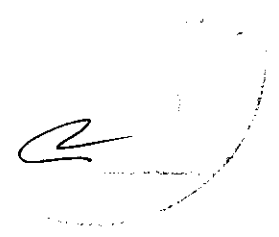


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



RESOLUTION NO. 06 Series of 2011

**A RESOLUTION ADOPTING THE AMENDMENTS TO THE
RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 7832**

WHEREAS, Section 41 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), empowers the Energy Regulatory Commission (ERC) to issue the rules and regulations as may be necessary to ensure the efficient and effective implementation of the said Act;

WHEREAS, the Energy Regulatory Board (ERB), the predecessor of ERC, promulgated the Implementing Rules and Regulations (IRR) of Republic Act No. 7832, otherwise known as the "Anti-Electricity and Electric Transmission Line/Materials Pilferage Act of 1994;

WHEREAS, the said IRR, among others, govern the rights and obligations of distribution utilities and consumers with respect to electricity pilferages and provide the methodologies for computing the amount of electricity illegally used;

WHEREAS, recognizing the need to amend the IRR in order to address current issues and to incorporate recent jurisprudence and newly-adopted policies and procedures, the ERC drafted certain amendments to the IRR;

WHEREAS, the ERC's initial draft amendments were posted on December 16, 2009 in the ERC website, after which they were subjected to expository hearings and public consultation;

WHEREAS, a second draft was prepared and posted on November 22, 2010 in the ERC website for additional comments from the industry stakeholders;

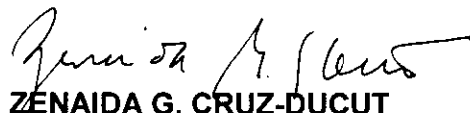
WHEREAS, the ERC considered the comments and proposals from the industry stakeholders in finalizing the amendments to the IRR;

NOW, THEREFORE, the ERC, after thorough and due deliberation, **RESOLVED**, as it hereby **RESOLVES** to **ADOPT** the amendments to the Rules and Regulations Implementing Republic Act No. 7832, hereto attached as **Annex "A"**.

This Resolution shall take effect fifteen (15) days following its complete publication in a newspaper of general circulation.


Let copies of this Resolution be furnished the University of the Philippine Law Center Office of the National Administrative Register (UPLC-ONAR).

Pasig City, January 31, 2011.


ZENAIDA G. CRUZ-DUCUT
Chairperson *proctor*


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

MCCG/CAS 4

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

**AMENDMENTS TO THE RULES AND REGULATIONS
IMPLEMENTING REPUBLIC ACT NO. 7832**

Pursuant to the provisions of Section 14 of Republic Act No 7832, otherwise known as the "Anti-Electricity and Electric Transmission Lines/Materials Pilferage Act of 1994" and Section 41 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, the Energy Regulatory Commission (ERC) hereby promulgates the amendments to the Rules and Regulations Implementing Republic Act No. 7832.

Section 1. The following provisions of the Implementing Rules and Regulations of RA No. 7832 are hereby amended to read as follows:

**RULES AND REGULATIONS IMPLEMENTING
REPUBLIC ACT NO. 7832**

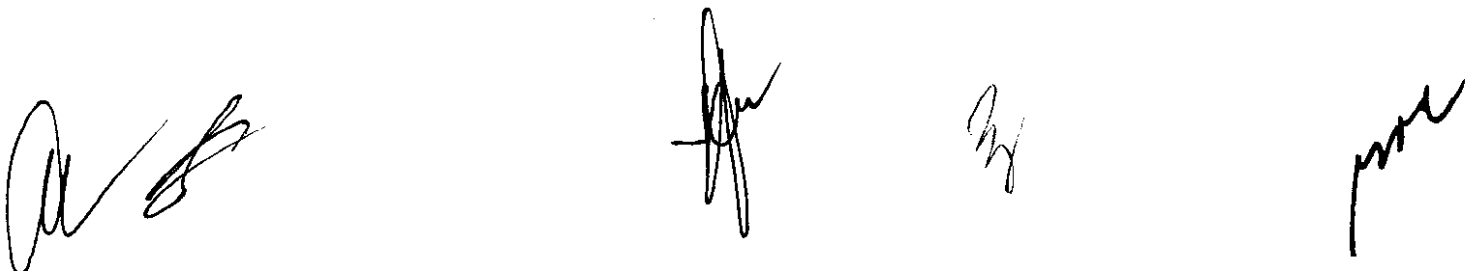
RULE III

PRIMA FACIE EVIDENCE

Section 3. Any natural or juridical person, whether or not said person is a registered customer of a distribution utility, may be found guilty for any violation/s contained in the Act or its Implementing Rules and Regulations (IRR), provided the proper procedures are strictly complied with. Such person may be assessed a differential billing and surcharge, whenever applicable.

RULE IV (NEW PROVISIONS)

GENERAL PRINCIPLES



SECTION 1. EXCEPT AS ALLOWED UNDER REPUBLIC ACT NO. 7832 AND THE PROVISIONS OF THESE RULES AND REGULATIONS, ALL APPREHENSIONS FOR ALLEGED VIOLATIONS OF R.A. 7832 MUST BE MADE IN THE PRESENCE OF THE REGISTERED CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE. THE SAID REPRESENTATIVE MUST BE A RESIDENT OF THE PREMISES, OF LEGAL AGE WITH SUFFICIENT DISCRETION AND DISCERNMENT AND ACTING IN BEHALF OF THE CUSTOMER OR ACTUAL USER. ONLY THE OFFICER OF THE LAW OR ERC REPRESENTATIVE, AS THE CASE MAY BE, AND THE AFOREMENTIONED PERSONS WHO WITNESSED THE APPREHENSION AND PRESENT DURING THE ACTUAL APPREHENSION SHALL SIGN THE INSPECTION REPORT PREPARED BY THE APPREHENDING DISTRIBUTION UTILITY (DU) PERSONNEL.

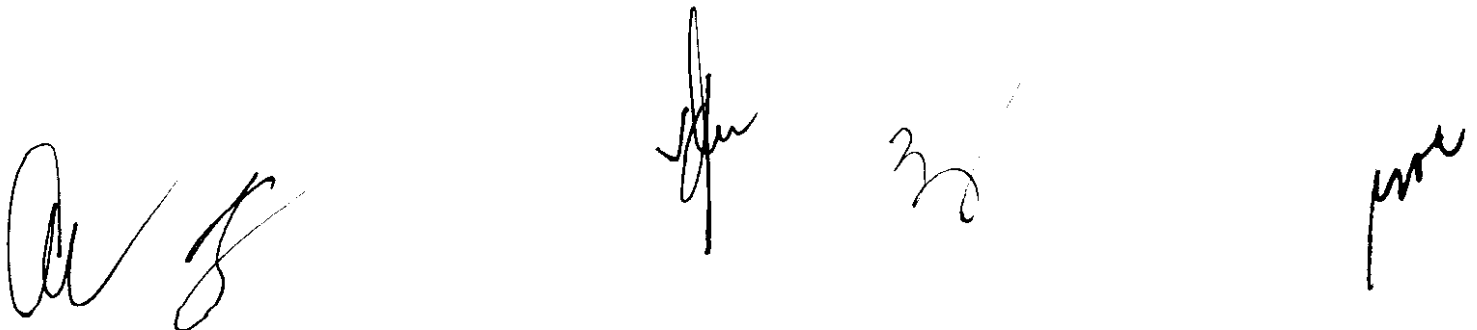
SECTION 2. AN APPREHENSION FOR ALLEGED VIOLATION OF R.A. 7832 MAY BE DONE ANYTIME AND THE APPREHENDING DISTRIBUTION UTILITY (DU) PERSONNEL SHALL BE ALLOWED TO CONFISCATE ALL IMPLEMENTS OF THE ALLEGED VIOLATION.

SECTION 3. THE REGISTERED CUSTOMER, ACTUAL USER OR OCCUPANT OF THE PREMISES FOUND TO HAVE BENEFITED FROM SUCH ILLEGAL USE OF ELECTRICITY IS LIABLE FOR THE PAYMENT OF THE DIFFERENTIAL BILLING.

SECTION 4. WHEN THE PERSON APPREHENDED IS NOT A REGISTERED CUSTOMER OF THE CONCERNED DU OR THE PERSON'S ACCOUNT HAS BEEN DISCONNECTED OR TERMINATED, COLLECTION OF THE DIFFERENTIAL BILLING FROM SUCH PERSON MAY BE DONE THROUGH THE FILING OF AN APPROPRIATE COMPLAINT BEFORE THE REGULAR COURTS, OR BY AVAILING OF ANY OTHER LEGAL REMEDIES.

IF NO CASE HAS BEEN FILED AND SUCH PERSON APPLIES FOR ELECTRIC SERVICE, THE DU MAY RECOVER THE DIFFERENTIAL BILLING FROM THE SAID PERSON BASED ON SUBSTANTIAL EVIDENCE BEFORE THE APPLICATION FOR ELECTRIC SERVICE CAN BE GIVEN DUE COURSE.

SECTION 5. THE OFFICER OF THE LAW MUST WITNESS THE PROCESS OF APPREHENSION, AND ATTEST TO THE PRESENCE OF THE CIRCUMSTANCES ENUMERATED IN SECTION 4 OF R.A. 7832.



SECTION 6. THE REGISTERED CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE MUST BE FURNISHED A COPY OF THE INSPECTION REPORT IMMEDIATELY AFTER SIGNING THE SAME.

SECTION 7. THE CUSTOMER OR ACTUAL USER MUST BE IN RECEIPT OF A COPY OF THE INSPECTION REPORT BEFORE THE DIFFERENTIAL BILLING, IF APPLICABLE, CAN BE DEMANDED. BEFORE ANY ACTUAL DISCONNECTION OF ELECTRIC SERVICE, A DEMAND LETTER PREPARED IN ACCORDANCE WITH THESE RULES AND SIGNED BY THE DULY AUTHORIZED REPRESENTATIVE OF THE CONCERNED DU MUST BE SERVED ON THE REGISTERED CUSTOMER OR ACTUAL USER.

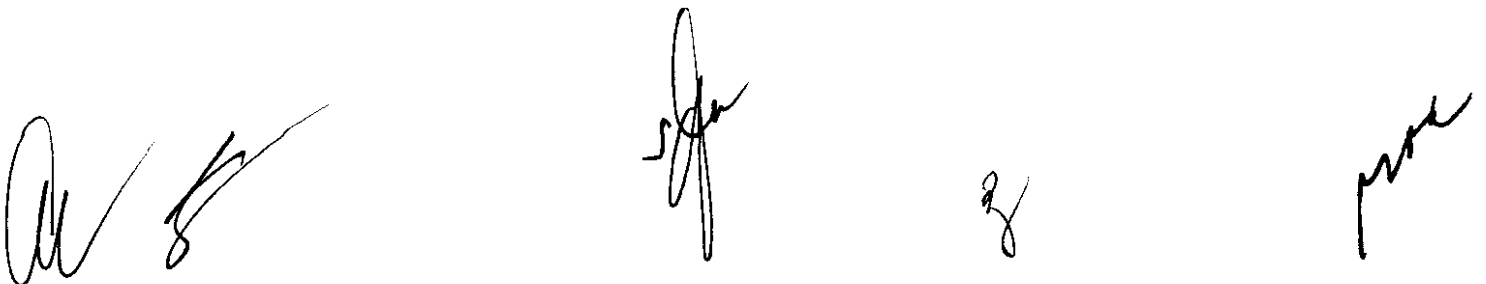
SECTION 8. THE CUSTOMER OR ACTUAL USER IS GIVEN ONE BUSINESS DAY IMMEDIATELY AFTER THE RECEIPT OF THE DEMAND LETTER TO SETTLE THE DIFFERENTIAL BILLING.

SECTION 9. IF A CUSTOMER HAS SEVERAL ACCOUNTS, THE APPREHENSION OF ONE ACCOUNT SHALL NOT BE A GROUND FOR THE DISCONNECTION OF THE OTHER UNRELATED ACCOUNTS.

SECTION 10. DISCONNECTION OF ELECTRIC SERVICE SHALL MEAN DISCONNECTION OF THE LEGITIMATE ELECTRIC SERVICE OF THE CUSTOMER OR ACTUAL USER WHO WAS APPREHENDED, EFFECTED IN THE SUBJECT PREMISES WHERE THE VIOLATION WAS DISCOVERED. THE DISCONNECTION SHALL NOT BE EXTENDED TO OTHER ELECTRIC SERVICE/S THAT ARE NOT INVOLVED IN THE VIOLATION.

SECTION 11. NO CUSTOMER SHALL BE ALLOWED TO PROVIDE ELECTRICITY TO PREMISES OTHER THAN THOSE COVERED UNDER THE CUSTOMER'S SERVICE CONTRACT WITH THE DU. SUBJECT TO A NOTICE, THIS MAY BE A GROUND FOR DISCONNECTION OF ELECTRIC SERVICE. THE CUSTOMER MAY ALSO BE ASSESSED A SURCHARGE FOR SUCH VIOLATION. HOWEVER, AS THERE IS NO UNREGISTERED CONSUMPTION, THE DU SHALL NOT BE ALLOWED TO ASSESS A DIFFERENTIAL BILLING FROM SUCH CUSTOMER.

SECTION 12. NO SURCHARGE SHALL BE COLLECTED UNLESS THERE IS ACTUAL ADMISSION BY THE CONCERNED CUSTOMER, VOLUNTARY SETTLEMENT OF THE DIFFERENTIAL BILLING BY THE CONSUMER OR FINAL JUDGMENT OF VIOLATION RENDERED BY THE REGULAR COURTS OR THE ERC, OR THE CUSTOMER IS FOUND TO BE PROVIDING ELECTRICITY TO



PREMISES OTHER THAN THOSE COVERED UNDER HIS/HER SERVICE CONTRACT WITH THE DU.

RULE V

INSPECTION RULES AND PROCEDURES

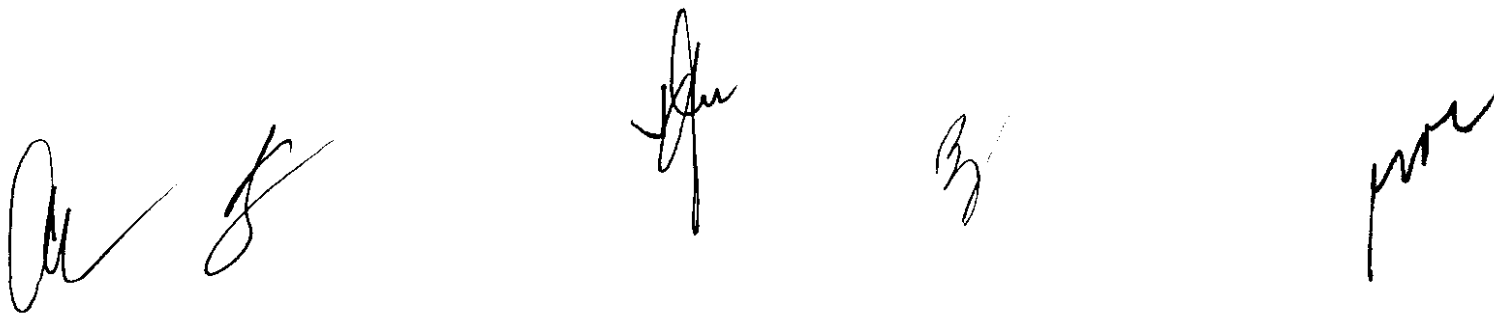
SECTION 1. ALL DUS ARE ALLOWED TO CONDUCT INSPECTIONS IN THE PREMISES OF THEIR REGISTERED CUSTOMERS, FOR THE FOLLOWING PURPOSES:

- a. MAINTENANCE AND/OR IMPROVEMENT OF THEIR METERING FACILITIES;
- b. METER TESTING PURSUANT TO RESOLUTION NO. 12 SERIES OF 2009; OR
- c. APPREHENSIONS FOR VERIFYING REPORTED/ALLEGED VIOLATIONS OF R.A. 7832 AND THESE RULES AND REGULATIONS.

INSPECTIONS CONDUCTED UNDER PARAGRAPHS (a) AND (b) SHALL BE TERMED AS ROUTINE INSPECTION, WHILE THOSE CONDUCTED PARAGRAPH (c) SHALL BE KNOWN AS ANTI-PILFERAGE INSPECTION.

SECTION 2. ROUTINE INSPECTIONS SHALL BE CONDUCTED, AS FOLLOWS:

- a. THE DU SHALL GIVE NOTICE TO THE CUSTOMERS, THROUGH THE ELECTRIC BILL OR OTHER MEANS, OF THE SCHEDULE OF ROUTINE INSPECTION OF THE METERING FACILITIES USED TO PROVIDE ELECTRIC SERVICE. THE SCHEDULE OF ROUTINE INSPECTIONS SHALL BE SUBMITTED TO THE ERC AT THE START OF EACH QUARTER.
- b. NO OFFICER OF THE LAW IS REQUIRED TO BE PRESENT DURING ROUTINE INSPECTIONS, WITHOUT PREJUDICE TO THE APPLICATION OF THE OTHER PROVISIONS OF THESE RULES AND REGULATIONS.
- c. ROUTINE INSPECTIONS SHALL BE CONDUCTED WITH OR WITHOUT THE PRESENCE OF THE CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE, PROVIDED THAT NO

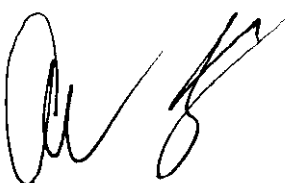


METER SHALL BE REMOVED WITHOUT THEIR PRESENCE, EXCEPT FOR REASONS OF PUBLIC SAFETY.

- d. DURING ROUTINE INSPECTIONS, METERS REMOVED SHALL BE PLACED IN A SUITABLE CONTAINER, PROPERLY IDENTIFIED AND SEALED, AND SHALL BE OPENED ONLY FOR TESTING BY AN ERC REPRESENTATIVE. IF, AFTER SUCH TESTING, THE SUBJECT METER IS FOUND TO BE TAMPERED, THE DU MAY ASSESS THE CUSTOMER OR ACTUAL USER A DIFFERENTIAL BILLING IN ACCORDANCE WITH THESE RULES AND REGULATIONS. FAILURE TO PAY THE DIFFERENTIAL BILLING AFTER DUE NOTICE IS A GROUND FOR DISCONNECTION OF THE CUSTOMER'S ELECTRIC SERVICE IN THE SUBJECT PREMISES.
- e. AFTER EACH ROUTINE INSPECTION, THE DU'S REPRESENTATIVE SHALL PREPARE A ROUTINE INSPECTION REPORT INDICATING THEIR FINDINGS. IF THE METER IS REMOVED FOR TESTING, THE DU'S REPRESENTATIVE MUST ISSUE A NOTICE OF METER TESTING TO THE CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE FOR THEM TO WITNESS THE TESTING OF THE SAID METER. IF SUCH CUSTOMER, ACTUAL USER OR REPRESENTATIVE FAILS TO APPEAR DURING THE DESIGNATED TIME, THE TESTING OF THE METER MAY PROCEED IN THE PRESENCE OF THE ERC REPRESENTATIVE.
- f. INSPECTIONS TO BE UNDERTAKEN BY DUS TO ESTABLISH THE PRESENCE OF ANY OF THE PRIMA FACIE EVIDENCE OF ILLEGAL USE OF ELECTRICITY, AS ENUMERATED IN SECTION 4 OF R.A. 7832, MUST BE WITNESSED BY AN OFFICER OF THE LAW OR AN ERC REPRESENTATIVE. IF SUCH PRIMA FACIE EVIDENCE IS ESTABLISHED, THE DU MAY DISCONNECT THE CUSTOMER'S ELECTRIC SERVICE AFTER DUE NOTICE AND NON-PAYMENT OF THE DIFFERENTIAL BILLING.

SECTION 3. ANTI-PILFERAGE INSPECTIONS AND APPREHENSIONS SHALL BE CONDUCTED IN THE FOLLOWING MANNER:

- a. THE INSPECTION MUST BE WITNESSED AND ATTESTED TO BY AN OFFICER OF THE LAW OR AN ERC REPRESENTATIVE.



- b. THE DU'S REPRESENTATIVE/S SHALL GATHER EVIDENCE OF THE ALLEGED PILFERAGE, INCLUDING BUT NOT LIMITED TO PICTURES, VIDEOS AND TESTIMONIES OF WITNESSES.
- c. AN ANTI-PILFERAGE INSPECTION MAY BE CONDUCTED WITHOUT THE PRESENCE OF THE CUSTOMER OR ACTUAL USER OR THEIR REPRESENTATIVE PROVIDED THAT THERE SHALL BE NO DISCONNECTION OF ELECTRIC SERVICE. THE OFFICER OF THE LAW MUST ATTEST TO THE ABSENCE OF THE CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE.
- d. IF A CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE REFUSES TO WITNESS THE INSPECTION OR SIGN THE INSPECTION REPORT, THIS REFUSAL MUST BE ATTESTED TO BY THE WITNESSING OFFICER OF THE LAW OR ERC REPRESENTATIVE CORROBORATED BY OTHER EVIDENCES, INCLUDING BUT NOT LIMITED TO PICTURES, VIDEOS AND TESTIMONIES OF OTHER WITNESSES. IN SUCH CASES, THE DU SHALL BE ALLOWED TO ASSESS A DIFFERENTIAL BILLING COMPUTED IN ACCORDANCE WITH THESE RULES AND REGULATIONS. FAILURE TO PAY THE DIFFERENTIAL BILLING AFTER DUE NOTICE MAY BE A GROUND FOR DISCONNECTION OF ELECTRIC SERVICE.
- e. ANTI-PILFERAGE INSPECTIONS SHALL LIKEWISE CONFORM WITH THE OTHER PROVISIONS OF THESE RULES AND REGULATIONS.

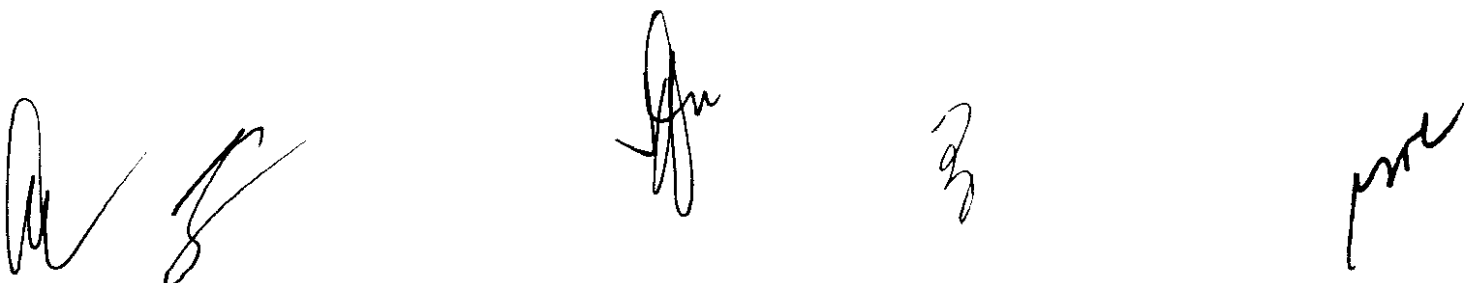
RULE (V) VII

DISCONNECTION OF ELECTRIC SERVICE

Section 1. Right to disconnect and its requirements. x x x

The written notice or warning being referred to herein shall be served prior to such disconnection and shall indicate the x x x

- a) Computation of the unbilled consumption in kilowatthour INCLUDING THE METHODOLOGY USED IN COMPUTING THE SAME;
- b) The period to be used in computing the differential billing; and

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- c) The latest Inspection Report prior to apprehension.

Section 2. Inspection Report. – An Inspection Report must be accomplished by the DU ~~utility or cooperative~~ concerned after every inspection, monitoring of meter installation or apprehension, indicating the following:

- a) Date and time of the inspection;
- b) Condition of the meters, SEALS, instrument transformers and metering installations;
- c) Changes made with the connections during the time of inspection;
- d) DETAILED SKETCH OF THE ALLEGED VIOLATION;
- e) Replacement made on the metering installations, if any;
- f) Signature over the printed name of the Inspector; and
- g) Signature over the printed name of the consumer CUSTOMER/ACTUAL USER or ~~his~~ THEIR ~~duly~~ authorized REPRESENTATIVE.

The accomplished Inspection Report shall be attested to by the authorized ERC (ERB) representative or by the Officer of the law, as the case may be.

THE CONTENTS OF THE INSPECTION REPORT MUST BE FULLY EXPLAINED TO THE CUSTOMER, ACTUAL USER OR THEIR REPRESENTATIVE.

The original copy of the Inspection Report shall be kept by the electric DISTRIBUTION utility ~~or electric cooperative~~ concerned and shall not be destroyed without prior approval from the ERC (ERB) EXCEPT WHERE THERE IS ALREADY A FINAL DECISION RENDERED BY THE ERC OR BY THE COURT, AS THE CASE MAY BE, TO COLLECT DIFFERENTIAL BILLING. A duplicate of the said report shall likewise be furnished to the owner/occupant of the establishment concerned or THE CUSTOMER, OR ACTUAL USER, OR THEIR REPRESENTATIVE (~~someone of suitable age and discretion residing therein and acting in behalf of the owner/occupant~~).



RULE (VII) VIII

BILLINGS AND SURCHARGES

Section 1. Testing of Watthour Meter Standard Equipment. – The NPC, THE NATIONAL TRANSMISSION CORPORATION, THE NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP) (the NEA) and all x x x

~~(The NEA shall likewise furnish the ERB, within the same period aboveprescribed, with copies of the test reports on the calibration of the watthour meter standard equipment of all the electric cooperatives.)~~

Section 3. Computation of the Differential Billing. – A PERSON SHALL ONLY BE LIABLE FOR THE PAYMENT OF DIFFERENTIAL BILLING EQUIVALENT TO THE BENEFIT DERIVED FROM THE SAID VIOLATION COMPUTED USING ANY OF THE METHODOLOGIES PROVIDED HEREIN.

~~The differential billing shall be determined by multiplying the unbilled consumption in kilowatthour, the period covered by the differential billing and the current rate of electricity at the time of apprehension. ALL BILLS AFFECTED BY THE PILFERAGE SHALL BE CORRECTED TO INCLUDE THE UNBILLED KWH CONSUMPTION. THE DIFFERENTIAL BILLING SHALL BE COMPUTED BASED ON THE CURRENT RATES OF ELECTRICITY AT THE TIME OF APPREHENSION AND SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE SUMS OF THE CORRECTED AND ORIGINAL BILLS.~~

Section 4. Computation of the Unbilled Consumption in Kilowatthour. – The unbilled consumption in kilowatthour may be computed by using the following methodologies:

4.1. FOR CASES FALLING UNDER SECTION 2(A) OF THE ACT, REFERRED TO AS LINESIDE CONNECTIONS AND THE SUBJECT PREMISES ARE COVERED BY AN ACTIVE SERVICE CONTRACT WITH THE CONCERNED DU, THE FOLLOWING METHODOLOGIES SHALL BE USED PREFERABLY IN THE FOLLOWING ORDER OF PRIORITY:

- i. THE HIGHER BETWEEN THE AVERAGE CONSUMPTIONS BEFORE OR AFTER THE HIGHEST DRASTIC DROP IN CONSUMPTION WITHIN THE FIVE-YEAR BILLING PERIOD PRECEDING THE DISCOVERY. FOR PURPOSES OF THESE RULES, THERE IS A DRASTIC DROP IN CONSUMPTION



WHEN THERE IS A DECREASE IN THE CUSTOMER'S KILOWATTHOUR OF AT LEAST FIFTY PERCENT OF THE AVERAGE KILOWATTHOUR CONSUMPTION FOR THE TWELVE (12) MONTHS PRIOR THERETO;

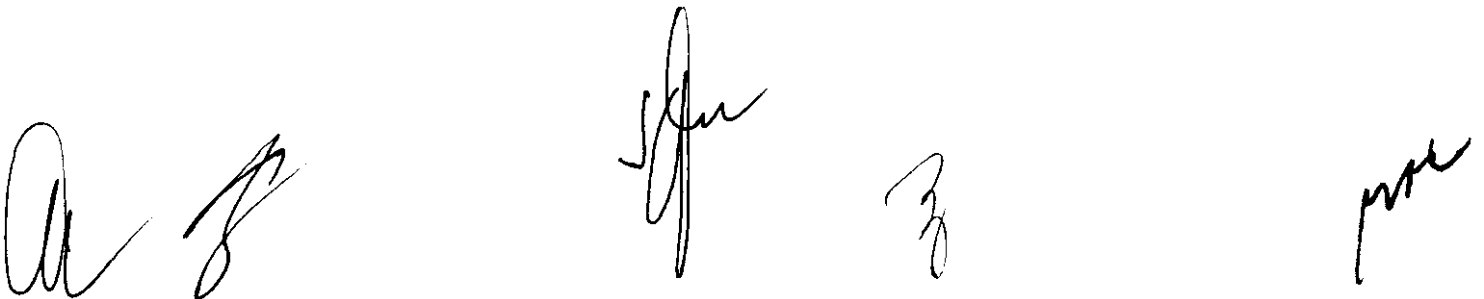
- ii. THE ESTIMATED CONSUMPTION AS PER REPORT OF LOAD INSPECTION CONDUCTED AT THE TIME OF DISCOVERY. THE COMPUTATION OF THE ESTIMATED CONSUMPTION SHALL BE BASED ON THE ERC APPROVED ESTIMATIONS ATTACHED HERETO AS ANNEX "A";
- iii. THE HIGHEST RECORDED CONSUMPTION WITHIN THE FIVE-YEAR PERIOD PRECEDING THE TIME OF THE DISCOVERY; AND
- iv. THE HIGHEST RECORDED MONTHLY CONSUMPTION WITHIN THE FOUR (4) MONTHS AFTER THE TIME OF THE DISCOVERY.

IF THE PREMISES ARE NOT COVERED BY AN EXISTING SERVICE CONTRACT WITH THE CONCERNED DU, THE COMPUTATION OF THE DIFFERENTIAL BILLING SHALL BE BASED ON THE ESTIMATED CONSUMPTION AS PER REPORT OF LOAD INSPECTION CONDUCTED AT THE TIME OF DISCOVERY.

4.2. FOR CASES FALLING UNDER SECTION 2(B) OF THE ACT, REFERRED TO AS UNAUTHORIZED LOADSIDE CONNECTIONS, NO DIFFERENTIAL BILLING SHALL BE ASSESSED AS THERE IS NO UNREGISTERED CONSUMPTION. HOWEVER, THE CONCERNED DU MAY IMPOSE AND COLLECT A SURCHARGE ON THE CUSTOMER OR ACTUAL USER COMPUTED IN ACCORDANCE WITH THESE RULES AND REGULATIONS.

4.3 FOR CASES FALLING UNDER SECTION 2(C) OF THE ACT, REFERRED TO AS ALTERED SERVICE FACILITIES, THE FOLLOWING METHODOLOGIES SHALL BE USED PREFERABLY IN THE FOLLOWING ORDER OF PRIORITY:

- i. THE ERC TEST REPORT RESULTS;
- ii. THE HIGHER BETWEEN THE AVERAGE CONSUMPTIONS BEFORE OR AFTER THE HIGHEST DRASTIC DROP IN CONSUMPTION WITHIN THE FIVE-YEAR BILLING PERIOD PRECEDING THE DISCOVERY. FOR PURPOSES OF THESE



RULES, THERE IS A DRASTIC DROP IN CONSUMPTION WHEN THERE IS A DECREASE IN THE CUSTOMER'S KILOWATTHOUR OF AT LEAST FIFTY PERCENT OF THE AVERAGE KILOWATTHOUR CONSUMPTION FOR THE LAST TWELVE MONTHS PRIOR THERETO;

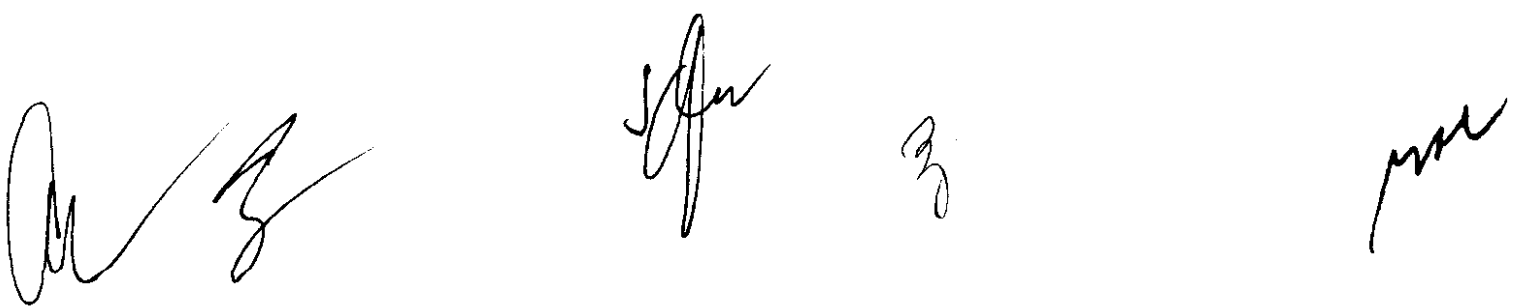
- iii. THE HIGHEST RECORDED MONTHLY CONSUMPTION WITHIN FOUR (4) MONTHS AFTER THE TIME OF THE DISCOVERY; AND
- iv. THE ESTIMATED CONSUMPTION AS PER REPORT OF LOAD INSPECTION CONDUCTED AT THE TIME OF DISCOVERY. THE COMPUTATION OF THE ESTIMATED CONSUMPTION SHALL BE BASED ON THE ERC APPROVED ESTIMATIONS ATTACHED HERETO AS ANNEX "A".

4.4 FOR CASES FALLING UNDER SECTION 2(D) OF THE ACT, REFERRED TO AS DAMAGED OR DESTROYED SERVICE FACILITIES, THE FOLLOWING METHODOLOGIES SHALL BE USED PREFERABLY IN THE FOLLOWING ORDER OF PRIORITY:

- i. THE ERC TEST REPORT RESULTS;
- ii. THE HIGHER BETWEEN THE AVERAGE CONSUMPTIONS BEFORE OR AFTER THE HIGHEST DRASTIC DROP IN CONSUMPTION WITHIN THE FIVE-YEAR BILLING PERIOD PRECEDING THE DISCOVERY. FOR PURPOSES OF THESE RULES, THERE IS A DRASTIC DROP IN CONSUMPTION WHEN THERE IS A DECREASE IN THE CUSTOMER'S KILOWATTHOUR OF AT LEAST FIFTY PERCENT OF THE AVERAGE KILOWATTHOUR CONSUMPTION FOR THE LAST TWELVE MONTHS PRIOR THERETO; AND
- iii. THE HIGHEST RECORDED MONTHLY CONSUMPTION WITHIN FOUR (4) MONTHS AFTER THE TIME OF THE DISCOVERY.

Section 5. Period to be Recovered. In determining the period to be recovered under the differential billing, the following shall be considered:

IF PRIOR TO THE DATE OF DISCOVERY, (~~When~~) there was a change in the customer's service connection, such as INSPECTION, change of meter, change of seal or reconnection or replacement of parts, OR THERE WAS AN ABNORMAL OR ABRUPT DROP IN



CONSUMPTION, the period to be recovered ~~under the differential billing~~ shall be reckoned from the time OF THEIR OCCURRENCE.

~~In the absence thereof, the period to be recovered under the differential billing shall start from the time the electric service of the person concerned recorded an abrupt or abnormal drop in consumption; or~~

In the absence of both, THE DU MAY BE ALLOWED TO RECOVER A DIFFERENTIAL BILLING CORRESPONDING TO a maximum PERIOD of sixty (60) billing months up to the time of the discovery. ~~may be used as basis for the computation; provided however that if the person concerned presents adequate and indubitable proof showing that the period to be recovered by the differential billing is less than sixty (60) billing months, the utility or cooperative may recompute the amount of the differential billing based on the established period for recovery.~~

The period to be used shall, in no case, be less than one (1) year preceding the date of discovery of the illegal use of electricity, UNLESS ANY OF THE CIRCUMSTANCES IN THE FIRST PARAGRAPH HEREOF IS PRESENT, OR THE CONCERNED CONSUMER PRESENTS INDUBITABLE AND ADEQUATE PROOF THAT THE OCCURRENCE OF THE ILLEGAL USE OF ELECTRICITY IS FOR A PERIOD WHICH COULD BE LESS THAN A YEAR. IF THE CUSTOMER IS PROVEN TO BE A HABITUAL PILFERER, THE RECOVERABLE PERIOD SHALL NOT BE LESS THAN ONE YEAR.


~~In cases where the affected period is less than one (1) year, the utility or cooperative may be allowed to compute for the differential billing using one (1) year as the minimum basis for computation.~~

x x x

x x x

Section 6. Discovery of Prima Facie Evidence. – x x x

THE AFOREMENTIONED METER SHALL BE REPLACED BY AN ACCURATE ONE AND THE ELECTRIC SERVICE OF THE CUSTOMER SHALL CONTINUE PENDING THE ISSUANCE OF THE LABORATORY RESULTS OF THE CUSTOMER'S METER AS TESTED BY AN ERC REPRESENTATIVE. IF THE LABORATORY RESULTS WILL REVEAL THAT THE SAID METER WAS TAMPERED AND THE CUSTOMER WILL NOT PAY THE DIFFERENTIAL BILLING WITHIN THE PERIOD ALLOWED IN THESE RULES, THE ELECTRIC SERVICE MAY ALREADY BE DISCONTINUED. NON-COMPLIANCE WITH THIS



PROVISION MAY BAR THE DU FROM COLLECTING A DIFFERENTIAL BILLING FROM THE CUSTOMER OR ACTUAL USER.

~~Section 7. Inspection Report. — x x x~~

Rule IX is hereby modified to read as follows:

RULE IX. RATIONALIZATION OF SYSTEM LOSS

Section 1. Caps on Recoverable System Loss allowed to DUs ~~Private Electric Distribution Utilities~~. - The maximum rate of system loss that the DISTRIBUTION utility can pass on to its customers shall be PERIODICALLY SET BY THE ERC.

THE CURRENT SYSTEM LOSS CAP AS SET BY THE ERC IN RESOLUTION NO. 17, SERIES OF 2008, ENTITLED "A RESOLUTION ADOPTING A NEW SYSTEM LOSS CAP FOR DISTRIBUTION UTILITIES" SHALL REMAIN IN FORCE AND EFFECT UNTIL MODIFIED OR REPEALED BY THE ERC.

Section 2. DETERMINATION AND IMPOSITION OF THE SYSTEM LOSS CHARGE. - A SYSTEM LOSS CHARGE SHALL BE DETERMINED ANNUALLY BASED ON THE PREVIOUS YEAR'S COSTS AND REVENUES OF THE CONCERNED DU. THE SAME SHALL BE SUBJECT TO CONFIRMATION AND TRUE-UP TO ENSURE THAT ONLY LEGITIMATE COSTS ARE BORNE BY THE CONSUMERS.

SECTION 3. WHENEVER THE ACTUAL ANNUAL SYSTEM LOSS LEVEL OF THE DU FALLS BELOW THE PREVAILING CAP SET BY THE ERC, A BENEFIT-SHARING SCHEME SHALL BE IMPLEMENTED, PRIMARILY FOR THE BENEFIT OF THE CUSTOMERS. A SEPARATE GUIDELINE SHALL BE PROMULGATED TO EMBODY THE PROCESS AND PROCEDURES FOR ITS IMPLEMENTATION.

Section 2. All references to ERB are hereby changed to ERC.

All other Rules and provisions of the Rules and Regulations Implementing Republic Act No. 7832 are hereby renumbered accordingly.

Section 3. If any of the foregoing amendments is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

Section 4. All rules, regulations, guidelines and other issuances not expressly revised herein shall remain in force and effect. Consequently, all rules, regulations,



guidelines and other issuances inconsistent with the provisions hereof are hereby modified and/or repealed accordingly.

Section 5. These amendments shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the country.

Pasig City, January 31, 2011.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A. R. CASTANEDA
Commissioner


JOSE C. REYES
Commissioner

γ 4

AVERAGE MONTHLY ENERGY CONSUMPTION OF ELECTRIC APPLIANCES/FIXTURES

HRS PER DAY

ANNEX "A"

APPLIANCES/FIXTURES	WATTS	HRS/DAY	0.5	1	1.5	2	3	4	5	6	7	8	12	14	24	10 hrs/26	8 hrs/wk	4 hrs/wk	3 hrs/wk	2 hrs/wk	1 hr/mo
AERATOR AQUARIUM	3	24																			
ACU (0.5 HP)	568	8								102.24	119.28	136.32	204.48	238.56	408.96	2.16					
ACU (0.75 HP)	727	8								130.86	152.67	174.48	261.72	305.34	523.44						
ACU (1.0 HP)	944	8								169.92	198.24	226.56	339.84	396.48	679.68						
ACU (1.5 HP)	1,252	8								225.36	262.92	300.48	450.72	525.84	901.44						
ACU (2.0 HP)	1,913	8								344.34	401.73	459.12	688.68	803.46	1377.36						
ACU (2.5 HP)	2,664	8								479.52	559.44	639.36	959.04	1118.88	1918.08						
ACU (0.50 HP) (COMMERCIAL)	568	10hrs/26days														147.68					
ACU (0.75 HP) (COMMERCIAL)	727	10hrs/26days														189.02					
ACU (1.00 HP) (COMMERCIAL)	944	10hrs/26days														245.44					
ACU (1.50 HP) (COMMERCIAL)	1,252	10hrs/26days														325.52					
ACU (2.00 HP) (COMMERCIAL)	1,913	10hrs/26days														497.38					
ACU (2.50 HP) (COMMERCIAL)	2,664	10hrs/26days														692.64					
AIR COOLER/HUMIDIFIER	65	8																			
AIRPOT	600	5																			
BATTERY CHARGER	85	8hrs/wk																			2.72
BLENDER	300	1hr/mo																			0.30
BREAD SLICER, PORTABLE	187	1hr/mo																			0.19
BREAD SLICER, BAKESHOP	373	4		11.19																	
BREAD TOASTER (2-WAY)	800	2hrs/wk				22.38	33.57	44.76													6.40
BREAD TOASTER (4-WAY)	1,500	2hrs/wk																			12.00
CASH REGISTER	45	4		1.35																	
CHANDELIER	150	4		4.5		2.7	4.05	5.4	6.75	8.1	9.45	10.8	16.2	18.9	32.4						
CLIPPER/HAIR CUTTER (PARLOR USE)	18	4		0.54		9	13.5	18	22.5	27	31.5	36	54	63	108						
CLOCK, DESK OR WALL	2	24		0.06		1.08	1.62	2.16	2.7	3.24	3.78	4.32	6.48	7.56	12.96						
CLOTHES DRYER (HEATER)	1,600	2hrs/wk				0.12	0.18	0.24	0.3	0.36	0.42	0.48	0.72	0.84	1.44						
CLOTHES DRYER (SPIN MOTOR)	250	1		7.5		15															12.80
COFFEE MAKER	600	0.5 9.00		18																	
COMPACT FLUORESCENT LAMP	5	4		0.15		0.3	0.45	0.6	0.75	0.9	1.05	1.2	1.8	2.1	3.6						
COMPACT FLUORESCENT LAMP	7	4		0.21		0.42	0.63	0.84	1.05	1.26	1.47	1.68	2.52	2.94	5.04						
COMPACT FLUORESCENT LAMP	9	4		0.27		0.54	0.81	1.08	1.35	1.62	1.89	2.16	3.24	3.78	6.48						
COMPACT FLUORESCENT LAMP	11	4		0.33		0.66	0.99	1.32	1.65	1.98	2.31	2.64	3.96	4.62	7.92						
COMPACT FLUORESCENT LAMP	13	4		0.39		0.78	1.17	1.56	1.95	2.34	2.73	3.12	4.68	5.46	9.36						
COMPACT FLUORESCENT LAMP	15	4		0.45		0.9	1.35	1.8	2.25	2.7	3.15	3.6	5.4	6.3	10.8						
COMPACT FLUORESCENT LAMP	18	4		0.54		1.08	1.62	2.16	2.7	3.24	3.78	4.32	6.48	7.56	12.96						
COMPACT FLUORESCENT LAMP	19	4		0.57		1.14	1.71	2.28	2.85	3.42	3.99	4.56	6.84	7.98	13.68						

