

[ERC RESOLUTION NO. 08, S. 2010, March 10, 2010]

A RESOLUTION ADOPTING THE RULES TO GOVERN THE INTERRUPTIBLE LOAD PROGRAM (ILP) OF DISTRIBUTION UTILITIES (DUS)

WHEREAS, it is a declared policy of the State to ensure the quality, reliability, security and affordability of the supply of electric power;

WHEREAS, to address the imminent power shortage and augment the limited power requirements of the distribution utilities (DUs) in Visayas and Mindanao regions, the Commission proposed to adopt a set of Rules to Govern the Interruptible Load Program (ILP) of DUs as a proactive measure to help solve the power shortage;

WHEREAS, on February 11, 2010, the proposed Rules were posted on its website directing all interested parties to file their respective comments on or before February 26, 2010;

WHEREAS, on February 22 and February 23, 2010, expository hearings were conducted in the Cities of Pasig (for Luzon) and Cebu (for Visayas and Mindanao), respectively;

WHEREAS, on March 5, 2010, a public consultation was held at the Commission's Main Office to discuss the comments submitted by the following stakeholders: 1) Manila Electric Company (MERALCO); 2) Philippine Electricity Market Corporation (PEMC); 3) Dagupan Electric Corporation (DECORP); 4) Cagayan Electric Power and Light Company (CEPALCO); 5) Misamis Occidental II Electric Cooperative, Inc. (MOELCI); 6) Davao Light and Power Company, Inc. (DLPC); 7) Visayan Electric Company, Inc. (VECO); and 8) Distribution Management Company Committee (DMC);

WHEREAS, the ILP allows the DU and the participating customer to enter into an agreement wherein the customer may be requested by its DU to be partially or fully de-loaded/disconnected for a period of time as determined by the DU. The DU shall pay the participating customer a deloading compensation for the incremental cost incurred which shall be recovered from all customers of the DU as part of the monthly total power cost;

WHEREAS, after a careful consideration of the comments submitted by interested parties, the Commission deems it appropriate to adopt and implement the Rules to Govern the ILP of DUs in the Visayas and Mindanao Grids to alleviate the power crisis in the said regions;

NOW THEREFORE, the Commission, after thorough and due deliberation, hereby