

June 6, 2003

Energy Regulatory Commission  
Pacific Center Building, San Miguel Avenue  
Pasig City

Attention: Engr. Edwin O. Ocenar

Subject : ERC Case No. 2003-296 Guidelines to Distinguish Transmission  
And Subtransmission Assets of Transco

Gentlemen:

With reference to the above subject, we wish to submit the following comments and recommendations for your consideration:

1. ARTICLE III, Section 1, Paragraph b. Directly Connected End-Users reads as follows: “ Lines, power transformers, related protection equipment, control systems and other assets held by TRANSCO or its Buyer or Concessionaire which directly connect an End User or group of End Users to a Grid may be classified as Subtransmission assets subject to the approval of ERC”. The provision shall be reworded and should read as follows:

“Lines, power transformers, related protection equipment, control systems and other assets held by TRANSCO or its Buyer or Concessionaire which directly connect an End User or group of End Users shall be classified as subtransmission assets”.

Rationale:

The modification is consistent to the provision of Rule 6, Section 5, Paragraph (d) of the IRR of RA 9136 which reads “ Notwithstanding the foregoing provisions, any line at the specified level for each Grid that serves an End User or customer shall be considered a subtransmission line and any line below the specified level for each Grid that serves a transmission function shall be considered a transmission line”.

2. ARTICLE IV, Section 1

Any qualified Distribution Utility or Consortium of Qualified Distribution Utilities which intend to purchase an asset of the TRANSCO or its Buyer or Concessionaire may petition the ERC for such assets to be classified as a subtransmission assets based on the established functional standard and the criteria as provided in Section 4, Rule 6 Part II of the IRR of the ACT.

Comments:

1. Why a petition is still required when Article III sets the standards of the Subtransmission assets?
2. Petition is required only when the assets to be purchased do not meet the standards criteria established in Article III.

We trust that you will favorably consider the above proposal to the proposed ERC Guidelines.

Very truly yours,

HAMELITO A. QUIOKELES  
Vice President & General Manager  
Mactan Electric Company

