

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

IN THE MATTER OF THE  
ADOPTION OF THE  
INCREMENTAL CURRENCY  
EXCHANGE RATE ADJUSTMENT  
(4<sup>TH</sup> ICERA)

ERC CASE NO. 2009-033 RC

IN THE MATTER OF THE  
ADOPTION OF THE INCREMENTAL  
CURRENCY EXCHANGE RATE  
ADJUSTMENT (5<sup>TH</sup> ICERA), WITH  
PRAYER FOR PROVISIONAL  
AUTHORITY

ERC CASE NO. 2009-059 RC

IN THE MATTER OF THE 6<sup>TH</sup>  
APPLICATION FOR THE  
RECOVERY OF THE  
INCREMENTAL COSTS ON  
FOREIGN CURRENCY  
EXCHANGE RATE  
FLUCTUATIONS UNDER THE  
INCREMENTAL CURRENCY  
EXCHANGE RATE ADJUSTMENT  
(6<sup>TH</sup> ICERA), WITH PRAYER FOR  
PROVISIONAL AUTHORITY

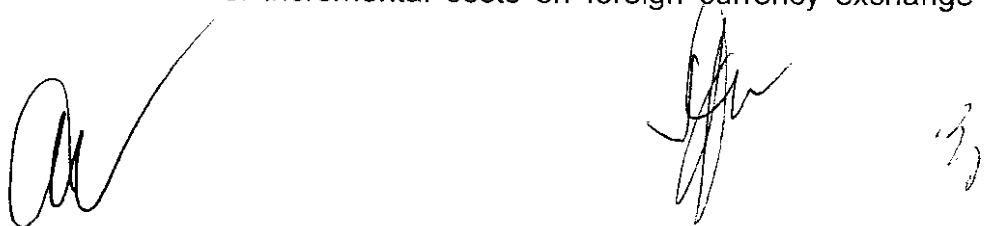
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ERC CASE NO. 2011-007 RC

NATIONAL POWER  
CORPORATION – SMALL POWER  
UTILITIES GROUP (NPC-SPUG)  
Applicant.  
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**DECISION**

Before the Commission for resolution are the applications for the recovery of incremental costs on foreign currency exchange rate fluctuations under the



Incremental Currency Exchange Rate Adjustment (ICERA) filed by the National Power Corporation-Small Power Utilities Group (NPC-SPUG) on various dates, as follows:

ERC Case Nos.	Date Filed	Test Period
2009-033 RC	March 27, 2009	December 26, 2005 to December 25, 2007
2009-059 RC	August 18, 2009	December 26, 2007 to December 25, 2008
2011-007 RC	January 20, 2011	December 26, 2008 to December 26, 2009

In the said applications, NPC-SPUG alleged, among others, that:

1. Pursuant to Section 70 of Republic Act No. 9136 (R.A. 9136), otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001, it is responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system;
2. In the performance of its missionary electrification function, it incurs/generates additional operating costs/savings as a result of the fluctuation of foreign exchange which affects the cost of servicing foreign currency debts (excluding interest) and/or foreign exchange-related operating expenses such as insurance and imported power plant/transmission parts;
3. In the Order dated February 24, 2003, the Commission issued and adopted the Implementing Rules for the ICERA providing for, among others, the mechanisms for the recovery of the deferred foreign exchange-related (FOREX) adjustments;
4. The Commission subsequently approved the 1<sup>st</sup> ICERA application in ERC Case No. 2004-421 on January 17, 2005 for the period December 26, 2003 to July 25, 2004; and 2<sup>nd</sup> ICERA application in ERC Case No. 2005-037 RC on December 19, 2005 for the period July 26, 2004 to December 25, 2004;
5. The recoveries of its 2<sup>nd</sup> ICERA amounting to PhP1.16 Billion were however charged to the Universal Charge (UC). The table below shows the projected balance of UC after deducting the projected allowable Universal Charge for Missionary Electrification (UCME) of PhP1.34 Billion:



	2009	2010	2011	2012	2013
Projected Philippines Energy Sales, In MWH	58,159,499.00	60,818,520.00	63,379,667.00	66,240,881.00	69,145,088.00
Projected UC-ME @ P0.0373/kWh	2,169,349.31	2,268,530.80	2,364,061.58	2,470,784.66	2,579,111.78
Less: Projected Allowable UC-ME Funds, In ThP	1,340,000.00	1,340,000.00	1,340,000.00	1,340,000.00	1,340,000.00
<b>Projected Balance of UC Funds, In ThP</b>	<b>829,349.31</b>	<b>928,530.80</b>	<b>1,024,061.58</b>	<b>1,130,784.86</b>	<b>1,239,111.78</b>

6. On June 5, 2006, it filed its 3<sup>rd</sup> ICERA application in ERC Case No. 2006-021RC covering the twelve (12)-month period from December 26, 2004 to December 25, 2005;
7. The instant applications cover the period December 26, 2005 to December 25, 2007 (4<sup>th</sup> ICERA), December 26, 2007 to December 25, 2008 (5<sup>th</sup> ICERA) and December 26, 2008 to December 25, 2009 (6<sup>th</sup> ICERA);
8. Based on the approved ICERA Methodology, the Deferred Accounting Adjustments (DAA) and the proposed ICERA-DAA Recovery Rate (PhP/kWh) were computed, as follows:

**Deferred Accounting Adjustments (PhP)**

Particulars	Deferred Costs	Carrying Charge	TOTAL DAA
4 <sup>th</sup> ICERA	539,561,828.90	41,448,199.19	581,010,028.10
5 <sup>th</sup> ICERA	555,406,746.71	27,848,479.93	583,255,226.65
6 <sup>th</sup> ICERA	147,006,190.00	6,966,004.00	153,972,194.00

9. The PhP/kWh impact of the deferred costs will vary depending on the recovery period. Shown below is the proposed recovery period:

A. 4<sup>th</sup> ICERA

Deferred Costs (PhP)	Recovery Period (No. of Years)	Billing Determinant (kWh)	ICERA DAA Rate (PhP/kWh)
581,010,028.10	1	717,381,466.61	0.8099
581,010,028.10	2	1,497,991,853.00	0.3879
581,010,028.10	3	2,342,566,733.00	0.2480

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B. 5<sup>th</sup> ICERA

Deferred Costs (PhP)	Recovery Period (No. of Years)	Billing Determinant (kWh)	ICERA DAA Rate (PhP/kWh)
583,255,226.65	1	666,169,376.77	0.8755
583,255,226.65	2	1,395,052,420.85	0.4181
583,255,226.65	3	2,183,087,514.74	0.2672

C. 6<sup>th</sup> ICERA

Deferred Costs (PhP)	Recovery Period	Projected Energy Sales (MWh)	ICERA DAA Rate (PhP/kWh)
153,972,194	12 months	776,834	0.1982

10. It proposes the adoption of the one (1) year recovery period to allow relatively even DAAs across the regions;
11. The proposed ICERA was approved by the National Power Board in its Resolution No. 2009-17 dated March 30, 2009;
12. The proposed ICERA is just, fair and reasonable as it was based only on allowable deferred costs under the ICERA guidelines; and
13. It prays for the approval of the following:
  - a. The deferred costs and the corresponding proposed ICERA DAA for NPC-SPUG areas;
  - b. The filing of its ICERA applications at a later date beyond the prescribed thirty (30)-day period after the adjustment date as stipulated in Section 5, paragraph 3 of the ICERA Implementing Rules, due to administrative difficulties in securing reports and supporting documents from all of NPC-SPUG's ninety one (91) operational areas;
  - c. The charging of the ICERA directly to consumers in NPC-SPUG areas, as intended in the ICERA Guidelines, and not to the Universal Charge for Missionary Electrification (UCME). This shall prevent the ICERA from "competing" with the legitimate claims from the UCME under the Department of Energy's (DOE) Missionary Electrification Development Plan (MEDP); and
  - d. The continuous collection of the ICERA even with the entry of private sector players in a specific NPC-SPUG area.

Having found the said applications sufficient in form and in substance with the required fees having been paid, several Orders and Notices of Public Hearings were issued setting the instant applications for jurisdictional hearings, expository presentations, pre-trial conferences and evidentiary hearings.

The Office of the Solicitor General (OSG), the Commission on Audit (COA) and the Committees on Energy of both Houses of Congress were furnished with copies of the Orders and the Notices of Public Hearings and were requested to have their respective duly authorized representatives present at the aforesaid initial hearings.

Likewise, the Offices of the Mayors of Quezon City and the Municipalities/Cities where NPC-SPUG operates were furnished with copies of the Orders and Notices of Public Hearings for the appropriate posting thereof on their respective bulletin boards.

### Proceedings

#### A. ERC Case No. 2009-033 RC (4<sup>th</sup> ICERA)

The Commission noted the following submissions made by the parties:

1. The "Pre-Trial Brief" filed on June 26, 2009 by NPC-SPUG;
2. "Resolution No. 09-107" filed on July 9, 2009 by Oriental Mindoro Electric Cooperative, Inc. (ORMECO);
3. The "Intervention/Opposition" filed on July 10, 2009 by the Province of Catanduanes;
4. The "Motion to Participate as Intervenor" and "Pre-Trial Brief" filed on July 13, 2009 by the Philippine Chamber of Commerce, Inc. (PCCI);



5. The "Pre-Trial Brief" filed on July 14, 2009 by the Province of Catanduanes;
6. The "Jurisdictional Compliance" filed on July 15, 2009 by NPC-SPUG;
7. The "Motion for Reservation/Time Extension to File Opposition" filed on July 24, 2009 by the Provincial Government of Oriental Mindoro;
8. The "Opposition" filed on July 28, 2009 by the City Government of Puerto Princesa;
9. The "Kapasiyahan Bilang 053-2009" filed on July 28, 2009 by the Office of the Sangguniang Bayan of Burdeos;
10. The letter dated August 6, 2009 filed by the Palawan Chamber of Commerce and Industry (Palawan CCI);
11. The "Opposition" filed on August 7, 2009 by the Provincial Government of Oriental Mindoro;
12. The "Motion for Leave to Intervene and to Admit the Attached Petition in Intervention" and the "Petition for Intervention" filed on August 11, 2009 by the Association of Isolated Electric Cooperatives, Inc. (AIEC);
13. The "Petition for Intervention" filed on August 12, 2009 by the National Association of Electricity Consumers for Reforms, Inc. (NASECORE);
14. "Resolution No. 585-2009" filed on August 13, 2009 by the Office of the Sangguniang Panlungsod of Puerto Princesa City;
15. "Resolution No. 16, Series of 2009" filed on August 17, 2009 by the Municipal Mayor of San Jose;
16. "Resolution No. 042, Series of 2009" filed on August 25, 2009 by the Office of the Sangguniang Bayan of Malay;
17. The letter dated August 27, 2009 filed on even date by NASECORE;
18. The "Petition for Intervention" filed on September 2, 2009 by the Province of Palawan;
19. "Resolution No. 09-4064" filed on September 2, 2009 by the Office of the Sangguniang Panlungsod of Isabela; and
20. The "Affidavit of Rene M. Fajilagutan (Witness for Intervenor AIEC)" filed on September 29, 2009 by AIEC.



### **Mindanao SPUG Areas**

During the July 2 and 3, 2009 hearings, only NPC-SPUG and BISELCO appeared.

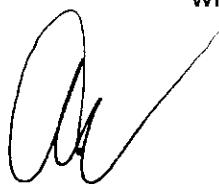
At the said hearings, NPC-SPUG presented its proofs of compliance with the Commission's posting and publication of notice requirements for Mindanao SPUG areas which were duly marked as Exhibits "A" to "XX", inclusive. Thereafter, it made an expository presentation of its application and presented its lone witness, Ms. Judith M. Mojica, its Corporate Staff, who testified on the financial data and the computation of the proposed ICERA adjustments. In the course thereof, additional documents were presented and marked as exhibits.

The direct examination having been terminated, BISELCO propounded clarificatory questions on the said witness.

### **Visayas SPUG Areas**

During the July 9 and 10, 2009 hearings, the following entered their appearances: a) NPC-SPUG; b) Province of Siquijor Electric Cooperative, Inc. (PROSIELCO); and c) the Province of Siquijor.

At the said hearings, NPC-SPUG presented its proofs of compliance with the Commission's posting and publication of notice requirements for Visayas SPUG areas which were duly marked as Exhibits "A" to "XX", inclusive. Thereafter, it made an expository presentation of its application and presented its witness, Mr. Carlo Romero V. Borlaza, its Corporate Staff, who testified on the



basis and calculations of the proposed 4<sup>th</sup> ICERA adjustments. In the course thereof, additional documents were presented and marked as exhibits.

#### **Luzon SPUG Areas**

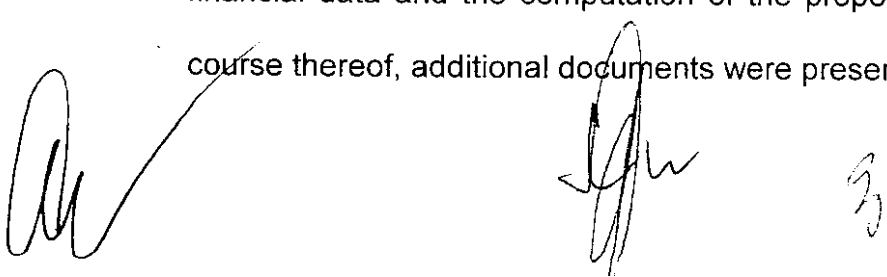
During the July 15, 2009 initial hearing, the following entered their appearances: a) NPC-SPUG; b) ORMECO; and c) the Province of Catanduanes.

At the said hearing, NPC-SPUG presented its proofs of compliance with the Commission's posting and publication of notice requirements for Luzon SPUG areas which were duly marked as Exhibits "A" to "XX", inclusive. Thereafter, it made an expository presentation of its application.

At the continuation of the hearing on August 12, 2009, the following entered their appearances: a) NPC-SPUG; b) AIEC; c) Province of Catanduanes; d) ORMECO; e) OMECO; and f) NASECORE. The Commission conducted a pre-trial conference where the parties stipulated on facts and issues relative to the instant application.

During the August 27, 2009 hearing, the Commission concluded the pre-trial conference and considered NASECORE to have waived its right to participate therein in view of its absence despite due notice.

NPC-SPUG presented its sole witness, Ms. Mojica, who testified on the financial data and the computation of the proposed ICERA adjustments. In the course thereof, additional documents were presented and marked as exhibits.

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the course thereof, additional documents were presented and marked as exhibits.

The direct examination having been terminated, AIEC, ORMECO, OMECO and the Province of Catanduanes conducted their respective cross-examinations on the said witness. AIEC manifested its intention to present its witness while the other intervenors waived their rights to present their evidence.

At the continuation of the hearing on September 29, 2009, the Commission declared NASECORE to have waived its right to cross-examine the witness presented by NPC-SPUG due to its failure to attend the said hearing. In view thereof, NPC-SPUG was directed to submit its formal offer of evidence.

AIEC presented its witness, Mr. Rene M. Fajilagutan, its President, who testified on the substantial impact to the electricity consumers of the proposed ICERA adjustments. In the course thereof, several documents were presented and marked as Exhibits "1" to "4", inclusive.

The direct examination having been terminated, NPC-SPUG conducted its cross-examination on the said witness. AIEC was then directed to file its formal offer of evidence.

**B. ERC Case No. 2009-059 RC (5<sup>th</sup> ICERA)**

The Commission noted the following submissions made by the parties:



1. The "Pre-Trial Brief" filed on October 21, 2009 by NPC-SPUG;
2. The "Motion for Leave to Intervene and to Admit the Attached Opposition" and "Comment/Opposition" filed on October 29, 2009 by Hon. Abraham Kahlil B. Mitra;
3. The "Petition for Intervention" and "Pre-Trial Brief" filed on October 30, 2009 by AIEC;
4. The "Intervention" filed on November 6, 2009 by PALECO;
5. The "Opposition" filed on November 6, 2009 by the Provincial Government of Oriental Mindoro;
6. The "Compliance" filed on December 10, 2009 by NPC-SPUG;
7. The "Manifestation and Compliance" filed on January 15, 2010 by PALECO; and
8. The "Manifestation and Motion" filed on January 19, 2010 by NPC-SPUG.

#### **Luzon SPUG Areas**

During the November 6, 2009 initial hearing, the following entered their appearances: a) NPC-SPUG; b) AIEC; c) ORMECO; d) PALECO; and e) a representative of the City Government of Calapan.

At the said hearing, NPC-SPUG presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "T-12", inclusive. Thereafter, it made an expository presentation of its application.

At the termination of the expository presentation, the Commission conducted a pre-trial hearing where the parties stipulated on facts and issues relative to the instant application.



In view of the absence of other interested parties, NPC-SPUG moved that a declaration of general default be issued by the Commission. Said motion was granted.

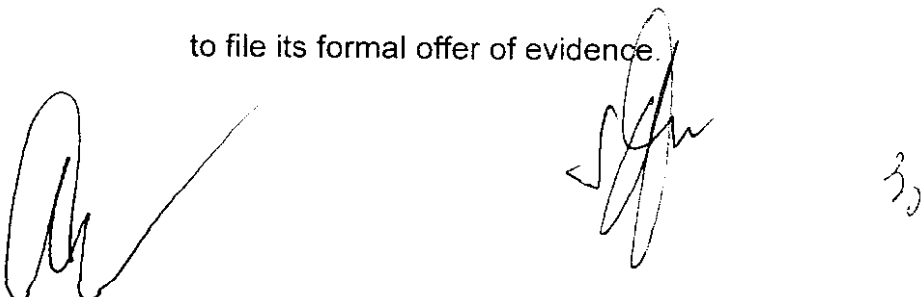
NPC-SPUG presented its first witness, Mr. Borlaza, who testified on the basis and calculations of the proposed 5<sup>th</sup> generation rate adjustment under the ICERA. In the course thereof, additional documents were presented and marked as exhibits.

At the continuation of the hearing on December 9, 2009, NPC-SPUG, PALECO, ORMECO and AIEC appeared. PALECO, ORMECO and AIEC conducted their respective cross-examinations on the witness presented by NPC-SPUG.

The cross-examination of the said witness having been terminated, NPC-SPUG presented its last witness, Mr. Lucio P. Estangco, its Division Manager, who testified on the financial data in the calculation of the 5<sup>th</sup> ICERA DAA. In the course thereof, additional documents were presented and marked as exhibits.

During the January 7, 2010 hearing, AIEC and PALECO conducted their respective cross-examinations on Mr. Estangco.

At the continuation of the hearing on January 19, 2010, only NPC-SPUG and PALECO appeared. AIEC failed to appear despite due notice. However, it filed a "Manifestation and Motion" stating, among others, that it will not present a witness. PALECO also made the same manifestation. Thus, AIEC was directed to file its formal offer of evidence.



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### Visayas and Mindanao SPUG Areas

At the hearings on November 13 and 19, 2009 for Visayas and Mindanao SPUG areas, only NPC-SPUG appeared and presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "LL", inclusive.

In view of the absence of intervenors and oppositors, NPC-SPUG moved for the declaration of a general default. Said motion was granted. It then presented the following witnesses who testified in support of the instant application: a) Mr. Borlaza, who testified on the basis and calculations of the proposed 5<sup>th</sup> ICERA under the ICERA for the Visayas and Mindanao SPUG areas; and b) Mr. Estangco, who testified on the financial data in the calculation of the 5<sup>th</sup> ICERA DAA. In the course thereof, additional documents were presented and marked as exhibits.

### C. ERC Case No. 2011-007 RC (6<sup>th</sup> ICERA)

The Commission noted the following submissions made by the parties:

1. The "Petition for Intervention" and "Pre-Trial Brief" filed on February 23 and 24, 2011, respectively, by AIEC;
2. The "Pre-Trial Brief" filed on February 24, 2011 by NPC-SPUG;
3. The "Consolidated Motion for Additional Time to Submit Compliance" filed on March 17, 2011 by NPC-SPUG;
4. The "Motion with Manifestation (For: Production of Documents and Data) filed on March 22, 2011 by AIEC;
5. The "Compliance with Jurisdictional Requirements with Manifestation and Motion" filed on March 25, 2011 by NPC-SPUG;
6. The "Petition for Intervention" filed on March 23, 2011 by NASECORE;



7. The letter dated May 5, 2011 of the Philippine Chamber of Commerce and Industry (PCCI) filed on May 17, 2011;
8. The "Consolidated Compliance" filed on May 30, 2011 by NPC-SPUG;
9. The "Petition for Intervention" filed on June 6, 2011 by the City Government of Zamboanga;
10. The "Formal Offer of Evidence" and "Consolidated Compliance with Manifestation" filed on June 10 and 29, 2011, respectively, by NPC-SPUG;
11. The "Manifestation and Comment to the Applicant's Consolidated Compliance and Formal Offer of Evidence" filed on July 22, 2011 by the City Government of Zamboanga; and
12. The "Reply (To the 14 July 2011 Manifestation and Comment of Intervenor City of Zamboanga)" filed on August 16, 2011 by NPC-SPUG.

#### **Luzon SPUG Areas**

During the February 28, 2011 initial hearing, the following entered their appearances: a) NPC-SPUG; b) AIEC; and c) Atty. Sundy Lorence C. Lachica, as an observer.

At the said hearing, NPC-SPUG presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "V", inclusive. Thereafter, it made an expository presentation of its application. The Commission propounded clarificatory questions and then directed NPC-SPUG to submit various documents.

At the termination of the expository presentation, the Commission conducted a pre-trial conference where the parties stipulated on facts and issues relative to the instant application.



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At the continuation of the hearings on March 24 and 31, 2011, NPC-SPUG presented its lone witness, Ms. Maria Annabel P. Versoza, its Corporate Staff Officer B, who testified on the following matters: a) the calculation of the DAA from foreign exchange fluctuations in the settlement of the Debt Service and foreign exchange related expenses; and b) the calculation of Carrying Charges as authorized under the ICERA. In the course thereof, she identified various documents which were duly marked as exhibits.

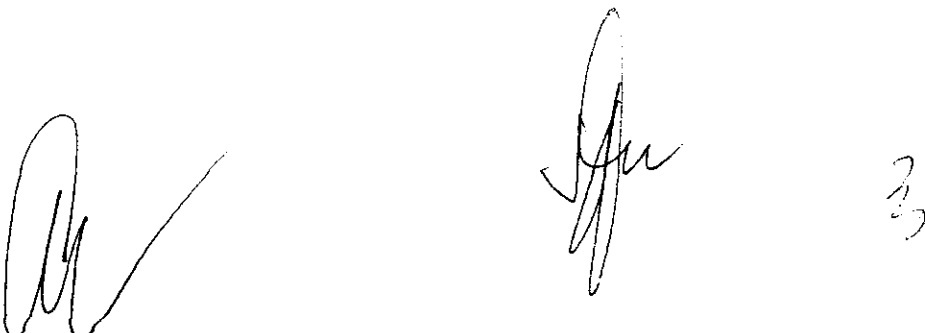
The direct examination having been terminated, PALECO and AIEC conducted their respective cross-examinations on the said witness.

#### **Mindanao SPUG Areas**

During the March 3, 2011 hearing, only NPC-SPUG and Atty. Bernardino S. Ferrer of the City Council of Zamboanga appeared. NPC-SPUG presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "MM", inclusive. Thereafter, it conducted an expository presentation of its application.

In view of the failure of NPC-SPUG to submit several Certificates of Posting, the hearing set on March 4, 2011 was cancelled.

At the continuation of the hearing on May 31, 2011, NPC-SPUG presented Ms. Versoza who testified in support of the application. In the course thereof, several documents were presented and marked as exhibits.



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The direct examination of the said witness having been terminated, NPC-SPUG was directed to file its formal offer of evidence.

### **Visayas SPUG Areas**

At the April 7, 2011 hearing, only NPC-SPUG appeared and presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "AD-1", inclusive. Thereafter, it presented its lone witness, Ms. Versoza, who testified in support of the instant application.


On June 13, 2011, NPC-SPUG filed its "Formal Offer of Evidence."

The respective formal offers of evidence filed by NPC-SPUG and AIEC are hereby admitted for being relevant and material in the final resolution of these cases.

### **DISCUSSION**

Considering that the applications of NPC-SPUG involve the same issues and based substantially on the same transactions, the Commission deems it appropriate to consolidate its resolution thereon pursuant to Section 1, Rule 31 of the Rules of Court, to wit:

"Section 1. Consolidation. – When actions involving a common question of law or fact are pending before the court, it may order a joint hearing or trial of any or all matters in issue in the actions; it may order all the actions consolidated; and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay."



In the case of Jaime S. Domdom vs. Sandiganbayan<sup>1</sup>, the Supreme Court held that:

“It need not be underscored that consolidation of cases, when proper, results in the simplification of proceedings which saves time, the resources of the parties and the courts, and a possible major abbreviation of trial. It contributes to the swift dispensation of justice, and is in accord with the aim of affording the parties a just, speedy and inexpensive determination of their cases before the courts. Above all, consolidation avoids the possibility of rendering conflicting decisions in two or more cases which would otherwise require a single judgment.”

In the evaluation of the instant applications, the Commission considered the following factors: a) Relevant Test Period; b) Base FOREX Rates for the Debts Service and OPEX; and c) Calculation of the total ICERA DAA.

#### **A. Relevant Test Period**

In calculating the proposed ICERA DAA, the Commission adopted January 2006 to December 2009 as the applicable test period.

#### **B. Base FOREX Rates**

In the calculation of the DAA for OPEX and foreign denominated debt service, the Commission used the Base Exchange FOREX Rates of US Dollar to Peso rate at PhP27.406/US\$1 while the Yen to Peso rate was at PhP0.2329/JPY1 consistent with the Decision dated August 18, 1994 of the then Energy Regulatory Board (ERB, now Commission) in ERB Case No. 93-108.

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<sup>1</sup> G.R. No. 182382-83, February 24, 2010



**C. Calculation of the Total ICERA DAA**

DAA is a cost recovery mechanism that should have a zero impact on the utility's income and any under or (over) recovery on the actual deferred costs should be carried forward in the next ICERA filing. On the other hand, the ICERA is a component of the DAA which is intended to recover/(refund) the deferred cost from currency exchange adjustment.

Based on the documents submitted, the Commission validated the proposed amount of deferred FOREX and arrived at the ICERA DAA amounting to PhP508,031,190.56.

Using the applicable test period of January 2006 to December 2009, the carrying charges were imposed on the FOREX cost of PhP1,016,062,381.11 accruing during the said test period. The Commission used the projected energy sales of NPC-SPUG for the years 2011 to 2014 to reflect the most current data.

To mitigate the impact of the allowable ICERA DAA and pursuant to the ICERA Guidelines, the Commission deems it appropriate to allow NPC-SPUG to recover from the Universal Charge-Missionary Electrification (UC-ME) fifty percent (50%) of the total amount of PhP1,016,062,381.11, i.e., PhP508,031,190.56. The remaining PhP508,031,190.56 shall be recovered from the consumers within the SPUG Areas.



**WHEREFORE**, the foregoing premises considered, the applications filed by the National Power Corporation-Small Power Utilities Group (NPC-SPUG) for the recovery of incremental costs on foreign currency exchange rate fluctuations under the Incremental Currency Exchange Rate Adjustment (ICERA) are hereby **APPROVED with modification**.

Accordingly, NPC-SPUG is hereby authorized to recover the amount of Five Hundred Eight Million Thirty One Thousand One Hundred Ninety Pesos and Fifty Six Centavos (PhP508,031,190.56) equivalent to PhP0.1750/kWh within a period of four (4) years starting the next billing cycle from receipt of this Decision.

Further, NPC-SPUG is directed to inform all concerned distribution utilities, within five (5) days from receipt hereof, and submit its compliance therewith, within three (3) days before the implementation of this Decision.

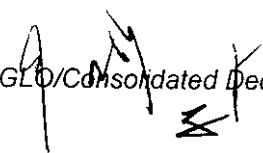
**SO ORDERED.**

Pasig City, August 1, 2011.

  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson

  
**MARIA TERESA A. R. CASTAÑEDA**  
Commissioner

  
**JOSE C. REYES**  
Commissioner

  
GLO/Consolidated Decision ICERA NPC SPUG

**Copy Furnished:**

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Pasay City 1307
4. **House Committee on Energy**  
Batasan Hills, Quezon City 1126
5. **National Electrification Administration (NEA)**  
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Metro Manila
6. **The City Mayor**  
Quezon City
7. **All Electric Cooperatives and PUs**
8. **Atty. Carlos Roman L. Uybarreta**  
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