

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



RESOLUTION NO. 11, Series of 2013

**A RESOLUTION ADOPTING THE SUPPLEMENTAL RULES TO
THE TRANSITORY RULES FOR THE INITIAL IMPLEMENTATION
OF OPEN ACCESS AND RETAIL COMPETITION**

WHEREAS, on December 17, 2012, the Energy Regulatory Commission (ERC) promulgated the "Transitory Rules for the Initial Implementation of Open Access and Retail Competition (Transitory Rules)";

WHEREAS, Section 4.1 of the said Transitory Rules provides that:

"4.1 xxx

From June 26, 2013 to December 25, 2013, Contestable Customers who are not able to contract with a RES shall continue to be served by the DU. However, such CCs shall show that they have exhausted all means in securing an RSC with a RES to the ERC";

WHEREAS, the Transitory Rules provide a timeline on when Contestable Customers (CCs) should enter into Retail Supply Contracts (RSCs);

WHEREAS, a significant number of CCs manifested their difficulties to get fixed offers from Retail Electricity Suppliers (RES) and requested that they be allowed to continue as customers of their respective distribution utilities (DUs);

WHEREAS, there is a need to address the issues and concerns raised by these CCs so as to ensure continuity of electricity supply to them after June 25, 2013;

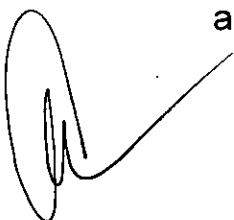
WHEREAS, on May 24, 2013, the ERC posted for comments the proposed "Resolution Supplementary to Section 4.1 of the Transitory Rules for the Initial Implementation of Open Access and Retail Competition";

WHEREAS, in accordance with the provisions of Republic Act No. 9136 (R.A. 9136) and after a careful consideration of the various views and comments submitted by interested parties, the ERC deems it appropriate to adopt the additional provisions in the Transitory Rules for the Initial Implementation of Open Access and Retail Competition;

NOW THEREFORE, pursuant to its mandate to promote competition and protect customer interests, the ERC hereby **RESOLVES**, as it is hereby **RESOLVED**, to **APPROVE** and **ADOPT** the following supplemental Rules to the Transitory Rules for the Initial Implementation of Open Access and Retail Competition:

1. Section 4.1 of the Transitory Rules notwithstanding, a CC that fails to enter into an RSC by June 25, 2013 shall be deemed to stay with its current DU until December 25, 2013, or until such time that it is able to find a RES, provided that it informs DU of such fact on or before June 25, 2013.
2. If a CC decides to move from the regulated service of a DU come June 26, 2013 or to enter into an RSC with a RES, such CC shall no longer be allowed to revert back to the DU's regulated service. The said CC shall remain forever in the competitive retail electricity market without prejudice to Section 2.6, Article II of the Rules for Contestability.
3. In case a last resort supply event occurs to CCs that are participating in the competitive retail market, the CCs' options are: (a) SOLR service, or (b) source from WESM, or (c) generate their own electricity, or (d) disconnection from DU service.
4. A CC should advise the DU that it will be leaving the DU's regulated service at least sixty (60) days prior to the effectivity of its RSC with a RES.

Let copies of this Resolution be furnished all parties concerned and the University of the Philippines Law Center – Office of the

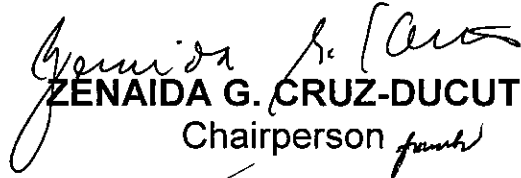


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National Administrative Register (UPLC-ONAR), all the licensed Retail Electricity Suppliers and all distribution utilities.

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

Pasig City, June 10, 2013.


ZENAIDA G. CRUZ-DUCUT
Chairperson *frank*


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner


ALFREDO J. NON
Commissioner

(On Official Travel)
GLORIA VICTORIA C. YAP-TARUC
Commissioner