

**PROPOSED AMENDMENTS TO THE ELECTRIC POWER INDUSTRY REFORM ACT (EPIRA) OF 2001**

ISSUE	SPECIFIC PROVISION AFFECTED	PROPOSED AMENDMENTS ON THE PROVISIONS AFFECTED	DISCUSSION OF PROPOSAL
<b>COMPETITION</b>	Section 30 Wholesale Electricity Spot Market (WESM)	<b>ABOLITION</b>	Seven years have passed yet the operation of the market has not meet its objective of providing the consumers the POWER OF CHOICE. What is needed is retail outlets for pre-paid electricity where prices can be competitive.
<b>REGULATORY AUDIT</b>	<b>SECTION 43 ERC FUNCTIONS</b>	In addition, ERC must be mandated to conduct a once every 2 years a mandatory regulatory audit of all power utilities that had their annual revenue approved by ERC.	This is to ensure that utilities are applying its revenue to costs that are directly upon whrelated to the service upon which the annual revenue was approved and granted.
<b>RATE BASE REVALUATION</b>	<b>SECTION 43 (f [i])</b>	<b>ABOLISH</b>	Revaluation of eligible assets must not be allowed to be part of the RATE BASE because market value is not the actual costs incurred in providing capital investment utilized in the provision of the public service of transporting and distributing electricity. This is contrary to EPIRA which provides for reflecting the true cost of doing a service.
<b>TOO MANY ELECTRIC COOPERATIVES</b>	<b>SECTION 23 &amp; 58</b>	<b>ELECTRIC COOPERATIVES MUST BE MERGED BY NEA ON A REGIONAL BASIS</b>	This will lighten up regulatory pressure and will allow ECs to aAMONGchieve economies of scale, improve its efficiencies, reliability of service, and reduction of costs.

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<b>CROSS OWNERSHIP</b>	<b>SECTION 45 (a)</b>	THERE MUST BE ABSOLUTE PROHIBITION ON CROSS OWNERSHIP BETWEEN AND AMONG OWNERS/STOCKHOLDERS OF A DISTRIBUTION UTILITY AND A GENERATION COMPANY.	A BSOLUTE PROHIBITION WILL ALLOW A LEVEL PLAYING FIELD IN THE GERATION AND SUPPLY SECTORS.