

North Extensions:
Mandaue
Consolacion
Liloan

ESTABLISHED 1905
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June 6, 2003

The Energy Regulatory Commission
Pacific Center Building, San Miguel Ave.
Ortigas Center, Pasig City

Attention: Atty. Fructuoso C. Lagunzad Jr.
Executive Director



Subject: DRAFT "GUIDELINES TO GOVERN THE SETTING OF STANDARDS TO DISTINGUISH THE TRANSMISSION FROM THE SUBTRANSMISSION ASSETS OF TRANSCO AND THE BUYER OR CONCESSIONAIRE OF SAID ASSETS AND THE GRANT OF FRANCHISE TO OPERATE THE SUBTRANSMISSION ASSETS"

Gentlemen:

In response to your notice for comments on subject proposed guidelines, please find hereunder our comments thereto:

- A) It is suggested that the entire context of the provision in Chapter II, SEC. 7 *Transmission Sector* of Republic Act No. 9136, stating that "The transmission of electric power, etc.,, etc.....,etc.....,etc.....,etc, the distinction between the transmission and subtransmission assets shall be as follows: 230 kilovolts and above in the Luzon grid, 69 kilovolts and above in the Visayas and in the isolated distribution systems, and 138 kilovolts and above in the Mindanao Grid: *Provided*, That for the Visayas and the isolated distribution system, should the 69 kilovolt line not form part of the main transmission grid and be directly connected to the substation of the distribution utility, it shall form part of the subtransmission system.", shall be extracted, instead of what is being stated in Section 2. Establishment of a Voltage Standard, Article III FUNCTIONAL AND VOLTAGE SUBTRANSMISSION STANDARDS of the Draft Guidelines.
- B) The underlying meaning of the second paragraph, to wit, "In the case of step-down transformer banks serving a single Distribution Utility, the Distribution Utility or Distribution Utilities shall have the option to purchase said facility, provided, it will guarantee the reliable Supply of Electricity to grid control

equipment", of Section 6. Initial Classification of Subtransmission Assets, RULE 6. TRANSMISSION SECTOR, PART II - STRUCTURE AND OPERATION OF THE ELECTRIC POWER INDUSTRY, of the RULES AND REGULATIONS TO IMPLEMENT REPUBLIC ACT NO. 9136, ENTITLED "ELECTRIC POWER INDUSTRY REFORM ACT OF 2001", may not have been properly captured in anyone of the proposed guidelines in Section 1. Establishment of Functional Standard, ARTICLE III FUNCTIONAL AND VOLTAGE SUBTRANSMISSION STANDARDS of the Draft Guidelines. It is suggested that a separate sub-section d, shall be added to the enumeration.

Thank you for the opportunity afforded us to express our views on the issue at hand, and we look forward to taking an active part in the scheduled public consultations on June 16 and June 17, 2003 at the ERC Hearing Room.

Very truly yours,

VISAYAN ELECTRIC COMPANY, INC.



Head, Systems & Engineering Dept.