

Republic of the Philippines
DEPARTMENT OF ENERGY

**Amendments to Section 4(e) of Rule 3 and Section 7 of Rule 18 of
the Implementing Rules and Regulations (IRR) of Republic Act No.
9136 otherwise known as the Electric Power Industry Reform Act
(EPIRA)**

Pursuant to the Department of Energy's mandate under the EPIRA, the following amendments to Section 4(e) of Rule 3 and Section 7 of Rule 18 of the EPIRA IRR are hereby promulgated.

Section 1. Section 4 (e) Rule 3 of the EPIRA IRR is hereby amended to read as follows:

"Section 4. Responsibilities of the ERC.

- (e) Any application or petition for rate adjustment or for any relief affecting the consumers must be verified, and accompanied with an acknowledgment of receipt of a copy thereof by the LGU Legislative Body of the locality where the applicant or petitioner principally operates together with the certification of the notice of publication thereof in a newspaper of general circulation in the same locality.

The ERC may grant provisionally or deny the relief prayed for not later than seventy five (75) calendar days from the filing of the application or petition, based on the same and the supporting documents attached thereto and such comments or pleadings the consumers or the LGU concerned may have filed within thirty (30) calendar days from receipt of a copy of the application or petition or from the publication thereof as the case may be.

Thereafter, the ERC shall conduct a formal hearing on the application or petition, giving proper notices to all parties concerned, with at least one public hearing in the affected locality, and shall decide the matter on the merits not later than twelve (12) months from the issuance of the aforementioned provisional order.

This Section 4 (e) shall not apply to those applications or petitions already filed as of 26 December 2001 in compliance with Section 36 of the Act.

This section 4 (e) shall not apply to Generation Rate Adjustment Mechanism (GRAM), Incremental Currency Exchange Recovery Adjustment (ICERA), Transmission Rate Adjustment Mechanism, Transmission True-up Mechanism, System Loss Rate Adjustment Mechanism, Lifeline Rate Recovery Mechanism, Cross-Subsidy Mechanism, Local Franchise Tax Recovery Mechanism, Business Tax

Recovery Mechanism, Automatic Generation Rate Adjustment Mechanism, VAT Recovery Mechanism, Incremental Generation Cost Adjustment Mechanism, and Recovery of Deferred Accounting Adjustment for Fuel Cost and Power Producers by NPC and NPC-SPUG, Provided that, such adjustments shall be subject to subsequent verification by the ERC to avoid over/under recovery of charges."

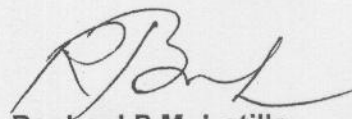
Section 2. Section 7 of Rule 18 is hereby amended to read as follows:

"Section 7. Deferment.

All Self-Generation Facilities whether new, existing or under construction shall not be covered by the imposition of Universal Charge for a period of three (3) years from June 30, 2007: *Provided*, that, such Self-Generation Facilities shall register with ERC and PSALM."

Section 3. Effectivity. These amendments shall take effect three (3) days following its publication in two (2) newspapers of general circulation.

Energy Center, Fort Bonifacio, Taguig City, Metro Manila, 21 June 2007.


Raphael P.M. Lotilla
Secretary