

**COMPREHENSIVE NOTICE FOR ALL RCOs
REGARDING THE MREP**

This Comprehensive Notice (CN) follows the January 6, February 5 and February 10 (all 2009) Notices that informed Regulatory Compliance Officers (RCOs) that attendance to certain expository hearings (EH) is mandatory pursuant to the Mandatory Regulatory Education Program (MREP).

This CN is now issued to define the: (1) Media of Notification for the holding of Expository Hearings (EHs); (2) Coded List System of Proposed Rules Subjected to EHs; (3) Attendance Monitoring System; and (4) Enforcement, Discipline & Incentive System.

As a preface, the following is a reiteration of the ERC resolutions that make attendance to certain EHs mandatory:

- A) ERC Resolution No. 19, series of 2006 entitled "*A Resolution Clarifying Issues on the Appointment of A Regulatory Compliance Officer (RCO) and Prescribing the Duties and Responsibilities Thereof*" (dated April 5, 2006), in particular to the second (2nd) dispositive paragraph, Roman numeral III, that it is the duty and responsibility of an RCO to participate in Mandatory Regulatory Education Program (MREP) Courses;
- B) ERC Resolution No. 5, series of 2006 entitled "*Instituting a Mandatory Regulatory Education Program (MREP) for the Regulatory Compliance Officer (RCO) and Other Key Officers of Distribution Utilities*" (dated February 15, 2006), particularly in the dispositive paragraph: Number 1, where RCOs are required to attend courses prescribed by the ERC to apprise them of the policies, rules, regulations and guidelines of the Commission; and Number 5, where non-attendance of the required regulatory courses shall be a ground for the imposition of appropriate fines and penalties upon the utility; and
- C) ERC Resolution No. 4, series of 2006 entitled "*A Resolution Requiring All Regulated Entities to Designate A Regulatory Compliance Officer (RCO)*" (dated February 6, 2006), here it was required of all regulated entities to designate an RCO whose primary function is to ensure that the regulated entity complies with all the pertinent issuances of the ERC.

**SECTION 1. MEDIA USED FOR NOTIFICATION FOR THE HOLDING OF
EXPOSITORY HEARINGS (EHs)**

- a. Regulatory Compliance Officers will be notified in two (2) ways about the holding of EHs:
 - (i) The general system of web postings and push e-mails and/or newspaper publications; and

- (ii) A *Coded List System (CLS)* wherein the general information will be qualified with a coding system. Please refer to Section 2 below for more details.

SECTION 2. CODED LIST SYSTEM OF PROPOSED RULES SUBJECTED TO EHs

As a complement to the individual Notices issued for specific rules, a summary list will be issued, via posting in the ERC web and push e-mails, in the form of a *Notice of a Coded List of Rules that are Subjected to Expository Hearings*. This list contains the title of the subject rule, the electric power industry sector (i.e., distribution or generation or transmission or supply), the date and venue of the EH and the reference code.

Reference Code system explanation:

Example: "MREP-09-001-D-L" (*Please refer to the List found in Section 2.a. below*).

Means:

"MREP" = Mandatory Regulatory Education

"09" = Course Calendar Year (i.e. "09" for year 2009)

"001" = Series Number (a sequential count) assigned to subject rules/guidelines of the Expository Hearing). Here "01" refers to the "Draft Rules to Govern the Installation or **Relocation of Residential Electric Meters** by DUs to Elevated Service"

"D" = Electric Power Industry Sector (Distribution in this example)

G - Generation
T - Transmission
D - Distribution
S - Supply

"L" = Strategic location (Luzon in this example)

L - Luzon
V - Visayas
M - Mindanao

Section 2.a. The Coded List as of March 9, 2009

*N.B. This Coded List is a growing list and an **updated** list will be posted at www.erc.gov.ph at the last Friday of each month.*

Code	Sector/s	Date of EH	Venue	Subject Rule
1. MREP-09-001-D-L	Distribution (Luz)	Jan. 21, 2009 (Wed.), 9:00am	ERC Main Office	Expository Hearing (EH) for DUs located in Luzon on the Draft Rules to Govern the Installation or Relocation of Residential Electric Meters by DUs to Elevated Service
2. MREP-09-002-D-L	Distribution (Luz)	Jan. 21, 2009 (Wed.), 1:30pm to 5:00pm	ERC Main Office	Expository Hearing/Presentation (EH) for DUs located in Luzon on the Draft Rules and Procedures for the Test and Maintenance of Electric Meters of DUs
3. MREP-09-001-D-VM	Distribution (VisMin)	Jan 23, 2009 (Fri.) 9:00am	Cebu City	Expository Hearing/Presentation (EH) for DUs Located in Visayas and Mindanao on the Draft Rules to Govern the Installation or Relocation of Residential Electric Meters by DUs to Elevated Metering Centers of Individual Residential Electric Meter to Other Elevated Services
4. MREP-09-002-D-VM	Distribution (VisMin)	Jan 23, 2009 (Fri.) 1:30pm to 5:00pm	Cebu City	Expository Hearing/Presentation (EH) for DUs Located in Visayas and Mindanao on the Draft Rules and Procedures for the Test and Maintenance of Electric Meters of DUs
5. MREP-09-003-TD-L	Transmission Distribution (GenCo, WA, RES are	Feb 17 & 18, 2009 (Tue. & Wed.) 8:00am to	ERC Main Office	Expository Hearing on the Amendments on the Rules Governing Transmission Wheeling Rates Guidelines

Code	Sector/s	Date of EH	Venue	Subject Rule
	<i>highly encouraged to attend</i> (Luz)	5:00pm		<i>(to be renamed Rules for Transmission Wheeling Rates or RTWR), Open Access Transmission Services (OATS), Ancillary Services Procurement Plan (ASPP)</i>
6. MREP-09-004-TD-L	Transmission Distribution (GenCo, WA, RES are highly encouraged to attend) (Luz)	Feb 17 & 18, 2009 (Tue. & Wed.) 8:00am to 5:00pm	ERC Main Office	Expository Hearing on Issues Paper for the Regulatory Reset of the Regulated Transmission Services for 2011 to 2015 <i>(It runs parallel with EH on amendments on TWRG, ASPP & OATS)</i>
7. MREP-09-005-D-VM	Distribution (VisMin)	Feb 18, 2009 (Wed.) 1:00pm to 5:00pm	Cebu City	Expository Hearing on Benchmarking of Rates for electric cooperatives
8. MREP-09-003-TD-VM	Transmission Distribution (GenCo, WA, RES are highly encouraged to attend) (VisMin)	Feb 19 & 20, 2009 (Thur. & Fri.) 8:00am to 5:00pm	Cebu City	Expository Hearing on the Amendments on the Rules Governing Transmission Wheeling Rates Guidelines <i>(to be renamed Rules for Transmission Wheeling Rates or RTWR), Open Access Transmission Services (OATS), Ancillary Services Procurement Plan (ASPP)</i>
9. MREP-09-004-TD-VM	Transmission Distribution (GenCo, WA, RES are highly encouraged to attend) (VisMin)	Feb 19 & 20, 2009 (Thur. & Fri.) 8:00am to 5:00pm	Cebu City	Expository hearing on Issues Paper for the Regulatory Reset of the Regulated Transmission Services for 2011 to 2015 <i>(It runs parallel with EH and PC on amendments on TWRG, ASPP & OATS)</i>
10. MREP-09-005-D-L	Distribution (Luz)	Feb 20, 2009 (Wed.) 1:00pm to 5:00pm	ERC Main Office	Expository Hearing on Benchmarking of Rates for electric cooperatives
11. MREP-09-006-DT-L	Distribution / Transmission	March 13, 2009 (Fri.)	ERC Main Office	Expository Hearing on proposed amendments to

Code	Sector/s	Date of EH	Venue	Subject Rule
	(Luz) GenCo, WA, RES are highly encouraged to attend)	8:00am to 5:00pm		the DSOAR for Luzon DUs
12.MREP-09-006-DT-VM	Distribution / Transmission (VisMin) GenCo, WA, RES are highly encouraged to attend)	March 19, 2009 (Thur.) 8:00am to 5:00pm	Cebu City	Expository Hearing on proposed amendments to the DSOAR for Visayas and Mindanao DUs

SECTION 3. ATTENDANCE MONITORING SYSTEM

- a. An attendance sheet for an EH will be prepared by the ERC that contains the name of the RCO, utility represented and other vital information. The ERC Service proponent (e.g., Regulatory Operations Service or ROS; Market Operations Service or MOS; Consumer Affairs Service or CAS; Legal Service or LS) of the Rule will implement the accomplishment of the said attendance sheet by the attending RCOs.

In case an RCO is absent but another responsible official of a distribution utility (DU) attends and participates at the EH, said representative must sign in the attendance sheet and state the reason for the RCO's absence.

Due to space limitations, only two (2) attendees per utility will be allowed.

- b. A certificate of attendance, which will be stamped with a security bar code, will be issued to the attendees of an EH. The ERC Service Director shall be the signatory of the certificate of attendance. The Service Director may delegate the responsibility of signing to a Division Chief of her/his Service. The signing of the certificate is the final act of the attendance confirmation process. The attendance sheet shall be used as a cross-checking reference in the preparation and issuance of the certificates of attendance.

If the utility finds it necessary that an RCO (or his/her alternative RCO) and a technical representative should attend the EH, certificates of attendance shall be issued to the RCO (and/or his/her representative) and the technical representative.

If an RCO did not attend an EH but had a responsible representative appear in his or her place, an **Acknowledgement of Compliance (or RCO Acknowledgement Compliance)** shall be issued to the distribution utility through the name of the RCO.

SECTION 4. ENFORCEMENT, DISCIPLINE AND INCENTIVE SYSTEM

- c. An absence is defined to be an unexplained non-attendance of a utility to an EH which has been classified to be an MREP course for that utility's RCO. Non-attendance means that neither the RCO nor his/her representative attended the EH.
- d. Honoring the principles of cost-efficiency and resource optimization, the ERC recognizes that although the RCOs are the targeted participants, the presence of a utility's responsible representative may be deemed as substantial compliance. The penalties thereto are directed to the utilities as juridical persons and not to the officers or employees of such in their personal capacities.
- e. For disciplinary actions to address absences, the following manner of actions shall be observed:
 - i. **For the first (1st) absence** – an e-mail *reminder* (originating from info@erc.gov.ph) will be sent regarding attendance to the MREP Courses;
 - ii. **For the 2nd absence** - a letter *warning* to be issued by the Executive Director; and
 - iii. **For the 3rd absence** – a *show-cause Order* to be signed by the Executive Director invoking Section 5, Article III of ERC Resolution No. 13, Series of 2005 "*In the Matter of Amending the Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Imposition of Fines and Penalties Pursuant to Section 46 of Republic Act No. 9136*" **as amended by Resolution No. 03, Series of 2009 entitled "Resolution Amending the Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of Republic Act No. 9136"**, which now reads as follows:

Section 5. Non-compliance with the Provisions of the Act and its IRR, Grid and Distribution Codes and Rules, Regulations, Orders, Resolutions and Other Laws of the ERC. – Any person who has been found to have committed a violation of any of the

provisions of the Act and its IRR, the Philippine Grid and Distribution Codes and rules and regulations, orders, resolutions and other laws the implementation and enforcement of which are assigned to the ERC, including but not limited to the following, shall be subject to the following sanctions:

X X X

No. of violation	Basic Amount of Penalty	Additional Penalty Shall be Imposed for Any Willful Delay in the Implementation
1 st and 2 nd violation	PhP100,000	a) 10% of the basic amount of penalty if the compliance was made after one (1) month from notice. b) 50% of the basic amount of penalty if the compliance was made after two (2) months from notice. c) 100% of the basic amount of penalty if the compliance was made after three (3) months from notice.
3 rd and 4 th violation	PhP300,000	
5 th and subsequent violation	PhP500,000 and the cancellation of the CPCN, License and the Franchise for the Consortium	

- f. As an incentive system, a positive recognition approach for diligent RCOs and utilities will also be adopted. Due recognition of highly compliant DU officers will be done during the *Annual Conference for the Regulatory Compliance Officers (RCOs)* through the granting of awards. The awarding criteria include: (a) complete personal attendance by the RCOs, (b) complete attendance to EHs by utilities, and (c) active participation through the submission of well-researched comments. Other meritorious acts that are recognized in the course of the MREP EH holding will also merit awards.

For your guidance and compliance.

Pasig City, 18 March 2009.


ZENAIDA G. CRUZ-DUCUT

Chairperson and Chief Executive Officer

