

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

**PROPOSED AMENDMENTS TO THE GUIDELINES FOR THE
SALE AND TRANSFER OF THE TRANSCO'S
SUBTRANSMISSION ASSETS AND THE FRANCHISING OF
QUALIFIED CONSORTIUMS**

Section 1. The following provisions of the Guidelines are hereby amended as follows:

Section 4 of Article V of said Guidelines is amended to read as follows:

Approval by ERC – Prior to the final sale and transfer of such Subtransmission Assets by TRANSCO to Qualified Distribution Utility or Qualified Consortium, the parties shall file with ERC an application for the approval on each of the following:

- a) The assets meet the technical and functional criteria for Subtransmission Assets established in Article II hereof;
AND
- b) The Distribution Utility or Consortium meets the qualifications criteria established in Article IV hereof. [and
- c) A rate proposal by the Distribution Utility or Consortium for the recovery of the negotiated value and operation and maintenance costs related to the acquired Subtransmission Assets including any proposal to mitigate or otherwise phase in possible rate change impacts if such exist.]

In order to facilitate the review and approval of the proposed sale and transfer of Subtransmission Assets by TRANSCO to the Qualified Distribution Utility or Qualified Consortium, ERC shall require the concerned parties, upon filing of the application, to submit the following documents, if applicable:


xxx xxx xxx;

i) xxx xxx xxx; [and]

j) xxx xxx xxx; **AND**

**k) APPRAISAL REPORT INCLUDING THE APPRAISER'S
ESTIMATE ON THE REMAINING LIFE OF THE
SUBTRANSMISSION ASSETS.**

xxx xxx xxx.



Section 2. Separability Clause. – If for any reason, any part or section of this Guidelines 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. Effectivity Clause. - This Amendments to the Guidelines to the Sale and Transfer of the TRANSCO's Subtransmission Assets and the Franchising of Qualified Consortiums shall take effect immediately after its publication in a newspaper of general circulation.

Pasig City, February 21, 2005.

RODOLFO B. ALBANO, JR.
Chairman

(On Leave)
OLIVER B. BUTALID
Commissioner

JESUS N .ALCORDO
Commissioner

RAUF A. TAN
Commissioner

ALEJANDRO Z. BARIN
Commissioner