

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

FILE TO: PEMC (2009 budget
03/27/09 0013 FEES)
EMAIL TO: FES/MDR/RSCH/JS
ACTIONS/CAF

IN THE MATTER OF THE APPLICATION OF
THE LEVEL OF MARKET TRANSACTION
FEES FOR CALENDAR YEARS 2009-2011
FOR THE PHILIPPINE WHOLESALE
ELECTRICITY SPOT MARKET (WESM)

(NOTE: READ FROM REPORT/ALIB)

ERC CASE NO. 2008-050 RC

PHILIPPINE ELECTRICITY MARKET
CORPORATION (PEMC),

Applicant.

X-----X

D O C K E T E D
Date: APR 08 2010
By: [Signature]

O R D E R

Pursuant to the Decision dated March 16, 2009 in ERC Case No. 2008-050 RC, entitled "*In the Matter of the Application for the Approval of the Level of Market Transaction Fees for Calendar Years 2009-2011 for the Philippine Wholesale Electricity Spot Market*", the Commission has deferred the implementation of the proposed output-based methodology and instead authorized the Philippine Electricity Market Corporation (PEMC) to form a Technical Working Group to further study said methodology and submit the corresponding rules in time for its inclusion in PEMC's 2010 budget requirements. In the said Decision, PEMC was specifically directed to submit the same after four (4) months upon approval of its budget.

Further in the said Decision, the Commission has resolved to approve the budgetary requirements of PEMC, as a transition to the proposed output-based methodology, by allowing a single fixed market fee rate of PhP0.0169/kWh for calendar year 2009.

[Signature] [Signature]

Subsequent thereto, PEMC filed several requests for extension of time to file the said rules for the output-based methodology.

The annual revenue requirements application of PEMC for each calendar year should have been filed with the Commission for approval not later than the first working day of July 2009 as cited in the General Policies, the dispositive portion of which reads:

"x x x

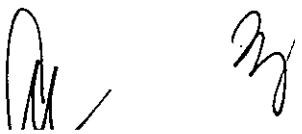
c. For the succeeding Calendar Years (CY), any application for approval shall be filed and submitted to the Commission not later than the first working day of July of the current year.

x x x"

The Commission notes the Petition for the approval of Market Fee Setting Rules (MFSRs) filed by PEMC on February 3, 2010. Given the foregoing, however, there appears a vacuum insofar as PEMC's 2010 budget is concerned. Even on the assumption that the Commission approves the Market Fee Setting Rules, the same would not be applicable for implementation for the current year because of its untimely start-up period.

Due to the failure of PEMC to file its annual revenue requirements for 2010 pursuant to the General Policies, the Commission meantime approves an interim market fee rate of PhP0.0084/kWh for calendar year 2010. The Commission deems it appropriate to review PEMC's budget requirements for 2010 using the previous methodology or any alternative methodology it deems fit.

Thus, PEMC is hereby directed to facilitate the submission of the following relevant documents within thirty (30) days from receipt hereof:

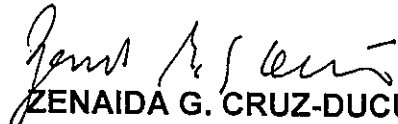
Two handwritten signatures are present at the bottom left of the page. The first signature is a stylized, cursive 'A' followed by a horizontal line. The second signature is a cursive 'B' followed by a horizontal line.

1. Detailed description of the actual schedule of expenditures for Personnel Services, Maintenance and Other Operating Expenditures for CY 2009;
2. Detailed schedule with supporting documents for the cash advances and loan payments from the Transco;
3. Supporting documents for CAPEX projects; and
4. Other relevant documents in support of the submission.

The said rate of Php0.0084/kWh shall apply until approval by the Commission of the PEMC budget requirements for 2010.

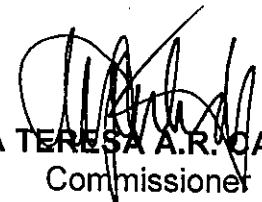
SO ORDERED.

Pasig City, March 10, 2010.


ZENAIDA G. CRUZ-DUCUT
Chairperson *of panel*

(Abstain)
RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner

(On Official Travel)
JOSE C. REYES
Commissioner

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