

[ERC RESOLUTION NO. 08, S. 2013, May 06, 2013]

A RESOLUTION AMENDING ARTICLE IV, SECTION 1 OF THE "RULES TO GOVERN THE INTERRUPTIBLE LOAD PROGRAM OF DISTRIBUTION UTILITIES"

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 in the Visayas and Mindanao Regions, on March 10, 2010, the Commission adopted Resolution No. 8, Series of 2010, entitled "*A Resolution Adopting the Rules to Govern the Interruptible Load Program (ILP) of Distribution Utilities (DUs)*" or the *ILP Rules*;

WHEREAS, on February 11, 2013, the Commission received a petition to amend the ILP Rules, particularly, Article IV, Section 1 thereof in order to provide for a fairer and more reasonable cost recovery mechanism;

WHEREAS, on February 25, 2013, the proposed amendments to the ILP Rules were posted on the Commission's website directing all interested parties to file their respective comments thereon on or before March 11, 2013 for all Luzon stakeholders and March 26, 2013 for all Visayas and Mindanao stakeholders;

WHEREAS, on March 21, 2013, April 10, 2013 and April 12, 2013, public consultations were conducted in the Commission's Main Office, Mindanao Field Office and Visayas Field Office, respectively, to discuss the comments submitted by the following stakeholders: a) Davao Light and Power Company, Incorporated (DLPC); b) Bukidnon Second Electric Cooperative, Incorporated (BUSECO); and c) Distribution Management Committee (DMC);

WHEREAS, after a careful consideration of the comments submitted by interested parties, the Commission deems it appropriate to amend Article IV, Section 1 of the ILP Rules to alleviate the power crisis in Visayas and Mindanao Regions;

NOW, THEREFORE, be it **RESOLVED**, as the Commission hereby **RESOLVES** to **APPROVE** and **AMEND** Article IV, Section 1 of the "*Rules to Govern the Interruptible Load Program (ILP) of Distribution Utilities (DUs)*", as follows:

"Article IV BILLING AND COMPENSATION"

Section 1. De-loading Compensation. The Distribution Utility shall pay the Participating Customer a compensation an amount representing the incremental cost incurred due to the full or partial de-loading, when it de-loads from the Distribution Utility as requested.