

[ERC RESOLUTION NO. 17, S. 2012, October 01, 2012]

A RESOLUTION ADOPTING THE AMENDMENTS TO THE RULES FOR PREPAID RETAIL ELECTRIC SERVICE USING A PREPAID METERING SYSTEM

WHEREAS, on July 13, 2009 the Energy Regulatory Commission (ERC) issued Resolution No. 15, Series of 2009, adopting the "Rules for Prepaid Retail Electric Service Using a Prepaid Metering System";

WHEREAS, on November 4, 2010, a petition was filed for the amendment of some of the provisions of said Rules;

WHEREAS, the proposed amendments were posted on the ERC website to solicit comments from interested stakeholders;

WHEREAS, several public consultations were conducted;

NOW THEREFORE, after careful deliberation on the issues relative thereto, the ERC RESOLVED, as it hereby RESOLVES, to APPROVE and ADOPT the proposed amendments to the "Rules for Prepaid Retail Electric Service Using a Prepaid Metering System", hereto attached as an integral part of this Resolution in Annex "A" as follows:

- 1) Expansion of the coverage of the Prepaid Retail Electric Service (PRES) to all customer classifications;
- 2) Approval on the use of all available types of technologies in the implementation of PRES;
- 3) Classification of the acceptable Prepaid Metering System;
- 4) Adoption of the postpaid retail rate current at the particular month the credited load was consumed as the applicable prepaid rate, whereby the remaining credits from previous month's consumption shall be adjusted based on the applicable postpaid retail rate in the succeeding month;
- 5) Setting up the alarm of a warning device three (3) days before a customer's remaining credit is exhausted, which is based on his or her average monthly consumption, with a threshold of ten (10) kWh for every one hundred (100) kWh; and
- 6) Obligatory use of ERC-type approved meters in PRES revenue metering.

All rules and guidelines or any portion thereof issued by the ERC which are not consistent with these Rules are hereby repealed or modified accordingly. Rules and guidelines not affected shall remain in force and effect.

This Resolution shall take effect fifteen (15) days following its publication in a newspaper of general circulation.

Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR) and all entities engaged in the electricity metering.

(SGD) ZENAIDA G. CRUZ-DUCUT
Chairperson

(SGD.) MARIA TERESA R.
CASTAÑEDA
Commissioner

(SGD.) JOSE C. REYES
Commissioner

ALFREDO J. NON (Took no part)
Commissioner

(SGD.) GLORIA VICTORIA C.
YAP-TARUC
Commissioner

Annex "A"

RULES FOR PREPAID RETAIL ELECTRIC SERVICE USING A PREPAID METERING SYSTEM, AS AMENDED

Pursuant to Section 43 (h) of Republic Act No. 9136 and Section 4 (o), Rule 3 of its Implementing Rules and Regulations (IRR), the Energy Regulatory Commission (ERC) hereby adopts and promulgates the following Rules for Prepaid Retail Electric Service Using a Prepaid Metering System.

ARTICLE I GENERAL PROVISIONS

1.1 Objectives

These Rules shall have the following objectives:

- 1.1.1** Provide customers^[1] a choice for energy management strategies;
- 1.1.2** Establish technical standards for Prepaid Retail Electric Service (PRES) using a Prepaid Metering System (PMS);^[2]
- 1.1.3** Establish rules for PRES using a PMS in addition to all other applicable existing customer protection rules;^[3]
- 1.1.4** Enhance the operational efficiency of the Distribution Utility (DU);
- 1.1.5** Promote demand side management.

1.2 Scope

These Rules shall apply to the following:

- 1.2.1 A DU^[4] that offers PRES^[5] to its customers^[6] as an alternative to its existing postpaid service; and
- 1.2.2 Customers^[7] availing of PRES.

1.3 Definition of Terms

Act – Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001”

Advance Meter^[8] – An electric meter capable of two-way communication with a utility operations center, allowing the utility to remotely track a customer’s usage data and to remotely connect or disconnect a customer’s electric service.

Distribution Utility (DU) – An electric cooperative, private corporation, government-owned utility or existing local government unit which has an exclusive franchise to operate a distribution system in accordance with its franchise and the Act.

Energy Regulatory Commission (ERC) - The independent and quasi-judicial regulatory agency created under Section 38 of the Act.

Prepaid Meter – An electric meter that has the capability to load the purchased energy, to display real time information on how the load is being consumed, and to give a warning that the load is close to zero providing positive buffer before electricity is automatically disconnected.

Prepaid Metering System (PMS)^[9] – A system with capability to implement PRES, using Prepaid Meters that interoperate with a vending system which are compliant with Standard Transfer Specification (STS), or an architecture that creates a network between Advance Meters and DU’s meter management and billing systems.

Prepaid Retail Electric Service (PRES) – An electric service using a PMS^[10] designed to allow a customer^[11] to purchase credit and then use electricity until such time as the credit is exhausted.

Standard Transfer Specification (SBTS)^[12] – A secure message protocol that allows information to be carried between vending system and Prepaid Meters.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them under Republic Act No. 9136.

ARTICLE III REQUIREMENTS FOR PREPAID RETAIL ELECTRIC SERVICE USING PREPAID METERING SYSTEM

2.1 Application for Approval to Offer Prepaid Retail Electric Service

A DU shall file with the ERC for approval an application to provide PRES using PMS^[13] prior to offering such services to customers^[14].

Each applicant shall be required to furnish the following information:

2.1.1 Its legal name and business address;

2.1.2 Written description of the technical specifications of its PMS^[15];

2.1.3 The number of years of summarized record of electric charges

that the PMS can produce;

- 2.1.4** The type of Prepaid Meter or Advance Meter^[16] to be used with a certification that it meets the minimum requirements specified in these Rules;
- 2.1.5** The manner by which energy is purchased and credited;^[17]
- 2.1.6** The terms and conditions of the service to the customer;^[18]
- 2.1.7** The manner by which to recover the cost of the PMS^[19];
- 2.1.8** Retail rate to be used;^[20]
- 2.1.9** Implementation of the lifeline rate;
- 2.1.10** Sample printed receipt or confirmation format;
- 2.1.11** Location and manner of prepaid transaction;
- 2.1.12** The procedure for converting from post-paid to pre-paid service, and vice versa. This shall include the refund and payment of bill deposit;
- 2.1.13** The target date of implementation; and
- 2.1.14** Program on how to inform the customers about the PRES.

2.2 PRES Eligible Meters.^[21]

Only those types of meters with prior approval from the ERC are eligible for use in PRES revenue metering.

2.3 Prepaid Metering System^[22]

The PMS should have the capability to communicate to the customer the instantaneous energy consumption, the remaining balance (in kWh), time and date; the customer's previous thirty (30) day-period consumption and the number of days into the current thirty (30) day-period, followed by the consumption in kWh; and to warn the customer three (3) days before his/her remaining credit is exhausted, which is based on the customer's average monthly consumption, with a threshold of ten (10) kWh for every one hundred (100) kWh.

The PMS should be capable to inter-operate with different brands of meters.

2.4 Accuracy Requirements of Meters^[23]

All meters^[24] should have an average accuracy of as close as possible to the condition of zero error before they are placed in service. The tolerance limit of plus or minus one half percent ($\pm 0.5\%$) is fixed to allow the necessary variations. The average error of plus or minus two percent ($\pm 2\%$) is fixed as the allowable tolerance for meters in service; Provided, that the error at any test load points (Light load and Full load) does not exceed plus or minus three percent ($\pm 3\%$).

The **PRES revenue meter**^[25] shall be subject to ERC testing and certification.

The ERC seal attached to the meter is a warranty (1) that the prepaid meter is an acceptable or accepted type, and (2) that it operates within the allowable limits of tolerance.

2.5 Monitoring and Warning Device^[26]

Customers should be provided with a mechanism or device to be used in monitoring and managing the rate at which energy is being consumed and in receiving warning when credit drops to the required threshold.

2.6 Cost of Meters^[27] Customers shall not be made to advance the cost of or to purchase the meter. Meter deposits shall not be collected by the DUS from their customers.

2.7 Prepaid Rate^[28] The DU should allow the purchase of electric energy credit in reasonably small increments.

Unless the DU applies for and the ERC approves a different tariff for PRES, including the application of discounts, if any, the rates to be applied shall be based on the applicable postpaid retail rate current at the particular month the credited load was consumed: Provided, however, That any remaining credits from a previous month's consumption shall be adjusted based on the applicable postpaid retail rate in the succeeding month; Provided, further, That the DU shall continue to charge the lifeline rate to residential customers whose consumptions during a particular month do not exceed the approved lifeline cap.

For purposes of this section, the word "month" is hereby defined to be the corresponding time interval for which the meters of the DU's postpaid customers are read for purposes of billing.

2.8 Printed Receipt or Confirmation^[29]

Every time a customer makes a prepaid transaction, the DU shall provide a printed receipt or any form of confirmation of the loaded or credited amount of energy that includes the following:

2.8.1 Name of Distribution Utility;

2.8.2 Receipt Number;

2.8.3 Date and time of loading or activation of energy credit;

2.8.4 Meter identification (it is either the name of the registered customer, or meter and/or service identification number);

2.8.5 Amount of electricity energy credit (in kilowatt-hours and in pesos);

2.8.6 Tariff charge; and

2.8.7 The number of purchase transactions made in the same month

2.9 Summary of Electric Charges

A DU shall keep for each customer^[30] a record necessary to produce a summary of purchases of electric energy credit for at least the preceding two (2) years.

A DU shall within five (5) business days from receipt of a customer's request, issue a summary of purchases of electric energy credit and