



DAGUPAN ELECTRIC CORP.
DECORP
We energize your vision.

February 20, 2003

Energy Regulatory Commission
 Pacific Center Building
 San Miguel Avenue
 Ortigas Center, Pasig City
 Facsimile No: 634-8641, 631-7287, and 631-5879
 E-mail Address: regulatory@erc.gov.ph

Attention: **Atty. Marina C. Bugayong**
 Director, Regulatory Operations Service

Subject: **Draft Business Separation Guideline**



Gentlemen:

We thank the Commission for giving us the opportunity to comment on the draft "Business Separation Guideline" and to participate in the public consultation scheduled thereon. Hereunder are the comments of the Dagupan Electric Corporation (DECORP):

1. **Art. 4.4 – Distribution Business Segments.** As provided for in Sec. 36 of R.A. 9136 (Electric Power Industry Reform Act, "EPIRA") and in Rule 10 of its Implementing Rules and Regulation ("IRR"), any Electric Power Industry Participant shall structurally and functionally unbundle its business activities in accordance with Section 5 of the R.A. 9136, namely: generation, transmission, distribution and supply.

The Guideline described six (6) business segments under the Distribution Business Segment, namely: distribution services, distribution connection services, metering services, related businesses, regulated customer services and non-regulated retail services.

Are these named business segments just a proposal? Can the Distribution Utility propose its own structural and functional unbundling?

2. **Art. 4.4.10 – Metering Services Business Segment.** We suggest Meter Reading to be part of Regulated Customer Services and/or Non-Regulated Retail Services, meter reading being a customer-related function
3. **Art. 5.7 – Sale of Electricity to Contestable Market.** Will this provision still applicable when an Affiliate of a Distribution Utility sells electricity to the Contestable Market outside the franchise area of that Distribution Utility? If a customer in the Contestable Market asked for reference, can't the Affiliate disclose its Distribution Utility?

DECORP hopes that the Commission will consider the foregoing concerns and we look forward to actively participating in the public consultation scheduled on February 25, 2003.

Very truly yours,

Dagupan Electric Corporation



Dave Andrew F. Opiso
Corporate Staff Engineer