

FAQ on Direct Connections

Question: WHAT IS ERC RESOLUTION NO. 48 SERIES OF 2006?

Answer: Resolution No. 48 dated 20 September 2006 summarizes the ERC's various policies on end-user connections, which were formulated consistent with EPIRA and EPIRA IRR provisions, previous ERC issuances, and the Supreme Court decisions on direct connections. With the issuance of the said Resolution, the ERC hopes to clarify several issues pertaining to end-user connections, provide guidance to all industry players, and ensure consistency in its decisions on applications for approval of direct connections.

Question: WHAT ARE ERC's POLICIES ON END-USER CONNECTIONS?

Answer: *Summary of ERC Policies on End-user Connections*

- a. *The End-user that can be served by the franchised DU's distribution system must connect to the said system.*
- b. *The End-user must secure the ERC's approval before it can connect directly to TRANSCO's existing subtransmission assets and bypass the franchised DU's system. In such cases, the End-user must still pay the applicable charges, for services availed from the DU, and other non-by-passable charges authorized by law.*
- c. *Subject to the ERC's approval also, the End-user may be allowed to connect to the grid through the construction of new subtransmission assets, which can be undertaken by the End-user or the franchised DU, or funded by TRANSCO. Such assets shall ultimately become the property of the franchised DU, if qualified, or, in its absence, of TRANSCO and treated as Contribution in Aid of Construction, until such time that these assets can be transferred to the franchised DU.*
- d. *If the End-user puts up the assets and lets TRANSCO or the franchised DU operate the same, it shall pay the applicable charges for operating and maintenance expenses. In any case, the End-user shall be liable to pay the applicable charges for services availed from the DU and other non-by-passable charges authorized by law.*
- e. *If the franchised DU constructs the assets, the End-user shall pay the charge related to such assets and the other applicable charges for services availed from the DU and other non-by-passable charges authorized by law.*