

H. ENERGY REGULATORY COMMISSION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	<u>477,354</u>	<u>465,917</u>	<u>337,988</u>
General Fund	477,354	465,917	337,988

430 EXPENDITURE PROGRAM FY 2017 VOLUME III

Automatic Appropriations	<u>10,245</u>	<u>10,247</u>	<u>12,382</u>
Retirement and Life Insurance Premiums	10,245	10,247	12,382
Continuing Appropriations	<u>26,751</u>	<u>72,012</u>	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	3,659		
R.A. No. 10651		50	
Unobligated Releases for MOOE			
R.A. No. 10633	23,092		
R.A. No. 10651		71,962	
Budgetary Adjustment(s)	<u>55,103</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	20,429		
Pension and Gratuity Fund	<u>34,674</u>		
Total Available Appropriations	569,453	548,176	350,370
Unused Appropriations	( 75,697)	( 72,012)	
Unobligated Allotment	( 75,697)	( 72,012)	
TOTAL OBLIGATIONS	<u>493,756</u>	<u>476,164</u>	<u>350,370</u>

EXPENDITURE PROGRAM  
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	<u>2015 Actual</u>	<u>2016 Current</u>	<u>2017 Proposed</u>
000001000000000	General Administration and Support	352,641,000	299,042,000	169,788,000
	PS	93,331,000	48,708,000	57,273,000
	MOOE	60,756,000	101,787,000	88,974,000
	CO	198,554,000	148,547,000	23,541,000
000003000000000	Operations	<u>141,115,000</u>	<u>177,122,000</u>	<u>180,582,000</u>
	PS	81,588,000	66,188,000	86,644,000
	MOOE	50,773,000	110,934,000	56,438,000
	CO	8,754,000		37,500,000
TOTAL AGENCY BUDGET		<u>493,756,000</u>	<u>476,164,000</u>	<u>350,370,000</u>
	PS	174,919,000	114,896,000	143,917,000
	MOOE	111,529,000	212,721,000	145,412,000
	CO	207,308,000	148,547,000	61,041,000

STAFFING SUMMARY

	<u>2015</u>	<u>2016</u>	<u>2017</u>
TOTAL STAFFING			
Total Number of Authorized Positions	249	249	249
Total Number of Filled Positions	217	214	222

Proposed New Appropriations Language  
 For general administration and support and operations, as indicated hereunder.....P 337,988,000  
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: ELECTRIC POWER INDUSTRY REGULATORY SERVICES	78,745,000	56,438,000	37,500,000	172,683,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	131,535,000	145,412,000	61,041,000	337,988,000
National Capital Region (NCR)	131,535,000	145,412,000	61,041,000	337,988,000
TOTAL AGENCY BUDGET	131,535,000	145,412,000	61,041,000	337,988,000

SPECIAL PROVISION(S)

- Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects

PROGRAMS	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
0000010000000000 General Administration and Support	52,790,000	88,974,000	23,541,000	165,305,000
1030010001000000 General Management and Supervision	P 33,960,000	P 71,234,000	P 7,750,000	P 112,944,000
1030010002000000 Policy Formulation and Program Planning	3,981,000	2,856,000	500,000	7,337,000
1030010003000000 Information System Development and Maintenance	5,700,000	10,300,000	15,141,000	31,141,000
1030010004000000 Legal Service	8,898,000	4,584,000	150,000	13,632,000
1030010005000000 Administration of Personnel Benefits	251,000			251,000
Sub-total, General Administration and Support	52,790,000	88,974,000	23,541,000	165,305,000

432 EXPENDITURE PROGRAM FY 2017 VOLUME III

000003000000000	Operations	<u>78,745,000</u>	<u>56,438,000</u>	<u>37,500,000</u>	<u>172,683,000</u>
000003010000000	MFO 1: ELECTRIC POWER INDUSTRY REGULATORY SERVICES	<u>78,745,000</u>	<u>56,438,000</u>	<u>37,500,000</u>	<u>172,683,000</u>
000003010100000	Regulation of Energy Related Industries	<u>35,663,000</u>	<u>10,911,000</u>	<u>1,500,000</u>	<u>48,074,000</u>
163003010100001	Regulation of transmission, distribution, electric utilities and transmission/transmission wheeling charges, rates and other levies, price of coal, piped gas and other energy resources and institutionalization of Demand-Side Management Program in the Electric Industry	22,437,000	8,019,000	1,500,000	31,956,000
163003010100002	Enforcement of rules and regulations governing operations of transmission, distribution, electric utilities, anti-pilferage, and in the exercise of its quasi-judicial functions, imposed fines and penalties for violation/non-compliance with rules and regulations	13,226,000	2,892,000		16,118,000
163003010200000	Promotion of competitive market and market operations, including but not limited to, licensing and market monitoring and prohibition against cartelization, monopolization and anti-competitive or discriminatory behavior	12,420,000	9,781,000	500,000	22,701,000
163003010300000	Consumer Education and Protection Program	<u>30,662,000</u>	<u>35,746,000</u>	<u>35,500,000</u>	<u>101,908,000</u>
Sub-total, Operations		78,745,000	56,438,000	37,500,000	172,683,000
TOTAL NEW APPROPRIATIONS		P 131,535,000	P 145,412,000	P 61,041,000	P 337,988,000

Obligations, by Object of Expenditures

CYs 2015-2017  
(In Thousand Pesos)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	92,194	85,392	108,149
Total Permanent Positions	<u>92,194</u>	<u>85,392</u>	<u>108,149</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,457	2,568	5,328
Representation Allowance	2,478	2,406	2,436
Transportation Allowance	1,827	2,406	2,436
Clothing and Uniform Allowance	1,075	1,070	1,110
Productivity Incentive Allowance	392		
Year End Bonus	7,004	7,117	9,012
Cash Gift	1,071	1,070	1,110
Step Increment		221	278
Collective Negotiation Agreement	5,375		
Productivity Enhancement Incentive	7,059	1,070	
Performance Based Bonus	1,983		
Total Other Compensation Common to All	<u>30,721</u>	<u>17,928</u>	<u>21,710</u>

Other Compensation for Specific Groups			
Other Personnel Benefits	5,959		
Total Other Compensation for Specific Groups	<u>5,959</u>		
Other Benefits			
Retirement and Life Insurance Premiums	10,192	10,247	12,382
PAG-IBIG Contributions	248	256	266
PhilHealth Contributions	707	818	893
Employees Compensation Insurance Premiums	246	255	266
Retirement Gratuity	8,379		
Terminal Leave	1,215		251
Total Other Benefits	<u>20,987</u>	<u>11,576</u>	<u>14,058</u>
Other Personnel Benefits			
Pension, Civilian Personnel	25,058		
Total Other Personnel Benefits	<u>25,058</u>		
TOTAL PERSONNEL SERVICES	<u>174,919</u>	<u>114,896</u>	<u>143,917</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	11,357	17,209	11,698
Training and Scholarship Expenses	6,472	12,884	7,265
Supplies and Materials Expenses	27,841	35,123	31,944
Utility Expenses	6,366	7,261	8,200
Communication Expenses	5,383	6,398	5,999
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses		15,000	15,000
Extraordinary and Miscellaneous Expenses	2,177	2,016	2,156
Professional Services	15,369	77,877	16,824
General Services <sup>1</sup>	9,615	9,560	11,325
Repairs and Maintenance	2,776	2,184	2,859
Taxes, Insurance Premiums and Other Fees	322	1,050	1,050
Other Maintenance and Operating Expenses			
Advertising Expenses	2,093	3,193	2,156
Printing and Publication Expenses	228	309	309
Representation Expenses	49		
Rent/Lease Expenses	19,938	21,529	24,307
Subscription Expenses	1,528	1,128	4,320
Other Maintenance and Operating Expenses	15		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>111,529</u>	<u>212,721</u>	<u>145,412</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>286,448</u>	<u>327,617</u>	<u>289,329</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay			1,000
Buildings and Other Structures	198,500	120,508	20,000
Machinery and Equipment Outlay	8,789	25,039	32,540
Transportation Equipment Outlay	19		
Furniture, Fixtures and Books Outlay		3,000	6,400
Intangible Assets Outlay			1,101
TOTAL CAPITAL OUTLAYS	<u>207,308</u>	<u>148,547</u>	<u>61,041</u>
GRAND TOTAL	<u>493,756</u>	<u>476,164</u>	<u>350,370</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : An efficient and responsive power sector

## ORGANIZATIONAL

OUTCOME : 1. Reasonable pricing of transmission and distribution rates monitored  
2. Competitive generation and supply of electricity market ensured

PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Develop rights and obligations of prepaid consumers
2. Develop generation pricing in a competitive regime
3. Implement feed-in-tariff (FIT) and conduct study of Ocean FIT
4. Develop feedback mechanism for distribution utilities/consumers

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Reasonable pricing of transmission and distribution rates monitored		
Percentage of Decisions with Motion for Reconsideration (MR) in rate cases and appealed but upheld in favor of the ERC.		70% (Total number of ERC rate case decisions that will be upheld if brought on appeal)
Competitive generation and supply of electricity market ensured		
Percentage of licenses compliant to the terms and conditions of the Certificate of Compliance (COC) and Retail Electricity Suppliers (RES) License with regard to the rules and regulations related to the electricity market.	16 COC License holders	70% (Total number of COC and RES License holders compliant to the set terms and conditions)

MFO / PIs	2017 Targets
<b>MFO 1: ELECTRIC POWER INDUSTRY REGULATORY SERVICES</b>	
<b>Screening and Registration</b>	
% of applications for CPCN/Authority to Develop and Own or Operate Dedicated Point-to-Point Limited Transmission Facilities acted upon within 90 days from the time the Commission declares the case as submitted for resolution	80 %
% of applications of Certificate of Compliance (COC) [Self-Generating Facility (SGF) - 30 days; Independent Power Producer (IPP) and Qualified End-user (QE) - 50 days] acted upon from receipt of compliant submission	98 %
% of applications for franchise to operate sub-transmission assets as consortium acted upon within 90 days from the time the Commission declares the case as submitted for resolution	80 %
% of applications for Certificate of Authority as Meter Shop acted upon within two (2) months from receipt of compliant applications	78.8 %
<b>Monitoring</b>	
No. of Compliance Reports (licenses) issued	8
No. of watt-hour meters (new and in-service) tested and calibrated	4,620,000
No. of audits conducted in compliance to rules and regulations of ERC	568
% of sites and facilities inspected and audits conducted which resulted in the issuance of Notice	3.5 %
% of Show Cause Orders issued (licenses) within 45 days from discovery of violation	98 %
No. of statistical reports [Competitive Retail Electricity Market (CREM)] issued	13
% of Meter Shops inspected	80 %
% of inspected/tested tampered meters	80 %
<b>Enforcement</b>	
No. of cases (violations, complaints and disputes, and petitions/applications) resolved/decided	200
No. of rules and regulations promulgated	11
% of consumer complaints resolved at pre-hearing stage	70 %
% of total cases (applications/petitions and violations) decided within 90 days from the date the Commission declares the case as submitted for resolution	73 %
% of cases with prayer for provisional authority acted upon within 75 days from filing	82 %