



RESOLUTION NO. 19, Series of 2009

A RESOLUTION ADOPTING THE RULES FOR THE AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COSTS AND FOREIGN-EXCHANGE RELATED COSTS BY THE NATIONAL POWER CORPORATION (NPC)

WHEREAS, Section 43 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) empowers the Energy Regulatory Commission (Commission), in the public interest, to establish and enforce a methodology for the recovery of fuel and purchased power costs and incremental foreign exchange adjustments by the National Power Corporation (NPC);

WHEREAS, on February 24, 2003, the Commission adopted the Implementing Rules for the Recovery of Fuel and Independent Power Producers (IPP) Costs: Generation Rate Adjustment Mechanism (GRAM) and Incremental Currency Exchange Rate Adjustments (ICERA);

WHEREAS, on August 14, 2008, the Power Sector Assets and Liabilities Management Corporation (PSALM) filed an application for approval of the "Proposed Rules for the Automatic Recovery of PSALM Generation Assets' Monthly Fuel Purchased Power and Foreign Exchange-Related Costs" docketed as ERC Case No. 2008-019 RM;

WHEREAS, on October 21, 2008, the Commission issued an Order setting the PSALM's proposed Rules for public consultation on November 13, 2008;

WHEREAS, during the November 13, 2008 public consultation, several issues and concerns were raised by the parties;

WHEREAS, in its *Notice* dated December 17, 2008, the Commission proposed a separate "Rules for the Automatic Recovery of Monthly Fuel, Purchased Power Costs and Foreign Exchange Related Costs of the National Power Corporation (NPC)," which was set for public consultation on January 26, 2009;

WHEREAS, at the January 26, 2009 public consultation, the stakeholders raised several issues pertaining to the following: a) Clarification on the definition of terms; b) Unit of measurement of the reference prices of fuel; c) Relaxation on the limit of adjustments for reference prices; d) Other Fuel Cost Adjustment (OFCA) and Other Purchased Power Cost Adjustment (OPPCA); and e) Test period of filing the adjustments;

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WHEREAS, on February 11, 2009, the Commission's proposed Rules was posted on its website, and a *Notice* was issued directing all interested parties to submit their comments thereon on or before February 25, 2009;

WHEREAS, on various dates, the Commission received several comments from the stakeholders;

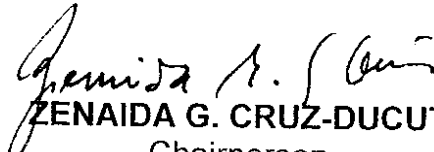
WHEREAS, the Commission considered all the comments submitted by the parties in the finalization of the said proposed Rules;

NOW THEREFORE, the Commission, after thorough and due deliberation, **RESOLVED** as it hereby **RESOLVES** to **ADOPT** the "Rules for the Automatic Recovery of Monthly Fuel and Purchased Power Costs and Foreign-Exchange Related Costs by the National Power Corporation (NPC)," hereto attached as **ANNEX "A"**.

This Resolution shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

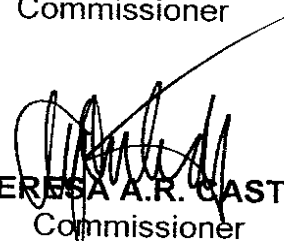
Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR), National Grid Corporation of the Philippines (NGCP), Philippine Chamber of Commerce and Industry (PCCI) and all distribution utilities.

Pasig City, August 3, 2009.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

RULES FOR THE AUTOMATIC RECOVERY OF MONTHLY FUEL AND PURCHASED POWER COSTS AND FOREIGN EXCHANGE-RELATED COSTS BY THE NATIONAL POWER CORPORATION (NPC)

Pursuant to Section 43 of Republic Act No. 9136 and its Implementing Rules and Regulations (IRR), the Energy Regulatory Commission (ERC) hereby adopts and promulgates these Rules to establish the process for the Automatic Recovery of Fuel and Purchased Power Costs and Incremental Foreign Currency Exchange Rate Adjustments by the National Power Corporation (NPC).

ARTICLE I

GENERAL PROVISIONS

These Rules shall have the following objectives:

- a) To ensure the timely recovery of allowable fuel, purchased power and foreign exchange-related costs of NPC;
- b) To ensure transparent and reasonable prices of electric power service in a regime of free and fair competition and to achieve greater operational and economic efficiency;
- c) To protect the public interest as it is affected by the rates and services of NPC; and
- d) To help maintain the security, reliability, and quality of the supply of electric power.

ARTICLE II

SCOPE AND DEFINITION OF TERMS

Section 1. Scope

These Guidelines shall apply to the NPC, **excluding NPC's Small Power Utilities Group (SPUG).**

Section 2. Definition of Terms. As used in these Rules, the following terms shall have the following respective meanings:

"Act" shall refer to Republic Act No. 9136, otherwise known as the *"Electric Power Industry Reform Act of 2001"*.

"Allowable Fuel Cost" shall be the amount in Pesos of fuel cost for the test period subject to heat rate caps determined by the ERC. This includes Bunker, Diesel, Coal, Natural Gas and other fuel types. Steam cost shall form part of the allowable fuel cost but shall not be subjected to any heat rate cap.

“Allowable Purchased Power Costs” shall mean the amount in Pesos of purchased power cost for eligible Independent Power Producer (IPP) Supply Contracts for the test period. This excludes payment of capacity & Infrastructure Fees for Build-Operate-Transfer (BOT) plants.

“Ancillary Services” shall refer to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code.

“Billing Period” shall refer to the existing billing month *from* the 26th day of the previous month up to 25th day of the current month.

“Capacity and Infrastructure Fees” shall refer to the monthly fees paid by NPC to its IPP Proponents/Operators throughout the cooperation period or contract term for the recovery of the IPP’s costs/investment for the construction of power plant, including its related infrastructure facilities necessary for the operation of the plant and the IPP’s fixed expenses/costs for the operation and maintenance of the power plant and infrastructures. This shall also refer to the sum of Capital Recovery Fees, Operating Expenses, Infrastructure Fees and Service Fees.

“Deferred Accounting Adjustment” or “DAA” shall refer to the component of the generation rate, intended to recover the deferred allowable fuel and purchased power costs as well as deferred allowable cost on incremental currency exchange rate.

“Default Wholesale Supply (DWS) Arrangements” shall refer to the arrangements entered into for the supply of electricity to cover supply imbalances of customers in the WESM.

“Energy Regulatory Commission” or “ERC” shall refer to the independent quasi-judicial regulatory body created under Section 38 of the Act.

“Energy Sales” shall refer to the amount of electricity in kWh consumed by the customers based on a valid contract for the sale of electricity.

“ERC Rules of Practice and Procedure” shall refer to the Rules promulgated by the ERC on June 22, 2006 governing the proceedings before it.

“FOB Newcastle” a reference price for thermal coal delivered on a freight-on-board (FOB) basis at Newcastle Port in New South Wales, Australia.

“Generation Rate” shall refer to the automatic adjustment of the Fuel and Purchase Power Costs Adjustment (FPPCA) and Foreign Exchange-Related Costs Adjustment (FXA).

“Generation Rate Adjustment Mechanism or “GRAM” shall refer to the adjustment mechanism intended to balance the need for timely recoveries of costs by the utilities.

“Heat Rate Caps” shall refer to the latest heat rate caps approved by the ERC.

“Incremental Currency Exchange Rate Adjustment (ICERA)” shall refer to the adjustment mechanism to reflect the changes in currency exchange rate.

“Mean of Platt Singapore (MOPS)” is a measure of fuel oil pricing in Singapore. It refers to the mean price of oil traded through Singapore as per the data from Platts, a commodity information and trading company.

“National Power Corporation” or “NPC” shall refer to the government corporation created under Republic Act No. 6395, as amended.

“One Day Power Sales” or “ODPS” shall refer to the program whose objective is to sell the unutilized generating capacity of NPC to its customers with self-generation for specific hours or time blocks of a day, on a day-to-day basis at competitive prices.

“Special Sale Arrangements” shall refer to the arrangements entered into with the distribution utilities like the Customer Choice Program (CCP) and Special Rate for Ecozones.

“Spot Sales” shall refer to the energy sold in the Wholesale Electricity Spot Market (WESM).

“Transition Supply Contract” or “TSC” shall refer to a contract duly negotiated by NPC with a Distribution Utility pursuant to Section 67 of the Act.

ARTICLE III

AUTOMATIC MONTHLY FUEL AND PURCHASED POWER COST ADJUSTMENT

Section 1. Monthly recovery/(refund) of incremental/downward adjustment in Fuel and Purchased Power Costs – Monthly recovery/(refund) of incremental/downward adjustment in Fuel and Purchased Power Costs shall be calculated using the following formula:

$$FPPCA_{\text{pesos}} = FCA_{\text{pesos}} + PPCA_{\text{pesos}}$$

Where:

$FPPCA_{\text{pesos}}$ = Fuel and Purchased Power Costs Adjustment

FCA_{pesos} = Fuel Cost Adjustment shall be calculated as follows:

$$FCA_{\text{pesos}} = AFC - FCB + OFCA$$

AFC = Adjusted Fuel Costs refer to the amount in pesos for the relevant Billing Period of the fuel cost component of the Base Rate previously approved subject to heat rate cap. Calculated as follows:

$$FCB \left(\frac{0.1969 Bn}{Ba} + \frac{0.0260 Dn}{Da} + \frac{0.4444 Cn}{Ca} + \frac{0.1192 Sn}{Sa} + \frac{0.2135 NGn}{NGa} \right) \text{ for Luzon}$$

$$FCB \left(\frac{0.3509 Bn}{Ba} + \frac{0.1755 Dn}{Da} + \frac{0.0358 Cn}{Ca} + \frac{0.4378 Sn}{Sa} + \frac{0 NGn}{NGa} \right) \text{ for Visayas}$$

$$FCB \left(\frac{0.9967 Bn}{Ba} + \frac{0.0033 Dn}{Da} + \frac{0 Cn}{Ca} + \frac{0 Sn}{Sa} + \frac{0 NGn}{NGa} \right) \text{ for Mindanao}$$

- FCB** = Fuel Costs Base refer to the average monthly amount in Pesos based on the last ERC-approved base rate for the fuel cost subject to applicable heat rate caps (in PhP/kWh – 1.4537 for Luzon, 1.5620 for Visayas, 0.6866 for Mindanao) multiplied by the corresponding energy sales in kWh (23,250,328,000/12 for Luzon, 3,435,191,000/12 for Visayas, and 5,578,231,000/12 for Mindanao).
- B_o** = Base reference price of Bunker fuel as of last approved base rate. For the reference, the initial Bunker Basis Price shall be the Mean of Platts Singapore (MOPS) in US\$/Bbl as of December 2004.
- D_o** = Base reference price of Diesel fuel as of last approved base rate. For the reference, the initial Diesel Basis Price shall be the Mean of Platts Singapore (MOPS) in US\$/Bbl as of December 2004.
- C_o** = Base reference price of Coal as of last approved base rate. For the reference, the initial Base Index Price shall be Global coal physical index, FOB Newcastle in US\$/Metric Ton as of December 2004.
- S_o** = Base reference price of Steam as of last approved base rate. For the reference, the initial Steam Basis Price shall be Global coal physical index, FOB Newcastle in US\$/Metric Ton as of December 2004.
- NG_o** = Base reference price of Natural Gas as of last approved base rate. For the reference, the initial Natural Gas Basis Price shall be the Mean of Platts Singapore (MOPS) in US\$/Bbl as of December 2004.
- B_n** = The reference price of Bunker fuel based on the monthly average of the Mean of Platts Singapore (MOPS) in US\$/Bbl during relevant Billing Period. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/-10% of the previous month for succeeding adjustments.
- D_n** = The reference prices of Diesel based on the monthly average of the Mean of Platts Singapore (MOPS) in US\$/Bbl during relevant Billing Period. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/-10% of the previous month for succeeding adjustments.
- C_n** = The reference prices of Coal based on a monthly average of the Global coal physical index, FOB Newcastle in US\$/Metric Ton during relevant Billing Period. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/-10% of the previous month for succeeding adjustments.
- S_n** = The reference prices of Steam based on a monthly average of the Global coal physical index, FOB Newcastle in US\$/Metric Ton during relevant Billing Period. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/-10% of the previous month for succeeding adjustments.

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NG_n = The reference prices of Natural Gas based on the monthly average of the Mean of Platts Singapore (MOPS) in US\$/Bbl of Diesel during relevant Billing Period. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/-10% of the previous month for succeeding adjustments.

OFCA = Other Fuel Costs Adjustment refers to the amount in pesos for the fuel cost subject to heat rate caps which refer to sold/transferred plant (a negative number) or newly-approved NPC Power Supply Contract for recovery (a positive number), fuel cost adjustment, including, but not limited to adjustments consistent with Article V and Article VI of these Rules, and/or other adjustments to be applied by NPC, subject to the prior review, evaluation and approval by the ERC.

PPCA_{pesos} = Purchased Power Costs Adjustment shall be calculated as follows:

$$PPCA_{pesos} = APPC - PPCB + OPPCA$$

APPC = Adjusted Purchased Power Costs refer to the amount in pesos for the relevant Billing Period of purchased power cost, including capacity and infrastructure fees for eligible Independent Power Producer (IPP) Supply Contracts during the relevant Billing Month. Calculated as follows:

$$PPCB \left\{ \left[0.4 + 0.3 \left(\frac{USCPI_n}{USCPI_o} \right) \right] \frac{FX_n}{FX_o} + 0.3 \frac{CPI_n}{CPI_o} \right\}$$

PPCB = Purchased Power Costs Base refers to the average monthly amount in Pesos of Purchased Power Cost equivalent to the Purchased Power Cost Component including capacity and infrastructure fees based on the last ERC-approved base rate (in PhP/kWh – 2.3022 for Luzon, 1.1152 for Visayas, 0.8853 for Mindanao) multiplied by the corresponding energy sales in kWh (23,250,328,000 for Luzon, 3,435,191,000 for Visayas, and 5,578,231,000 for Mindanao).

FX_o = Base reference U.S. Dollar to Philippine Peso Exchange Rate as of last approved base rate. For the reference, the initial Base reference shall be as of December 2004 = U\$1/PhP56.183.

FX_n = Average U.S. Dollar to Philippine Peso inter-bank mid-rates prevailing on each of the last 5 Business Days of the relevant Billing Period, such rate being published by the Bangko Sentral ng Pilipinas. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/-10% of the previous month for succeeding adjustments.

USCPI_o = Base reference Consumer Price Index (CPI) for the USA as of last approved base rate. For the reference, the initial Base reference shall be as of December 2004 = 190.3 (For all urban consumers 1982-84=100, unadjusted)

USCPI_n = Prevailing Consumer Price Index (CPI) for the USA for the relevant Billing Month, which shall be adjusted with the same base with USCPI_o.

CPI_o = Base reference All Items Consumer Price Index (CPI) as of last approved base rate. For the reference, the initial Base reference shall be as of December 2004 = 125.4

CPI_n = Prevailing All Items Consumer Price Index (CPI) for the relevant Billing Month, published by the National Statistics Office (NSO), where 2000 was the base year with index 100.

OPPCA = Other Purchased Power Costs Adjustment refers to the amount of Purchased Power Cost including capacity and infrastructure fees of sold/transferred plant (a negative number) or newly-approved NPC Power Supply Contract for recovery (a positive number), purchased power cost adjustment(excluding fuel cost already considered in the OFCA), including, but not limited to adjustments consistent with Article V and Article VI of these Rules and/or other adjustments to be applied by NPC, subject to the prior review, evaluation and approval by the ERC.

Section 2. Monthly calculation of Fuel and Purchased Power Costs Adjustment Rate – Monthly Fuel and Purchased Power Costs adjustment rate shall be calculated using the following formula:

$$FPPCA_{rate} = \frac{FPPCA_{pesos}}{Sales}$$

Where:

$FPPCA_{rate}$ = Rate in Pesos per kWh of Fuel and Purchased Power Costs adjustment

$FPPCA_{pesos}$ = Fuel and Purchased Power Costs adjustment computed in accordance with the preceding section

Sales = The total kWh sales for the relevant Billing Period

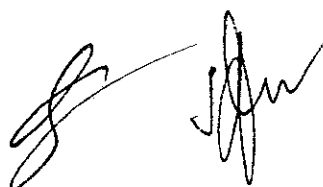
Section 3. Billing – The $FPPCA_{rate}$ shall be a variable charge which shall be shown as a separate item in the NPC monthly billing to its customers.

ARTICLE IV

AUTOMATIC FOREIGN EXCHANGE-RELATED COST ADJUSTMENT

Section 1. Monthly recovery/(refund) of incremental/downward adjustment in Foreign Exchange-Related Costs – Monthly recovery/(refund) of incremental/downward adjustment in Foreign Exchange-Related Costs shall be calculated using the following formula:

$$FxA_{pesos} = DSA_{pesos} + FxOpex_{pesos} + OFxCA$$



Where:

FxA_{pesos} = Foreign Exchange-Related Cost Adjustment

DSA_{pesos} = Debt Service Adjustment pertaining to the principal portion shall be calculated monthly as follows:

$$DSA_{pesos} = (FX_n - FX_o) \times DSR + (FX_n - FX_o) \times \frac{DSB}{12}$$

Where:

FX_o = Base reference U.S. Dollar to Philippine Peso Exchange Rate as of last approved base rate. For the reference, the initial Base reference shall be as of December 2004 = US\$1/PhP56.183.

FX_n = Average U.S. Dollar to Philippine Peso inter-bank mid-rates prevailing on each of the last 5 Business Days of the relevant Billing Period, such rate being published by the Bangko Sentral ng Pilipinas. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/- 10% of the previous month for succeeding adjustments.

DSR = For regular debt service, actual debt service payments (principal portion) for the month in US Dollar (and other foreign currency translated into US\$).

DSB = For bullet debt service, actual bullet debt service payments (principal portion) for one (1) year in US Dollar (and other foreign currency translated into US\$).

FxOpex_{pesos} = Foreign Exchange-Related Cost Adjustment for foreign related operating expenses shall be calculated monthly as follows:

$$FxOpex_{pesos} = (FX_n - FX_o) \times FxOpex$$

Where:

FX_o = Base reference U.S. Dollar to Philippine Peso Exchange Rate as of last approved base rate. For the reference, the initial Base reference shall be as of December 2004 = US\$1/PhP56.183.

FX_n = Average U.S. Dollar to Philippine Peso inter-bank mid-rates prevailing on each of the last 5 Business Days of the relevant Billing Period, such rate being published by the Bangko Sentral ng Pilipinas. For the initial adjustment, the Base Price shall be adjusted to the Effectivity Date, then a maximum allowable adjustment of +/- 10% of the previous month for succeeding adjustments.

FxOpex = Foreign-related operating expenses as of last ERC-approved base rate in US Dollar (and other foreign currency translated into US\$), excluding those recovered/(refunded) through the FPPCA for the period.

OFxCA = Other Foreign Exchange-Related Cost Adjustment refers to the amount in pesos including, but not limited to adjustments consistent with Article V and Article VI of these Rules, and/or other adjustments to be applied by NPC, subject to the prior review, evaluation and approval by the ERC.

Section 2. Monthly calculation of Foreign Exchange-Related Cost Adjustment – Monthly Foreign Exchange adjustment rate shall be calculated using the following formula:

$$FXA_{rate} = \frac{FXA_{pesos}}{Sales}$$

Where:

FXA_{rate} = Rate in Pesos per kWh of Foreign Exchange-Related Cost Adjustment

FXA_{pesos} = Foreign Exchange-Related Cost adjustment computed in accordance with the preceding section

Sales = The total kWh sales for the relevant Billing Period

Section 3. Billing – The **FXA_{rate}** shall be a variable charge which shall be shown as a separate item in the NPC monthly billing to its customers.

ARTICLE V

REPORTING AND VERIFICATION PROCESS

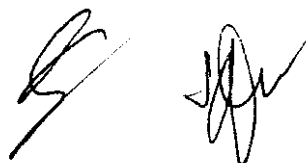
Section 1. Monthly Reporting Requirements – On or before the 15th day of each month, NPC shall provide the ERC with all calculation related to Article III and Article IV, along with supporting documents, for Fuel and Purchased Power Costs and Incremental Foreign Currency Exchange Rate Adjustments of the preceding month.

Section 2. Information Dissemination – On or before the 1st day of each month, all calculation related to Article III and Article IV, for Fuel and Purchased Power Costs and Incremental Foreign Currency Exchange Rate Adjustments of the preceding month, shall be made available by NPC thru its website and thru other means, as agreed with other interested parties (which does not preclude NPC from requiring additional payment for such information).

Section 3. Post Verification – At least every twelve (12) months, the ERC shall verify the recovery of FPPCA and FXA by comparing the actual allowable costs incurred for the period with the actual revenues for the same period generated by the Generation Rates.

Section 4. True-up of Fuel and Purchased Power Cost - NPC shall calculate and submit an application for the True-up Adjustment of Fuel and Purchased Power Costs (TAFPPC) based on the following formula:

$$TAFPPC = FPPCA_{afppc} - FPPCA_{billed} - FPPCA_{peso}$$



Where:

- TAFPPC** = True-up Adjustment of Fuel and Purchased Power Costs in Peso
- FPPCA_{afppc}** = Actual allowable fuel and purchased power costs for the test period
- FPPCA_{billed}** = Fuel and purchased power costs billed through the last ERC-approved base rate for the test period
- FPPCA_{peso}** = Recovered/billed fuel and purchased power costs from customers

Section 5. True-up of Foreign Exchange-Related Costs - NPC shall calculate and submit an application of the True-up Adjustment of Foreign Exchange-Related Costs (TAFxA) based on the following formula:

$$TAFxA = FxA_{afxc} - FxA_{peso}$$

Where:

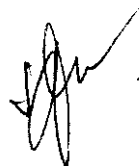
- TAFxA** = True-up Adjustment of Foreign Exchange-Related Costs in Peso
- FxA_{afxc}** = Actual Foreign Exchange-Related costs for the test period
- FxA_{peso}** = Recovered/billed Foreign Exchange-Related Costs from customers

Section 6. Filing. Subsequent filings for verification shall be done on an annual basis in accordance with the timelines provided herein:

DATE OF FILING	NPC MAJOR GRIDS	TEST PERIOD OF APPLICATION
Not later than the first week of August of the current year	LUZON	April 26 of the previous year to March 25 of the current year.
Not later than the first week of October of the current year	VISAYAS	July 26 of the previous year to June 25 of the current year.
Not later than the first week of December of the current year	MINDANAO	September 26 of previous year to August 25 of the current year.

Section 7. Filing Requirements - The applicant shall comply with Section 4 (e), Rule 3 of the IRR of the Act and Rule 6 of the ERC Rules of Practice and Procedure.

Section 8. Hearings - The hearings of applications for the Visayas and Mindanao Grids may be held in the ERC Field Office or such other venues as may be determined by the ERC.



Section 9. Documentary Requirements -- The required supporting documents shall be submitted together with the annual filing/application as indicated in these Rules.

9.1 For Fuel and Purchased Power Costs:

1. A report containing all transactions and calculations affecting the deferred accounts which should include any other information or data required by the ERC for the previous year;
2. Cost of all energy purchased for the previous year (categorized as either costs for TSC Sales, Spot Sales, ODPS, DWS, Ancillary and other special sale arrangements), indicating the number of kilowatt-hours purchased and the cost for each supplier;
3. Cost of all fuel consumed for the previous year (categorized as either costs for TSC Sales, Spot Sales, ODPS, DWS, Ancillary and other special sale arrangements), indicating:
 - a. the number of kilowatt-hours generated and the cost of fuel consumed; and
 - b. allowable cost of fuel consumed based on the heat rate caps approved by the ERC;
4. For the major grids, revenues billed by NPC (categorized as either sales for TSC, Spot, ODPS, DWS, Ancillary Services and special sale arrangements) for the previous year; and
5. Such other information as may be required by the ERC.

9.2 For Foreign-Exchange Related Costs

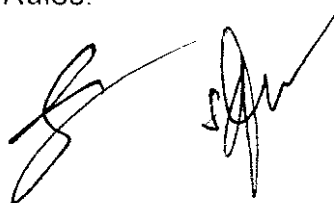
1. Report showing its actual computation of currency exchange related adjustments;
2. Data pertaining to: (a) amount to be recovered through currency exchange related adjustments; (b) actual sales for the billing period; (c) revenue derived from said adjustment per Grid; and (d) total revenue derived per Grid;
3. Supporting documents to be attached to all submissions;
4. List of foreign related operating expenses; and
5. Debt service payments segregating principal and interest portion.

ARTICLE VI

FINAL FILING UNDER THE GRAM / ICERA

Section 1. Effectivity of the GRAM/ICERA - The ERC-approved Deferred Accounting Adjustment (DAA) for the GRAM/ICERA for Luzon, Visayas and Mindanao Grids shall be applicable and continually charged until the full amount shall have been recovered/refunded.

Section 2. Final Filing under GRAM/ICERA - An application for recovery of all unfiled and unverified DAAs shall be submitted within one hundred twenty (120) days from effectivity of these Rules.



ARTICLE VII

FINAL PROVISIONS

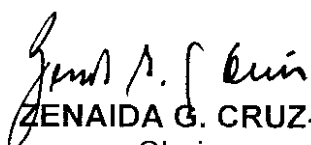
Section 1. Exception Clause – Where good cause appears, the ERC may allow an exemption from any provisions of these Rules, if such is found to be in the public interest and is not contrary to law or any other related rules and regulations.

Section 2. Separability Clause – If for any reason, any part or section of these Rules is declared unconstitutional or invalid, the other parts or sections hereof which are not affected thereby shall continue to be in full force and effect.

Section 3. Repealing Clause – All rules and guidelines, or portions thereof, issued by the ERC that are inconsistent with these Rules are hereby repealed or modified accordingly.

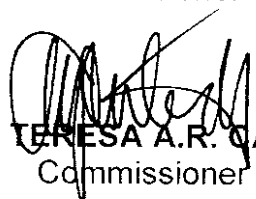
Section 4. Effectivity – These Rules shall take effect fifteen (15) days following its publication in a newspaper of general circulation.

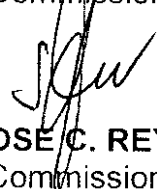
Pasig City, August 3, 2009.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner