

September 11, 2003

ENERGY REGULATORY COMMISSION
Pacific Center Building
San Miguel Avenue, Ortigas, Pasig City

Attention : Atty. Anthony Alden S. Aguilar
Director, Regulatory Operations Service

Subject : In the Matter of Adoption of the Procedures For Consultation on the Proposed Rules, Terms and Conditions for the Provision of the Open Access Transmission Service and Proposed Rates, Terms and Conditions for Ancillary Services

Hereunder are our comments on the guidelines on Open Access Transmission Services:

1. System Operator Charges F(AIII) 1.2 and 1.3

Comments:

What are the components in the computation of the System Operator Revenue Requirement? They should be clearly spelled out.

What is the basis of the computation of the %Gs (Percentage of the System Operator Revenue Requirement to be recovered from Generation Customers and Embedded Generators) and %Ls (Percentage of the System Operator Revenue Requirement to be recovered from Load Customers)?

2. System Operator Charges F(AIII) 1.1

Comments:

This provides for the charging the cost of managing Ancillary Services in the System Operator Charge to Transmission Load Customers. Isn't the cost already embedded in the Ancillary Services Charge?

3. Manual Meter Reading Charge F(IV) 4.8

Comments:

Why not charge a Load Customer the actual cost of the field meter reading instead of on the basis of the 4-yr average actual cost?

4. Components of Metering Service Provider Charge F(AIV) 4.1

Comments:

In case where some or all of the metering assets of a metering installation are not owned by the Metering Service Provider, how will the billing be? If the Metering Service Provider cannot charge this as part of their Metering Service Charges (whether remote or on-site meter reading), can the rightful metering asset owner, say the DU, recover the cost of said assets using the same computation?

5. Power Factor Adjustment F(A8) 1.4

Comments:

What is the basis for the change in the Power Factor incentive to 95%, when the currently acceptable level is between 85% and 90% and the incentive qualification level is at 90%? Wouldn't this become a dis-incentive to utilities that have been working hard at their power factor?

Please specify whether the Total Demand Related Charges (TDRC) is on a "per metering point" or the "sum of the metering points". This has already caused confusion within Transco and has been corrected twice since the implementation of NPC's unbundled rates.

Once again, we thank you for according us the opportunity to comment on the draft guidelines relating to the implementation of the Restructured Philippine Power Industry.

Very truly yours,

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