

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



**RESOLUTION NO. 08, Series of 2010**

**A RESOLUTION ADOPTING THE RULES TO GOVERN  
THE INTERRUPTIBLE LOAD PROGRAM (ILP)  
OF DISTRIBUTION UTILITIES (DUs)**

**WHEREAS**, it is a declared policy of the State to ensure the quality, reliability, security and affordability of the supply of electric power;

**WHEREAS**, to address the imminent power shortage and augment the limited power requirements of the distribution utilities (DUs) in Visayas and Mindanao regions, the Commission proposed to adopt a set of Rules to Govern the Interruptible Load Program (ILP) of DUs as a proactive measure to help solve the power shortage,

**WHEREAS**, on February 11, 2010, the proposed Rules were posted on its website directing all interested parties to file their respective comments on or before February 26, 2010;

**WHEREAS**, on February 22 and February 23, 2010, expository hearings were conducted in the Cities of Pasig (for Luzon) and Cebu (for Visayas and Mindanao), respectively;

**WHEREAS**, on March 5, 2010, a public consultation was held at the Commission's Main Office to discuss the comments submitted by the following stakeholders: 1) Manila Electric Company (MERALCO); 2) Philippine Electricity Market Corporation (PEMC); 3) Dagupan Electric Corporation (DECORP); 4) Cagayan Electric Power and Light Company (CEPALCO); 5) Misamis Occidental II Electric Cooperative, Inc. (MOELCI); 6) Davao Light and Power Company, Inc. (DLPC); 7) Visayan Electric Company, Inc. (VECO); and 8) Distribution Management Committee (DMC);

**WHEREAS**, the ILP allows the DU and the participating customer to enter into an agreement wherein the customer may be requested by its DU to be partially or fully de-loaded/disconnected for a period of time as determined by the DU. The DU shall pay the participating customer a de-loading compensation for the incremental cost incurred which shall be recovered from all customers of the DU as part of the monthly total power cost;

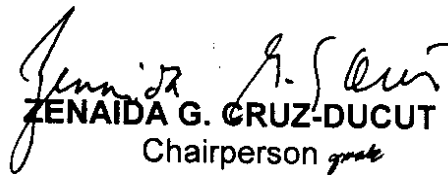
**WHEREAS**, after a careful consideration of the comments submitted by interested parties, the Commission deems it appropriate to adopt and implement the Rules to Govern the ILP of DUs in the Visayas and Mindanao Grids to alleviate the power crisis in the said regions;

**NOW THEREFORE**, the Commission, after thorough and due deliberation, hereby **RESOLVES**, as it is hereby **RESOLVED**, to **APPROVE** and **ADOPT**, the "**Rules Governing the Interruptible Load Program (ILP) of Distribution Utilities (DUs)**" for Visayas and Mindanao, hereto attached as Annex "A" and made an integral part hereof.

These Rules shall take effect on the fifteenth (15<sup>th</sup>) day following its publication in a newspaper of general circulation.

Let copies of this Resolution be furnished the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR), Manila Electric Company (MERALCO), Philippine Electricity Market Corporation (PEMC); Dagupan Electric Corporation (DECORP), Cagayan Electric Power and Light Company (CEPALCO), Misamis Occidental II Electric Cooperative, Inc. (MOELCI), Davao Light and Power Company, Inc. (DLPC); Visayan Electric Company, Inc. (VECO); and Distribution Management Committee (DMC) and all DUs in the Visayas and Mindanao Grids.

Pasig City, March 10, 2010.

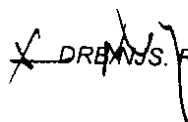
  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson *grate*

  
**RAUF A. TAN**  
Commissioner

  
**ALEJANDRO Z. BARIN**  
Commissioner

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

(On Official Travel)  
**JOSE C. REYES**  
Commissioner

 **DREMS. Resolution ILP**

**Distribution Utilities**

1. MANILA ELECTRIC COMPANY  
Ortigas Avenue, Pasig City
2. DAGUPAN ELECTRIC CORPORATION  
3<sup>rd</sup> floor, Veria I Building  
West Avenue, Quezon City
3. CAGAYAN ELECTRIC POWER AND LIGHT COMPANY, INC.  
8<sup>th</sup> Floor Strata 100 Bldg.,  
Emerald Avenue, Ortigas Complex, Pasig City
4. COTABATO LIGHT AND POWER COMPANY  
Sinsuat Avenue, Cotabato City 9600
5. ILIGAN LIGHT AND POWER INC.  
Bro. Raymund Jeffrey Road,  
La Salle Road, Pala-O  
9200 Iligan City, Lanao del Norte
6. MACTAN ELECTRIC COMPANY, INC.  
6015 Lapu-lapu City, Cebu
7. DAVAO LIGHT AND POWER COMPANY  
C. Bangoy Sr. Street  
800 Davao City, Davao del Norte
8. VISAYAN ELECTRIC COMPANY (VECO)  
52 D. Jakosalem Street  
6000 Cebu City
9. LA UNION ELECTRIC COMPANY, INC.  
Quezon Avenue  
2500 San Fernando, La Union
10. TARLAC ELECTRIC INC.  
Mabini Street,  
2300 Tarlac, Tarlac
11. CABANATUAN ELECTRIC CORPORATION  
Daang Maharlika, Bitas Road,  
3100 Cabanatuan City, Nueva Ecija
12. IBAAN ELECTRIC AND ENGINEERING CORPORATION  
212 Mercado Street  
4230 Ibaan, Batangas
13. BOHOL LIGHT COMPANY, INC.  
6300 Tagbilaran City, Bohol
14. ANGELES ELECTRIC CORPORATION  
1903 Robinsons Equitable Tower  
ADB Avenue corner Poveda Street, Pasig City
15. PANAY ELECTRIC COMPANY, INC.  
Cacho Building, J.M. Basa Street  
5000 Iloilo City
16. SAN FERNANDO ELECTRIC LIGHT AND POWER COMPANY, INC.  
2000 San Fernando, Pampanga
17. SUBIC ENERZONE CORPORATION  
Building 502 Dewey Avenue, Subic Bay Freeport Zone,  
2200 Olongapo City
18. CLARK ELECTRIC DEVELOPMENT CORPORATION  
Building N2830 Bayanihan Street  
Clark Freeport Zone  
Clark Field, Pampanga
19. ILOCOS NORTE ELECTRIC COOPERATIVE, INC.  
2913 Dingras, Ilocos Norte
20. ILOCOS SUR ELECTRIC COOPERATIVE, INC.  
2707 Santiago, Ilocos Sur
21. LA UNION ELECTRIC COOPERATIVE, INC.  
2503 Aringay, La Union
22. PANGASINAN I ELECTRIC COOPERATIVE, INC.  
2470 Bani, Pangasinan
23. CENTRAL PANGASINAN ELECTRIC COOPERATIVE, INC.  
2420 San Carlos City, Pangasinan
24. PANGASINAN III ELECTRIC COOPERATIVE, INC.  
2428 Urdaneta, Pangasinan
25. BATANES ELECTRIC COOPERATIVE, INC.  
3900 Basco, Batanes

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26. CAGAYAN I ELECTRIC COOPERATIVE, INC.  
3503 Maddarulug, Solana, Cagayan
27. CAGAYAN II ELECTRIC COOPERATIVE, INC.  
Concepcion Building, Centro Appari  
3515 Cagayan
28. ISABELA I ELECTRIC COOPERATIVE, INC.  
3306 Alicia, Isabela
29. ISABELA II ELECTRIC COOPERATIVE, INC.  
3300 Ilagan, Isabela
30. NUEVA VIZCAYA ELECTRIC COOPERATIVE, INC.  
3707 Dupax del Sur, Nueva Vizcaya
31. QUIRINO ELECTRIC COOPERATIVE, INC.  
3401 Diffun, Quirino
32. ABRA ELECTRIC COOPERATIVE, INC.  
2800 Bangued, Abra
33. BENGUET ELECTRIC COOPERATIVE, INC.  
2601 Alapang, La Trinidad, Benguet
34. IFUGAO ELECTRIC COOPERATIVE, INC.  
3600 Lagawe, Ifugao
35. KALINGA APAYAO ELECTRIC COOPERATIVE, INC.  
3800 Magsaysay, Tabuk, Kalinga-Apayao
36. MOUNTAIN PROVINCE ELECTRIC COOPERATIVE, INC.  
2616 Bontoc, Mt. Province
37. AURORA ELECTRIC COOPERATIVE, INC.  
3200 Baler, Aurora
38. TARLAC I ELECTRIC COOPERATIVE, INC.  
2302 Gerona, Tarlac
39. TARLAC II ELECTRIC COOPERATIVE, INC.  
2316 Concepcion, Tarlac
40. NUEVA ECIJA I ELECTRIC COOPERATIVE, INC.  
3106 Malapit, San Isidro, Nueva Ecija
41. NUEVA ECIJA II ELECTRIC COOPERATIVE, INC. – Area 1  
3114 Talavera, Nueva Ecija
42. NUEVA ECIJA II ELECTRIC COOPERATIVE, INC. – Area 2  
3102 San Leonardo, Nueva Ecija
43. SAN JOSE CITY ELECTRIC COOPERATIVE, INC.  
3121 San Jose City, Nueva Ecija
44. PAMPANGA RURAL ELECTRIC SERVICE COOPERATIVE, INC.  
2021 Anao, Mexico, Pampanga
45. PAMPANGA I ELECTRIC COOPERATIVE, INC.  
2021 Sto. Domingo, Mexico, Pampanga
46. PAMPANGA II ELECTRIC COOPERATIVE, INC.  
2003 Guagua, Pampanga
47. PAMPANGA III ELECTRIC COOPERATIVE, INC.  
2016 Apalit, Pampanga
48. PENINSULA ELECTRIC COOPERATIVE, INC.  
2100 Balanga, Bataan
49. ZAMBALES I ELECTRIC COOPERATIVE, INC.  
2210 Palauig, Zambales
50. ZAMBALES II ELECTRIC COOPERATIVE, INC.  
2208 Castillejos, Zambales
51. FIRST LAGUNA ELECTRIC COOPERATIVE, INC.  
4014 Lumban, Laguna
52. BATANGAS I ELECTRIC COOPERATIVE, INC.  
4212 Calaca, Batangas
53. BATANGAS II ELECTRIC COOPERATIVE, INC.  
Kapitan Simeon Luz Street, Antipolo Del Norte  
4217 Lipa City, Batangas
54. QUEZON I ELECTRIC COOPERATIVE, INC.  
4308 Pitogo, Quezon
55. QUEZON II ELECTRIC COOPERATIVE, INC.  
4336 Gomez Street, Infanta, Quezon

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56. LUBANG ELECTRIC COOPERATIVE, INC.  
5109 Tilik, Lubang, Occidental Mindoro
57. OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.  
5100 San Jose, Occidental Mindoro
58. ORIENTAL MINDORO ELECTRIC COOPERATIVE, INC.  
5200 Simaron, Calapan, Oriental Mindoro
59. MARINDUQUE ELECTRIC COOPERATIVE, INC.  
4900 Ihatub, Boac, Marinduque
60. TABLAS ISLAND ELECTRIC COOPERATIVE, INC.  
5505 Odiongana, Tablas, Romblon
61. ROMBLON ELECTRIC COOPERATIVE, INC.  
5500 Romblon, Romblon
62. BUSUANGA ISLAND ELECTRIC COOPERATIVE, INC.  
5316 Coron, Palawan
63. PALAWAN ELECTRIC COOPERATIVE, INC.  
Tinguiban,  
5300 Puerto Princesa City, Palawan
64. CAMARINES NORTE ELECTRIC COOPERATIVE, INC.  
Magallanes Ilaod, Daet, Camarines Norte 4600
65. CAMARINES SUR I ELECTRIC COOPERATIVE, INC.  
4407 Libmanan, Camarines Sur
66. CAMARINES SUR II ELECTRIC COOPERATIVE, INC.  
4400 Naga City, Camarines Sur
67. CAMARINES SUR III ELECTRIC COOPERATIVE, INC.  
4431 San Jose, Iriga City Camarines Sur
68. CAMARINES SUR IV ELECTRIC COOPERATIVE, INC.  
4420 Tigaon, Camarines Sur
69. ALBAY ELECTRIC COOPERATIVE, INC.  
4500 Legazpi City, Albay
70. SORSOGON I ELECTRIC COOPERATIVE, INC.  
4707 Irosin, Sorsogon
71. SORSOGON II ELECTRIC COOPERATIVE, INC.  
4700 Sorsogon, Sorsogon
72. FIRST CATANDUANES ELECTRIC COOPERATIVE, INC.  
4801 Bato, Catanduanes
73. MASBATE ELECTRIC COOPERATIVE, INC.  
5400 Masbate, Masbate
74. TICA0 ISLAND ELECTRIC COOPERATIVE, INC.  
5417 San Jacinto, Masbate
75. AKLAN ELECTRIC COOPERATIVE, INC.  
5600 Kalibo, Aklan
76. ANTIQUE ELECTRIC COOPERATIVE, INC.  
5700 San Jose, Antique
77. CAPIZ ELECTRIC COOPERATIVE, INC.  
Timpas, Panitan, Capiz 5815
78. ILOILO I ELECTRIC COOPERATIVE, INC.  
5021 Tigbauan, Iloilo
79. ILOILO II ELECTRIC COOPERATIVE, INC.  
5008 Brgy. Cauayan, Pototan, Iloilo
80. ILOILO III ELECTRIC COOPERATIVE, INC.  
5014 Sara, Iloilo
81. GUIMARAS ELECTRIC COOPERATIVE, INC.  
5045 San Miguel, Jordan, Guimaras
82. VMC RURAL ELECTRIC SERVICE COOPERATIVE, INC.  
6120 Torlosa, Manapla, Negros Occidental
83. CENTRAL NEGROS ELECTRIC COOPERATIVE, INC.  
6100 Bacolod City, Negros Occidental
84. NEGROS OCCIDENTAL ELECTRIC COOPERATIVE, INC.  
6111 Kabangkalan, Negros Occidental
85. NEGROS ORIENTAL I ELECTRIC COOPERATIVE, INC.  
6209 Bindoy, Negros Oriental

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86. NEGROS ORIENTAL II ELECTRIC COOPERATIVE, INC.  
6200 Dumaguete City, Negros Oriental
87. BANTAYAN ISLAND ELECTRIC COOPERATIVE, INC.  
6052 Bantayan, Cebu
88. CEBU I ELECTRIC COOPERATIVE, INC.  
6035 Dumanjug, Cebu
89. CEBU II ELECTRIC COOPERATIVE, INC.  
6010 Malingin, Bogo, Cebu
90. CEBU III ELECTRIC COOPERATIVE, INC.  
6038 Toledo City, Cebu
91. PROVINCE OF SIKUIJOR ELECTRIC COOPERATIVE, INC.  
6226 Larena, Siquijor
92. CAMOTES ISLAND ELECTRIC COOPERATIVE, INC.  
6049 Poro, Camotes Island, Cebu
93. BOHOL I ELECTRIC COOPERATIVE, INC.  
6329 Mac-as, Tubigon, Bohol
94. BOHOL II ELECTRIC COOPERATIVE, INC.  
6308 Jagna, Bohol
95. DON ORESTES ROMUALDEZ ELECTRIC COOPERATIVE, INC.  
6503 Tolosa, Leyte
96. LEYTE II ELECTRIC COOPERATIVE, INC.  
6500 Tacloban City, Leyte
97. LEYTE III ELECTRIC COOPERATIVE, INC.  
6528 Tunga, Leyte
98. LEYTE IV ELECTRIC COOPERATIVE, INC.  
6524 Hilongos, Leyte
99. LEYTE V ELECTRIC COOPERATIVE, INC.  
6541 Ormoc City, Leyte
100. SOUTHERN LEYTE ELECTRIC COOPERATIVE, INC.  
6000 Nasaug, Maasin, Southern Leyte
101. BILIRAN ISLAND ELECTRIC COOPERATIVE, INC.  
4543 Corvera Street, Naval, Biliran,
102. NORTHERN SAMAR ELECTRIC COOPERATIVE, INC.  
6400 Del Pilar Street, Catarman, Northern Samar
103. SAMAR I ELECTRIC COOPERATIVE, INC.  
6710 Carayman, Calbayog City, Western Samar
104. SAMAR II ELECTRIC COOPERATIVE, INC.  
6700 Catbalogan, Western Samar
105. EASTERN SAMAR ELECTRIC COOPERATIVE, INC.  
6800 Borongan, Eastern Samar
106. ZAMBOANGA DEL NORTE ELECTRIC COOPERATIVE, INC.  
7100 Dipolog City, Zamboanga del Norte
107. ZAMBOANGA DEL SUR I ELECTRIC COOPERATIVE, INC.  
7016 Pagadian City, Zamboanga del Sur
108. ZAMBOANGA DEL SUR II ELECTRIC COOPERATIVE, INC.  
7001 Ipil, Zamboanga del Sur
109. ZAMBOANGA CITY ELECTRIC COOPERATIVE, INC.  
7000 Zamboanga City, Zamboanga del Sur
110. MISAMIS OCCIDENTAL I ELECTRIC COOPERATIVE, INC.  
7210 Calamba, Misamis Occidental
111. MISAMIS OCCIDENTAL II ELECTRIC COOPERATIVE, INC.  
7202 Tudela, Misamis Occidental
112. MISAMIS ORIENTAL I ELECTRIC COOPERATIVE, INC.  
9019 Laguidangan, Misamis Oriental
113. MISAMIS ORIENTAL II RURAL ELECTRIC SERVICE COOPERATIVE, INC.  
9013 Medina, Misamis Oriental
114. FIRST BUKIDNON ELECTRIC COOPERATIVE, INC.  
8714 Anahawon, Maramag, Bukidnon
115. CAMIGUIN ELECTRIC COOPERATIVE, INC.  
9100 Mambajao, Camiguin

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116. LANA DEL NORTE ELECTRIC COOPERATIVE, INC.  
9209 Tubod, Lanao del Norte
117. BUKIDNON II ELECTRIC COOPERATIVE, INC.  
8703 Manolo Fortich, Bukidnon
118. DAVAO ORIENTAL ELECTRIC COOPERATIVE, INC.  
8200 Mati, Davao Oriental
119. DAVAO DEL NORTE ELECTRIC COOPERATIVE, INC.  
8801 Montevista, Davao del Norte
120. DAVAO DEL SUR ELECTRIC COOPERATIVE, INC.  
8002 Digos, Davao del Sur
121. COTABATO ELECTRIC COOPERATIVE, INC.  
9406 Matalan, North Cotabato
122. SOUTH COTABATO I ELECTRIC COOPERATIVE, INC.  
9506 Koronadal, Southern Cotabato
123. SOUTH COTABATO II ELECTRIC COOPERATIVE, INC.  
9500 Lagao, General Santos City, Southern Cotabato
124. SULTAN KUDARAT ELECTRIC COOPERATIVE, INC.  
Bernardo Building, National Highway  
9800 Takurong, Sultan Kudarat
125. TAWI-TAWI ELECTRIC COOPERATIVE, INC.  
7500 Tubig-Boh, Bongao, Tawi-tawi
126. SIASI ELECTRIC COOPERATIVE, INC.  
7412 Poblacion Siasi, Sulu
127. SULU ELECTRIC COOPERATIVE, INC.  
7400 Bus-Bus, Jolo, Sulu
128. BASILAN ELECTRIC COOPERATIVE, INC.  
7300 Isabela, Basilan
129. CAGAYAN DE SULU ELECTRIC COOPERATIVE, INC.  
7508 Cagayan de Sulu, Mapun, Tawi-tawi
130. LANA DEL SUR ELECTRIC COOPERATIVE, INC.  
9700 Maliwanag Islamic City of Marawi, Lanao del Sur
131. MAGUINDANAO ELECTRIC COOPERATIVE, INC.  
9601 Datu Odin Sinsuat, Maguindanao
132. AGUSAN DEL NORTE ELECTRIC COOPERATIVE, INC.  
8600 Butuan City, Agusan del Norte
133. AGUSAN DEL SUR ELECTRIC COOPERATIVE, INC.  
8501 San Francisco, Agusan del Sur
134. SURIGAO DEL NORTE ELECTRIC COOPERATIVE, INC.  
Narciso Street cor. Espina Street,  
8400 Surigao City, Surigao del Norte
135. SIARGAO ELECTRIC COOPERATIVE, INC.  
8417 Dapa, Surigao del Norte
136. DINAGAT ISLAND ELECTRIC COOPERATIVE, INC.  
8427 San Jose Dinagat Island, Surigao del Norte
137. SURIGAO DEL SUR I ELECTRIC COOPERATIVE, INC.  
8311 Bislig, Surigao del Sur
138. SURIGAO DEL SUR II ELECTRIC COOPERATIVE, INC.  
8300 Tandag, Surigao del Sur
139. DISTRIBUTION MANAGEMENT COMMITTEE  
20<sup>th</sup> floor, Pacific Center Building  
San Miguel Avenue, Ortigas Center, Pasig City
140. PHILIPPINE ELECTRICITY MARKET CORPORATION  
9<sup>th</sup> Robinsons Equitable Tower  
ADB Avenue corner Poveda Street  
Ortigas Center, Pasig City

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

**RULES TO GOVERN THE INTERRUPTIBLE LOAD PROGRAM  
OF DISTRIBUTION UTILITIES**

Pursuant to Section 43 of Republic Act No. 9136 and its Implementing Rules and Regulations (IRR), the Energy Regulatory Commission (ERC) hereby adopts and promulgates these Rules to establish a process for the interruptible load program of distribution utilities.

**ARTICLE I**

**GENERAL PROVISIONS**

These Rules shall have the following objectives:

- a) To address the imminent power shortage and augment the limited power requirements of the Distribution Utilities;
- b) To ensure the timely compensation and recovery of allowable expense related to the interruptible load program entered into by Distribution Utilities;
- c) To ensure transparent and reasonable prices of electric power service in a regime of free and fair competition and to achieve greater operational and economic efficiency;
- d) To protect the public interest as it is affected by the rates and services of the Distribution Utilities; and
- e) To help maintain the security, reliability, and quality of the supply of electric power.

**ARTICLE II**

**SCOPE AND DEFINITION OF TERMS**

**Section 1. Scope.** These Rules shall apply to all Distribution Utilities and their respective Participating Customer, within its franchise area.

**Section 2. Definition of Terms.** As used in these Rules, the following terms shall have the following respective meanings:

"**Average Rate**" shall refer to the average PhP/kWh paid by the Customer, including Generation, Transmission, Distribution and non-bypassable cost (Universal Charge, Lifeline, VAT, etc.).



"**Billing Period**" shall refer to the existing billing month.

"**Customer**" shall refer to any person or entity requiring the supply and delivery of electricity for its own use.

"**Distribution Utility or DU**" shall refer to any electric cooperative, private corporation, government-owned utility or existing local government unit which has exclusive franchise to operate a distribution system in accordance with its franchise and the Act.

"**Energy Regulatory Commission**" or "**ERC**" shall refer to the independent quasi-judicial regulatory body created under Section 38 of the Republic Act No. 9136.

"**Energy Sales**" shall refer to the amount of electricity in kWh consumed by the customers based on a valid contract for the sale of electricity.

"**ERC Rules of Practice and Procedure**" shall refer to the Rules promulgated by the ERC on June 22, 2006 governing the proceedings before it.

"**Generation Rate**" shall refer to the average generation charge (on a PhP/kWh) paid by all Customers of the franchised DU, computed under the Automatic Generation Rate Adjustment (AGRA) mechanism.

"**Grid**" shall refer to the high voltage backbone of interconnected transmission lines, substations and related facilities for the purpose of conveyance of bulk power.

"**Heat Rate Caps**" shall refer to the heat rate caps approved by the ERC.

### ARTICLE III

#### DE-LOADING PROGRAM AND PROTOCOLS

**Section 1. Request for De-Loading.** Under the Interruptible Load Program (ILP), the Distribution Utility and Participating Customer shall enter into an Agreement wherein the Participating Customer may be requested by the Distribution Utility (in writing or verbally) to de-load, during which time a Participating Customer may either fully de-load, by disconnecting its delivery point that receives electricity from the Distribution Utility, or partially de-load by reducing its load from Distribution Utility, for a period of time as determined by the Distribution Utility in its request.

The Distribution Utility shall agree with a Participating Customer for the number of cumulative hours in a month in which it can be requested to de-load. The Participating Customer has the option whether or not to accommodate any request by the Distribution Utility in excess of such agreed period of time.

**Section 2. Activation of ILP.** As soon as notice is received from the System Operator of the Grid of an expected power shortage, the DU shall execute the following procedure:

1. The DU sources the shortage from its various IPP's with existing/ERC-approved contracts.
2. If alternative source is not enough to cover the shortage, the DU shall activate its Interruptible Load Program through the following procedure:
  - a) Match the expected time of the shortage with the time Interruptible Load Customers prefer to be de-loaded.
  - b) Sort the load of the customer at the time of expected shortage based on customer load profile. Customers with larger loads are prioritized to be requested to de-load.
  - c) Check that customers have been de-loaded for less than agreed number of hours in the current month.
  - d) Call the customer and request to de-load.
  - e) If customer cannot de-load, customers next in the list are called to be requested to de-load.
3. If Interruptible Load is not sufficient to cover the shortage then the Manual Load Dropping (MLD) is activated.

**Section 3. Dispatch Protocol.** The Distribution Utilities shall be guided by procedures in implementing its Interruptible Load Program (ILP).

After the DU identifies the need of a required load dropping, the ILP will enter the **Preparatory Stage** (45 minutes before activation) wherein the following procedures shall be adhered to:

- a) DU to inquire/verify system condition.
- b) DU will assess amount of schedule load dropping.
- c) DU to inquire from Participating Customer (PC) present loading and amount of load they can drop.
- d) DU to dispatch assigned DU personnel to participating interruptible customers.

During **Activation Stage** (5 minutes before activation up to during activation):

- a) DU to get and evaluate the actual loading (kW) of PC.
  - by communicating to the PC's billing meter, or
  - by inquiring from PC's assigned contact person together with inquiring from on-site DU personnel
- b) DU to monitor and record the feeder loading in SCADA where PC's are connected.
- c) DU to review/assess the system loading and power requirements.
- d) DU to alert/call the PC to start load dropping, if necessary and needed.
- e) DU to monitor and record the feeder loading if significant kW drop equal the sum of loads drop of PCs connected on that feeder/bay.
- f) DU to verify and evaluate the drop in loads (kW) of PC.
  - by communicating to the PC's billing meter, or
  - by confirmation from PC's contact person together with corroboration from on-site DU personnel.
- g) DU to monitor and record the feeder loading in SCADA where PCs are connected.
- h) DU to assess the duration of such loading condition and relaying it to the knowledge of PC involved.

During the **Normalization Stage**:

- a) DU to monitor and record the feeder loading in SCADA where PCs are connected or thru communicating with PC's contact person together with corroboration from on-site DU personnel.
- b) DU to evaluate the system condition and alert the PC to start loading back to normal.
- c) DU to monitor and record the feeder loading in SCADA where PCs are connected or thru communicating with PC's contact person together with corroboration from on-site DU personnel.

**Section 4. Documentation.** After normalization, the DU shall document the cause, de-loaded kWh, date, time and duration of the de-loading. Further, the DU shall also secure from the System Operator (SO) of the Grid a formal load dropping request indicating the cause, load drop in kW, date, time and duration. These information shall be disseminated to all PCs who participated on the recent de-loading.

**Section 5. Pre-schedule load dropping scheme.** Upon advised from the SO of the Grid, the DU shall endeavor to relay a copy of load dropping request to PCs for load drop information dissemination.

**Section 6. Manual Load Drop (MLD).** Upon information from the SO of the Grid, the DU shall endeavor to inform in advance affected PCs for sudden manual load drop by power system requirement or systems operation. Automatic Load Dropping (ALD), in any case, should not be part of the interruptible load program (ILP).

## ARTICLE IV

### BILLING AND COMPENSATION

**Section 1. De-loading Compensation.** The Distribution Utility shall pay the Participating Customer a compensation an amount representing the incremental cost incurred due to the full or partial de-loading, when it de-loads from the Distribution Utility as requested.

The De-Loading Compensation shall be computed by multiplying the "de-loaded kWh" less registered kWh in the meter, if any, during periods when the Distribution Utility requests a Participating Customer to de-load, multiplied by the incremental de-loading cost per kWh, to wit:

$$\text{De-loading Compensation}_{\text{p.c.u.}} = \text{Incremental De-loading Rate} \times \text{Compensable kWh}$$

Where:

$$\text{Incremental De-loading Rate} = [\text{Generation Cost of Fuel} \times \text{Fuel Consumption Rate}]$$

$$- \text{PC Average rate}$$

$$\text{Generation Cost of Fuel} = \text{Average price of diesel fuel from Petron, Shell and Caltex for the previous month}$$

$$\text{Fuel Consumption Rate} = 0.28 \text{ liter/kWh}$$

PC Average Rate = the Participating Customer's Average Rate for the current billing period

Compensable kWh = Actual de-loaded kWh for the current billing period

The "de-loaded kWh", will depend on the Participating Customer's actual real-time reading by the Distribution Utility or its agreed 24-hour load profile based on its latest average load profile for previous month, if the DU has not installed real-time metering for Participating Customer.

**Section 2. Meter Reading.** The Metering device shall be read at the same time as the usual reading for billing, in addition to the downloaded data. The Participating Customer shall have the right to have a representative during any reading and inspection. For this purpose, the Distribution Utility shall notify the Participating Customer two (2) days prior to the reading or inspection. If notwithstanding such notification, the Participating Customer fails to send its representative, the Distribution Utility shall proceed with the reading, and the Participating Customer shall accept the same as final.

**Section 3. Billing and Settlement.** The Distribution Utility shall pay Participating Customer for the de-loading within thirty (30) days from receipt of the invoice from Participating Customer.

**Section 4. Disputes.** The Distribution Utility and Participating Customer shall endeavor to resolve any dispute arising from the implementation of the Interruptible Load Program, otherwise, the same shall be elevated to the Commission in accordance with the ERC's Rules of Practice and Procedures.

## ARTICLE V

### RECOVERY OF DE-LOAD COMPENSATION

The amount paid to the Participating Customers shall be recovered from all customers of the Distribution Utility as part of its Total Cost of Power to be included in the Distribution Utility's monthly computation of Generation Rate, based on the following formula:

$$\text{Total Payments to Suppliers} + \text{De-Loading Compensation} = \text{Total Cost of Power}$$

## ARTICLE VI

### REQUIREMENT FOR A PARTICIPATING CUSTOMER

**Section 1. Qualification of a Participating Customer.** Any Customer or group of Customers under the DUs franchise area can be qualified as a Participating Customer subject to their mutual agreement. A Participating Customer shall assign a contact person that shall be responsible in performing the tasks under Article III Section 2 of these Rules.

**Section 2. Offer of ILP.** DUs experiencing shortage of power supply shall offer to their customers the ILP. Availment of which shall be on a voluntary basis on the part of the customers.

**Section 3. Metering Equipment and its accessories.** Appropriate metering shall be installed for the purpose of billing the Participating Customer, to verify and reconcile the day and time during which the Participating Customer de-loads. If not yet available, the intending Participating Customer shall bear the costs of the metering equipment and its accessories.

Such customer may ask the DUs to provide for the required metering equipment and its accessories including the cost of installation, subject to the terms of payment agreed upon between them.

The customer may opt to purchase his own metering equipment and its accessories provided they meet the specifications required by the DU and in accordance with Articles 2.11 and 4.5.2 of the DSOAR.

Expenses for the replacement of real-time meters shall be borne by the customer unless the damage was caused by the DU.

## ARTICLE VII

### REPORTORIAL REQUIREMENT

**Section 1. Prior to Implementation.** The Distribution Utility shall, prior to its implementation, submit a manifestation in writing to the Commission of its intent to offer the ILP to its customers, with supporting documents. Thereafter, the Commission shall issue an *Order* authorizing the Distribution Utility to implement the program.

**Section 2. Monthly Reporting Requirements.** The implementing Distribution Utility shall submit the following to the Commission, along with its submission in the Automatic Generation Rate Adjustment (AGRA), with all calculations related to Article III and Article IV, along with supporting documents, for the De-loaded Compensation and Recovery of the preceding month:

- a. Load curve of the Participating Customers;
- b. **Determined Average Price of Fuel;**
- c. Schedule of contracted demand/ERC approved rates per supplier;
- d. Schedule of average power deliveries/purchases and corresponding generation cost per supplier for each of the consumption period;
- e. Soft copy of all calculations; and
- f. Other data deemed necessary by the Commission.

## ARTICLE VIII

### FINAL PROVISIONS

**Section 1. Fines and Penalties.** Violation of any provisions of these Rules shall be subject to the imposition of fines and penalties in accordance

with the "Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of the Act" promulgated by the ERC on May 17, 2002, as amended by Resolution No. 03, Series of 2009 entitled "Resolution Amending the Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of Republic Act No. 9136" dated February 23, 2009.

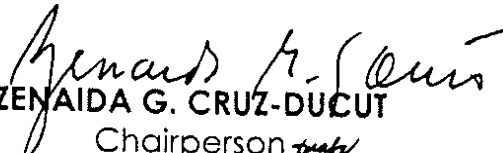
**Section 2. Exception Clause.** Where good cause appears, the Commission may allow an exemption from any provisions of these Rules, if such is found to be in the public interest and is not contrary to law or any other related rules and regulations.

**Section 3. Separability Clause.** If for any reason, any part or section of these Rules is declared unconstitutional or invalid, the other parts or sections hereof which are not affected thereby shall continue to be in full force and effect.

**Section 4. Repealing Clause.** All rules and guidelines, or portions thereof, issued by the ERC that are inconsistent with these Rules are hereby repealed or modified accordingly.

**Section 5. Effectivity.** These Rules shall take effect fifteen (15) days following its publication in a newspaper of general circulation.

Pasig City, March 10, 2010.

  
ZENAIDA G. CRUZ-DUCUT  
Chairperson *pro*

  
RAUF A. TAN  
Commissioner

  
ALEJANDRO L. BARIN  
Commissioner

  
MARIA TERESA A.R. CASTAÑEDA  
Commissioner

(On Official Travel)  
JOSE C. REYES  
Commissioner

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