

**[ ERC RESOLUTION NO. 01, SERIES OF 2008,  
January 09, 2008 ]**

**RESOLUTION ADOPTING THE RULES TO GOVERN THE  
IMPLEMENTATION OF THE TIME OF USE (TOU) RETAIL RATES OF  
DISTRIBUTION UTILITIES (DUS) SOURCING 100% OF THEIR  
POWER REQUIREMENTS FROM THE NATIONAL POWER  
CORPORATION (NPC) AND/OR INDEPENDENT POWER  
PRODUCERS (IPPS) WITH AUTHORIZED RATES PEGGED AT  
NPC'S RATE**

WHEREAS, Section 43 (f) of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and its Implementing Rules and Regulations (IRR), provide that the Energy Regulatory Commission (ERC) shall determine, fix and approve, among others, retail rates to be imposed by Distribution Utilities (DUs) through an established and enforced methodologies setting the same;

WHEREAS, on April 13, 2005, the Commission issued a Decision in ERC Case No. 2004-178 [In the matter of the Application for the Approval of the Proposed Generation Rates for Luzon, Visayas and Mindanao Grids, with Prayer for Provisional Authority, Na-tional Power Corporation (NPC), and Power Sector Assets and Liabilities Management Corporation (PSALM) -Applicants] approving the Time of Use (TOU) retail rates of the applicants and directing all DUs to file their respective proposed TOU retail rates applications;

WHEREAS, on various dates, the DUs filed their respective TOU retail rates applications;

WHEREAS, to facilitate the evaluation and resolution of the said applications, the Commission formulate a draft "Rules to Govern the Application and Approval of the Time of Use (TOU) Retail Rates of Distribution Utilities (DUs) Sourcing 100% of their Power Requirements from the National Power Corporation (NPC)<sup>1</sup>", which was subjected for public consultations on October 16, 2007 and November 6, 2007;

WHEREAS, after a thorough evaluation of the comments and views submitted by the participants, the Commission deems it necessary to formulate and adopt a set of rules that would govern the implementation of the TOU retail rates of DUs;

NOW, THEREFORE, be it RESOLVED, as the Commission hereby RESOLVES to ADOPT the "Rules to Govern the Implementation of the Time-of-Use (TOU) Retail Rates of Distribution Utilities (DUs)Sourcing 100% of their Power Requirements From the National power Corporation (NPC) and/or Independent Power Producers (IPPs) with Authorized Rates Pegged at NPC's Rate"\*.

This Resolution shall take effect immediately following its publication in a newspaper of general circulation in the Philippines.