



DAGUPAN ELECTRIC CORP.

D E C O R P

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June 5, 2003

Energy Regulatory Commission

Pacific Center Building

San Miguel Avenue

Ortigas Center, Pasig City

Facsimile No: 634-8641, 631-7287, and 631-5879

Attention: **Edwin O. Ocenar**
Regulatory Operations Service

Subject: **ERC Case No. 2003-296: Proposed 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:

We thank the Commission for giving us the opportunity to comment on the above subject case and to participate in the public consultation scheduled thereon. Hereunder are the comments of Dagupan Electric Corporation (DECORP).

Art. III Sec. 1 (b)

As provided for in Rule 6 Sec 5 (d) of the IRR, any line, power transformer, related protection equipment, control system and other assets, directly connecting an End-user to the Grid should be classified as Sub-transmission assets.

Moreover, in Sec. 8 of R.A. 9136, the law recognizes that, "the distribution utilities are in a position to take over the responsibility for operating, maintaining, upgrading and expanding said assets." Thus, even if it takes time for the franchised Distribution Utility/ies to be qualified to acquire the Sub-transmission assets, such assets are intended to be transferred to the franchised Distribution Utility/ies.

Moreover, in Rule 7 Sec. 4 (a) of the IRR, "any existing End-user within the Franchise Area of a Distribution Utility that is connected to TRANSCO facilities shall be served by the franchised Distribution Utility upon acquisition of the Sub-transmission facilities; provided that the Distribution Utility which acquired the Sub-transmission facilities shall be paid by the End-user the corresponding sub-transmission rates or wheeling charges imposed by NPC in accordance with its contract to the End-user as approved by ERC."

Therefore, we suggest revisions to the Establishment of a Functional Standard, as follows:

“Directly Connected End-user – 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 shall be classified as Sub-transmission assets subject to the approval by ERC.”

“Directly Connected Load-end Substation – Lines, power transformers, related protection equipment, control systems and other assets held by TRANSCO or its Buyer or Concessionaire which directly connect a load-end substation of one or more Distribution Utilities to a Grid shall be classified as Sub-transmission assets subject to the approval by ERC.”

Art. III Sec. 2

We are aware of the provision in Sec. 7 of R.A. 9136 and Rule 6 Sec. 4 of its IRR that ERC is mandated to set the standards of the transmission voltages to distinguish transmission assets from Sub-transmission assets. However, the standards set in R.A. 9136 had already undergone numerous deliberation involving all industry sectors. May we solicit the rationale of the Honorable Commission why they opted not to use the standards for transmission voltages set in R.A. 9136 and its IRR?

DECORP hopes that the Commission will consider the foregoing concerns and we look forward to actively participating in the public consultation scheduled on June 16 to 17, 2003.

Very truly yours,

Dagupan Electric Corporation


Dave Andrew F. Opiso
Corporate Staff Engineer