

**PROPOSED AMENDMENTS TO THE MAGNA CARTA FOR RESIDENTIAL ELECTRICITY CONSUMERS
MATRIX OF COMMENTS**

Page/Section/Article	Concerned Party/ies	Discussion of Comment/s and/or Questions for Clarification	Recommendations/ Suggestions / Proposed Change(s)
<p>MAGNA CARTA FOR ELECTRICITY CONSUMERS</p> <p>Pursuant to the provisions of Section 41 of the Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act, the Energy Regulatory Commission hereby promulgates the amendments to the Magna Carta for Residential Electricity Consumers</p> <p>Section 1. The following provisions of the Magna Carta for Residential Electricity Consumers are hereby amended to read as follows:</p>			
<p>CHAPTER I. GENERAL PROVISIONS</p> <p><i>Article 1. Title</i> – This Resolution shall be known as the Magna Carta for Electricity Consumers.</p> <p><i>Article 2. Definition of Terms.</i> –</p> <p>(a) Bill Deposit - shall mean the deposit required from customers by distribution utilities of new and/or additional service equivalent to the estimated monthly billing to guarantee payment of bills.</p> <p>(b) Consumer or customer or End-user - shall mean any</p>	<p>CEPALCO</p>	<p>As mentioned by the ERC in the Expository presentation on Magna Carta Amendments, a DU is welcome to propose additional definitions in the Magna Carta and include in the proposed comments.</p>	<p>Request ERC to include following definitions in the Magna Carta as follows:</p> <p>1) <u>Termination of Electric Service Contract</u> - is the cancellation of electric service contract whereby the distribution utility and the registered customer are released from their respective obligations in the contract, for reasons enumerated in Article 37 and without prejudice to obligations existing prior to</p>

<p>person who is the registered customer of the electric utility being supplied with electricity by the concerned distribution utility;</p> <p>(c) Energy Regulatory Commission or ERC shall mean the independent regulatory agency created under Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA);</p> <p>(d) Distribution utility³ shall mean any electric cooperative, private corporation, government-owned utility or existing local government unit which has an exclusive franchise or is authorized by law to distribute electricity to end-users;</p> <p>(e) Differential Billing⁴ shall mean the amount charged to the consumer for the unbilled electricity illegally consumed as determined through the use of methodologies prescribed by law. It is determined by multiplying the unbilled consumption in kWh, the period covered and the current rate of electricity at the time of apprehension.</p> <p>(f) Month⁵ is defined to be the elapsed time between two succeeding meter readings, at least twenty-eight (28) days apart but not to exceed thirty one (31) days.</p> <p>(g) An officer of the law⁶ shall refer to any person who, by direct provision of law or by election or by appointment by competent authority, is charged with the maintenance of public order and the protection and security of life and property, such as barangay captain/chairman, barangay councilman, barangay leader, officer or member of Barangay Community Brigades, barangay policeman, PNP policeman, municipal councilor, and municipal mayor and provincial fiscal.</p> <p>(h) A registered customer shall mean the customer who</p>			<p>termination.</p>
---	--	--	---------------------

<p>has a valid service contract with the electric distribution utility, and shall include any person lawfully authorized by the said customer to occupy the premises and enjoy the electric service.</p> <p>(i) Service entrance shall mean the service conductors, including necessary wiring methods, fittings, support and metering between the terminals of the service equipment and a point usually outside the building, clear of building walls, where joined by a top or splice to the service drop</p>			
	<p>DANECO and AIM Mindanao ECs</p>	<p>Bill deposit is not only for the new and additional service connection but also for those disconnected consumers who desire to be reconnected again.</p>	<p><u>Retirement of Electric Service</u> refers to the removal of all facilities necessary for the provision of electric service, such as but not limited to service drop wire, meter base, wattmeter and other accessories of the service entrance and metering facilities</p> <p>The definition of terms for Bill Deposit should include the electric service disconnected that should be reconnected.</p>
<p>Page 1/Article 6/Right to Electric Service</p>	<p>DECORP</p>	<p>1. Proofs of ownership i.e. land title or tax declaration over the land/structure applied for are not required by the DU in the application for electric service connection. This is so because it is not within the jurisdiction of the DU to determine ownership thereof. Rather it is the Building Official that does this as provided under Section 302 of the Building Code of the Philippines. One of the prerequisites to the issuance of a building permit is the satisfaction of ownership requirements by</p>	<p>As per our observation, applicants at the moment are already having a hard time financially in securing and complying with the several LGU requirements such as, building permit, electrical permit, occupancy permit, fire clearance certificate, mayor's permit, etc thereby delaying or worst deterring them from applying for electric service. Thus, imposing on them additional mandatory requirements might be viewed negatively to</p>

	<p>the applicant for building permit. Thus, if the applicant was issued a building permit by the Building Official and submits this to DU (<i>as one of LGU requirements</i>), then it is presumed that the applicant has satisfied the ownership requirements and there shall be no more need for the applicant to re-submit proofs of ownership to the DU.</p> <p>2. Barangay clearance or certification showing proof of residency in the barangay may only prove relevant if the intended account name actually resides in the area/barangay at the time of application.</p> <p>How then would the following cases be addressed?</p> <p>a) Both the owner and the authorized representative are non-resident of the barangay where the land/structure applied for electric connection is situated (<i>e.g. Apartment building</i>); and</p> <p>b) For new tenants who are about or have just moved in to the apartment or new resident thereof, all of whom have not yet established a considerable length of stay in the area sufficient for them to be issued such a certification.</p> <p>3. List of Load - In the application for electrical permit, the Building Official will already undertake load determination. Likewise, DECORP conducts load determination during its inspection phase for the following purposes: (a) To have a basis for bill deposit assessment; and (b) To ensure that the appropriate electric facilities</p>	<p>the prejudice of the DU</p>
--	--	--------------------------------

		(meter type included) are installed.	
<p>DECORP party to enforce the entire obligation against anyone of the liable parties. Thus, imposing a limitation on the extent of liability of the lessor, building owner runs counter to the intention of utilizing joint and several liability concept Joint and several liability allows the collecting party to enforce the entire obligation against anyone of the liable parties. Thus, imposing a limitation on the extent of liability of the lessor, building owner runs counter to the intention of utilizing joint and several liability concept</p>	<p>DECORP suggests to retain the original version of the provision on Affidavit of Undertaking which obligated the owner of the premises to be jointly and severally liable with the tenant/applicant for any unpaid regular monthly bills incurred by the tenant/applicant after leaving the premises.</p>		

DECORP suggests to retain the original version of the provision on Affidavit of Undertaking which obligated the owner of the premises to be jointly and severally liable with the tenant/applicant for any unpaid regular monthly bills incurred by the tenant/applicant after leaving the premises.

<p>CHAPTER II. CONSUMER RIGHTS</p> <p>"Article 6. Right to Electric Service. – A consumer has the right to be connected to a distribution utility for electric power service after the consumer's full compliance with the (distribution utility's and local government unit's (LGU) requirements <i>SET FORTH HEREIN AND THAT OF ALL EXISTING LAWS, RULES AND REGULATIONS.</i></p> <p><i>ALL APPLICANTS FOR ELECTRIC SERVICE MUST SUBMIT A WRITTEN APPLICATION WITH THE FOLLOWING SUPPORTING DOCUMENTS:</i></p> <p><i>A. FOR OWNERS:</i></p>	<p>CEPALCO</p>	<p>ERC proposed amendment:</p> <p>A consumer has the right to be connected to a distribution utility for electric power service after the consumer's full compliance with the (distribution utility's and local government unit's (LGU) requirements SET FORTH HEREIN AND THAT OF ALL EXISTING LAWS, RULES AND REGULATIONS.</p> <p>ALL APPLICANTS FOR ELECTRIC SERVICE MUST SUBMIT A WRITTEN APPLICATION WITH THE FOLLOWING SUPPORTING DOCUMENTS:</p> <p>A. FOR OWNERS: -VALID IDENTIFICATION</p>	<p><u>Comment # 1:</u> Suggest to amend and add the following: "...set forth herein and that of all existing laws, rules and regulations, <u>and the DU's policies, requirements and procedures.</u>"</p> <p>Reason: DU's also have policies, procedures and requirements; provided, that these do not contravene existing laws, rules and regulations set by government.</p> <p><u>Comment # 2:</u> If the requirement or supporting documents needed for</p>

<ul style="list-style-type: none"> • <i>VALID IDENTIFICATION</i> • <i>PROOF OF OWNERSHIP</i> • <i>BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY</i> • <i>LIST OF LOADS</i> <p>B. FOR SUCCESSORS:</p> <ul style="list-style-type: none"> • <i>VALID IDENTIFICATION</i> • <i>PROOF OF SUCCESSION TO THE PROPERTY</i> • <i>BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY</i> • <i>LIST OF LOADS</i> <p>C. FOR DULY AUTHORIZE REPRESENTATIVES OF OWNERS:</p> <ul style="list-style-type: none"> • <i>VALID IDENTIFICATION</i> • <i>DULY-NOTARIZED AUTHORIZATION FROM THE OWNER OF THE PROPERTY</i> • <i>BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY</i> • <i>LIST OF LOADS</i> <p>D. FOR TENANTS OF PRIVATELY-OWNED PREMISES:</p> <ul style="list-style-type: none"> • <i>VALID IDENTIFICATION</i> • <i>CONTRACT OF LEASE OR ANY DULY-NOTARIZED AUTHORIZATION FROM THE OWNER SHOWING THE RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED</i> • <i>BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY</i> 		<ul style="list-style-type: none"> -PROOF OF OWNERSHIP -BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY - List of Loads <p>B. FOR SUCCESSORS:</p> <p>C. FOR DULY AUTHORIZED REPRESENTATIVES OF OWNERS:</p> <p>D. FOR TENANTS OF PRIVATELY-OWNED PREMISES:</p> <p>E. INFORMAL SETTLERS OF GOVERNMENT-OWNED PROPERTIES:</p> <p>IF THE (SAID CONSUMER) APPLICANT IS (NOT THE OWNER OF THE PREMISES) A TENANT OF THE PREMISES SOUGHT TO BE ENERGIZED, THE APPLICANT SHALL BE REQUIRED TO SUBMIT AN UNDERTAKING FROM THE OWNER OF THE PREMISES THAT ONCE THE APPLICANT LEAVES THE PREMISES, THE OWNER SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE APPLICANT FOR ANY UNPAID REGULAR MONTHLY BILLS INCURRED BY THE APPLICANT, BUT NOT TO EXCEED TWO (2) MONTHS, WHICH MUST INCLUDE THE CURRENT BILL AFTER APPLYING THE BILL DEPOSIT.</p> <p>THEREAFTER, THE DU IS GIVEN THE FOLLOWING OPTIONS:</p> <p>a. TERMINATE THE CONTRACT OF ELECTRIC SERVICE AFTER DUE NOTICE ; OR</p>	<p>submission by the customer to the DU is also a pre-requisite for the issuance of another, for example: the issuance of an Electrical Permit, requires the submission of a Barangay Clearance (by the LGU or the Office of the Building Official), then the DU will not require such from the applicant to prevent duplication.</p> <p><u>Comment # 3:</u> Suggest that item C be part or be a sub-section of Article 6 item A.</p> <p><u>Comment # 4:</u> The Valid Identification requirements should be as defined for in the Magna Carta IRR dated Oct. 27, 2004 Chapter II. Section 3 item 3A to 3C shown as follows:</p> <p><i>“Any Valid Identification card including but not limited to the following:</i></p> <ol style="list-style-type: none"> 1) <i>Driver’s License</i> 2) <i>Passport</i> 3) <i>PRC license</i> 4) <i>SSS</i> 5) <i>GSIS</i> 6) <i>TIN</i> 7) <i>Philhealth</i> 8) <i>Senior Citizen</i> 9) <i>Postal</i> 10) <i>Original NBI Clearance</i>
---	--	---	--

<ul style="list-style-type: none"> • <i>UNDERTAKING FROM THE OWNER OF THE PROPERTY</i> • <i>LIST OF LOADS</i> <p><i>E. INFORMAL SETTLERS OF GOVERNMENT-OWNED PROPERTIES:</i></p> <ul style="list-style-type: none"> • <i>VALID IDENTIFICATION</i> • <i>PROOF OF RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED FROM THE CONCERNED LOCAL GOVERNMENT UNIT OR GOVERNMENT AGENCY</i> • <i>BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE BARANGAY</i> • <i>LIST OF LOADS</i> <p>IF THE (SAID CONSUMER) APPLICANT IS (NOT THE OWNER OF THE PREMISES) A TENANT OF THE PREMISES SOUGHT TO BE ENERGIZED, THE APPLICANT SHALL BE REQUIRED TO SUBMIT AN UNDERTAKING FROM THE OWNER OF THE PREMISES THAT ONCE THE APPLICANT LEAVES THE PREMISES, THE OWNER SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE APPLICANT FOR ANY UNPAID REGULAR MONTHLY BILLS INCURRED BY THE APPLICANT, BUT NOT TO EXCEED TWO (2) MONTHS, WHICH MUST INCLUDE THE CURRENT BILL AFTER APPLYING THE BILL DEPOSIT.</p> <p>THEREAFTER, THE DU IS GIVEN THE FOLLOWING OPTIONS:</p>		<p>b. INFORM THE OWNER OF THE PROPERTY THAT IT WILL SUBSTITUTE THE LATTER AS THE NEW REGISTERED CUSTOMER IN THE CONTRACT OF ELECTRIC SERVICE UNLESS ANOTHER TENANT WILL SUBSTITUTE THE REGISTERED CUSTOMER. THE OWNER MUST SUBMIT THE NAME OF THE NEW REGISTERED CUSTOMER WITHIN THIRTY (30) DAYS FROM RECEIPT OF SUCH NOTICE. IF THE OWNER ALLOWS ANOTHER TENANT TO OCCUPY THE PREMISES WITHOUT THE KNOWLEDGE OF THE DU, THE OBLIGATION OF THE OWNER PROVIDED IN THE UNDERTAKING SHALL EXTEND TO THE NEW TENANT. THE AFOREMENTIONED OBLIGATION SHALL LIKEWISE BE INCLUDED IN THE UNDERTAKING UNDER PARAGRAPH (D) HEREOF. THE NEW TENANT WILL BE REQUIRED TO PAY ALL ELECTRIC BILLS INCURRED DURING HIS PERIOD OF STAY IN THE PREMISES.</p> <p>THE APPLICANT MUST NOT ALSO HAVE ANY OUTSTANDING OBLIGATION INCLUDING SURCHARGES WHENEVER APPLICABLE, WITH THE CONCERNED DISTRIBUTION UTILITY, UNLESS THE SAID OBLIGATION IS BEING CONTESTED BEFORE THE ERC.</p>	<p><i>11) Credit Card"</i></p> <p><u>Clarification:</u></p> <p>What is the proposed term of a service contract? Is it one (1) year? Is it automatically renewing?</p>
--	--	---	---

<p>a. TERMINATE THE CONTRACT OF ELECTRIC SERVICE AFTER DUE NOTICE; OR</p> <p>b. INFORM THE OWNER OF THE PROPERTY THAT IT WILL SUBSTITUTE THE LATTER AS THE NEW REGISTERED CUSTOMER IN THE CONTRACT OF ELECTRIC SERVICE UNLESS ANOTHER TENANT WILL SUBSTITUTE THE REGISTERED CUSTOMER.</p> <p>IF THE OWNER ALLOWS ANOTHER TENANT TO OCCUPY THE PREMISES WITHOUT THE KNOWLEDGE OF THE DU, THE OBLIGATION OF THE OWNER PROVIDED IN THE UNDERTAKING SHALL EXTEND TO THE NEW TENANT. THE AFOREMENTIONED OBLIGATION SHALL LIKEWISE BE INCLUDED IN THE UNDERTAKING UNDER PARAGRAPH (D) HEREOF. THE NEW TENANT WILL BE REQUIRED TO PAY ALL ELECTRIC BILLS INCURRED DURING HIS PERIOD OF STAY IN THE PREMISES</p> <p><i>THE APPLICANT MUST NOT ALSO HAVE ANY OUTSTANDING OBLIGATION INCLUDING SURCHARGES WHENEVER APPLICABLE, WITH THE CONCERNED DISTRIBUTION UTILITY, UNLESS THE SAID OBLIGATION IS BEING CONTESTED BEFORE THE ERC.</i></p>			
	DLCP	ERC-proposed revision is as follows: "A consumer has the right to be connected to a	We suggest not deleting.

	<p>distribution utility for electric power service after the consumer's full compliance with the distribution utility's and local government unit's (LGU) requirements <i>SET FORTH HEREIN AND THAT OF ALL EXISTING LAWS, RULES AND REGULATIONS</i></p> <p>ERC-proposed additional provision as follows:</p> <p><i>ALL APPLICANTS FOR ELECTRIC SERVICE MUST SUBMIT A WRITTEN APPLICATION WITH THE FOLLOWING SUPPORTING DOCUMENTS:</i></p> <p>ERC-proposed supporting document for owners:</p> <p><i>PROOF OF OWNERSHIP</i></p> <p>ERC-proposed supporting document for owners, duly authorized representatives of owners, tenants of privately-owned premises, and informal settlers of government-owned properties:</p> <p><i>BARANGAY CLEARANCE OR CERTIFICATION SHOWING PROOF OF RESIDENCY IN THE</i></p>	<p>We suggest deleting "a written application with" to read as follows:</p> <p><i>ALL APPLICANTS FOR ELECTRIC SERVICE MUST SUBMIT THE FOLLOWING SUPPORTING DOCUMENTS:</i></p> <p>We propose adding "for change account holder only" to read as follows:</p> <p><i>PROOF OF OWNERSHIP (FOR CHANGE ACCOUNT ONLY)</i></p> <p>The electrical permit's name is assumed to be the owner.</p> <p>We suggest deleting this. The requirement of barangay clearance may not be applicable if the applicant, either as an owner or tenant, is a newcomer in the place where the premises to be energized is located so the DU may simply waive this</p>
--	---	--

	<p>BARANGAY</p> <p>ERC-proposed supporting document for successors:</p> <p><i>PROOF OF SUCCESSION TO THE PROPERTY</i></p> <p>ERC-proposed supporting document for duly authorized representatives of owners:</p> <p><i>DULY-NOTARIZED AUTHORIZATION FROM THE OWNER OF THE PROPERTY</i></p> <p>ERC-proposed supporting document for tenants of privately-owned premises:</p> <p><i>CONTRACT OF LEASE OR ANY DULY-NOTARIZED AUTHORIZATION FROM THE OWNER SHOWING THE RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED</i></p> <p>ERC-proposed supporting document for informal settlers of government-owned properties:</p> <p><i>PROOF OF RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED FROM THE CONCERNED LOCAL GOVERNMENT UNIT OR</i></p>	<p>We propose adding "if the electrical permit is not in the applicant's name".</p> <p><i>PROOF OF SUCCESSION TO THE PROPERTY (IF THE ELECTRICAL PERMIT IS NOT IN THE APPLICANT'S NAME)</i></p> <p>We suggest deleting the notarization to read as follows:</p> <p><i>LETTER OF AUTHORIZATION FROM THE OWNER OF THE PROPERTY</i></p> <p>We suggest deleting this. The Undertaking will do.</p> <p>We propose adding "if the electrical permit is not in the applicant's name", as this is not necessary unless the applicant's name is not reflected in the electrical permit. It will read as follows:</p> <p><i>PROOF OF RIGHT TO OCCUPY THE PREMISES SOUGHT TO BE ENERGIZED FROM THE</i></p>
--	--	--

		<p><i>GOVERNMENT AGENCY</i></p>	<p><i>CONCERNED LOCAL GOVERNMENT UNIT OR GOVERNMENT AGENCY (IF THE ELECTRICAL PERMIT IS NOT IN THE APPLICANT'S NAME)</i></p> <p>As the Magna Carta is now written, the potential conflict arises out of Articles 6 & 22. If these are reconciled, there will be no need for these proposed amendments.</p> <p>Article 6 provides that the owner provides a guarantee to the tenant's account. The only time there is a need to call on the owner's guarantee is when the tenant fails to settle his account either by retirement or abandonment and the DU has exhausted all reasonable means to collect from the former customer/tenant. If the owner refuses to make good his guarantee, the only recourse is to file a collection case which the DU would normally want to avoid. The DU may be willing to wait this out provided Article 22 is amended.</p> <p>If there is a new tenant interested in the premises of the owner who is in default of his guarantee obligation, the new tenant will also require a guarantee from the owner. This is the best opportunity to force the owner to honor his previous guarantee – by not accepting the guarantee to the tenant (unless the owner honors the previous guarantee) and not providing a connection to the prospective tenant, which is contrary to Article 22 which provides that "XXX a distribution utility shall not refuse or discontinue service to an applicant or</p>
--	--	---------------------------------	--

			<p>customer, who is not in arrears XXX, even if there are unpaid bills XXX</p> <p>Unless a party honors its previous obligation, a new obligation of the same nature cannot be accepted.</p>
	ECs of Region VI	Requirements per EC vary leading to non uniform implementation of the requirements set forth by the proposed amendments	It is requested that ERC should provide IRR for this article for EC comments
	DMC	<p>Pg. 1/Art. 6 In the amended provision, the “existing laws, rules and regulations” may be construed to include also LGU ordinances and issuances, which, if not difficult to comply, may also be conflicting with existing rules and regulations of the ERC. Moreover, compliance to “existing laws, rules and regulations” need not be specified in this provision since this is deemed read in the Magna Carta (as in any other Rules of the ERC). Pg. 2/Art. 6.E</p> <p>By including this segment in the rules, the ERC seemed to be formalizing the acceptance of squatting on government properties which is already beyond its mandate.</p> <p>Pg. 3/Art. 6 The current bill should not be counted as one of the two-month bills being guaranteed payment by the owner, as what is provided in this provision; Especially if the current bill or the final bill of the customer is not a</p>	<p>For clarity, revise the provision to read:</p> <p>Xxx consumer's full compliance with the DUs requirements and submission of electrical permits issued by the LGUs.</p> <p>It is proposed that Art. 6E be deleted. It is better to be silent in the treatment of such segments to give flexibility to the DUs. Otherwise, the listed documentary requirements, if ever, should include certification from the National Housing body that the applicant cannot be accommodated anymore, in any government housing projects, and that the property to be energized is intended for future housing projects.</p>

		complete billing cycle, which is between 28 to 31 days. Moreover, there may also be cases when the accumulated outstanding bills (arrears) upon termination of service are small bill amounts per month (e.g. P 100.00). This should also be taken into consideration for the reason that the disconnection costs, which will be passed on to customers, may be more expensive than the bill to be collected.	It is proposed that the Undertaking from the owner of the premises, once the applicant (tenant) leaves the premises, should provide that the owner shall be jointly and severally liable with the applicant for any unpaid regular monthly bills incurred by the applicant, but not to exceed two (2) months, which two-month period must exclude the billing month to which the bill deposit is applied.
Section 1, Article 6 1 ST paragraph	MERALCO	Based on the afore-quoted provision, the <i>“existing laws, rules and regulations”</i> may be construed to include also LGU ordinances and issuances, which may be conflicting with existing rules and regulations of the ERC. If adopted in the new Magna Carta, this may open a floodgate for LGUs to adopt their own rules to regulate utility operations that will not only be contrary to ERC Rules but also require DUs to invest or finance facilities/operations which may not necessarily be used or useful in the distribution service, the cost of which would be passed on to customers. Moreover, it is respectfully submitted that compliance to “existing laws, rules and regulations” need not be specified in this provision since this is deemed read in the Magna Carta (as in any other Rules of the ERC). Hence, it is respectfully recommended that this clause be removed from the said provision.	We respectfully recommend: “A consumer has the right to be connected to a distribution utility for electric power service after the consumer’s full compliance with the (distribution utility’s and local government unit’s (LGU) requirements <i>set forth herein.</i> ”
Section 1, Article 6 2 nd paragraph	MERALCO	Since most Distribution Utilities, like other utility providers, have readily available service application forms , it is respectfully proposed that the said form be	We respectfully recommend: “x x x

		<p>recognized also in the absence of a written application from the customer. This will facilitate customer connection.</p> <p>1) <u>Valid Identification</u> For the protection of both the DU and the customer/applicant, the valid ID should be a government-issued ID, which has a picture.</p> <p>2) <u>List of Loads</u> On the other hand, for the list of loads, it is suggested that the customer should only declare the list of appliances which are realistic to avoid inefficiencies in terms of DUs' installation of its facilities. In particular, replacing previously installed distribution transformers with lower capacities will entail significant cost and unnecessary rework. Moreover, for proper accountability, this list of loads should be attested by the applicant.</p> <p>3) <u>Proof of Ownership</u> Also, for the list of requirements for the type of applicants under paragraphs (A) to (D), only the (A) Owners are being required to submit the Proof of Ownership.</p> <p>Therefore, we would like to seek clarification from the Honorable Commission as to the rationale for not requiring the successors, duly authorized representatives of owners, and the tenants to submit</p>	<p>A. For Owners:</p> <ul style="list-style-type: none"> •Valid Identification <i>with picture (government issued)</i> •Proof of Ownership •Barangay Clearance or Certification showing proof of residency in the Barangay •List of Loads <i>(list of efficient loads signed/attested by the customer)</i> <p>B. For Successors:</p> <ul style="list-style-type: none"> •Valid Identification <i>with picture (government issued)</i> •<i>Proof of Ownership</i> •Proof of Succession to the Property •Barangay Clearance or Certification showing proof of residency in the Barangay •List of Loads <i>(list of efficient loads signed/attested by the customer)</i>
--	--	---	--

	<p>Proof of Ownership (eg. TCT, Deed of Absolute/Conditional Sale, etc.) as part of the requirement to show that they are authorized by the owner of the property to apply for electric service.</p> <p>We believe that the submission of documents, such as, Proof of Succession, Duly-Notarized Authorization from the Owner of the Property, and the Contract of Lease may not be sufficient to prove that the owner specified in these documents are indeed the owner of the premises being applied for. Moreover, this may be subject to the abuse of some applicants who actually do not have a proof of ownership, since it would be easier to present the documents for successors, authorized representatives, and tenants.</p> <p>Furthermore, the “Duly-Notarized Authorization from the Owner of the Property” should not be used as an alternative to the proof of ownership (i.e. TCT). This requirement should instead be presented as an additional document should a duly authorized representative apply in behalf of the owner.</p> <p>Hence, it is respectfully proposed that to fully establish the ownership of the premises where the electric service is being applied, the Proof of Ownership should be submitted together with the Proof of Succession, Duly-Notarized Authorization from the Owner of the Property, and the Contract of Lease, whichever is applicable.</p> <p>4) <u>Successors</u></p>	<p>C. For Duly Authorized Occupant:</p> <ul style="list-style-type: none"> •Valid Identification <i>with picture (government issued)</i> •<i>Proof of Ownership</i> •Duly-Notarized Authorization from the Owner of the Property •Barangay Clearance or Certification showing proof of residency in the Barangay •Undertaking from the Owner of the Property •List of Loads <i>(list of efficient loads signed/attested by the customer)</i> <p>D. For Tenants of Privately-Owned Premises:</p> <ul style="list-style-type: none"> •Valid Identification <i>with picture (government issued)</i> •<i>Proof of Ownership</i> •Contract of Lease or any Duly-Notarized Authorization from the Owner showing the right to occupy the premises sought to be energized
--	--	---

	<p>We would like to seek clarification from the Honorable Commission as to the definition/coverage of the applicants that are considered successors. Does this only pertain to heirs or all kinds of successors-in-interest?</p> <p>5) <u>"Duly Authorized Representatives of the Owners"</u> For clarity, it is respectfully proposed that the applicant in paragraph (D) be the "Duly Authorized Occupant." Since these type of applicants, as clarified during the expository presentation at the ERC, are the ones authorized by the owner to occupy the latter's premises (eg. caretakers) and not merely those who are applying (representing) in behalf of the owner.</p> <p>Moreover, we believe that the essence of the <i>"undertaking from the owner of the property,"</i> as required from applicants which are tenants of privately-owned premises, be applicable also to this type of applicants (duly authorized occupant).</p> <p>6) <u>Undertaking</u> The Rules also provide that for tenants of privately-owned premises, an <i>Undertaking from the Owner of the Property</i> is required. In line with this, we respectfully recommend that the ERC issue a prescribed format to have a standard template for the Undertaking to be used by all DUs. Furthermore, for</p>	<ul style="list-style-type: none"> •Barangay Clearance or Certification showing proof of residency in the Barangay •Undertaking from the Owner of the Property •List of Loads (<i>list of efficient loads signed/attested by the customer</i>) <p style="text-align: center;">x x x</p> <p>We respectfully propose that, for clarity, ERC shall prescribe a format for the Undertaking and shall include the same as an Annex.</p>
--	---	---

		the execution of the Undertaking from the Owner of the Property, we also recognize the fact that there may be instances when the said <i>owner is not available to sign the undertaking but has assigned (thru a Special Power of Attorney)</i> a representative to sign in his behalf. Hence, this should also be considered in the list of required supporting documents from a tenant.	
Section 1, Article 6 2 nd paragraph	MERALCO	We respectfully submit that the processing of service applications from "informal settlers in government-owned properties" is more of an accommodation, rather than the rule. To hold otherwise would suggest the institutionalization of "squatting", which may prove detrimental in the long run. Hence, we recommend that the reference to the application of such informal settlers be phrased as an exception, instead of as part of the enumeration of regular applicants	We respectfully recommend that this provision on informal settlers be removed under the type of applicants with specific documentary requirements listed for each type. This type of applicant should only be considered as a special or exceptional case. Hence, we recommend the following wording: "Service application from informal settlers on government-owned properties may also be accommodated by the utility, provided that they submit the following documents: 1) Valid Identification with picture (government issued), 2) Proof of right to occupy the premises sought to be energized from the concerned local government unit or government agency, 3) Barangay Clearance or Certification showing proof of residency in the Barangay, 4) List of Loads (list of efficient loads signed/attested by the customer)."
Section 1, Article 6 3 rd paragraph	MERALCO	The draft provision limits the obligation of the owner under the Undertaking to two months, inclusive of the current bill after applying the bill deposit. It is to be noted, however, that in most cases, the	For clarity, it is respectfully recommended that the paragraph be reworded as follows: "If the (said consumer) applicant is (not the owner of the premises) an authorized occupant or a tenant of

		<p>current/final bill covers a period spanning only several days, instead of a complete billing cycle (i.e. 28-31 days). Hence, for parity, it is respectfully submitted that the two-month limit be applied only to complete billing cycle months.</p> <p>Moreover, it should be duly considered that some accounts are not terminated until several months have passed, by virtue of the fact that only small bill amounts per month (eg. P100) are involved and it would be more expensive to incur disconnection costs than to give the customer allowance to settle his bills. More importantly, customer relationships which we constantly try to build on may only be destroyed with our swift disconnection of services having very small unpaid amounts. Also, such will result to increasing disconnection costs that will be ultimately be passed on to all customers.</p> <p>Thus, we respectfully recommend that the two-month guarantee from the owner should not include the current bill and the reckoning be done only after the application of the bill deposit to the outstanding bills of the said service.</p>	<p>the premises applied for, the applicant shall be required to submit an Undertaking from the owner of the premises that once the applicant leaves the premises, the owner shall be jointly and severally liable with the applicant for any unpaid regular monthly bills incurred by the applicant, but not to exceed two (2) months, which two-month period excludes the billing month to which the bill deposit is applied."</p>
<p>Section 1, Article 6 4th paragraph</p>	<p>MERALCO</p>	<p>We would like to seek clarification from the Honorable Commission under what conditions will the enumerated options be exercised:</p> <p><i>"Thereafter, the DU is given the following options:</i></p>	<p>For clarity, it is respectfully proposed that the said provision be re-worded as follows:</p> <p>"If a tenant who leaves the premises has incurred unpaid bills, the DU has the following options:</p>

		<p><i>a. Terminate the contract of electric service after due notice; or</i></p> <p><i>b. Inform the owner of the property that it will substitute the latter as the new registered customer in the contract of electric service unless another tenant will substitute the registered customer. The owner must submit the name of the new registered customer within thirty (30) days from receipt of such notice."</i></p> <p>We believe that the afore-quoted provision is based on the premise that a tenant has left the premises with unpaid bills. Hence, the DU, as a matter of policy and procedure, will terminate the electric service of the customer with accumulated outstanding bills after the lapse of the period provided by the DU in its notice to the customer.</p> <p>On the other hand, the second option provided in the afore-quoted provision seems impracticable since, more often than not, the DU would not know if the tenant who is the registered customer has already left the premises. May we seek clarification from the Honorable Commission on how this option may be exercised by the DU? Is this option applicable to cases wherein the DU was only informed by the owner, after the latter has received from the DU a notice of contract termination, that the tenant of the said owner (who is the DU's registered customer) has already left the</p>	<p>a. Terminate the contract of electric service after due notice; or</p> <p>b. Inform the owner of the property that it will substitute the said owner as the new registered customer in the contract of electric service, provided said owner has previously informed the DU of the fact of the tenant's departure upon his receipt of the DU's notice of contract termination. However, the owner should not be substituted as the new registered customer if within thirty (30) days from receipt of such notice, he instead requests the concerned DU in writing to register the new tenant as the new customer. In either case, the substitution shall be subject to the submission of minimum requirements for owners/tenants."</p>
--	--	--	--

		premises? Thereafter, the DU shall inform or advise the owner that the said owner is given the option whether he would want the contract for electric service transferred (or substituted) to his name or to a new tenant. If such is the case, the substitution of the owner as the new registered customer in the contract for electric service should only be done after the owner has submitted the required documents by the DU. The same shall also apply if a new tenant will substitute the registered customer; that is, the substitution shall only take effect after the new tenant has submitted the required documents under Paragraph (D).	
Section 1, Article 6 5 th paragraph	MERALCO	The 5 th paragraph under Article 6 provides that: <i>"If the owner allows another tenant to occupy the premises without the knowledge of the DU, the obligation of the owner provided in the Undertaking shall extend to the new tenant. <u>The aforementioned obligation shall likewise be included in the Undertaking under Paragraph (D) hereof. xxx"</u></i>	For clarity, we respectfully recommend: "If the owner allows another tenant to occupy the premises without the knowledge of the DU, the obligation of the owner provided in the Undertaking shall extend to the new tenant. This obligation shall likewise be included in the Undertaking under Paragraph (D) hereof. xxx"
Section 1, Article 9	MERALCO	A new paragraph was added to this Article, which states: <i>"The distribution utility must install a meter of the proper type and classification to the system/network being metered. In case of error arising therefrom, the liability of the customer shall be</i>	

		<p><i>limited in accordance with the provisions <u>hereof</u>.</i></p> <p style="text-align: center;"><i>x x x x x x"</i></p> <p>May we be clarified on what specific provision of Magna Carta is being referred by "<i>hereof</i>" in the afore-quoted provision?</p> <p>Furthermore, in the 2nd paragraph of Article 9 of the current Magna Carta, it is provided that "<i>The method provided in the Standard Rules and Regulations Governing the Operation of Electric Power Services (ERB Resolution 95-21, as amended) shall be used in the determination of average error.</i>" However, this set of Rules has already been superseded by the DSOAR.</p>	<p>Hence, we respectfully recommend that the 2nd paragraph of Article 9 of the current Magna Carta be deleted or updated</p>
Section 1, Article 9 3 rd paragraph	MERALCO	<p>Given the proposed new draft Rules of the Honorable Commission to govern the Type Approval of Meter Products, we believe that this should be considered in the proposed amendments of this provision. Specifically, the ERC seal, in effect, should serve as a warranty that the electric meter is type-approved and tested to be accurate.</p>	<p>We respectfully propose:</p> <p>"The ERC seal is a warranty that (1) the meter is type-approved and tested to be accurate, and (2) that it operates within the allowable limits of tolerance."</p>
	PEPOA	<p>Proposed amendment states that if applicant is a tenant of premises sought to be energized, applicant shall be required to submit an undertaking from owner that once applicant leaves premises, owner shall be jointly and severally liable with applicant for any unpaid bills incurred by applicant, but not to exceed 2 months including current bill after applying bill deposit.</p>	<p>IF THE APPLICANT IS A TENANT OF THE PREMISES SOUGHT TO BE ENERGIZED, THE APPLICANT SHALL BE REQUIRED TO SUBMIT AN UNDERTAKING FROM THE OWNER OF THE PREMISES THAT ONCE THE APPLICANT LEAVES THE PREMISES, THE OWNER SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE APPLICANT</p>

<p><i>THE DISTRIBUTION UTILITY MUST INSTALL A METER OF THE PROPER TYPE AND CLASSIFICATION TO THE SYSTEM/NETWORK BEING METERED. IN CASE OF ERROR ARISING THEREFROM, THE LIABILITY OF THE CUSTOMER SHALL BE LIMITED IN ACCORDANCE WITH THE PROVISIONS HEREOF.</i></p> <p>x x x x x</p> <p>The ERC seal is a warranty that (1) the meter is (an acceptable or accepted type) <i>accurate</i> and (2) that it operates within the allowable limits of tolerance.</p>		<p>METER OF THE PROPER TYPE AND CLASSIFICATION TO THE SYSTEM/NETWORK BEING METERED. IN CASE OF ERROR ARISING THEREFROM, THE LIABILITY OF THE CUSTOMER SHALL BE LIMITED IN ACCORDANCE WITH THE PROVISIONS HEREOF.</p> <p>x x x x x x The ERC seal is a warranty that (1) the meter is (an acceptable or accepted type) <i>accurate</i> and (2) that it operates within the allowable limits of tolerance.</p>	<p><u>Comment # 2</u></p> <p>Suggest that Par. 2 of Art. 9 of the existing Magna Carta shown below be deleted or refer to the applicable DSOAR provision below:</p> <p><i>"The method provided in the Standard Rules and Regulations Governing the Operation of Electric Power Services (ERB Resolution 95-21, as amended) shall be used in the determination of average error."</i></p>
	DLPC	<p>ERC-proposed revision states that:</p> <p>The ERC seal is a warranty that (1) the meter is (an acceptable or accepted type) <i>accurate</i> and (2) that it operates within the allowable limits of tolerance.</p>	<p>These items are synonymous – an accurate meter falls within the allowances tolerances.</p> <p>All the three words do describe a particular "account" situation that may be the point when the pilferage may have occurred or started, yet the three words also are used interchangeably to cover excuses that may be made. Each account has a certain kind of pattern of usage. The point when pilferage occurred could be read or interpreted in so many ways. For example: (1) If the account is less than a year old, and the average for the first 6 months is 300 kWh/month. On the 7th month to the 10th month it decreases to 100 kWh. The point of pilferage could be reckoned on the 7th month. This could be what is meant by "abrupt"; (2) If the account is for around 5 years, rising and falling of the electric usage may be observed in the account. There would now be a pattern whereby the increases and</p>

			decreases could be read in a storylike manner, which means there are explanations even for drastic drops that happen within the span of a year, but once there is a disturbance to this pattern and this "story" is altered, then we may be looking at the "abnormal" drop which may be the point when pilferage was first committed
	ZAMSURECO II	Can we suspend house connection just because of non-availability of ERC seals?	
<p>Article 10. Right to a Refund of Overbillings – x x x</p> <p>IN CASES OF OTHER BILLING ERRORS, REFUNDS FOR OVERPAYMENT SHALL BE COMPUTED BACK TO THE DATE ON WHICH THE ERROR OR OMISSION COMMENCED. IN THE NOTICE OF REFUND, THE CONSUMER MUST BE INFORMED THAT THE REFUND CAN BE CONTESTED BEFORE THE ERC IF</p>	DMC	There should be a prescribed period, say 30 days, beyond which, if the customer does not contest the refund, it is considered settled & final. This would be similar to the proviso in Article 32, which gives the customer 60 days.	It is proposed that since refund for overpayment is a billing adjustment favorable to the customer, delay in its implementation should be avoided as much as possible. Hence, we recommend that any refund be immediately effected, provided that the DU submits a subsequent notice to the ERC. If customer disputes, then he can file a case.

<p>THE SAID CONSUMER DOES NOT AGREE WITH THE COMPUTATION OF THE REFUND.</p> <p>THIS PROVISION SHALL LIKEWISE BE APPLICABLE TO ERRORS ARISING UNDER ARTICLE 9, PARAGRAPH 2 OF THE MAGNA CARTA.</p>			
<p>Page 4/ Article 10/ Right to a Refund of Over billings</p>	<p>DECORP</p>	<p>After the DU has refunded (cash refund) or is in the process of refunding (bill credit) the overbilling to the customer, is the customer still have the right to contest the computation of the refund before the ERC</p>	<p>DECORP suggest that a customer who already received or is receiving the refund of the overbilling is already barred from questioning the same with the ERC.</p>
<p>Section 1, Article 10</p>	<p>MERALCO</p>	<p>While we recognize that the customer has the right to contest the computation of the refund (billing adjustment), we respectfully submit to the Honorable Commission that the said customer be allowed to do so only for a period of thirty (30) days from the date the customer received the notification from the DU of the billing adjustment. This is in view of the fact that a billing cycle covers, on the average, 30 days – i.e., by such time, a customer would have received a subsequent bill for comparison purposes. Upon the lapse of the 30-day period, the customer is deemed to have agreed with the billing adjustment computation of the DU.</p> <p>However, if the customer has already signed a “conforme” that the same is already agreeable with the DU’s billing adjustment or refund computation, the said customer may no longer be allowed to contest the amount of refund.</p>	<p>We respectfully recommend:</p> <p>“In cases of other billing errors, refunds for overpayment shall be computed back to the date on which the error or omission commenced. In the notice of refund, the consumer must be informed that the refund can be contested before the ERC, within thirty (30) days from the receipt of such notice, if the said consumer does not agree with the computation of the refund. Failure of the customer to contest the billing adjustment computation of the DU within such period is deemed the customer’s waiver to question the said computation. Provided, that the billing adjustment of the customers who have conformed to the computation thereof shall be binding and conclusive upon said customers and the same can no longer be disputed.</p> <p>This provision shall likewise be applicable to errors arising under Article 9, paragraph 2 of the Magna Carta.”</p>

	ZAMSURECO II	x.x.x	For purpose of revenue recovery, the Electric Cooperative may bill the consumer undercharges based on the prevailing rate on the month recovery is sought, the amount of which may be added in the subsequent billing month
<p>Article 11. Right to a Properly Installed Meter – x x x</p> <p>Meters may be located in other areas based on justifiable reasons.</p> <p>METERS LOCATED IN ELEVATED METERING CENTERS SHALL BE GOVERNED BY THE RULES TO GOVERN THE INSTALLATION AND RELOCATION OF RESIDENTIAL ELECTRIC METERS BY DISTRIBUTION UTILITIES TO ELEVATED METERING CENTERS OR INDIVIDUAL RESIDENTIAL ELECTRIC METER TO OTHER ELEVATED SERVICE.</p> <p>CLUSTERING OF METERS SHALL BE ALLOWED UPON THE REQUEST OF A CUSTOMER, WHEN THERE IS NO RIGHT OF WAY, AND IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES. THE DISTRIBUTION UTILITY SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CUSTOMERS.</p> <p>x x x</p> <p>2. The meter installation fails to meet the conditions under the first paragraph resulting from improvements done on</p>	CEPALCO	<p>ERC proposed amendment:</p> <p>Meters may be located in other areas based on justifiable reasons. METERS LOCATED IN ELEVATED METERING CENTERS SHALL BE GOVERNED BY THE RULES TO GOVERN THE INSTALLATION AND RELOCATION OF RESIDENTIAL ELECTRIC METERS BY DISTRIBUTION UTILITIES TO ELEVATED METERING CENTERS OR INDIVIDUAL RESIDENTIAL ELECTRIC METER TO OTHER ELEVATED SERVICE.</p> <p>CLUSTERING OF METERS SHALL BE ALLOWED UPON THE REQUEST OF A CUSTOMER, WHEN THERE IS NO RIGHT OF WAY, AND IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES.</p> <p>THE DISTRIBUTION UTILITY SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CUSTOMERS</p> <p>2. The meter installation fails to meet the conditions under the first paragraph resulting from improvements</p>	<p><u>Comment # 1:</u></p> <p>Suggest that this paragraph should follow ERC Resolution # 11 Series of 2009 (Elevated Metering Centers) Section 2.2 and Sections 3.1.4 & 3.1.5.</p> <p><u>Comment # 2:</u></p> <p>Proposed additional word “Elevated” in the 2nd paragraph to read as follows:</p> <p><i>“Elevated clustering of meters shall be allowed upon the request of a customer, XXXX.....”</i></p> <p><u>Comment # 3:</u></p> <p>Suggest to include in item # 2 at the end of the paragraph:</p> <p><u>“Failure to pay the cost shall be considered grounds for disconnection after 30 days due notice.”</u> (from the 3^d Draft of Amended DSOAR Section 2.11.1)</p>

<p>the customer's premises thereby necessitating such relocation.</p> <p>IN THE EVENT THE CUSTOMER FAILS TO TAKE ANY OR ALL OF SUCH MEASURES TO RELOCATE THE METER/S WITHIN THIRTY (30) DAYS AFTER RECEIPT OF NOTICE OF NON-COMPLIANCE, THE DU SHALL HAVE THE RIGHT TO TAKE SUCH MEASURES WITHOUT FURTHER NOTICE. THE CUSTOMER SHALL BE RESPONSIBLE FOR ANY AND ALL COSTS AND EXPENSES INCURRED AS A RESULT OF ITS NON-COMPLIANCE.</p> <p>THE PARTIES MAY ENTER INTO AN ARRANGEMENT FOR THE PAYMENT OF COSTS OF SUCH RELOCATION.</p>		<p>done on the customer's premises thereby necessitating such relocation. IN THE EVENT THE CUSTOMER FAILS TO TAKE ANY OR ALL OF SUCH MEASURES TO RELOCATE THE METER/S WITHIN THIRTY (30) DAYS AFTER RECEIPT OF NOTICE OF NON-COMPLIANCE, THE DU SHALL HAVE THE RIGHT TO TAKE SUCH MEASURES WITHOUT FURTHER NOTICE. THE CUSTOMER SHALL BE RESPONSIBLE FOR ANY AND ALL COSTS AND EXPENSES INCURRED AS A RESULT OF ITS NON-COMPLIANCE. THE PARTIES MAY ENTER INTO AN ARRANGEMENT FOR THE PAYMENT OF COSTS OF SUCH RELOCATION.</p>	
	<p>DANECO and AIM Mindanao ECs</p>	<p>Clustering of meters shall be allowed upon the request of a customer, when there is no right of way, and in areas with high incidence of electric pilferages.</p> <p>QUESTION:</p> <ol style="list-style-type: none"> 1. How could we qualify high incidence of pilferage? 2. What is the definition of pilferage? Is it a mere apprehension by the DU? Or upon the decision of the court? 	
<p>DECORP</p>			

1. What does clustering of meters mean?
2. Does this include those meters placed together in a metering panel and situated on the wall of a particular building? Or does it refers only to those located on the poles?

3. What are the similarities or differences between clustered meters and EMC?

4. Clustering of meters would naturally affect several meters and service accounts, is the request of one customer, as provided in the proposed amendment, already sufficient for DU to cluster the meters?

	DLPC	<p>This is on a current provision of the Magna Carta, not really a portion where revisions are proposed by the ERC</p> <p>ERC-proposed additional provision as follows:</p> <p><i>CLUSTERING OF METERS SHALL BE ALLOWED UPON THE REQUEST OF A CUSTOMER, WHEN THERE IS NO RIGHT OF WAY, AND IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES. THE DISTRIBUTION UTILITY SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CUSTOMERS</i></p>	<p>It is suggested that the word... and/or high loss... shall be included after the word pilferage</p> <p>3 meters is too high to be read from ground level. We are proposing a maximum of 1.83 m. (6 ft.). Anything higher should be governed by EMC.</p> <p>We suggest to add the underlined clause:</p> <p><i>CLUSTERING OF METERS SHALL BE ALLOWED UPON THE REQUEST OF A CUSTOMER, WHEN THERE IS NO RIGHT OF WAY, AND IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES, <u>SUBJECT TO THE STANDARDS SET BY THE DISTRIBUTION UTILITY.</u> THE DISTRIBUTION UTILITY SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CUSTOMERS.</i></p> <p>By the very nature of the violation, the meter is located inside the property of the customer. It will be very difficult, if not impossible, to make any revision on the service entrance without the risk of the utility being</p>
--	------	---	---

		<p>ERC-proposed additional provisions:</p> <p><i>XXX IN THE EVENT THE CUSTOMER FAILS TO TAKE ANY OR ALL OF SUCH MEASURES TO RELOCATE THE METER/S WITHIN THIRTY (30) DAYS AFTER RECEIPT OF NOTICE OF NON-COMPLIANCE, THE DU SHALL HAVE THE RIGHT TO TAKE SUCH MEASURES WITHOUT FURTHER NOTICE. THE CUSTOMER SHALL BE RESPONSIBLE FOR ANY AND ALL COSTS AND EXPENSES INCURRED AS A RESULT OF ITS NON-COMPLIANCE. THE PARTIES MAY ENTER INTO AN ARRANGEMENT FOR THE PAYMENT OF COSTS OF SUCH RELOCATION.</i></p>	<p>charged of trespassing.</p> <p>Instead of this provision, it is proposed that certain existing provisions of the Magna Carta be strengthened to compel the customer instead to relocate the meter.</p>
	DMC	X.X.X.	<p>The “cost of the wire extending from the meter to the point where the metering would have been placed had the meters not been clustered” shall be borne by the customer if the relocation/installation is due to:</p> <p>(1) absence of right-of-way [which is outside of DU's reasonable control], or (2) Customer Requests</p>

			<p>The distribution utility shall bear the cost of the wire extending from the meter to the point where the metering would have been placed had the meters not been clustered, only when the DU resorts to clustering of meters due to high incidence of electricity pilferages.</p> <p>Aside for a request from a customer, we could also consider a request for a local government (barangay/municipality/city) for meter clustering. This would give DUs leeway to pursue meter clustering and not limit DUs to customer request.</p>
<p>Section 1, Article 11 2nd and 3rd paragraphs</p>	<p>MERALCO</p>	<p>In harmony with the existing <i>“Rules to Govern the Installation or Relocation of Residential Electric Meters by Distribution Utilities to Elevated Metering Centers or Individual Residential Electric Meter to Other Elevated Service,”</i> other elevated service shall be included in this provision for clarity and consistency.</p> <p>Also for clarity and completeness, it is respectfully suggested that the ERC Resolution of the mentioned EMC Rules in the afore-quoted provision be included in the first paragraph.</p> <p>On the other hand, in the second paragraph of the afore-quoted provision, clustering of meters shall be allowed upon request of all affected customers, when there is no right-of-way, or in areas with high incidence of electricity pilferages. We would like to seek clarification from the Honorable Commission on what is meant by “meter clustering” in this provision. It is</p>	<p>For clarity, it is respectfully recommended that the paragraph be reworded as follows:</p> <p>“x x x Meters may be located in other areas based on justifiable reasons. Meters located in elevated metering centers <u>(EMCs) or other elevated service</u> shall be governed by the Rules to Govern the Installation and Relocation of Residential Electric Meters by Distribution Utilities to Elevated Metering Centers or Individual Residential Electric Meter to Other Elevated Service (ERC Resolution No. 11, Series of 2009).</p> <p>DU should have the option to cluster meters in instances when there is no right of way or upon the request of a customer with the concurrence of the DU. The cost of the wire extending from the meter to the point where the metering would have been</p>

		<p>respectfully submitted that the Rules should clearly provide a definition or distinction between EMC and clustered meters. Is the clustering of meters being pertained herein are meters installed in a cluster within the prescribed height under the Magna Carta and DSOAR?</p> <p>We agree that DUs should have the option to cluster meters in instances where there is no right of way (which is outside of MERALCO's reasonable control); and when the customer requested for such relocation, subject to the concurrence by the DU. However, the "cost of the wire extending from the meter to the point where the metering would have been placed had the meters not been clustered" should be borne by the customer if the relocation/installation is due to the aforementioned reasons.</p> <p>For high incidence of electricity pilferage, the EMC Rules shall apply. The distribution utility, as provided in the EMC Rules may opt to bear the cost of the wire extending from the meter to the point where the metering would have been placed had the meters not been elevated. This should also be applicable for meter clustering for high pilferage areas.</p>	<p>placed had the meters not been clustered shall be borne by the customer if the relocation/installation is due to the aforementioned reasons. For high incidence of electricity pilferage, the Rules to govern the EMC shall apply.</p>
<p>Section 1, Article 11 Last paragraph</p>	<p>MERALCO</p>	<p>The Meter Test and Maintenance Rules provides:</p> <p>"The DU should ensure that all electric meters it puts in service should have been tested and sealed by the</p>	<p>We respectfully recommend the following revision:</p> <p>"Article 12. Right to a Meter Testing by Electric Utility and/or ERC. – A customer has the right to</p>

		<p>ERC, and while these meters are already in service, the same should be <i>tested at least once every two (2) years in accordance with a statistical sampling program approved by the ERC.</i>"</p> <p>For clarity, it is respectfully proposed that a reference to the aforesaid Rules be mentioned in this provision. This is also to be consistent with the DSOAR and its proposed amendments.</p>	<p>require the distribution utility to test, once every two (2) years, free of charge, the accuracy of the meter installed in his premises making use of a meter standard duly tested and sealed by the ERC, unless such meter has been subject of sample testing, in accordance with the Rules and Procedures for the Test and Maintenance of Electric Meters of Distribution Utilities.</p> <p>If the customer requests for meter testing more than once every two (2) years and the meter being tested is found to be within the tolerable limit as provided for in Article 9 hereof, the utility may assess the customer a testing fee based on the testing fee charged by ERC. A written report showing the result of such test shall be furnished the customer."</p>
Section 1, Article 14	MERALCO	<p>The following are the specific comments of MERALCO to this provision:</p> <ol style="list-style-type: none"> 1. The customer or developer should be given the option to recover advance payment either based on Gross Distribution Revenue (GDR) or, through the purchase preferred shares if available or, through availment of financial instruments acceptable to the parties concerned. <ul style="list-style-type: none"> o The principle behind this provision on cash advance under the DSOAR is that a customer requires an extension of lines or installation of additional facilities beyond the 30 meters 	<p>We therefore recommend the following modifications to the said provision:</p> <p>"To recover the aforementioned advanced payment, the customer or developer may avail of any of the following: either demand the issuance of a notes payable from the DU or a (1) refund at the rate of seventy-five (75) percent of the gross distribution revenue derived from all customers connected to the line extension for the calendar year until such amounts are fully refunded or, for ten (10) fifteen (15) years whichever period is shorter or, (2) if the DU is a private corporation, the purchase of preferred shares, if</p>

		<p>allowable distance in order to serve the customer's electric power needs. The 30-meter distance is fixed as a reasonable length of line extension that is to be provided by the DU solely in its own expense.</p> <ul style="list-style-type: none"> ○ However, beyond the said distance, the DU will be installing the lines/facilities provided the customer shoulders the corresponding costs. <p>2. Notes Payable is already included or covered by the already available option "other financial instruments"</p> <ul style="list-style-type: none"> ○ Notes payable is one form of a debt instrument. Mandating notes payable to be one of the options that the customer may demand from the DU is like compelling the latter to incur this form of obligation for the purpose of paying the cash advance made by the customer. We believe that the DU should not be compelled to pay the cash advance in this form since there are other financial arrangements which may prove to be more effective, efficient and acceptable to the customer. ○ The cash advance is entered into because the DU is accommodating the customer's requirement for the facilities, which may not represent a viable investment for the DU at the time. As such, it is not reasonable to guarantee full repayment of any amount advanced by the customer regardless of utilization as this may lead to other customers subsidizing the cost of 	<p>available, subject to the approval of Securities and Exchange Commission (SEC) on the issuance of such share or, (3) other financial instruments mutually acceptable to the parties. For the option of notes payable, the DU shall issue a promissory note to the Customer or Developer indicating therein the amount of advances, mode and terms of payment depending on the revenue to be derived from all customers expected to tap directly to the poles and facilities so extended. In case of a refund, both parties may agree to accelerate the period of refund subject to certain conditions mutually acceptable to said parties, provided the same will not result in any form of cross-subsidies. The preferred shares shall be redeemable by the DU within a period of fifteen (15) years. xxx"</p>
--	--	--	---

		<p>lines/facilities that benefit only one or few customers. Moreover, this will lead to an inefficient rate base which will not be fair for both the DU and the majority of customers. The Performance Based Regulation (PBR), now being adopted for private DUs, specifically disallows assets and facilities that are not reasonably utilized, otherwise these will be optimized out. In other words, among other things, to ensure nothing less than an efficient regulatory asset base. Idle, underutilized assets will be contrary to this working rate making methodology adopted by the Honorable Commission.</p> <ul style="list-style-type: none"> ○ It must also be considered that the Notes Payable option is subject to the "19 lender rule" pursuant to Sections 8.1 and 10 (k) of the Securities Regulation Code and SRC Rule 8, which provides that if the DU offers this security to more than 19 lenders, the DU must register with the Securities and Exchange Commission (SEC). This will expose the DUs to numerous documentary and regulatory requirements which will entail additional and unnecessary but substantial costs (percentage of the amount you issue), considering the number of customers who may avail of the notes payable option. This cost will eventually be passed on to customers. ○ We are of the opinion that of all the available refund options, the cash advance mechanism, whereby amounts are refunded based on 	
--	--	---	--

		<p>utilization (refund at the rate of 75% of GDR) is the most fair to all concerned. This sends the proper message to prospective customers that the lines/facilities they have funded in advance should not remain nor become idle or underutilized. This also ensures that maintenance activities and other costs incurred by MERALCO on account of these newly-installed facilities are allocated properly without having the effect of existing customers subsidizing these new customers.</p> <ul style="list-style-type: none"> ○ In view of the aforementioned justifications, it is believed that the notes payable need not be specifically mentioned as an option that may be demanded by customers as this is already captured by the phrase "other financial instruments that may be mutually acceptable to both parties," which is also being proposed to be included in the amendment. <p>3. <u>On the Cash Advance Refund Option</u> (a) Rate of Refund: 100% of GDR</p> <ul style="list-style-type: none"> • To be consistent with the DSOAR's proposed amendments, we respectfully propose that the refund rate be 75% of GDR. • With the cash advance refund option, the DUs are incurring administrative costs in maintaining and monitoring additional customers connecting to the line extensions for the calendar year until such 	
--	--	--	--

amounts are fully refunded or for a given period (15 years in the Rules' draft amendments), whichever period is shorter. Hence, it is respectfully proposed that the **refund rate should be less than 100% of GDR to cover the O&M of the DU**, particularly incurred by it for relevant expenses in complying with this requirement.

(b) Period of Refund should not be more than 10 years

- It is respectfully proposed that the period be shortened to a **period not exceeding 10 years** (or already two times compared to the existing period of 5 years in existing DSOAR). The reason being that DUs will find it operationally difficult to monitor new connections in a timely and accurate manner especially when new connections increase in a fast pace. Regular field verifications will be needed. These additional O&M expenses which can be avoided will have to be passed on to customers.
- However, to assist customers or developers, we propose to include that during the course of the refund, **the DU and the customer or developer may agree to accelerate the refund subject to certain conditions mutually**

		<p>acceptable to said parties, provided the same will not result in any form of cross-subsidies. These cross subsidies are specifically disallowed by EPIRA.</p> <p>4. Parties may be allowed to have an agreement to accelerate the refund of the cash advance under mutually accepted terms provided it will not result in any form of cross-subsidies.</p> <ul style="list-style-type: none"> o We believe that both the customer and the DU should have the flexibility or the option to agree on the terms and mode of refund. <p>However, this agreement should be based on the premise that the project is already found to be viable or there is already a significant amount of return or revenue derived from the installed electric lines/facilities before the end of the 10-year period (as proposed). This is to ensure that there are no cross-subsidies.</p>	
Section 1, Article 14	MERALCO	<p>We respectfully submit that the last sentence of the afore-quoted 1st paragraph on the left column, to wit: <i>"During the period of refund, the facilities must not form part of the assets of the DU entitled to a return, otherwise, the customer shall be entitled to the full recovery of the advanced payment"</i> be removed from the said provision since it is contrary to the statement in the subsequent paragraphs.</p> <p>Furthermore, we believe that the provision wherein the customer is reimbursed the entire balance of his</p>	<p>We respectfully recommend that this provision be modified as follows:</p> <p>"xxx Revenue derived from additional customers tapped directly to the poles and facilities so extended shall be considered in determining the revenue derived from the extension of facilities. During the period of refund, the facilities must not form part of the assets of the DU entitled to a return, otherwise, the DU shall refund the full amount within one (1) year from the effectivity of the new asset base.</p>

	<p>advanced payment within 1 year from inclusion of assets in the RAB, contradicts the other provisions of the Magna Carta/DSOAR, and negates the time period provided within which a refund is to be paid to the customer.</p> <p>The period of refund for the initially funded lines/facilities of the customers is a sort of financing scheme for the DUs considering that the DUs are provided with limited and regulated resources. As such, the DUs would not opt to invest its limited funds to these line extension projects which may not prove to be viable or that which will not guarantee sufficient returns.</p> <p>Furthermore, refunding the full amount within one year from the effectivity of the new asset base given its scarce resources would unnecessarily lead to its allocation to idle, inefficient facilities that will be included in the rate base. Evidently, this is not the intent of the DSOAR or even the EPIRA. Rather, it mandates the DU to be prudent in undertaking projects with the end objective of providing the least cost to its consumers.</p> <p>Also, we would like to emphasize that refunding the full amount of cash advance at an earlier date than the end of the given refund period will lead to cross-subsidies with other customers bearing the cost of suboptimal assets.</p> <p>Finally, requiring the DU to refund in full the amount of</p>	<p>In case the customer or developer opts for the abovementioned refund scheme, both parties may be allowed to negotiate the terms thereof provided that the same shall result in the faster recovery of the advanced amount.</p> <p>The lines and facilities advanced by the customer or developer may be included in the regulatory asset base (RAB) of the DU entitled to a return. Once the inclusion and entitlement to a return are approved by the Commission, the DU shall be compelled to reimburse the balance of the customer's advances. Both parties may negotiate the terms and conditions of the reimbursement, provided however, that the customer shall be reimbursed the entire balance within one year from inclusion of the lines and facilities in the RAB."</p>
--	--	--

		cash advance, which should have been refunded for a period of 10 years (as what we are proposing), may expose DUs with limited resources to cash flow problems . These amounts are significant given the number of customers seeking line extensions and the cost of these facilities.	
Section 1, Article 14 New paragraph	MERALCO	The Rules provide: “Dedicated transformers, including its maintenance, repair or replacement, for the sole and exclusive use of the customer shall be at the expense of the said customer. Maintenance of the lines and facilities shall be at the expense of the DU.”	For clarity, it is respectfully proposed that 2 nd quoted paragraph on the left be stated before the paragraph on dedicated transformers as follows: “Maintenance of the lines and facilities shall be at the expense of the DU. Dedicated transformers, including its maintenance, repair or replacement, for the sole and exclusive use of the customer shall be at the expense of the said customer.”
	PHILRECA	We seek that clustering of meters be properly defined. When the clustering is upon the request of the customer or when there is no ROW, the cost of the wire extending to the customer from the meter should be at the expense of the customer. Who is answerable to any illegal connection to the lines from the EMC or clustered meters to the premises of the customer particularly if the such was done upon the request of the customer or the is no ROW	
	BLCI	On the paragraph “CLUSTERING OF METERS SHALL BE ALLOWED UPON THE REQUEST OF A	We would like to propose that, “CLUSTERING OF METERS SHALL BEE ALLOWED UPON <i>CON</i>

		CUSTOMER, WHEN THERE IS NO RIGHT OF WAY AND IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES. THE DISTRIBUTION UTILITY SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CUSTOMERS.	FIRMATION OF CUSTOMER , WHEN THERE IS NO RIGHT OF WAY, AND IN AREAS WITH HIGH INCIDENCE OF ELECTRICITY PILFERAGES. THE CONSUMER SHALL BEAR THE COST OF THE WIRE EXTENDING FROM THE METER TO THE ACTUAL PREMISES OF THE CUSTOMERS LESS OF THE 30 METERS THAT SHALL BE SUPPLIED BY THE DU."
<p>Article 14. Right to Extension of Lines and Facilities. – x x x</p> <p>To recover the aforementioned expenditure advanced payment, THE CUSTOMER OR DEVELOPER MAY EITHER DEMAND THE ISSUANCE OF A NOTES PAYABLE FROM THE DU OR A REFUND AT THE RATE OF ONEHUNDRED (100) PERCENT OF THE GROSS DISTRIBUTION REVENUE DERIVED FROM ALL CUSTOMERS CONNECTED TO THE LINE EXTENSION FOR THE CALENDAR YEAR UNTIL SUCH AMOUNTS ARE FULLY REFUNDED OR, FOR FIFTEEN (15) YEARS WHICHEVER PERIOD IS SHORTER OR, IF THE DU IS A PRIVATE CORPORATION, THE PURCHASE OF PREFERRED SHARES SUBJECT TO THE APPROVAL OF SECURITIES AND EXCHANGE COMMISSION (SEC) ON THE ISSUANCE OF SUCH SHARE. FOR THE OPTION OF NOTES PAYABLE, THE DU SHALL ISSUE A PROMISSORY NOTE TO THE CUSTOMER OR DEVELOPER INDICATING THEREIN THE AMOUNT OF ADVANCES, MODE AND TERMS OF PAYMENT DEPENDING ON THE REVENUE TO BE DERIVED FROM ALL CUSTOMERS EXPECTED TO TAP DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED. THE</p>	ANECO	<p>a) The costs of development (power lines, water lines, road networks & spaces) are embedded in the packaged price of a housing unit, and ultimately are paid by the home takers. Therefore, the parties that rightfully entitle for refund are the home takers not the developers.</p> <p>b) The rate of refund at 100% of the gross distribution revenue derived from all customers connected to the line extension for the calendar year will strain DUs' finances. This mode will result in subsidization of the operation of the line extension</p> <p>c) In extension advanced by consumer for its own sole, the DU is not obligated to continue refund if customer stopped using power.</p>	<p>a) A developer could only be entitled to a refund if it can secure certification from HULRB and/or /Pag-ibig that costs of development, particularly power line cost, is not embedded in the package price of the housing unit.</p> <p>b) We suggest a rate of refund at 50% of gross distribution revenue derived from all customers connected to the line extension.</p> <p>The refundable cost of materials shall not exceed latest NEA price list and/or tendered price in the latest bidding conducted by the DU.</p> <p>c) Extension advanced by a consumer for its own sole use, with prior written consent of the consumer, the DU in order to prevent loss/damage of the line which may become idle and to avoid unnecessary maintenance cost, at its option, retire said idle line at any time (after refund has been completed.</p>

<p>PREFERRED SHARES SHALL BE REDEEMABLE BY THE DU WITHIN A PERIOD OF FIFTEEN (15) YEARS. REVENUE DERIVED FROM ADDITIONAL CUSTOMERS TAPPED DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED SHALL BE CONSIDERED IN DETERMINING THE REVENUES DERIVED FROM THE EXTENSION OF FACILITIES. DURING THE PERIOD OF REFUND, THE FACILITIES MUST NOT FORM PART OF THE ASSETS OF THE DU ENTITLED TO A RETURN, OTHERWISE, THE CUSTOMER SHALL BE ENTITLED TO THE FULL RECOVERY OF THE ADVANCED PAYMENT.</p> <p>IN CASE THE CUSTOMER OR DEVELOPER OPTS FOR THE ABOVEMENTIONED REFUND SCHEME, BOTH PARTIES MAY BE ALLOWED TO NEGOTIATE THE TERMS THEREOF PROVIDED THAT THE SAME SHALL RESULT TO THE FASTER RECOVERY OF THE ADVANCED AMOUNT. THE LINES AND FACILITIES ADVANCED BY THE CUSTOMER OR DEVELOPER MAY BE INCLUDED IN THE REGULATORY ASSET BASE (RAB) OF THE DU ENTITLED TO A RETURN. ONCE THE INCLUSION AND ENTITLEMENT TO A RETURN ARE APPROVED BY THE COMMISSION, THE DU SHALL BE COMPELLED TO REIMBURSE THE BALANCE OF THE CUSTOMER'S ADVANCES. BOTH PARTIES MAY NEGOTIATE THE TERMS AND CONDITIONS OF THE REIMBURSEMENT, PROVIDED HOWEVER, THAT THE CUSTOMER SHALL BE REIMBURSED THE ENTIRE BALANCE WITHIN ONE YEAR FROM INCLUSION OF THE LINES AND FACILITIES IN THE RAB.</p>			
--	--	--	--

<p>DEDICATED TRANSFORMERS, INCLUDING THEIR MAINTENANCE, REPAIR OR REPLACEMENT, FOR THE SOLE AND EXCLUSIVE USE OF THE CUSTOMER SHALL BE AT THE EXPENSE OF THE SAID CUSTOMER. MAINTENANCE OF THE LINES AND FACILITIES SHALL BE AT THE EXPENSE OF THE DU.</p> <p>When a developer initially paid the cost of the extension of lines to provide electric service to a specific property and incorporated these expenses in the cost thereof, and that property was purchased and transferred in the name of the registered customer, the latter shall be entitled to the refund of the cost of the extension of lines, and exercise the options for refund provided in this article. xxx</p>			
	<p>CEPALCO</p>	<p>ERC proposed amendment:</p> <p>To recover the aforementioned expenditure advanced payment, THE CUSTOMER OR DEVELOPER MAY EITHER DEMAND THE ISSUANCE OF A NOTES PAYABLE FROM THE DU OR A REFUND AT THE RATE OF ONEHUNDRED (100) PERCENT OF THE GROSS DISTRIBUTION REVENUE DERIVED FROM ALL CUSTOMERS CONNECTED TO THE LINE EXTENSION FOR THE CALENDAR YEAR UNTIL SUCH AMOUNTS ARE FULLY REFUNDED OR, FOR FIFTEEN (15) YEARS WHICHEVER PERIOD IS SHORTER OR, IF THE DU IS A PRIVATE CORPORATION, THE PURCHASE OF PREFERRED SHARES SUBJECT TO THE APPROVAL OF SECURITIES AND EXCHANGE COMMISSION (SEC) ON THE ISSUANCE OF SUCH SHARE. FOR THE OPTION OF NOTES PAYABLE, THE DU SHALL</p>	<p><u>Comment # 1:</u> In 3rd proposed Amendment of DSOAR, the refund rate is seventy five percent (75) of the Gross Distribution Revenue.....and not "one hundred (100) percent..."</p> <p>We propose that this remain at 75%. Likewise, in order to be consistent, we should harmonize or refer to final DSOAR amendment to be issued by ERC.</p> <p><u>Comment # 2:</u> Suggest to include in this Article:</p> <p><i>"Accumulated refunded amount should form part of the rate base during the regulatory reset."</i></p> <p><i>(This was also a CEPALCO comment/proposal in the 3rd Amendment of DSOAR – Oct. 2009)</i></p>

		<p>ISSUE A PROMISSORY NOTE TO THE CUSTOMER OR DEVELOPER INDICATING THEREIN THE AMOUNT OF ADVANCES, MODE AND TERMS OF PAYMENT DEPENDING ON THE REVENUE TO BE DERIVED FROM ALL CUSTOMERS EXPECTED TO TAP DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED. THE PREFERRED SHARES SHALL BE BY THE DU WITHIN A PERIOD OF FIFTEEN (15) YEARS. REVENUE DERIVED FROM ADDITIONAL CUSTOMERS TAPPED DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED SHALL BE CONSIDERED IN DETERMINING THE REVENUES DERIVED FROM THE EXTENSION OF FACILITIES. DURING THE PERIOD OF REFUND, THE FACILITIES MUST NOT FORM PART OF THE ASSETS OF THE DU ENTITLED TO A RETURN, OTHERWISE, THE CUSTOMER SHALL BE ENTITLED TO THE FULL RECOVERY OF THE ADVANCED PAYMENT. IN CASE THE CUSTOMER OR DEVELOPER OPTS FOR THE ABOVEMENTIONED REFUND SCHEME, BOTH PARTIES MAY BE ALLOWED TO NEGOTIATE THE TERMS THEREOF PROVIDED THAT THE SAME SHALL RESULT TO THE FASTER RECOVERY OF THE ADVANCED AMOUNT.</p> <p>THE LINES AND FACILITIES ADVANCED BY THE CUSTOMER OR DEVELOPER MAY BE INCLUDED IN THE REGULATORY ASSET BASE (RAB) OF THE DU ENTITLED TO A RETURN. ONCE THE INCLUSION AND ENTITLEMENT TO A RETURN ARE APPROVED BY THE COMMISSION, THE DU SHALL BE</p>	<p>Comment # 3:</p> <p>If the above mentioned amendment will be considered</p>
--	--	---	---

		<p>COMPELLED TO REIMBURSE THE BALANCE OF THE CUSTOMER'S ADVANCES. BOTH PARTIES MAY NEGOTIATE THE TERMS AND CONDITIONS OF THE REIMBURSEMENT, PROVIDED HOWEVER, THAT THE CUSTOMER SHALL BE REIMBURSED THE ENTIRE BALANCE WITHIN ONE YEAR FROM INCLUSION OF THE LINES AND FACILITIES IN THE RAB</p>	<p>by the Commission, we suggest that this phrase be deleted:</p> <p>"The Lines and Facilities advanced by the customer or developer may be included in the regulatory asset base (RAB) of the DU entitled to a return. Once the inclusion and entitlement to a return are approved by the Commission, the DU shall be compelled to reimburse the balance of the customer's advances. Both parties may negotiate the terms and conditions of the reimbursement, provided however, that the customer shall be reimbursed the entire balance within one year from inclusion of the lines and facilities in the RAB."</p>
	<p>DANECO and AIM Mindanao ECs</p>	<p>The customer or developer may either demand the issuance of a notes payable from the DU or a refund at the rate of 100% of the gross distribution revenue derive from all customers connected to the line extension for the calendar year....</p> <p>Question:</p> <p>Why it will be shoulder by the DU? It is part of the requirements in developing a housing project like road, canal, water, playground and other amenities.</p> <p>If electric connection should be refunded, does it mean that the road constructed will be refunded also by government once it is already used by the people in the area? I think it is not! Same argument with the electric</p>	<p>It is recommended to retain the present provision that only 25% of the gross distribution revenue may be refunded. At least the DU and the developer will share the burden on the percentage of failure in every housing project.</p> <p>Besides, in most cases it is the DU that shoulders the expenses of the electric lines going to the housing site.</p>

		<p>lines.</p> <p>Another thing is that, if it is refunded to the developer, it is their gain since they already incorporated the cost in the amortization of the housing.</p> <p>Granting that it is amortized by the occupant of the house, then the refund will be given to the actual occupant. What if the house occupant is not current on their monthly amortization? The DU is at the loss refunding the amount when the house occupant is in arrears. Most of the housing program in the countryside especially in Mindano is only 20% successful. It means losses to the DU. It will shoulder the housing problem in the countryside.</p>	
	DLPC	x.x.x.x	On the recovery of expenditure advance payment, there should only be the refund mode.
	DMC	X.X.X	<p>DMC proposes the following:</p> <ul style="list-style-type: none"> -10 year maximum period for refund -add a provision that" "DU and customer or developer may accelerate refund based on mutually acceptable terms subject to certain conditions which shall not result to cross subsidy." This is to expedite refund. -add provision that: "private DUs may offer other financial instruments mutually acceptable to the parties" (to give more alternatives than what is presently in the Magna Carta such as cash refund, promissory notes, etc like credit to bill as what is being done by Electric

			<p>cooperatives)</p> <ul style="list-style-type: none"> - Delete Notes Payable as a specific refund option because this might entail interest expense and fixed payment of cash advance (this will be against EPIRA's objective to disallow cross subsidies since we also only want assets and facilities that are efficient and not idle or underutilized) - Delete the proposal that DUs should refund in full not later than 1 year after extended lines and facilities are put in the DU's RAB and entitled to a return (again, this is against the cross subsidy principle and PBR (whose objective is to ensure efficient Regulatory Asset Base) - if these assets are left idle and underutilized - and will subject the DU to possible cash flow problems especially with the Electric Cooperatives)
	<p>ECs of Region VI</p>	<p>Paragraph 1 provides that a refund at a rate of 100% will be given to the customer or developer. Developers have already included the cost of electrical facilities in the price of the land/unit. Therefore it is proper that the refund should be made with the homeowners of the subdivision</p> <p>The gross distribution revenue should not be the basis for the refund of 100% but instead with the following options.</p> <p>If the DU will refund the 100% gross distribution</p>	<p>It was suggested to change the word DEVELOPER in paragraph 1 into HOME OWNERS. The refund must be given directly to the HOME OWNERS. Depreciation of value must be considered in the refund</p> <ol style="list-style-type: none"> 1. True cost of the distribution charge in that specific area, or 2. Only supply and metering charges, or 3. 5% reinvestment fund derived in that area <p>Gross distribution revenue should be included in the</p>

		<p>revenue there is no left for the DU for the operation</p> <p>If the developer will construct the electrical lines in a certain subdivision, the DU will not know the cost of the construction</p>	<p>definition of terms.</p> <p>If ever the developer opts to construct the electrical facilities, prior approval of the DU is needed or the construction of lines in subdivisions must be made by the DUs</p>
	PEPOA	<p>Rate of refund should only be 75% (instead of 100%) of gross distribution revenues so DU can use the 25% of revenues derived to defray the maintenance expense of the extended facilities. The last sentence of the proposed amendment recognizes that DUs are tasked to shoulder the maintenance expense of these extended facilities. DUs should thus be allowed to retain a portion of the revenues derived from extended facilities to pay for its maintenance expense.</p> <p>If customer or developer opts for notes payable or preferred shares, the payment of notes or redemption of preferred share should still be subject to the revenues derived from the extended facilities. Otherwise, DUs will be made to absorb the capital cost of extended facilities which are not yet considered efficient assets under the PBR. Thus, Commission may optimize (or exclude) these extended facilities from DU's RAB if theses extended facilities are not yet found to be efficient assets.</p>	<p>Article 14. Right to Extension of Lines and Facilities. – x x x</p> <p>To recover the aforementioned expenditure advanced payment, THE CUSTOMER OR DEVEOPER MAY EITHER DEMAND THE ISSUANCE OF A NOTES PAYABLE FROM THE DU OR A REFUND AT THE RATE OF ONE HUNDRED (100) <u>SEVENTY-FIVE (75)</u> PERCENT OF THE GROSS DISTRIBUTION REVENUE DERIVED FROM ALL CUSTOMERS CONNECTED TO THE LINE EXTENSION FOR THE CALENDAR YEAR UNTIL SUCH AMOUNTS ARE FULLY REFUNDED OR, FOR FIFTEEN (15) YEARS WHICHEVER PERIOD IS SHORTER OR, IF THE DU IS A PRIVATE CORPORATION, THE PURCHASE OF PREFERRED SHARES SUBJECT TO THE APPROVAL OF SECURITIES AND EXCHANGE COMMISSION (SEC) ON THE ISSUANCE OF SUCH SHARE. FOR THE OPTION OF NOTES PAYABLE, THE DU SHALL ISSUE A PROMISSORY NOTE TO THE CUSTOMER OR DEVELOPER INDICATING THEREIN THE AMOUNT OF ADVANCES, MODE</p>

			<p>AND TERMS OF PAYMENT DEPENDING ON THE REVENUE TO BE DERIVED FROM ALL CUSTOMERS EXPECTED TO <u>TAPPED</u> DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED. THE PREFERRED SHARES SHALL BE REDEEMABLE BY THE DU WITHIN A PERIOD OF FIFTEEN (15) YEARS <u>DEPENDING ON THE REVENUE DERIVED FROM ALL CUSTOMERS TAPPED DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED</u>. REVENUE DERIVED FROM ADDITIONAL CUSTOMERS TAPPED DIRECTLY TO THE POLES AND FACILITIES SO EXTENDED SHALL BE CONSIDERED IN DETERMINING THE REVENUES DERIVED FROM THE EXTENSION OF FACILITIES. DURING THE PERIOD OF REFUND, THE FACILITIES MUST NOT FORM PART OF THE ASSETS OF THE DU ENTITLED TO A RETURN, OTHERWISE, THE CUSTOMER SHALL BE ENTITLED TO THE FULL RECOVERY OF THE ADVANCE PAYMENT.</p>
	PHILRECA	<p>This is a major concern of the ECs and the consumers with the developers. How would the EC or the customer would be able to determine if the developer had incorporated such costs in the sale of the units? The consumers would end up doubly charged of the if that will be the case.</p>	<p>On the rate of refund of 100% of the Gross Distribution Revenue, we recommend that we maintain the 75% to allow the DU to have funds for the Operation and Maintenance (O & M).</p>
	SHDA	<p>Based on the provisions, the customer has 3 options in</p>	<p>It is proposed that the following be added.</p>

	<p>recovering advances made: a.) via the issuance of notes payable; b) actual refund by installments; or c) the purchase of preferred shares.</p> <p>Our interpretation of the phrase “a refund at the rate of twenty-five (25) percent of the gross distribution revenue derived from all customers connected to the line extension for the calendar year until such amounts are fully refunded or five (5) years whichever period is shorter” is that the payments made by the DU should not be less than 25% of the gross distribution revenue derived from all customers connected to the line extension for the calendar year, but in no case should refund by the DU of the advances exceed 5 years. The phrase “whichever period is shorter” only means that if the advances have been fully recovered within a period of less than 5 years, then no further refund need be made.</p> <p>We understand that some SHDA members are apprehensive that MERALCO may claim that any amounts not refunded after the lapse of 5 years may no longer be collected by the customer/SHDA member who made the advances. There is no legal basis for this claim. The intent of the Rules and the understanding between parties is that advances made by the customer shall be refunded, and the DU has a maximum 5 years to effect such full refund. This interpretation is supported by the following:</p> <p>1. If the customer opts to be paid by the issuance of notes payable or application of the advances as</p>	<p>x.x.x standard connection facilities, <u>PROVIDED THAT THE DU SHALL PROVIDE THE CUSTOMER OR DEVELOPER WITH THE COMPUTATION OF THE COST OF FACILITIES TO BE COVERED BY CASH ADVANCE.</u></p> <p>It is proposed that we Change: fifteen (15) to ten (10) years whichever period is shorter, x.x.x</p> <p>It is proposed: x.x.x Repayment with Interest depending on the revenue x.x.x</p> <p>It is proposed to add the ff: Tap directly to the poles and facilities extended. IN MAKING THE REFUND OF CASH ADVANCE, THE DU SHALL PROVIDE THE CUSTOMERS WITH COMPUTATION OF THE AMOUNT BEING REFUNDED AND SUCH REFUND SHALL BE MADE ANNUALLY WITHIN ONE MONTH FROM ANNIVERSARY DATE OF ENERGIZATION OF FACILITIES. IN CASE THE CASH ADVANCE IS NOT FULLY REFUNDED WITHIN TEN(10) YEARS, THE OUTSTANDING BALANCE SHALL BE DUE AND DEMANDABLE AND THE CUSTOMER OR DEVELOPER MAY AVAIL OF REMEDIES FOR THE COLLECTION OF THE REMAINING UNPAID</p>
--	---	---

	<p>payment for preferred shares, and the DU accedes to this, then the customer would have been fully paid of the advances. The other option of "actual refund by installments" merely provides for a longer period (a total of 5 years) for the DU to pay. In the event that the to complete payment within 5 years, then the obligation becomes due and demandable, in which case the customer may resort to judicial action to demand full of the balance. By way of example, if the customer files a collection suit for the payment of the advances prior to expiration of the 5-year period, the DU may argue that the case should be dismissed for being premature because under the DSAOR, it has a total of 5 years to refund the customer's advances. Conversely, if full refund has not been effected within the 5-year period, the customer will have a right of action for the unrefunded balance.</p> <p>2. Section 2.6.10 (covering advances made by residential end-users who procure and pay for services and equipment to construct their own connection) provides that said customers "shall be eligible to receive a refund at the rate of twenty five (25) percent of the gross distribution revenue derived for the calendar year until such amounts are fully refunded or for five (5) years whichever period is shorter". Because of the use of the "shall" which is mandatory in character, the interpretation is that the advances must be paid by the DU within the period not exceeding 5 years.</p> <p>3. Section 1.6.1 on DISTRIBUTION CONNECTION</p>	<p>ADVANCES UNDER THE LAW.</p> <p>It is proposed that fifteen (15) years be changed to ten (10) years..x.x.</p> <p>x.x.x The DU shall be compelled to reimburse the ENTIRE balance of the customer;s advance WITHIN ONE YEAR FROM INCLUSION OF THE LINES AND FACILITIES IN THE RAB, UNLESS, both parties HAVE AGREED ON May negotiate THEIR OWN terms and conditions of THE reimbursement. FOR THIS PURPOSE, THE DU SHALL INFORM THE CUSTOMER/DEVELOPER THE DATE WHEN THE ADVANCED FACILITIES WERE STARTED TO BE INCLUDED IN THE RAB. PROVIDED HOWEVER, THAT THE CUSTOMER SHALL REIMBURSED THE ENTIRE BALANCE WITHIN ONE YEAR FROM INCLUSION OF THE LINES AND FACILITIES IN THE RAB. DEDICATED X.X.X</p>
--	--	---

ASSETS AND SERVICES expressly provides that DCAS (which relates to those facilities and related services dedicated to completing the Connection Point of an End-User or Generator) is responsibility to the DU-for End-Users in both the Captive and the Contestable Market.

Since you are no again reviewing the DSOAR for possible amendments, we suggest that the mandatory character of the responsibility of the DU be emphasized in Section 2.6 by inserting an additional sentence at the end of Section 2.6.1, e.g. –“The DU shall refund the said advances to the customer.”

However, note that under the Civil Code of the Philippines, the action to collect what the DU owes the customer by way of refund must be brought within 10 years from the time the right action accrues (which means from the expiration of the 5-year period under Section 2.6.1 of the DSOAR), thus:

Art. 1144. The following actions must be brought within ten years from the time the right of action accrues:

- (1) Upon a written contract;
- (2) Upon an obligation created by law;
- (3) Upon a judgment. (n)”

..... However, if a prospective customer x.x.x.x beyond standard facilities, X.X.X.

		<p>X.X.X.X SUCH AMOUNTS ARE FULLY REFUNDED OR FOR FIFTEEN (15) YEARS WHICHEVER X.X.X</p> <p>Instead of Payment depending on the revenue x.x.x x.x.x tap directly to the poles and facilities extended.</p> <p>The preferred shares shall be redeemable by the DU within a period of fifteen (15) years. x.x.x</p> <p>x.x.x The DU shall be compelled to reimburse the balance of the customer's advance both parties may negotiated the terms and conditions of reimbursement.x.x.x.x</p>	
<p>Article 18. Right to Due Process Prior to Disconnection of Electric Service. – x x x (G) FAILURE TO ADHERE TO THE PAYMENT SCHEME FOR THE RECOVERY BY THE DU OF THE COST OF RELOCATION OF METER/S AFTER A THIRTY (30)-DAY NOTICE.</p> <p>(h) FAILURE TO PAY THE REQUIRED BILL DEPOSITS, REIMPOSED, ADJUSTED OR OTHERWISE;</p>	<p>CEPALCO</p>	<p>ERC proposed amendment:</p> <p>Item (g). FAILURE TO ADHERE TO THE PAYMENT SCHEME FOR THE RECOVERY BY THE DU OF THE COST OF RELOCATION OF METER/S AFTER A THIRTY (30)-DAY NOTICE.</p> <p>Item (h) FAILURE TO PAY THE REQUIRED BILL DEPOSITS, REIMPOSED, ADJUSTED OR OTHERWISE;</p>	<p><u>Comment # 1:</u> Suggest to Add the following conditions:</p> <p>Item (i) – Request by the building owner, when the tenant or registered customer has vacated the premises and upon verification by the DU.</p> <p>Item (j) – If occupant upon verification is an unregistered customer.</p>

<p>WHENEVER A DU DISCONNECTS A CUSTOMER'S ELECTRIC SERVICE, IT MUST RETIRE ALL ELECTRICAL FACILITIES FOR THE SUBJECT PREMISES. RETIREMENT OF SAID FACILITIES IS NOT TANTAMOUNT TO THE TERMINATION OF THE CONTRACT OF ELECTRIC SERVICE OF THE SAID CUSTOMER</p>		<p>WHENEVER A DU DISCONNECTS A CUSTOMER'S ELECTRIC SERVICE, IT MUST RETIRE ALL ELECTRICAL FACILITIES FOR THE SUBJECT PREMISES.</p> <p>RETIREMENT OF SAID FACILITIES IS NOT TANTAMOUNT TO THE TERMINATION OF THE CONTRACT OF ELECTRIC SERVICE OF THE SAID CUSTOMER.</p>	<p><u>Comment # 2:</u> We suggest that the word "must" be replaced with "may" be inserted in the paragraph and read as follows:</p> <p><i>"...When a DU DISCONNECTS CUSTOMER'S ELECTRIC SERVICE IT <u>MAY</u> RETIRE ALL ELECTRICAL FACILITIES..."</i></p> <p>Reason: It will be too costly for the DU and cumbersome for the customer, if every disconnection will require the retirement of all of the DU's service facilities installed to serve the customer. It will also delay the reconnection of the customer because he will need to re-install the meter base.</p>
	<p>DMC</p>	<p>A DU may deem it cost- and /or operationally-expedient to leave all or a portion of the connection facilities, especially if the premises can be expected to be occupied soon after the termination of a previous account</p>	<p>The last paragraph of the draft changes is unnecessary and can be left to the discretion of Dus. It is proposed that the paragraph be revised to read:</p> <p>Whenever a DU disconnects a customer's service, at the DU's discretion, the DU may retire all electrical facilities xxx.</p>
	<p>DECORP</p>	<p>In disconnections due to non-payment of electric bills, Dus normally do not withdraw or retire the electric facilities because majority, if not most, of the disconnected accounts are reconnected within the prescribed period. If the proposed amendment would be allowed, then the OPEX of Dus in</p>	<p>DECORP Suggests that the amendment be deleted.</p>

		<p>disconnection/reconnection would naturally increase since more manpower would be required to undertake such measure. It may also give rise to the possibility that a wrong meter may be re-installed, thereby affecting the meter reading process as a whole.</p>	
	<p>DPLC</p>	<p>ERC-proposed additional provision reads:</p> <p><i>WHENEVER A DU DISCONNECTS A CUSTOMER'S ELECTRIC SERVICE, IT MUST RETIRE ALL ELECTRICAL FACILITIES FOR THE SUBJECT PREMISES. RETIREMENT OF SAID FACILITIES IS NOT TANTAMOUNT TO THE TERMINATION OF THE CONTRACT OF ELECTRIC SERVICE OF THE SAID CUSTOMER.</i></p> <p>7/Article 18/Right to Due Process Prior to Disconnection of Electric Service</p>	<p>Most customers whose meters are disconnected for non-payment applies for reconnection after a couple of days. It will be more expensive and it will take longer time to reconnect meters if this is required. The "must" should be replaced with a "may". The word "retirement" should be replaced with "removal".</p> <p>We propose adding:</p> <p><i>"(g) continuous violation by the customer of any of the provisions of its contract with the utility (VOC) or Magna Carta after the customer has been given reasonable time to comply with the terms of the Contract of the Magna Carta."</i></p> <p>This additional provision also reinforces Article 29 and eliminates the seeming inconsistency of Article 18 (where the grounds for disconnection are enumerated). Hence, limiting the grounds) and Article 29 which provides an additional ground for disconnection.</p> <p>We propose adding:</p>

		<p>XXX disconnection of electric service shall only be made under the following circumstances:</p> <p>XXX</p>	<p><i>(I) FAILURE TO COMPLY WITH THE CONDITIONS SET IN ARTICLE 11, ITEM 2.</i></p> <p>Just for reference, Article 11, Item 2, as per draft revision, states:</p> <p>The meter installation fails to meet the conditions under the first paragraph resulting from improvements done on the customer's premises thereby necessitating such relocation. <i>IN THE EVENT THE CUSTOMER FAILS TO TAKE ANY OR ALL OF SUCH MEASURES TO RELOCATE THE METER/S WITHIN THIRTY (30) DAYS AFTER RECEIPT OF NOTICE OF NON-COMPLIANCE, THE DU SHALL HAVE THE RIGHT TO TAKE SUCH MEASURES WITHOUT FURTHER NOTICE. THE CUSTOMER SHALL BE RESPONSIBLE FOR ANY AND ALL COSTS AND EXPENSES INCURRED AS A RESULT OF ITS NON-COMPLIANCE. THE PARTIES MAY ENTER INTO AN ARRANGEMENT FOR THE PAYMENT OF COSTS OF SUCH RELOCATION.</i></p> <p>The provision in this Article should clearly define and/or delineate the electrical materials</p>
--	--	---	---

		Does retirement of electrical facilities include the load and/or customer side?	
	Ecs of Region VI	Dus will strictly implement retirement to disconnected customers	The word MUST in the provision of 1 st par. After (h) should be changed to the word MAY in order to make it optional for the Dus to retire the electrical facilities
Section 1, Article 18 Right to Due Process Prior to Disconnection of Electric Service - New paragraph	MERALCO	An additional paragraph was added under Article 18, which states: <i>"Whenever a DU disconnects a customer's electric service, it must retire all electrical facilities for the subject premises. Retirement of said facilities is not tantamount to the termination of the contract of electric service of the said customer."</i> We would like to seek clarification from the Honorable Commission as to the rationale for including this paragraph as part of Article 18 of the Magna Carta. If the intention of this provision is to deter pilferage, we believe that the Dus are already doing the best they	We respectfully recommend that the said provision be deleted and replaced with the following: "The DU shall undertake necessary measures to deter pilferage."

		<p>could to stop electricity theft. In particular, MERALCO is conducting various measures to deter pilferage, such as, routine inspections and clean-up operations. Hence, retirement of the facilities would not be necessary.</p> <p>Furthermore, if the customer's service is just disconnected and not terminated, the customer's electric meter is still installed in the meter socket and is just inverted. Thus, the only way that the customer's service may be illegally tapped by electricity pilferers is through the loadside wire of the customer, which can also happen regardless if the customer's service is disconnected or not.</p> <p>Lastly, retirement of facilities would highly be inefficient and grossly disadvantageous for the customer since reconnection usually is forthcoming. MERALCO retires the metering and service facilities of its customers only after the electric service contract has been terminated. Retirement of all electrical facilities for every disconnection of customer's electric service would be too resource intensive for the DU and inconvenient for the customer. This might cause delays in the restoration of the customer's electric service because if the customer decides to apply for reconnection, the latter is required to comply with certain LGU requirements, like a CEI, while the DU will have to install new electrical facilities to restore the electric service, which will be too costly.</p>	
--	--	---	--

		<p>Thus, in the intent of reasonably protecting consumers from pilferers, efficiency and customer service, retirement of facilities should be implemented only after the contract of service of the customer has been terminated.</p>	
<p>Article 20. Right to Suspension of Disconnection – Notwithstanding the service of notice but subject to the provision of RA 7832, disconnections of service shall not be made on any week day beyond three o'clock (3:00 pm) <i>to eight o'clock (8:00 am) the following day</i>, Saturdays, Sundays x x x <i>(e) (Customer or his representative is not around; Provided, however, that this shall not be applicable to disconnections due to nonpayment of electric bills) FILING OF A COMPLAINT WITH ERC FOR CASES INVOLVING DIFFERENTIAL BILLINGS, BILLING ADJUSTMENTS ARISING FROM DEFECTIVE OR STOP METERS OR OTHER BILLING ERRORS, AND ESTIMATED CONSUMPTIONS UNTIL THE COMPLAINT'S FINAL RESOLUTION;</i> (f) <i>FILING OF A COMPLAINT WITH ERC FOR HIGH BILLING UPON THE POSTING OF A BOND EQUIVALENT TO THE COMPLAINANT'S LAST MONTH'S BILL.</i></p> <p>X x x x x x</p> <p><i>WITH RESPECT TO ITEM (E), THE STAY OF DISCONNECTION SHALL TAKE EFFECT UPON RECEIPT OF THE DU OF THE ORDER FROM THE ERC. THIS SHALL ONLY APPLY TO THE NON-</i></p>	<p>CEPALCO</p>	<p>ERC proposed amendment:</p> <p>Notwithstanding the service of notice but subject to the provision of RA 7832, disconnections of service shall not be made on any week day beyond three o'clock (3:00 pm) <i>to eight o'clock (8:00 am) the following day</i>, Saturdays, Sundays x x x (e) (Customer or his representative is not around; Provided, however, that this shall not be applicable to disconnections due to nonpayment of electric bills) FILING OF A COMPLAINT WITH ERC FOR CASES INVOLVING DIFFERENTIAL BILLINGS, BILLING ADJUSTMENTS ARISING FROM DEFECTIVE OR STOP METERS OR OTHER BILLING ERRORS, AND ESTIMATED CONSUMPTIONS UNTIL THE COMPLAINT'S FINAL RESOLUTION; (f) <i>FILING OF A COMPLAINT WITH ERC FOR HIGH BILLING UPON THE POSTING OF A BOND EQUIVALENT TO THE COMPLAINANT'S LAST MONTH'S BILL.</i></p> <p>X x x x x x</p> <p>WITH RESPECT TO ITEM (E), THE STAY OF</p>	<p><u>Comment # 1:</u> Prepaid Retail Electric Service shall be excluded from this provision but shall follow and be governed by ERC Resolution No. 15 (Series of 2009) – Rules of Prepaid Retail Electric Service</p> <p><u>Comment # 2:</u> For Item (e): We suggest that if no stay of disconnection is received by the DU from the ERC within seven (7) working days, the DU may disconnect.</p> <p><u>Comment # 3:</u> Suggest that ERC will set the number of days it will resolve a billing complaint.</p> <p><u>Comment # 4:</u> Suggest that the last paragraph should connect to item (e).</p> <p><u>Comment # 5:</u> Suggest to <u>retain item (e) with modification</u> to read as:</p> <p><i>(e) Customer or his representative is not around;</i></p>

<p><i>PAYMENT OF THE BILLINGS IN QUESTION. THE CUSTOMER SHALL, HOWEVER, CONTINUE TO PAY ITS REGULAR MONTHLY BILLS, AND NON-PAYMENT THEREOF MAY BE A GROUND FOR DISCONNECTION OF ELECTRIC SERVICE PURSUANT TO ARTICLE 18, PARAGRAPH (A) HEREOF.</i></p>		<p>DISCONNECTION SHALL TAKE EFFECT UPON RECEIPT OF THE DU OF THE ORDER FROM THE ERC. THIS SHALL ONLY APPLY TO THE NON-PAYMENT OF THE BILLINGS IN QUESTION. THE CUSTOMER SHALL, HOWEVER, CONTINUE TO PAY ITS REGULAR MONTHLY BILLS, AND NON-PAYMENT THEREOF MAY BE A GROUND FOR DISCONNECTION OF ELECTRIC SERVICE PURSUANT TO ARTICLE 18, PARAGRAPH (A) HEREOF.</p>	<p>Provided, however, that this shall not be applicable to disconnections due to nonpayment of electric bills <u><i>provided the disconnection notice was duly served.</i></u></p> <p>Reason: This will prevent the customer from avoiding disconnection by pretending to be out of their residence or just leave the premises to avoid receiving the disconnection notice.</p>
	<p>DANECO and AIM Mindanao Ecs</p>	<p>Filing of a complaint with ERC for high billing upon the position of a bond equivalent to the complainant's last month's bill.</p> <p>Question: To where the complainant post the bond? To the ERC or to the DU?</p>	<p>It is suggested that the bond will be posted at the DU. The paragraph will be... (f) Filing of a complaint for high billing upon posting of bond to the DU to the complainant's last month's bill.</p>
	<p>DLPC</p>	<p>ERC-proposed revision is as follows:</p> <p>Notwithstanding the service of notice but subject to the provision of RA 7832, disconnections of service shall</p>	<p>We are proposing 7AM. There are customers residing alone who leave and there is no one left.</p>

		<p>not be made on any week day beyond three o'clock (3:00 pm) <i>to eight o'clock (8:00 am) the following day</i>, Saturdays, Sundays x x x</p>	
	<p>MERALCO</p>	<p>The Rules provide:</p> <p>"x x x</p> <p>(e) (Customer or his representative is not around; Provided, however, that this shall not be applicable to disconnections due to non-payment of electric bills) <i>Filing of a complaint with ERC for cases involving differential billings, billing adjustments arising from defective or stop meters or other billing errors, and estimated consumptions until the <u>complaint's final resolution</u>;</i></p> <p>(f) <i>Filing of a complaint with ERC for high billing upon the posting of a bond equivalent to <u>the complainant's last month's bill</u>.</i></p> <p>X x x"</p> <p>We believe that posting of a bond by the complainant should also be applicable to complaints involving the cases enumerated under paragraph (e) above, except for differential billings. Procedures in relation to differential billings are already covered by the RA 7832.</p>	<p>For clarity, we recommend that the paragraphs (e) and (f) be combined and re-worded as follows:</p> <p>"x x x</p> <p>(e) (Customer or his representative is not around; Provided, however, that this shall not be applicable to disconnections due to non-payment of electric bills) Filing of a complaint with ERC for cases involving high billing, differential billings, billing adjustments arising from defective or stop meters or other billing errors, and estimated consumptions until the final resolution of the complaint by the Commission, upon posting of a bond equivalent to the bill/s in question.</p> <p>X x x"</p>

		<p>Furthermore, to avoid the abuse in using this provision, it is respectfully proposed that the complainant should instead post a bond equivalent to the bill/s in question.</p> <p>In fact, this was recognized during the expository hearing at the ERC. It was explained that the posting of a bond equivalent to the current bill is justified by the fact that the bill is presumed correct unless proven otherwise.</p>	
<p>Section 1, Article 20 Right to Suspension of Disconnection</p>	<p>MERALCO</p>	<p>The Rules also provides:</p> <p>“With respect to item (e), the stay of disconnection shall take effect upon receipt of the DU of the order from the ERC. This shall only apply to the non-payment of the billings in question. The customer shall, however, continue to pay its regular monthly bills, and non-payment thereof may be a ground for disconnection of electric service pursuant to Article 18, paragraph (a) hereof.”</p> <p>For clarity, it is respectfully submitted that the “order from the ERC” should be a “written Order” from the Honorable Commission before the DU may implement the stay of disconnection. In this way, both the DU and the ERC are protected from persons who may pretend to be ERC (by calling the DU through telephone or requesting in person) in order to hold the payment of their electric bill/s.</p> <p>In relation to the proposed amendments of Article 18</p>	<p>To cover cost of meter relocation if applicable, update of deposits and other charges applicable, if any, we respectfully propose to rephrase paragraph (e) as follows:</p> <p>“With respect to item (e), the stay of disconnection shall take effect upon receipt of the DU of the written order from the ERC. Xxx The customer shall, however, continue to pay its regular monthly bills and all other charges due. Non-payment thereof may be a ground for disconnection of electric service pursuant to Article 18, paragraph (a), (g), and (h) hereof.”</p>

		<p>above, the Rules shall provide additional circumstances when the DU may disconnect the electric service of a particular customer, specifically item (g) and (h) in the draft [or (h) and (i) as renumbered earlier], which should also be reflected under Article 20 of the Rules:</p> <p>“(h) Failure to adhere to the payment scheme for the recovery by the DU of the cost of relocation of meter/s after a thirty (30)-day notice; or</p> <p>3. Failure to pay the required bill deposits, reimposed, adjusted or otherwise.”</p> <p>Thus, the above circumstances should also be considered under this provision of non-payment as a ground for disconnection of electric service.</p>	
<p>Article 22. Right to Electric Service Despite Arrearages. – Without prejudice to enforcing the provisions of</p> <p>x x x.</p> <p>Conspiracy shall not be presumed but must be supported by substantial evidence on the part of the DU.</p>	CEPALCO	<p>ERC proposed amendment:</p> <p>Without prejudice to enforcing the provisions of x x x Conspiracy shall not be presumed but must be supported by substantial evidence on the part of the DU</p>	<p><u>Comment :</u></p> <p>Rephrase the proposed ERC comment in the draft amendment to read as:</p> <p>Conspiracy shall not be presumed but must be supported by substantial evidence on the part of the DU <u>such as but not limited to the sworn statement of the DU's personnel investigating the case.</u></p>
	DANECO and AIM Mindanao Ecs	(Proposed amendment) Conspiracy shall not be presumed but must be supported by substantial evidence on the part of the DU.	Since the degree of substantiality is difficult, it is recommended to maintain the present provision of the Magna Carta so as not to complicate the provision

		Question: Who will judge that the evidence is substantial?	
	ESAMELCO	Evidence of conspiracy should be specifically determined under this amended article to support its substantiality. Example: What particular documents and or evidences the DU should gather in order that the DU will have a legal standing in a court of law.	
	Ecs of Region VI	The burden of proof will be in the new applicant since he/she is not entitled to the rights and privileges of a member. The new applicant must prove that the former has no arrears w/ the DU. Take the case of buying a 2 nd hand car on as- is basis, you have to determine if it is encumbered. The right and/or obligation to full disclosure	The word DU in this provision should be changed to the word APPLICANT
	PHILRECA		We have to enumerate some events or documents that satisfy substantial evidence
<i>Article 23. Right to Reconnection of Electric Service. 4. xxx WHEN A CUSTOMER IS ENTITLED TO THE RIGHT OF STAY OF DISCONNECTION UNDER ARTICLE 20,</i>	MERALCO	The said provision provides: <i>“xxx the DU shall immediately reconnect the same within the <u>mentioned time period.</u>”</i>	Hence, for clarity, we respectfully recommend: <i>“xxx the DU shall immediately reconnect the same within the 24-hour period.”</i>

<p><i>PARAGRAPH (E) HEREOF, AND THE DU DISCONNECTS THE CUSTOMER'S ELECTRIC SERVICE DUE TO THE NON-PAYMENT OF THE BILLINGS IN QUESTION DURING THE PENDENCY OF THE COMPLAINT WITH THE ERC, THE DU SHALL IMMEDIATELY RECONNECT THE SAME WITHIN THE AFOREMENTIONED TIME PERIOD.</i></p>		<p>This Article provides for two time-periods: (1) within the period provided in the utility's Compliance Plan, and (2) 24-hour period</p>	
<p><i>Article 26. Right to Payment Under Protest. – x x x</i></p> <p><i>THE PROTEST SHALL BE MADE IN WRITING TO THE DU WITHIN FIFTEEN (15) DAYS FROM EXECUTION THEREOF FOR RE-EVALUATION. IN CASE OF DISAGREEMENT BETWEEN THE PARTIES ON THE RESOLUTION OF THE PROTEST, THE CUSTOMER MAY FILE A COMPLAINT WITH THE ERC.</i></p>	<p>ANECO</p>	<p>What is subject to the ERC approval? The interest rate? Meaning prior to payment or credit to the customer bill the interest on consumer deposit, DU's are going to file/apply for approval to ERC?</p> <p>Will this procedure delay the implementation and additional expense on du's pockets ? Currently EC's are occupied with ERC order that had to be filed with ERC and we know ERC is also occupied.</p> <p>Why not direct the Du's/EC's to submit a sworn statement indicating the compliance of art 28 par. 3 every Jan of the year.</p>	<p>Interest on consumer deposit should be net of 20% withholding tax from BIR which is also being deducted by the bank where the said consumer deposit are deposited.</p> <p>Art. 28 paragraph 2 states that an estimated one month bill deposit, instead of one can it be change to two months? Because usually Accts. Receivable of EC's are within this period. The standard set by NEA is within 30 to 45 days of Accts. Receivable.</p>
	<p>CEPALCO</p>	<p>ERC proposed amendment:</p> <p>THE PROTEST SHALL BE MADE IN WRITING TO THE DU WITHIN FIFTEEN (15) DAYS FROM EXECUTION THEREOF FOR RE-EVALUATION. IN</p>	<p><u>Comment:</u></p> <p>Suggest to change the word "execution " to " date of payment"</p> <p>To read:</p>

		CASE OF DISAGREEMENT BETWEEN THE PARTIES ON THE RESOLUTION OF THE PROTEST, THE CUSTOMER MAY FILE A COMPLAINT WITH THE ERC.	<i>"...within fifteen (15) days from <u>date of payment</u> thereof for evaluation..."</i>
	DMC	The rationale for this draft article is not clear. The proposed provisions appear to be unnecessary and should be the lookout of a DU. It is requested that ERC clarify what customer concern is being addressed by the Article?	It is proposed that Art. 26 be deleted. This will be covered by the above proposal on Art. 20.
Section 1, Article 26 , Right to Payment Under Protest	MERALCO	<p>The reckoning date of the 15-day period stated in the afore-quoted provision seems to be imprecise. For transparency and the customer's convenient determination, we respectfully submit that a 30-day period from the receipt of the customer's bill be used instead as the reference period wherein the customer may file a protest.</p> <p>In view of the fact that a billing cycle covers, on the average, 30 days – i.e., by such time a customer would have received a subsequent bill for comparison purposes – it is proposed that the period for filing a protest be extended to 30 days.</p> <p>We would also like to seek clarification if the "protest" mentioned in this provision is synonymous to a "complaint."</p> <p>We would also like to take this opportunity to bring up</p>	<p>For clarity, we respectfully recommend the rewording of the provision as follows:</p> <p>"The protest shall be made in writing to the DU within thirty (30) days from receipt of bill. In case the customer disagrees with the DU's resolution of the protest, the customer may file a complaint with the ERC within fifteen (15) days from the receipt of the resolution</p>

		<p>before the Honorable Commission that it should entertain complaints only from legitimate complainants (The Registered Customer, USER or authorized representatives with proof of authority of either). <i>Violation of ERC laws xxx and ERB Resolution No. 95-21, as amended.</i>"</p> <p>As mentioned earlier under our comments in Article 9, this set of Rules has already been superseded by the DSOAR.</p>	
<p>Section 1, Article 27 ,</p> <p>Right to File Complaints before ERC</p>	MERALCO	<p>Article 27 of the current Magna Carta, provides that <i>"Every consumer has the right to file before the ERC for violation of ERC laws xxx and ERB Resolution No. 95-21, as amended."</i></p> <p>As mentioned earlier under our comments in Article 9, this set of Rules has already been superseded by the DSOAR.</p>	<p>As recommended earlier under Article 9, we respectfully recommend that "ERB Resolution No. 95-21, as amended" be deleted from this Article</p>
<p>Article 28. <i>Obligation to Pay Bill Deposit.</i> – A bill deposit from all residential customers to guarantee payment of bills shall <i>may</i> be required of new and/or additional service by the concerned DU. <i>IN CASE THE DU OPTS TO WAIVE ITS RIGHT TO THE COLLECTION OF THE BILL DEPOSIT, THE SAID WAIVER SHALL EXTEND TO ALL ITS RESIDENTIAL CUSTOMERS.</i></p> <p>The amount of the bill deposit shall be equivalent to the</p>	ANECO	<p>What is subject to the ERC approval? The interest rate?</p> <p>Meaning prior to payment or credit to the customer bill the interest on consumer deposit, DU's are going to file/apply for approval to ERC?</p> <p>Will this procedure delay the implementation and additional expense on du's pockets?</p> <p>Currently EC's are occupied with ERC order that had to be filed with ERC and we know ERC is also</p>	<p>Interest on consumer deposit should be net of 20% withholding tax from BIR which is also being deducted by the bank where the said consumer deposit are deposited.</p> <p>Art. 28 paragraph 2 states that an estimated one month bill deposit, instead of one can it be change to two months? Because usually Accts. Receivable of EC's are within this period. The standard set by NEA is</p>

<p>estimated billing for one month <i>BASED ON THE LOAD SCHEDULE SUBMITTED BY THE CUSTOMER. AFTER SIX MONTHS FROM ENERGIZATION AND</i> every year thereafter whenever the actual average monthly bills are more or less than ten <i>(10) PERCENT OF</i> the initial bill deposit, such deposit shall be correspondingly increased/decreased to approximate said billing.</p> <p>Distribution utilities shall pay interest on bill deposits equivalent to the <i>(interest incorporated in the Weighted Average Cost of Capital (WACC), otherwise the bill deposit shall earn an interest per annum in accordance with the prevailing interest rate for savings deposit as approved by the Bangko Sentral ng Pilipinas)</i></p> <p><i>Peso Savings Account Interest Rate of Land Bank on the first working day of the year, or other government banks subject to the approval of ERC. X x x</i></p> <p><i>DISTRIBUTION UTILITIES ARE ALLOWED TO PROVIDE OPTIONS OTHER THAN CASH DEPOSITS AS A GUARANTEE OF CUSTOMERS' PAYMENTS.</i> X x x</p> <p><i>A RESIDENTIAL CONSUMER OF AN ELECTRIC COOPERATIVE (EC) WHO HAS NOT PREVIOUSLY POSTED ANY BILL DEPOSIT AND WHOSE ELECTRIC SERVICE HAS BEEN DISCONNECTED MAY BE REQUIRED BY THE CONCERNED EC TO POST THE APPROPRIATE BILL DEPOSIT BEFORE ANY RECONNECTION OF ELECTRIC SERVICE CAN BE</i></p>		<p>occupied.</p> <p>Why not direct the Du's/EC's to submit a sworn statement indicating the compliance of art 28 par. 3 every Jan of the year</p>	<p>within 30 to 45 days of Accts. Receivable.</p>
--	--	---	---

<i>EFFECTED</i>			
	CEPALCO	<p>ERC proposed amendment:</p> <p>A bill deposit from all residential customers to guarantee payment of bills shall may be required of new and/or additional service by the concerned DU. IN CASE THE DU OPTS TO WAIVE ITS RIGHT TO THE COLLECTION OF THE BILL DEPOSIT, THE SAID WAIVER SHALL EXTEND TO ALL ITS RESIDENTIAL CUSTOMERS. The amount of the bill deposit shall be equivalent to the estimated billing for one month BASED ON THE LOAD SCHEDULE SUBMITTED BY THE CUSTOMER. AFTER SIX MONTHS FROM ENERGIZATION AND every year thereafter whenever the actual average monthly bills are more or less than ten (10) PERCENT OF the initial bill deposit, such deposit shall be correspondingly increased/decreased to approximate said billing. Distribution utilities shall pay interest on bill deposits equivalent to the (interest incorporated in the Weighted Average Cost of Capital (WACC), otherwise the bill deposit shall earn an interest per annum in accordance with the prevailing interest rate for savings deposit as approved by the Bangko Sentral ng Pilipinas) Peso Savings Account Interest Rate of Land Bank on the first working day of the year, or other government banks subject to the approval of ERC. X x x DISTRIBUTION UTILITIES ARE ALLOWED TO PROVIDE OPTIONS OTHER</p>	<p><u>Comment # 1:</u> Refer to 3rd Draft of Amended DSOAR Article</p> <p>Reason: Harmonization of rules and to minimize the administrative cost incurred for monitoring actual consumption.</p> <p><u>Comment # 2:</u> For residential customers, suggest increasing from "more or less 10 %" to "more or less 50% of the customer's average monthly bill".</p> <p><u>Reason:</u> Minimize the administrative cost of monitoring the customer's actual consumption since DU's, generally, have a large number of residential customers (especially lifeline customers).</p> <p><u>Comment # 3:</u> Suggest to delete sentence # 2 as follows: " IN CASE THE DU OPTS TO WAIVE ITS RIGHT TO THE COLLECTION OF THE BILL DEPOSIT, THE SAID WAIVER SHALL EXTEND TO ALL ITS RESIDENTIAL CUSTOMERS</p> <p><u>Reason:</u> The waiver of the DU to collect the deposit should be based on the customer's excellent personal financial</p>

		<p>THAN CASH DEPOSITS AS A GUARANTEE OF CUSTOMERS' PAYMENTS.</p> <p style="text-align: center;">X x x</p> <p>A RESIDENTIAL CONSUMER OF AN ELECTRIC COOPERATIVE (EC) WHO HAS NOT PREVIOUSLY POSTED ANY BILL DEPOSIT AND WHOSE ELECTRIC SERVICE HAS BEEN DISCONNECTED MAY BE REQUIRED BY THE CONCERNED EC TO POST THE APPROPRIATE BILL DEPOSIT BEFORE ANY RECONNECTION OF ELECTRIC SERVICE CAN BE EFFECTED</p>	<p>track record</p> <p>and this cannot be true to all of its customers, therefore cannot be granted to all and should only be on a case to case basis. Likewise, If the customer fails to pay, the DU assumes responsibility of the customer's unpaid accounts.</p> <p><u>Comment # 4:</u></p> <p>Suggest to amend the annual crediting of interest to the bills of the registered customer because of the following reasons:</p> <ol style="list-style-type: none"> 1) Be more specific in defining the refunding procedure in order to avoid the possibility of erroneously refunding individuals who are not the actual user of the service or the registered customer who paid the deposit, they may be unjustly deprived of the earnings of the bill deposit. 2) Simplify the process of crediting which is administratively tedious and costly. 3) Provide other options for crediting of interest to the customer. <p>Suggest that existing Implementing guidelines be</p>
--	--	--	--

			<p>amended or the last sentence be reworded as follows:</p> <p>"xxx THE INTERESTS SHALL BE CREDITED YEARLY TO THE BILLS OR AT THE OPTION OF THE REGISTERED CUSTOMER OR ITS AUTHORIZED REPRESENTATIVE. A FORMAL APPLICATION MUST BE FILED WITH THE DU WHICH SPECIFIES THE APPLICABLE OPTIONS BUT NOT LIMITED TO THE MODE AND FREQUENCY OF THE REFUND."</p> <p>We propose the following revisions. Please see strikethroughs and underlined clauses (suggested additions).</p>
--	--	--	--

	DLPC	<p>8/Article 28 Obligation to Pay Bill Deposit</p> <p>ERC-proposed revised provisions reads:</p> <p>Consumers must pay their bills not later than nine (9) days after receipt of the monthly bill. THE BILLS MUST BE BASED ON CONSUMPTION REGISTERED BY THEIR ACCURATE ELECTRIC METERS DURING</p>	<p>Article 28. Obligation to Pay Bill Deposit. – A bill deposit from all residential customers to guarantee payment of bills shall may be required of new and/or additional service ON THE SAME CONNECTION by the concerned DU. IN CASE THE DU OPTS TO WAIVE ITS RIGHT TO THE COLLECTION OF THE BILL DEPOSIT, THE SAID WAIVER SHALL EXTEND TO ALL ITS RESIDENTIAL CUSTOMERS.</p> <p>Further question – Does this apply only to first time customers? For existing customers, the DU must be given the option to impose, reimpose, adjust the required bill deposit depending on the perceived credit risk (history, amount, etc.) of the account.</p> <p>What does “DURING ACTUAL STAY IN THE PREMISES” mean? An occupant who fails to inform the DU that it has left the premises is still liable.</p> <p>The customer must prove that he exercised due diligence to ensure that his service is not illegally used.</p>

		<p><i>THEIR ACTUAL STAY IN THE PREMISES.</i></p> <p>XXX</p> <p><i>IF IT IS PROVEN THAT THE CUSTOMER'S ELECTRIC SERVICE HAS BEEN ILLEGALLY TAPPED WITHOUT HIS CONSENT, RESULTING TO THE HIGH BILLING CONSUMPTION, THE CUSTOMER SHALL BE LIABLE TO PAY ONLY HALF OF THE ENTIRE BILLING. IF THE ENTIRE BILL HAS BEEN PREVIOUSLY PAID THE OVERPAYMENT SHALL BE CREDITED TO FUTURE BILLINGS, OTHERWISE, THE CUSTOMER SHALL PAY THE REMAINDER</i></p> <p>XXX disconnection of electric service shall only be made under the following circumstances:</p> <p>XXX</p>	<p>We propose adding:</p> <p><i>(II)FAILURE TO COMPLY WITH THE CONDITIONS SET IN ARTICLE 11, ITEM 2.</i></p> <p>Just for reference, Article 11, Item 2, as per draft revision, states:</p> <p>The meter installation fails to meet the conditions under the first paragraph resulting from improvements done on the customer's premises thereby necessitating such relocation. <i>IN THE EVENT THE CUSTOMER FAILS TO TAKE ANY OR ALL OF SUCH MEASURES TO RELOCATE THE METER/S WITHIN THIRTY (30) DAYS AFTER RECEIPT OF NOTICE OF NON-COMPLIANCE, THE DU SHALL HAVE THE RIGHT TO TAKE SUCH MEASURES WITHOUT FURTHER NOTICE. THE CUSTOMER SHALL BE RESPONSIBLE FOR ANY AND ALL COSTS AND EXPENSES INCURRED AS A RESULT OF ITS NON-COMPLIANCE. THE PARTIES MAY ENTER INTO AN ARRANGEMENT FOR THE PAYMENT OF</i></p>
--	--	---	--

			<i>COSTS OF SUCH RELOCATION.</i>
	DMC	<p>The “waive-for-one-waive-for-all” proposal will become a disincentive for Dus to explore or offer other forms of bill security. A deposit waiver for one customer may be because the customer has presented another form of security or the customer has demonstrated a good payment record for his other accounts, which may not be true for all other customers. It would probably be more equitable to say that options other than a cash deposit should be made available in a non-discriminatory manner to all customers and not selectively to certain customers.</p> <p>The Dus should have the option to waive its collection of bill deposits based on the credit-worthiness of the customer. Should a customer, for instance, enters into an Automatic Debit Arrangement (ADA) or Automatic Charging Arrangement (Credit Card) for his electricity bill payments, the bill deposit may no longer be needed as the mentioned payment options would already serve the purpose of the bill deposit</p>	<p>Recommend that the sentence “In case the DU opts to waive its right to the collection of the bill deposit, the said waiver shall extend to all its residential customers.” Be deleted from this provision</p>
	Ecs Region VI	<p>The provision bill deposit which is equivalent to the estimated billing for ONE month is not effective. The DU employs a cycle billing; consumption for the month is collected the following month. This is not reflective of the actual consumption</p> <p>The bill deposits of customers being paid to Dus is under the restricted fund therefore it cannot be utilized</p>	<p>The ONE MONTH estimated billing for bill deposit must be adjusted to TWO MONTHS</p> <p>The portion of the sentence in paragraph 3 should be changed to: Distribution utilities shall NOT pay interest on bill deposits... It should be emphasized that Ecs are non-stock, non profit unlike Dus.</p>

		<p>for operation.</p> <p>It would be burdensome to Dus to ascertain negotiable instruments and its equivalent value</p>	<p>Stick to cash deposit as this reflects true cost</p>
<p>Section 1, Article 28 1st paragraph</p>	<p>MERALCO</p>	<p>We respectfully propose that bill deposits should be required from all new and/or additional service, unless it can be established that there is no more need to collect such.</p> <p>In the aforesaid provision, waiving of the collection of bill deposit, if done, should be extended also to the other residential customers. However, we believe that waiving of a residential customer's should be on a case-to-case basis because not all customers are under the same circumstances or would have the same justification to ask for waiver. An example of which is based on the credit-worthiness of the customer.</p> <p>It should be noted that the purpose of the collection of such deposit is to serve as a guarantee in case the customer defaults in the payment of his bills. Hence, should a customer, for instance, enters into an Automatic Debit Arrangement (ADA) or Automatic Charging Arrangement (Credit Card) for his electricity bill payments, the bill deposit may no longer be needed as the mentioned payment options would already serve the purpose of the bill deposit.</p>	<p>We respectfully recommend:</p> <p>"A bill deposit from all residential customers to guarantee payment of bills shall be required of new and/or additional service by the concerned DU. The DU may opt to waive its collection of bill deposits for justifiable reasons on a case-to-case basis.</p>

		In fact, Article 7 of the current Magna Carta provides that <i>"A customer who has paid his electric bills on or before its due date for three (3) consecutive years may, however, demand for the full refund of the deposit even prior to the termination of his service."</i> The aforementioned provision is in tune with our proposal that bill deposits may be waived by the DU from customers depending on certain situations	
Section 1, Article 28 2 nd paragraph	MERALCO	<p>To be consistent with Article 6 of the Magna Carta, it is respectfully proposed that the "load schedule" used in this provision be replaced with "list of loads." Furthermore, we would like to emphasize that since the load schedule submitted by the customer shall be used as basis for his/her bill deposit, this should be a realistic list of applied loads as attested by the customer/ applicant.</p> <p>On the other hand, for the updating of the bill deposit, we respectfully propose to the Honorable Commission that this be aligned with the DSOAR provision wherein the updating of the said deposit is done after one (1) year from energization of the customer's service. We believe that one year historical consumption is a more realistic approximation of the customer's actual average monthly consumption. This case would apply especially when the customer has just moved in to the said premises, hence, the first few months may not yet reflect the average consumption of the customer.</p>	<p>We respectfully recommend that the said provision be modified as follows:</p> <p>"x x x</p> <p>The amount of the bill deposit shall be equivalent to the estimated billing for one month based on the List of Loads submitted by the customer. After one (1) year from energization and every year thereafter whenever the actual average monthly bills are more or less than ten (10) percent of the initial bill deposit, such deposit shall be correspondingly increased/ decreased to approximate said billing.</p>
	PHILRECA		<i>AFTER SIX MONTHS FROM ENERGIZATION AND</i> every year thereafter whenever the actual average

			<p>monthly bills are more or less than BY ten (10) PERCENT OF the initial bill deposit, such deposit shall be correspondingly increased/decreased to approximate said billing.</p>
<p>Article 32. Obligation to Pay Monthly Electric Bills; High Billings – Consumers must pay their bills not later than nine (9) days after receipt of the monthly bill. THE BILLS MUST BE BASED ON CONSUMPTION REGISTERED BY THEIR ACCURATE ELECTRIC METERS DURING THEIR ACTUAL STAY IN THE PREMISES. IF THERE IS HIGH BILLING CONSUMPTION EQUIVALENT TO AN INCREASE IN KILOWATTHOUR CONSUMPTION EXCEEDING ONE HUNDRED PERCENT (100%) OF THAT OF THE PREVIOUS MONTH, AND THE CUSTOMER HAS PAID THE ENTIRE AMOUNT, HE SHALL BE ALLOWED TO CONTEST THE SAME WITHIN SIXTY (60) DAYS FROM PAYMENT THEREOF BY LODGING A FORMAL PROTEST WITH THE DU ACCOMPANIED BY PROOF WHY THE CUSTOMER SHOULD NOT BE LIABLE FOR THE ENTIRE BILL. ALTERNATIVELY, THE CUSTOMER SHALL BE ALLOWED TO PAY AN AMOUNT EQUIVALENT TO THE LAST MONTH'S BILL PROVIDED THE CUSTOMER IMMEDIATELY SUBMITS PROOF OF NON-LIABILITY FOR THE ENTIRE AMOUNT.</p> <p>THEREAFTER, THE DU SHALL CONDUCT AN INVESTIGATION OF THE COMPLAINT. THE CUSTOMER MUST COOPERATE WITH THE DU THROUGHOUT THE</p>	<p>CEPALCO</p>		<p><u>Comment:</u></p> <p>Suggest including in this article that the surcharge rate for delayed payments be set at two percent (2%) in accordance with BOE Case No. 84-27.</p>

INVESTIGATION PROCESS AND ALLOW THE DISTRIBUTION UTILITY'S DULY AUTHORIZED REPRESENTATIVES TO CONDUCT A THOROUGH INSPECTION OF THE PREMISES OF THE CUSTOMER INCLUDING THE ELECTRIC METER AND ELECTRICAL WIRINGS AT THE CUSTOMER'S EXPENSE. ALL INSPECTIONS SHALL BE DONE IN THE PRESENCE OF THE CUSTOMER OR THE CUSTOMER'S DULY AUTHORIZED REPRESENTATIVE/S. ALL INVESTIGATIONS OF HIGH BILLING COMPLAINTS MUST BE COMPLETED WITHIN THIRTY (30) DAYS FROM FILING OF THE COMPLAINT OR PROTEST. THE DISTRIBUTION UTILITY SHALL THEN ISSUE A WRITTEN RESOLUTION OF THE COMPLAINT STATING THE REASONS THEREOF.

IF THE CUSTOMER FAILS TO EXERCISE ANY OF THE OPTIONS UNDER THE SECOND PARAGRAPH AND THE CONDITIONS SET FORTH IN THE IMMEDIATELY PRECEDING PARAGRAPH OF THIS ARTICLE, THE SAID BILLING SHALL BE CONSIDERED CONCLUSIVE BETWEEN THE PARTIES WITHOUT PREJUDICE TO THE OTHER RIGHTS AND OBLIGATIONS OF EITHER PARTY UNDER ANY OF THE PROVISIONS OF THE MAGNA CARTA.

ERC WILL ONLY ENTERTAIN COMPLAINTS FOR HIGH BILLING IF THE SAID COMPLAINT IS ACCOMPANIED BY A CERTIFICATION FROM THE CONCERNED DU OR ANY OTHER PROOF THAT BOTH PARTIES HAS EXHAUSTED ALL AVENUES TO RESOLVE THE SAME TO NO AVAIL. ALL COMPLAINTS MUST BE

--	--

<p>ACCOMPANIED BY PROOF THAT THE CUSTOMER IS ENTITLED TO THE RELIEF SOUGHT FOR. IF IT IS PROVEN THAT THE CUSTOMER'S ELECTRIC SERVICE HAS BEEN ILLEGALLY TAPPED WITHOUT HIS CONSENT, RESULTING TO THE HIGH BILLING CONSUMPTION, THE CUSTOMER SHALL BE LIABLE TO PAY ONLY HALF OF THE ENTIRE BILLING. IF THE ENTIRE BILL HAS BEEN PREVIOUSLY PAID THE OVERPAYMENT SHALL BE CREDITED TO FUTURE BILLINGS, OTHERWISE, THE CUSTOMER SHALL PAY THE REMAINDER.</p>		
	<p>DMC</p> <p>The customer may contest his bill within 60 days from the date the customer's electric bill was paid. However, beyond 60 days, it shall be deemed that the customer has accepted the regularity of the bill.</p> <p>In addition, the intention of the following provision: "Alternatively, the customer shall be allowed to pay an amount equivalent to his last month's bill provided the customer immediately submits proof of non-liability for the entire amount" should be clarified. It is proposed that the customer should be made to pay the contested bill given the presumption that the bill is accurate until proven otherwise.</p> <p>The proposed amendments also provides that "If it is proven that the customer's electric service has been illegally tapped without his consent, resulting to the high billing consumption, the customer shall be liable to pay only half of the entire billing. If the entire bill has been previously paid the overpayment shall be credited to future billings, otherwise, the customer shall pay the</p>	<p>It is proposed that the measurement of an increase in kWh consumption should be compared to the 12-month average consumption immediately preceding the billing month in question to take into account any seasonal patterns in the customer's consumption, instead of the "previous month kilowatthour consumption" as provided in the proposed amendments.</p> <p>Recommend the deletion of this paragraph since the same is only applicable to EMCs and clustered metering. Hence, it will only be fair that any costs in relation to proven illegal tappings on the customer's service drop wires, should not be borne by the DU.</p>

		remainder.”	<p>The last paragraph of the draft changes appears to be taken from the rules on EMC’s. It should be emphasized that this cannot be carried over to other connection types. Dus cannot be made responsible for illegal connections on customer facilities.</p> <p>The wires being referred to in this provision, which may be subject to illegal tappings for this type of installation, is the sole property of the customer (“loadside wires”), hence, should not fall within the responsibility of the DU. The integrity of the customer’s facilities/installations is already covered by the Local Government Units (LGUs) upon the issuance of the Certificate of Final Electrical Inspection (CFEI). Also, as compared to EMC, the loadside wires can be easily monitored by the customer who can detect the pilferage or illegal tapping.</p>
	Ecs of Region VI	Experience and history wise no consumer ever admits that he/she has knowledge of any illegal activities. Consumers are bound to look after their electric service facilities as stipulated in Article 5 (d) of the Magna Carta	The word ONLY HALF OF in paragraph 6 should be omitted therefore the entire billing shall be paid by the customer.
Section 1, Article 32	MERALCO	There may be no need to mention “accurate” for the	We therefore recommend that the 2 nd or last sentence

<p>1st paragraph</p>		<p>registered consumption of the electric meters, since Article 9 of this set of Rules already provides that DU meters must have an ERC seal to warrant its accuracy. Since all the electric meters, before being placed in service, is adjusted to as close as possible to the condition of zero error, hence, the consumption registered in the said meter should already be sufficient.</p> <p>Furthermore, the phrase “during their actual stay in the premises” may not also be appropriate to be included in the said provision. Maintaining this proposed revision to the said provision may be open to disputes and subject to the abuse of some customers. For instance, a customer who would claim that he took a vacation, hence “not staying in the premises,” but asked his relatives to stay in his house during the time he is away, may use this provision to avoid payment of his bill.</p>	<p>in the afore-quoted provision be deleted, thus, the old provision is retained as follows:</p> <p>“Consumers must pay their bills not later than nine (9) days after receipt of the monthly bill. The bills must be based on consumption registered by their accurate electric meters during their actual stay in the premises.”</p>
<p>Section 1, Article 32 2nd paragraph</p>	<p>MERALCO</p>	<p>As provided in the EMC Rules, an abrupt change in kilowatt-hour consumption means <i>“an increase by one hundred percent (100%) or decrease by fifty percent (50%) of consumption based on the average 12-month consumption immediately preceding the billing month in question.”</i> Hence, for consistency, the measurement of an increase in kWh consumption should be defined as such, that is, 100% increase and compared to the preceding 12-month average consumption of the customer. This is also to take into</p>	<p>We respectfully recommend</p> <p>“If there is high billing consumption equivalent to an increase by one-hundred percent (100%) in kilowatt-hour consumption of the preceding 12-month average consumption, and the customer has paid the entire amount, he shall be allowed to contest the same within thirty (30) days from receipt of bill thereof by lodging a formal protest with the DU accompanied by proof why the customer should not be liable for the</p>

	<p>account any seasonal patterns in the customer's consumption.</p> <p>Moreover, we would like to seek clarification from the Honorable Commission as to the rationale of the 60-day period (from date of payment) within which the customer is allowed to contest his electric bill. It is respectfully proposed that the said period be shortened from 60 days to 30 days from the receipt of the bill by the customer. In view of the fact that a billing cycle covers, on the average, 30 days – i.e., by such time a customer would have received a subsequent bill for comparison purposes – it is proposed that the period for filing a protest be shortened to 30 days. We believe that the said period is sufficient time for the customer to evaluate his bill.</p> <p>On the other hand, we propose that the last sentence of the afore-quoted provision be removed from the provision. The customer should be made to pay the contested bill. After all, the customer's contested bill is presumed valid and binding, unless found otherwise by the regulator. Moreover, we propose that to stay the disconnection of service for regular bills with an increase of more than 100% consumption from the previous bill, a customer should be required to pay an amount equivalent to his <u>contested bill</u>. Given that for regular bills with an increase of less than or equal to 100% consumption from the previous bill, the customer is given the option to pay the full amount of the contested bill so as to ensure continued service, it is with more reason <u>that the full amount of the contested</u></p>	<p>entire bill. Alternatively, the customer shall be allowed to pay an amount equivalent to his last month's bill provided the customer immediately submits proof of non-liability for the entire amount."</p>
--	--	---

		<p><u>bill should be paid in the earlier scenario.</u></p> <p>Based on MERALCO's experience, this rule on suspension of disconnection for disputed bills has been abused by unscrupulous customers as a way of evading payment of their valid obligations to the DU by the mere filing of a case before the ERC. Further, this has contributed to the increase in the number of insubstantial complaints filed with the ERC.</p> <p>It should also be noted that even under RA 7832, it is required that for the suspension of disconnection or restoration of a disconnected service, the full amount of the differential billing should be paid.</p> <p>In view of the foregoing reasons, we recommend that the customer be required to pay the contested amount as a requirement for stay of disconnection, hence the last sentence of the afore-quoted provision may no longer be necessary.</p>	
<p>Section 1, Article 32 5th paragraph</p>	<p>MERALCO</p>	<p>For clarity and simplicity, we would like to reword the afore-quoted provision.</p> <p>In relation to the required "certification from the concerned DU or any other proof that both parties has exhausted all avenues to resolve the complaint," for simplicity we respectfully submit that the proof be the DU's written resolution of the complaint and evidences in support of the customer's complaint.</p>	<p>We respectfully recommend that the 5th paragraph of Article 32 be re-worded as follows:</p> <p>"ERC will only entertain complaints for high billing if said complaints are accompanied by the DU's written resolution of the complaint. All complaints must be accompanied by evidence in support of the customer's complaint."</p>

<p>Section 1, Article 32 6th paragraph</p>	<p>MERALCO</p>	<p>This provision is rightfully applicable to EMC services only. With the issuance of ERC’s Rules on Elevated Metering Centers and other elevated services, the EMC service drop wires from the meter (at the EMCs) to the point where it should have been placed had it not been elevated, generally, became Dus facilities. Hence, the responsibility to guard these wires against illegal tappers falls within the Dus’.</p> <p>On the other hand, in the afore-quoted provision, it can be interpreted to mean that it may also apply to meters installed within the prescribed height of the Magna Carta and the DSOAR. However, the wires that may be subject to illegal tapplings for this type of installation is the sole property of the customer (“loadside wires”), which is located within the customer’s premises. Therefore, it is the customer’s obligation (not of the DU’s) to guard the said wires from any illegal tapping. Making the DU responsible for illegal tapping committed in the loadside wires to which the DU has no control over, would be putting on the DU the responsibility of the customer to guard the said wires (<i>customer-owned electrical installation</i>).</p>	<p>We respectfully recommend the deletion of this paragraph since the same is only applicable to EMCs. Hence, it will only be fair that any costs in relation to proven illegal tapplings on the customer’s service drop wires, should not be borne by the DU.</p>
<p>Section 1, Article 33 New paragraph</p>	<p>MERALCO</p>	<p>The afore-quoted paragraph refers to a mandatory staggered payment scheme, which limits the period for payment to a period equivalent to the number of months covering the billing adjustment. We respectfully note that prescribing a staggered payment scheme is inconsistent with the principle that the agreement between the parties should be one they freely and voluntarily enter into. There may be</p>	<p>We respectfully recommend:</p> <p>“The DU must enter into an agreement with the customer for a staggered payment scheme within a period to <i>at least</i> the number of months covering the billing adjustment or a period mutually acceptable to the parties.”</p>

		<p>instances when the customer would prefer to pay his obligation in a short period of time.</p> <p>In addition, there may also be instances when the customer is not a permanent resident (eg. Tenant) of the subject service with billing adjustment. So, if the tenant leaves the premises, there might be amount of billing adjustment that will remain to be unpaid and part of which will be shouldered by the owner (covered by the Undertaking).</p> <p>Thus, we respectfully recommend that the parties be given the freedom to stipulate their desired payment scheme.</p>	
<p>Section 1, Article 33 5th paragraph</p>	<p>MERALCO</p>	<p>The aforesaid provision refers to three bases of estimated consumption, the last sentence being the two methodologies from which the DU may choose if there is no ERC test result. It is proposed that for the last option, the average, instead of the lowest, monthly consumption within three (3) months after the time of discovery be made the basis for estimated consumption. The use of the lowest monthly consumption is clearly unfair and unreasonable since the customer will naturally reduce his consumption after the discovery of the error. Hence, we suggest using the average consumption within three (3) months after the time of discovery. This will not only serve as a protection for the DU but is also appropriate as the average consumption would more likely reflect and more closely approximate the customer's actual consumption.</p>	<p>We respectfully recommend that the provision be modified as follows:</p> <p>"The refund or billing adjustment should be based on the rate prevailing during the period sought to be recovered, and the estimated consumption shall be based upon the result of the ERC test on the affected meter during the time of discovery. If there is no ERC test result, the refund or billing adjustment should be based on the average monthly consumption of the customer within three (3) months after the time of discovery, or the average use of energy for the immediately preceding six-month period of like use."</p>

		<p>Furthermore, the average use of energy for the immediately preceding six-month period should be used only in the absence of the average monthly consumption within 3 months from discovery, the latter being more fair and reasonable to both DU and customer.</p>	
<p>Section 1, Article 35 <i>(existing Magna Carta provision)</i></p>	<p>MERALCO</p>	<p>The period of recovery in the quoted provision provides a less than one year recovery period. However, this contradicts Section 6 (Disconnection of Electric Service) of RA 7832. The Act particularly provides that the period when the differential billing will be charged shall <i>"in no case, be less than one (1) year preceding the date of discovery of the illegal use of electricity."</i></p> <p>This suggests that a customer who pilfers electricity is in a better position than the one who religiously pays his electric bills, because in the case of the former, he was able to consume electricity without being charged during the actual month of consumption. His differential bill will be rendered only after apprehension which could be several months after and then ask for discounts. This effectively encourages rather than discourages electricity pilferers.</p> <p>With less than the minimum one-year recovery period, the violator is not discouraged from committing the same crime in the future because the actual gain</p>	<p>We respectfully recommend that the provision under the RA 7832, to wit: "in no case, be less than one (1) year preceding the date of discovery of the illegal use of electricity" be adopted in the said provision:</p> <p>"xxx</p> <p>The period to be recovered for the purpose of computing the differential billing shall be subject to the following rules:</p> <ol style="list-style-type: none"> 1. If prior to the date of discovery, there was a change of meter, change of seal or reconnection, or replacement of parts, or it can be determined when an abrupt or abnormal drop in consumption occurred, the period to be recovered for purposes of the differential billing should be reckoned from the time when the said changes, inspection or reconnection occurred, which shall in no case, be less than one (1) year preceding the date of discovery of the illegal use of electricity. 2. Furthermore, if the concerned consumer presents

		<p>outweighs the penalty. Hence, for deterrence purposes, we recommend that the provision on the minimum period of 1 year under the law be considered.</p>	<p>indubitable and adequate proof that the occurrence of the illegal use of electricity is for a <u>period which could be less than the alleged affected period</u>, then for purposes of calculating the differential billing, the recoverable period shall start from the occurrence of the illegal use up to the time of apprehension, which shall in no case, be less than one (1) year preceding the date of discovery of the illegal use of electricity.</p> <p>Xxx"</p>
<p>Section 1, Article 36</p>	<p>MERALCO</p>	<p>For clarity and consistency, the term "substitution" should be used all through out the entire provision since the said term is already equivalent to Transfer of Service.</p> <p>As to paragraph (c), it is respectfully submitted that since the obligation to disclose a tenant's departure is</p>	<p>We respectfully recommend:</p> <p>"Transfer of Electric Service. – Applications for transfer of electric service (or "substitution") for the premises covered by the electric service contract shall be allowed under the following circumstances:</p> <p>x x x</p> <p>(c) If the distribution utility discovers that the registered customer who is a tenant has permanently left the premises, the owner of the said premises, upon due notice by the distribution utility, shall be substituted as the new registered customer, unless the new occupant applies for transfer of electric service."</p>

Section 1, Article 37	MERALCO	Typographical error.	<p>We respectfully recommend:</p> <p>“xxx – Termination of electric service shall be only be effected, after giving due notice to the other party, for any of the following reasons: xxx</p>
	MERALCO	<p>The customer has already been given sufficient time to settle his bill with the DU before any termination of service is effected. Continuous disconnection for more than one month is already an indication that the customer is no longer interested in restoring his/her electric service. Hence, we respectfully submit that delay of termination for an additional month (i.e. total of two months for disconnection) is already sufficient allowance and the DU should be allowed to terminate an account as early as two months from disconnection.</p> <p>On the other hand, for permanent departure or abandonment by the registered customer of the subject premises, termination may only be effected after giving due notice to the party. However, we would like to seek clarification from the Honorable Commission on the procedure of notifying the customer if he has already left the subject premises.</p> <p>Furthermore, we would like to ask for the coverage of “public safety.”</p>	<p>We respectfully recommend:</p> <p>(b) Continuous disconnection for a period of three two months, except if the disconnected customer resorted to illegal connection, in which case, the customer’s electric service shall be immediately terminated.</p> <p>We respectfully recommend that the coverage of public safety be given in this provision for clarity.</p>

		Finally, we respectfully recommend that in the event that the customer was found to have misrepresented himself by submitting fraudulent documents during his application with the DU shall be reasonable grounds for termination of his electric service	Lastly, we respectfully recommend "fraud or misrepresentation by the customer in the application of electric service" be included as an additional circumstance or reason for termination of electric service.
Section 4 Additional Section	MERALCO	An additional section is stated as follows: "Section 4. All rules, regulations, guidelines and other issuances not expressly revised herein shall remain in force and effect."	For clarity, we respectfully recommend that the said provision be re-worded as follows: "Section 4. All rules, regulations, guidelines and other issuances inconsistent with the Amended Magna Carta are hereby superseded or amended. "
	PEPOA	Proposed amendment states that if it is proven that the customer's electric service been illegally tapped without his consent, resulting to the high billing consumption, the customer shall be liable to pay only half of the entire billing. It is submitted that the customer is in a better position to monitor his side of the meter as the customer should be monitoring only his own electric facilities. On the other hand, DUs cannot be reasonably be expected to monitor all the hundreds of thousands of its customer's side of the meters as they are already have their hands full just monitoring all the electrical facilities on the utility side of the meter. Moreover, the proposed amendment sends out a wrong	IF IT IS PROVEN THAT THE CUSTOMER'S ELECTRIC SERVICE HAS BEEN ILLEGALLY TAPPED WITHOUT HIS CONSENT, RESULTING TO THE HIGH BILLING CONSUMPTION, THE CUSTOMER SHALL BE LIABLE TO PAY ONLY HALF OF THE ENTIRE BILLING <u>BUT RECOVER HALF THEREOF FROM THE CONSUMER WHO MADE THE ILLEGAL TAPPING.</u> IF THE ENTIRE BILL HAS BEEN PREVIOUSLY PAID THE OVERPAYMENT SHALL BE <u>RECOVERED FROM THE ACCOUNT OF THE CONSUMER WHO BENEFITED FROM THE ILLEGAL TAPPING</u> CREDITED TO FUTURE BILLINGS, OTHERWISE, THE CUSTOMER SHALL PAY THE REMAINDER.

		<p>signal as it encourages unscrupulous individuals to tap illegally on another customer because the cost of the resultant high billing will be divided between the DU and the customer. The unscrupulous individual who made the illegal tapping should be made to accountable to the customer who suffered from illegal tapping.</p> <p>It is therefore recommended that in order to instill vigilance on the customer, the customer should instead file a complaint against the consumer who made the illegal tapping to recover half of the resultant high billing.</p> <p>It is further recommended that the Commission should assume jurisdiction over disputes between consumers as it has the technical expertise to resolve these kinds of disputes.</p>	
	VECO	<p>ERC-proposed revised provisions reads:</p> <p>Consumers must pay their bills not later than nine (9) days after receipt of the monthly bill. <i>THE BILLS MUST BE BASED ON CONSUMPTION REGISTERED BY THEIR ACCURATE ELECTRIC METERS DURING THEIR ACTUAL STAY IN THE PREMISES</i></p>	<p>1.Delete "...during their actual stay in the premises" because if there is really a meter registration, then electricity is consumed even if customer is temporarily not staying in the premises during the concern billing period. Customer must secure his house. If customer house is tapped illegally, it is customer's lookout to safeguard the premises while he is away - and not DU's responsibility. Billing determinant should be the actual meter registration of the accurate billing meter.</p>

			<p>2. When it is proven that customer has been illegally tapped without his consent, resulting to high billing consumption, customer must be liable to pay in full of the entire billing and not half as proposed. DU has no control on illegal tapping. It is the customer that has the sole control and responsibility in securing his/her premises from bad elements.</p> <p>We recommend that timeframe to file a complaint to the DU should be reduced to WITHIN THIRTY (30) DAYS FROM PAYMENT THEREOF.</p>
	<p>PHILRECA</p>	<p>The reference for any increase in billing should not on the previous month. We should consider also the seasonality of consumption of the consumer.</p> <p>The sixty (60) days allowance given to the consumer to file a complaint to the DU is too long. In such cases, we are very sure that the customer is alerted on such high billings and it has to act immediately.</p> <p>On the succeeding statement, we seek clarification on the intent of such provision. We are of the belief that the meter installed to the consumer is accurate until proven otherwise.</p>	<p>We suggest the deletion of such provision. Any way adjustments shall be effected if proven erroneous.</p> <p>We recommend the deletion of this provision</p> <p><u>Comment:</u></p> <p>Suggest that this article be made consistent or harmonized with the DSOAR to avoid inconsistencies</p>

		<p>Such provision is only applicable to EMCs. Meter installations except EMCs, the wires referred into is within the jurisdiction of the consumer. Therefore, it is the consumers responsibility to monitor and disallow illegal tapping or pilferage. At the same time, the consumer may just connive for illegal tapping or pilferage for a possible regular fee which may be lower than the monthly electric bill.</p>	
<p>Article 33. Obligation to pay Billing Adjustments and Undercharges. – x x x The DU must enter into an agreement with the customer for a staggered payment scheme within a period equivalent to AT LEAST the number of months covering the billing adjustment. The refund or billing adjustment should be based on the rate prevailing during the period sought to be recovered, and the estimated consumption shall be based upon the result of the ERC test on the affected meter during the time of discovery. If there is no ERC test result, the estimated consumption shall be based on the average use of energy for the immediately preceding six-month period of like use, or the lowest monthly consumption within three (3) months after the time of discovery.</p> <p>In case of disagreement on such bill, the ERC shall resolve the same IF IT IS PROVEN THAT THE CUSTOMER HAS BEEN UNDERCHARGED IN THE PAYMENT OF HIS MONTHLY BILLS, THE CUSTOMER SHALL HAVE THE</p>			

<p><i>OBLIGATION TO PAY SUCH UNDERCHARGES. PAYMENTS FOR UNDERCHARGE SHALL BE COMPUTED BACK TO THE DATE ON WHICH THE ERROR COMMENCED.</i></p> <p><i>HOWEVER, IF THE ERROR OR OMISSION RESULTED FROM CONSPICUOUS DEFECTS AND/OR OTHER BILLING ERRORS DUE TO THE FAULT OF THE DU, THE BILL FOR UNDERCHARGE SHALL BE FOR A PERIOD NOT EXCEEDING THREE (3) MONTHS. THIS PROVISION SHALL LIKEWISE BE APPLICABLE TO ERRORS ARISING UNDER ARTICLE 9, PARAGRAPH 2 OF THE MAGNA CARTA.</i></p>			
<p>Article 36. TRANSFER OF ELECTRIC SERVICE. – APPLICATIONS FOR TRANSFER OF ELECTRIC SERVICE (OR SUBSTITUTION) FOR THE PREMISES COVERED BY THE ELECTRIC SERVICE CONTRACT SHALL BE ALLOWED UNDER THE FOLLOWING CIRCUMSTANCES: (a) IF THE REGISTERED CUSTOMER WAS A TENANT WHO HAS LEFT THE PREMISES, A NEW TENANT SHALL BE ALLOWED TO SUBSTITUTE THE SAID REGISTERED CUSTOMER; (b) IN CASE OF SALE OF THE PREMISES, THE NEW OWNER OF THE PREMISES SHALL BE ALLOWED TO APPLY FOR SUBSTITUTION IF THE REGISTERED CUSTOMER WAS THE PREVIOUS OWNER OF THE</p>	<p>ECs of Region VI</p>	<p>The title of this article confuses one to the location of the electric service and not the transfer of billing name and/or ownership</p>	<p>The title shall be rephrased as: TRANSFER OF OWNERSHIP/BILLING NAME/ACCOUNT NAME OF ELECTRIC SERVICE so that it will clearly refer to the change of name/ownership</p>

<p>PREMISES; OR (c) IF THE DISTRIBUTION UTILITY DISCOVERS AND PROVES THAT THE REGISTERED CUSTOMER WHO IS A TENANT HAS PERMANENTLY LEFT THE PREMISES, THE OWNER OF THE SAID PREMISES, UPON DUE NOTICE BY THE DISTRIBUTION UTILITY, SHALL BE SUBSTITUTED AS THE NEW REGISTERED CUSTOMER, UNLESS THE NEW OCCUPANT APPLIES FOR TRANSFER OF ELECTRIC SERVICE. IN SUPPORT OF THE APPLICATION, THE APPLICANT SHALL SUBMIT TO THE DISTRIBUTION UTILITY ALL REQUIREMENTS AS PROVIDED FOR IN ARTICLE 6 HEREOF, WHICHEVER IS APPLICABLE TO THE SAID APPLICANT. UPON APPROVAL OF THE TRANSFER OF ELECTRIC SERVICE, THE NEW REGISTERED CUSTOMER SHALL ASSUME ALL RIGHTS AND OBLIGATIONS OF THE OLD REGISTERED CUSTOMER. ARREARAGES BY THE PREVIOUS REGISTERED CUSTOMER OR OCCUPANT SHALL BE DEALT WITH IN ACCORDANCE WITH ARTICLE 22 HEREOF.</p>			
<p><i>Article 37. TERMINATION OF ELECTRIC SERVICE. - TERMINATION OF ELECTRIC SERVICE SHALL ONLY BE EFFECTED, AFTER GIVING DUE NOTICE TO THE OTHER PARTY, FOR ANY OF THE FOLLOWING REASONS: (a) REQUEST BY THE REGISTERED CUSTOMER; (b) CONTINUOUS DISCONNECTION FOR A PERIOD OF THREE MONTHS;</i></p>	<p>CEPALCO</p>	<p>TERMINATION OF ELECTRIC SERVICE SHALL BE ONLY BE EFFECTED, AFTER GIVING DUE NOTICE TO THE OTHER PARTY, FOR ANY OF THE FOLLOWING REASONS: (a) REQUEST BY THE REGISTERED CUSTOMER; (b) CONTINUOUS DISCONNECTION FOR A PERIOD OF THREE MONTHS; (c) PERMANENT DEPARTURE OR ABANDONMENT</p>	<p><u>Comment #1:</u> Suggest to insert the word: " CONTRACT" <u>To read:</u> "Termination of the electric service <u>contract</u> shall be..." <u>Comment #2:</u></p>

<p><i>(c) PERMANENT DEPARTURE OR ABANDONMENT BY THE REGISTERED CUSTOMER OF THE SUBJECT PREMISES;</i></p> <p><i>(d) PUBLIC SAFETY; AND</i></p> <p><i>(e) ORDERS OF COMPETENT COURTS OR OTHER GOVERNMENT AGENCIES.</i></p> <p>Section 2. All other articles of the Magna Carta for Residential Electricity Consumers are hereby renumbered accordingly.</p> <p>Section 3. If any of the foregoing amendments is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.</p> <p>Section 4. All rules, regulations, guidelines and other issuances not expressly revised herein shall remain in force and effect.</p> <p>Section 5. These amendments shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the country.</p>		<p>BY THE REGISTERED CUSTOMER OF THE SUBJECT PREMISES;</p> <p>(d) PUBLIC SAFETY; AND</p> <p>(e) ORDERS OF COMPETENT COURTS OR OTHER GOVERNMENT AGENCIES.</p>	<p>Suggest to re-state the paragraph:</p> <p><i>“TERMINATION OF ELECTRIC SERVICE CONTRACT SHALL BE ONLY BE EFFECTED, AFTER GIVING DUE NOTICE TO THE OTHER PARTY, FOR ANY OF THE FOLLOWING REASONS.... XXXX</i></p> <p><u><i>A due notice to the other party shall be required only for items (a), (d) and (e).</i></u></p> <p>The disconnection notice (“due process”) mentioned in Article 18 should already indicate that continuous disconnection for 3-months period shall be ground for termination of electric service contract.</p> <p>We suggest to create a separate Article after Article 37 titled: “Retirement of Facilities”</p> <p><u>Reason:</u> Giving of notice is no longer needed if the customer has already vacated the premises and cannot be located and his electric service was already disconnected.</p> <p>We suggest to create a separate Article after Article 37 titled: “Retirement of Facilities”</p> <p>The DU shall retire electrical facilities after permanent disconnection or after 12-months of continuous electric service disconnection</p>
--	--	--	---

	ECs of Region VI	The phrase CONTINUOUS DISCONNECTION is quite vague or confusing	Additional statement shall be added in (b) which will provide: (b) CONTINUOUS DISCONNECTION FOR A PERIOD OF THREE MONTHS DUE TO DELINQUENCY/ NON-PAYMENT OF POWER BILLS. Request for temporary and voluntary disconnection is not included under this circumstance.
	PHILRECA		TERMINATION OF ELECTRIC SERVICE SHALL BE ONLY BE EFFECTED, AFTER GIVING DUE NOTICE TO THE OTHER PARTY, FOR ANY OF THE FOLLOWING REASONS:
For Additional Article in the Magna Carta	DANECO and AIM Mindanao ECs	An additional article should be inserted before the Final Provisions or before Article 36. Implementation. The additional Article should reflect or provide the Obligation of the Consumer to Report Pilferage, stuck-up meters or any damages to the equipment of the DU. This article will encourage the consumers to cooperate the DU in its operation.	Article 36 (and the Article 36 will become Article 37) Article 36. Obligation of the Consumer to Inform the Distribution Utility. It is the obligation of the consumer to report immediately to the DU and/or proper authorities of any theft or pilferage of electricity or any damages caused by any person to the electric meter and equipment appurtenant thereto. For stuck-up meter it is the obligation of the corresponding consumer to report immediately within a month any damage or stuck-up of the kWh meter.

General Comment	MERALCO	We would like to request that the Honorable Commission release a new version of the Magna Carta with the amendments incorporated to ensure clarity for all stakeholders and avoid confusions.	
General Comment Penalty for Broken Terminal Seal	MERALCO	<p>We would like to take this opportunity to relay to the Honorable Commission that there are a significant volume of tampered/broken (terminal) meter seals. These cases are common for disconnected services wherein the customers “reconnect” the services (re-invert their meters) by themselves. We believe that this act is a violation of its contract with the DU and a clear violation of Article 5 of the Magna Carta (customers’ Basic Obligations), which states that <i>“every consumer must comply with the following obligations and responsibilities x x x d. To take proper care of metering or other equipment that the electric utility has installed in his premises.”</i> Moreover, Article 34. Obligation not to Commit Illegal Use of Electricity also provides that <i>“No consumer is allowed to perform acts constituting illegal use of electricity. The following circumstances constitute prima facie evidence of illegal use of electricity: x x x g. The destruction of, or attempt to destroy, any integral accessory of the metering device box which encases an electric meter, or its metering accessories.”</i></p> <p>The meter seals are installed by the DU to the electric meters in order to secure the installation of said metering facilities to the meter base. Since the said</p>	<p>We respectfully recommend that, for clarity, the Magna Carta should explicitly state that DUs are allowed to impose a surcharge under Section 8 of RA 7832 for violation of contract, in particular, customers found with tampered/broken meter seals.</p> <p>Thus, we respectfully recommend that the aforesaid statement be added under Article 34 (d) or (g) of the Rules.</p>

		<p>violation results to significant costs on the part of DUs as replacement of the damaged meter seals is necessary, we believe that the person should be penalized for committing such violation. In addition, there may also be a need for meter testing, because of the suspicion brought about by the broken meter seal.</p> <p>We believe that DUs should be allowed to impose a surcharge on customers found to have a tampered or broken meter seal pursuant to Section 8 of RA 7832, which states that <i>"A private electric utility or rural electric cooperative may impose surcharges, in addition to the value of the electricity pilfered, on the bills of any consumer apprehended for tampering with his electric meter/metering facility installed on his premises xxx"</i> This will deter the recurring violation by many of our customers and will promote concern on the part of the customers on DUs' facilities installed in their premises.</p>	
--	--	--	--