



ILIGAN LIGHT AND POWER, INC.

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February 20, 2003



ENERGY REGULATORY COMMISSION
Pacific Center Building
San Miguel Avenue, Ortigas, Pasig City

Attention : Atty. Marina C. Bugayong
Regulatory Operations Service

Subject : In the Matter of Adoption of the Business Separation Guidelines Providing for the Framework and Rules for the Structural and Functional Unbundling of Business Activities of the Electric Industry Participant Pursuant to Section 36 of Republic Act No. 9136. ERC Case No. 2003-34

Hereunder are our comments on the guidelines on Business Separation and Unbundling of Business Activities:

1. Due Date for the Accounting and Cost Allocation Manual (ACAM) to be Submitted Set at 30 June 2004

Comments:

The ERC has set the submission of the BSUP within six (6) months from the effectivity of the Business Separation Guideline. Since said effectivity has not been fixed, due date for the submission of the ACAM should be set at within X number of months from submission of the Business Separation Guideline.

2. Proposed Changes to ACAM by the Electric Power Industry Participant (EPIP)

Comments:

Sec. 2.2.3 is not specific whether changes may immediately be implemented by the EPIP or still subject to the approval of ERC, and if so, when approval may be expected.

3. Section 5.6 on Common Directors, Officers and Employees

Comments:

Shouldn't this be limited only between Electric Power Industry Participants involved in the transmission business segments and other Electric Power Industry Participants? Is limitation necessary down to employee level?

Please further clarify Implication in order for us to make sensible comments (examples may help).

4. Meter Reading as part of Metering Services

Comments:

Meter Reading is essentially part of the whole revenue cycle. Shouldn't Meter Reading be integrated with billing in the interest of time, cost and operational efficiency? Please evaluate in the light of technology available such as on-site billing which integrates the meter reading and billing functions.

Note: In the WESM rules, meter reading is not part of the responsibility of a metering services provider.

5. Transfer Prices for Capital Assets

Comments:

There may be a need to review transfer prices for capital assets. Policy should not be discriminatory.

6. Typographical Errors

Comments:

Section 2.3 Should be "For the purposes of Section 2.1.1 (c)...", not (d)

Section 2.4 Should be "For the purposes of Section 2.1.1 (d)...", not (e)

For your consideration.



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