

[ERC RESOLUTION NO. 18, S. 2005, August 17, 2005]

**IMPLEMENTING SECTION 43(T) OF REPUBLIC ACT NO. 9136 AND
RULE 3, SECTION 4(M) OF THE IMPLEMENTING RULES AND
REGULATIONS (IRR) OF THE SAID ACT**

WHEREAS, pursuant to Section 2(d) of Republic Act No. 9136 (the Electric Power Industry Reform Act of 2001 or EPIRA), it is the policy of the state to enhance the inflow of private capital and broaden the ownership base of the power generation, transmission and distribution sectors;

WHEREAS, Section 43(t) of the said Act provides that:

"Section 43. Functions of the ERC. – xxx xxx xxx:

(t) Perform such other regulatory functions as are appropriate and necessary in order to ensure the successful restructuring and modernization of the electric power industry, such as, but not limited to, the rules and guidelines under which generation companies, distribution utilities which are not publicly listed shall offer and sell to the public a portion of not less than fifteen percent (15%) of their common shares of stocks: Provided, however, That generation companies, distribution utilities or their respective holding companies that are already listed in the Philippine Stock Exchange (PSE) are deemed in compliance. For existing companies, such public offering shall be implemented not later than five (5) years from the effectivity of this Act. New Companies shall implement their respective public offerings not later than five (5) years from the issuance of their certificate of compliance; (underscoring supplied)"

WHEREAS, Rule 3, Section 4 (m) of the Implementing Rules and Regulations (IRR) of the said Act provides that:

"Rule 3, Section 4 - Responsibilities of the ERC.

(m) The ERC shall perform such other regulatory functions as are appropriate and necessary in order to ensure the successful restructuring