

**Knowing**

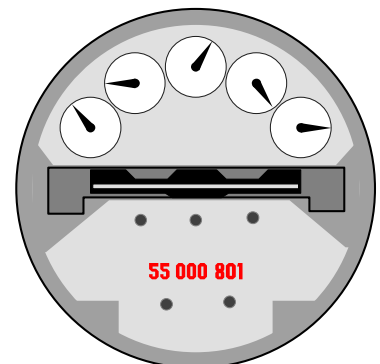
**More**

**My**

**Unbundled**

**Electric**

**Bill**



**B**efore, we do not know exactly how much goes to each particular service we are paying because our bill is bundled. For instance, since generation and transmission charges are not segregated, it is not clear to us how much goes to the cost of producing power and the cost transmitting this power to the distribution system.



With an unbundled bill, we will be able to see the cost for each service we are paying. The unbundled electricity rate shows a longer list of items comprising the cost electricity that we have to pay our electricity service provider.

It pays to know our unbundled bill. The more we know about the components of our bill, the more we understand the rationale for unbundling electricity rates mandated under the Electric Power Industry Reform Act (EPIRA) of 2001.

### Components of an Unbundled Electric Bill Explained

**Generation Charge** refers to the cost of power generated and sold to the distribution utility by the National Power Corporation (NPC) as well as the Independent Power Producers (IPPs).

**Transmission Charge** refers to the regulated cost or charges for the use of a transmission system, which may include the availment of Ancillary Service.

**System Loss Charge** represents recovery of the cost of power lost due to technical and non-technical losses currently pegged at 9.5% for private distribution utilities and 14% for electric cooperatives, including company used power.

**Distribution Charge** is the regulated cost of building, operating and maintaining the distribution system, which brings power from high-voltage transmission grids, to commercial/ industrial establishments and to residential end-users.

**Metering Charge** is the cost of metering, its reading, operation and maintenance of power metering facilities.

**Supply Charge** includes the cost of rendering service to customers, such as, billing, collection, customer assistance and related services.

**Lifeline Rate Subsidy** refers to the subsidized rate given to marginalized/low-income captive market end-users who cannot afford to pay full cost. For Meralco, the subsidy extends to residential customers consuming 100 kWh or less per month.

ELECTRIC BILL				
METERING INFORMATION				
Meter Number	Previous Reading	Present Reading	Multiplier	Registered
3302ZN92097	9337	9659	1	322 kWh

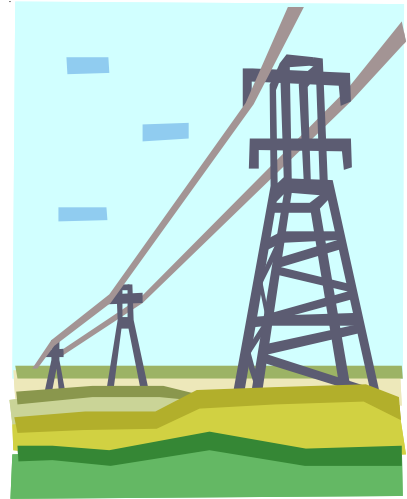
RATE: Residential		
Generation Charge	322 X 3.4029	1,095.73
Transmission Charge	322 X 0.9605	309.28
System Loss Charge	322 X 0.5493	176.87
Distribution Charge	322 X 1.1628	
METERING CHARGE		
Retail Customer Charge	5 X 1 mo	5.00
Metering System Charge	322 X 0.2435	78.41
Supply Charge	322 X 0.5271	169.73
Lifeline Rate Subsidy	322 X 0.0761	24.50
Interclass Subsidy	322 X -0.7130	-229.59
Power Act Reduction	322 X 0.3000	-96.60
CERA	374.42 X 11.87%	44.44
FRANCHISE TAX		
National	1952.19 X 2%	39.04
UNIVERSAL CHARGES		
Missionary	322 X 0.0168	5.41
Environmental Fund	322 X 0.0025	0.81
OTHER CHARGES		
Feb-Mar Missionary Electrification Charges (MEC)	546 kWh X 0.0168	9.15
<b>TOTAL CURRENT AMOUNT</b>		<b>P 2,006.60</b>

**Interclass Subsidy** is a reduction in the bill of subsidized customer classes, specifically residential, small industrial, government hospitals and streetlight services, and an upward adjustment in the bill of subsidizing customer class.

**Power Act Reduction** is a PhP 0.30/kWh reduction in the electric bill of residential customers as mandated under R.A. No. 9136.

**Currency Exchange Rate Adjustment** or CERA covers adjustments due to fluctuations in the Philippine peso-US dollar exchange rate.

**Franchise Tax** refers to the national and local franchise taxes which must be paid by private utility companies. 2% of gross revenues goes to the national government as national franchise tax, while a range of .05% up to .75% of gross revenues goes to local government units in the form of local franchise tax.



**Universal Charge** refers to the charge, if any, imposed for the recovery of stranded debts, stranded contract costs of NPC, and other mandated purposes. It is a non-bypassable charge, which shall be passed on and collected from all end-users on a monthly basis by the distribution utilities. At present, this consists of Missionary Electrification and Environmental Charges.

- *Missionary Electrification Charge* refers to the cost associated with the provision of basic electricity service in unviable areas with the ultimate aim of bringing the operations in these areas to viability levels.
- *Environmental Charge of P0.0025/kWh* is a charge to be used for the rehabilitation and management of watershed areas.

**From Bundled Residential Bill to Unbundled Residential Bill**

