjustment in the report?</p>	<p>Suggestion well taken. We can insert a phrase under Section 6.02(a) and 6.03(a), allowing billing adjustments for bad debts written off and over/under-billing. The UC Billing form should also be modified to capture billing adjustments, if any.</p>

<p>NAPOCOR</p>	<p>Section 7 (d) sub-section (5) PSALM shall instruct the BTr or GFI to disburse funds from relevant STF Account to the Beneficiary on the twentieth (20th) day of each month</p>	<p>While a provision covers the penalty for late remittances, there seemed to be no reciprocal provision for penalty or any course of action applicable to PSALM and/or the GFI or BTr for any delay in release of instructions or in the disbursement of funds, for any reason other than lack of available funds, resulting to the delay in the processing of any claim for availment of the universal charge by a beneficiary or the delay in the receipt of such fund after the twentieth (20th) day of each month.</p>	
<p>SFELAPCO</p>	<p>Section 8: AUDIT AND REPORTING</p> <p>(a) ...</p> <p>(f) Each Collecting Entity shall submit to PSALM a yearly audited report of total actual collections and total actual remittances of the Universal Charge.</p>	<p>Submitting audited report of total actual collections and total actual remittances will incur additional cost to the DU's considering that the collection of UC does not increase the Utilities income. If these reports are to be submitted, when is the deadline for such submission? We suggest that we include the said audit in our annual audit for Financial Statements.</p>	<p>Audited report of total actual collections and remittances could be part of the audit engagement. Hence, the report may be submitted once the audit engagement is finished, which should take no later than March 31 following the annual audit.</p>

<p>COLIGHT & DALIGHT</p>	<p>Section 8: AUDIT AND REPORTING</p> <p>(a) ...</p> <p>(d) As required by Section 5 (b) of Rule 18 of the IRR, each Collecting Entity shall maintain separate books of accounts for the collections and remittances to PSALM of the Universal Charge. Such books of accounts must be made available to the ERC and PSALM during business hours upon two (2) days prior written notice.</p>	<p>The guidelines require collecting entity to maintain separate books of accounts for the six (6) types of Universal Charge. This will involve a major addition in accounting records and requires more manpower compliment. How can we recover the costs? Can we charge this direct to rates and/or PSALM provides us a fee as a collection agent.</p>	<p>Much as PSALM would also like to impose an administrative fee as administrator of UC, we can not do so. Similarly, collecting entities can not charge fees as a collection agent.</p>
<p>NAPOCOR</p>	<p>Section 8: AUDIT AND REPORTING</p>	<p>There is no provision covering any required reporting from NPC being the Beneficiary of the PhP0.0025/kWh environmental charge. Does this mean NPC can avail of the relevant STF without any required reporting and auditing/monitoring process by PSALM?</p>	
<p>VRESCO</p>	<p>ANNEX B</p>	<p>The amount of remittance should be based on actual kWh sold, multiplied by total Universal Charge Multiplied by collection efficiency.</p>	

<p>CELCOR</p>	<p>ANNEX D1</p>	<p>We suggest the removal of the portion "Add 5% Penalty" since at this point we really do not know yet the exact amount of interest due on the unremitted portion of the collection since said interest is computed from the date such remittance amount was due until the date when such amount is received in the Main Trust Account-Universal Charge. The line "Unremitted collections" may also serve as the "Amount still due PSALM (exclusive of interest charges)".</p> <p>PSALM could provide a separate "Late Remittance Form" that will contain the application of the late remittance amount (on various UC components) and the corresponding interest to be paid by the Collecting Entity.</p>	<p>The 5% late remittance interest charge shall apply to the unremitted collections of the previous month. ????????????????</p>
<p>VRESCO</p>	<p>ANNEX D1, D2 & D3</p>	<p>Forms are too detailed as to actual collection by beneficiaries. Some DUs are not fully computerized. Attachment can be simplified to incorporate comment for Annex B.</p>	

<p>COLIGHT & DALIGHT</p>	<p>Others</p>	<p>EFFECTIVITY</p> <p>The effectivity of this guideline needs to be clarified as we collected the Universal Charge already even before final guidelines are published in a newspaper of general circulation.</p> <p>COST TO COLLECTING ENTITY</p> <p>Additional costs were incurred by Collecting Entity in implementing the Universal Charge, like information dissemination costs, bill preparation and collection costs and costs of reporting. How will these costs be recovered?</p> <p>BANK CHARGES</p> <p>In case of bank charges as a result of the remittances, who will shoulder the costs?</p>	<p>The effectivity of guideline shall be prospective. With respect to collections, ERC has already authorized in its previous Orders the collection of UC for Missionary Electrification and Watershed Management.</p> <p>These costs will be shouldered by collecting entities, in the same way that administrative costs for handling the UC are borne by PSALM.</p> <p>Collecting entities shall shoulder bank charges in relation to remittances, in the same way that PSALM bears the cost of bank fees for handling the UC.</p>
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		<p>BILL FORMAT</p> <p>We need to add six (6) more line items in our bills for the different type of UCs. These will involve a lot of reprogramming and higher cost on bill preparation. Is it possible to just incorporate these six (6) universal charge into one line item in our bill but will be tagged separately for recording in the books of accounts?</p> <p>COLLECTION SHORTFALL</p> <p>We are required to submit ratios between billing and collections. The guidelines failed to consider that there is a lag between billing and collection and the ratios will not be reflective.</p>	<p>The six (6) UC components should be separately identified in the bills in accordance with Section 6 (a) of Rule 18 of the IRR. The provision mandates that separate STFs shall be established for each of the intended purposes of the UC, and that funds shall be disbursed in an open and transparent manner and shall be used solely for the intended purposes.</p> <p>We are aware that there is a lag between billing and collection, which is the reason why the UC collection form was designed in such a way that collections are applied to the corresponding billing period. Please refer to Annex D1 or the UC Collection/Remittance form.</p>
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		<p>FORM OF RECEIPT</p> <p>What form of receipt or confirmation of remittances can we received from PSALM?</p> <p>SURCHARGES & PENALTIES</p> <p>What are the specific surcharges or penalties we can impose to customers for non-payment? Can ERC provide us a detailed Guidelines of how will this be imposed, assuming the customers will refuse to pay?</p>	<p>A simple confirmation receipt.</p> <p>This is embodied in the Collection Rules of the ERC.</p>
<p>ZAMECO II</p>	<p>Others</p>	<p>The guidelines did not take into account the cost of collection which is incurred by the Electric Cooperative as collection agent. We are herewith submitting a sample computation of the one time expense for computer programming and information dissemination as well as the recurring expenses during each collection period. (ANNEX A)</p>	<p>We are deferring this to ERC for its resolution.</p>

		<p>If the collecting agent is subject to a service fee and penalty for late payments, should not the EC be entitled also to ask for a service fee from PSALM as its collection agent? The guideline seems to be one sided in favour of PSALM and did not take into account the side and economic impact, which include among others keeping of separate books for the collections-subject to audit as one of the activities to be performed by the collecting agent.</p> <p>It has been experienced that the depository bank of PSALM which is DBP branch in the Subic Bay Metropolitan Authority is off-line during the due date of the remittance of the universal charges and the bank did not accept the payment. It should be arranged by PSALM with its depository bank to accept and acknowledge payment even if the branch is off-line and correspond with PSALM account when the line connection with the main office is resumed. Should the EC then be subject to service fee and penalty in such a case?</p>	<p>This is subject to ERC's and DOE's guidelines.</p>
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		<p>The ECs are also experiencing instances where request for connection could be considered a missionary electrification because the revenue from the same would not compensate for the investment in providing electric service to a far flung sitio. Is the cooperative included as a Qualified Third Party (QTP) and entitled to draw from the Missionary Electrification Fund?</p>	
<p>VRESCO</p>	<p>Others – DUE DATE</p>	<p>We are proposing the change of due date from the 15th to 20th of the month for the following reasons: 1) The monthly Financial and Statistical Report for Electric Cooperatives are prepared on or before the 15th of the month. Since remittance of Universal Charge is based on the actual collections, it is necessary that actual collections be reconciled with the Electric Cooperatives records. The due date of every 20th of the month gives ample time to distribution utilities to reconcile and determine actual collections and collection efficiency.</p>	

<p>NAPOCOR</p>	<p>OTHERS – Rule 18 Section 7</p>	<p>This specific provision of the law should be duly recognized in the Guidelines whether the concerned self-generation facilities registered or not.</p>	
<p>SEMECA</p>	<p>OTHERS</p>	<ul style="list-style-type: none"> - ERC authorized TRANCO & DUs to collect from its end-users the amount of PhP0.0168/kWh on a monthly basis as Universal Charge; - In the implementation of the Order, ECs will change their billing and collection, accounting and other monitoring procedures and will require additional tasks for the ECs; - Identified some of the activities that will require additional expenses: <ol style="list-style-type: none"> 1. information dissemination to member-consumers and other electric users; 2. change in billing & collection system program and procedure; 	

		<ol style="list-style-type: none">3. additional task for accounting and posting for collection;4. additional banking transaction (segregation of account)5. additional manpower and services in collection;6. additional expenses i.e. the required audit and coordination with concern agencies. <ul style="list-style-type: none">- ECs have no funds for these additional tasks to bill, collect and remit such amount of Universal Charge to PSALM; and- To request to allow the EC to collect service charge from the actual collection of Universal Charge to answer for the additional expenses incurred by the ECs.	
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PHILRECA	OTHERS	<ul style="list-style-type: none"> - The DUs were directed to reflect as a separate item in their power bill each component of the Universal Charge and to remit on a monthly basis their actual collection to PSALM; - ECs as collecting agents encountered the following issues and concerns which require additional task and expenses: <ol style="list-style-type: none"> 1. massive information dissemination to all member-consumers and other electricity users every time a new charge is being imposed; 2. their operational efficiency is impaired particularly on the collection due to the reluctance of the end-users to pay on time their bills because of these additional charges; 	

		<ol style="list-style-type: none">3. every additional imposition of the universal charge, the ECs have to re-program their billing and collection system and procedures;4. additional manpower or man-hour requirement in accounting, posting of collection and bank transaction due to the required maintenance of a separate account in each universal charge; and5. additional expenses in complying with the required audit and coordination with PSALM.	
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		<ul style="list-style-type: none"> - ECs have no available funds to cover the required expenses to implement the orders on the collection of Universal Charge; and - Request ERC to allow the ECs to retain ten percent (10%) of their actual collection of the Universal Charge to cover the required implementation expenses. 	
BECA	OTHERS	<ul style="list-style-type: none"> - ERC allowed TRANSCO & DUs to collect from its end consumers the amount of PhP0.0168/kWh and PhP0.0025/kWh on a monthly basis as part of the universal charge; - ECs incurred additional expenses for public information, collection and other administrative expenses in implementing these additional charges to its end consumers and remitting the same to PSALM; 	

		<ul style="list-style-type: none"> - ECs does not benefit a single centavo out of these additional charges; - There is a need for ECs to be properly compensated for the additional cost it incur in collecting and remitting the same to PSALM; - ECs are being assessed by some local government units and government agencies taxes which include its collection on universal charge; and - To request ERC and PSALM that ECs be allowed to charge a 7% collection fee to be automatically deducted from their remittance to PSALM. 	
LEYECO II	OTHERS	<ul style="list-style-type: none"> - ERC allowed TRANSCO & DUs to collect from its end consumers the amount of PhP0.0168/kWh and PhP0.0025/kWh on a monthly basis as part of the Universal Charge; 	

		<ul style="list-style-type: none">- ECs are incurring additional expenses for public information, collection and other administrative expenses in implementing these additional charges to its end consumers and remitting the same to PSALM;- ECs, inspite of its humble yet tremendous effort to facilitate and remit the collection thereof, does not benefit nor earn a single centavos out of these additional charges;- There is a need, under the principle of egalitarianism, that the ECs be properly compensated for the additional cost it incurs in collecting and remitting the same to PSALM;- Under the new comprehensive tax reform program, LEYECO II is being assessed by the local government unit and other government agencies taxes which include its collection on universal charge; and	
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		<ul style="list-style-type: none"> - Request ERC to allow LEYECO II to charge 7% collection fee on these additional charges as imposed and mandated by law. 	
MERALCO	Section 5.03 (a) In determining ... In the event of any shortfall, said Distribution Utility shall withhold only its proportionate share of the actual collections.	Delete phrase	The phrase is found in Rule 18, Section 6 (g) of the IRR.
	Sample calculations	The annex does not contain the calculations on how proportionate entitlements will be determined.	Please refer to Annex B.
	Section 9: Liability	Second sentence of Section 9	The existing provision is already clear.
	Section 10: Amendments	Other parties like the collecting entity should also be allowed to amend the guidelines.	The Guidelines is the sole responsibility of PSALM under the EPIRA.