

G. ENERGY REGULATORY COMMISSION

STRATEGIC OBJECTIVES

- MANDATE** : The Energy Regulatory Commission is mandated by Republic Act No. 9136 to promote competition, encourage market development, ensure customer choice, discourage/penalize abuse of market power in the restructured electricity industry and enforce the implementing rules and regulations of the Act.
- VISION** : Ensuring progress through exemplary power regulation.
- MISSION** : A technically competent and professional ERC committed, through the exercise of its regulatory authority, to be the driving force in the transformation of the electric power industry in ensuring reasonable electricity rates, enhancing market competition, promoting long-term consumer interest, and assuring that electricity industry participants provide and maintain safe, adequate, reliable, and efficient electric service.
- KEY RESULT AREAS** : Rapid, inclusive and sustained economic growth
- SECTOR OUTCOME** : An efficient and responsive power sector
- ORGANIZATIONAL OUTCOME** :
1. Quality and reliability of electricity supply ensured
 2. Reasonable pricing of transmission and distribution rates monitored
 3. Competitive generation and supply of electricity market ensured

SECTION 1 : EXPENDITURE PROGRAM (in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	131,030,000	298,732,000	259,042,000
	PS	74,682,000	47,630,000	48,708,000
	MOOE	51,324,000	52,602,000	61,787,000
	CO	5,024,000	198,500,000	148,547,000

00000300000000	Operations	<u>102,501,000</u>	<u>188,867,000</u>	<u>110,190,000</u>
	PS	74,397,000	66,892,000	66,188,000
	MOOE	27,987,000	113,175,000	44,002,000
	CO	117,000	8,800,000	
TOTAL AGENCY BUDGET		<u>233,531,000</u>	<u>487,599,000</u>	<u>369,232,000</u>
	PS	149,079,000	114,522,000	114,896,000
	MOOE	79,311,000	165,777,000	105,789,000
	CO	5,141,000	207,300,000	148,547,000

STAFFING SUMMARY

	<u>2014</u>	<u>2015</u>	<u>2016</u>
TOTAL STAFFING			
Total Number of Authorized Positions	249	249	249
Total Number of Filled Positions	233	217	214

PROPOSED 2016

OPERATIONS BY MFO	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
MFO 1: ELECTRIC POWER INDUSTRY REGULATORY SERVICES	60,177,000	44,002,000		104,179,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation (net of Central Office):	<u>104,649,000</u>	<u>105,789,000</u>	<u>148,547,000</u>	<u>358,985,000</u>
National Capital Region (NCR)	104,649,000	105,789,000	148,547,000	358,985,000
TOTAL AGENCY BUDGET	<u>104,649,000</u>	<u>105,789,000</u>	<u>148,547,000</u>	<u>358,985,000</u>
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SECTION 3 : SPECIAL PROVISION(S)

1. 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:

SECTION 4 : 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. Full implementation of Retail Competition and Open Access (1 MegaWatt and above)
5. Develop feedback mechanism for distribution utilities/consumers

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
Quality and reliability of electricity supply ensured		
Percentage of Distribution Utilities (DUs) without violations to the standards in the Philippine Grid Code (PGC) and Philippine Distribution Code (PDC)	140 Distribution Utilities (DUs)	50% (Total number out of the 140 DUs and NGCP that will be found compliant to the PGC and PDC)
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 the 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	2016 Targets
MFO 1: ELECTRIC POWER INDUSTRY REGULATORY SERVICES	
Screening and Registration	
% of applications for CPCN 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%
Monitoring	
No. of compliance reports (licenses) issued	6
No. of watt-hour meters (new and in-service) tested and calibrated	4,045,000
No. of audits conducted on 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%
Number of statistical reports [Competitive Retail Electricity Market (CREM)] issued	12
% of Meter Shop inspected	80%
% of inspected/tested tampered meters	80%
Enforcement	
No. of cases (violations, complaints and disputes, and petitions/applications) resolved/decided	180
No. of rules and regulations promulgated	7
% of consumer complaints resolved at pre-hearing stage	70%
% of cases (applications/petitions and violations) decided within 90 days from the date the Commission declares the case as submitted for resolution	70%
% of cases with prayer for provisional authority acted upon within 75 days from filing	80%

Appropriations/Obligations

(In Thousand Pesos)

Description	2014	2015	2016
New General Appropriations	<u>210,689</u>	<u>477,354</u>	<u>358,985</u>
General Fund		477,354	358,985
R.A. No. 10633	210,689		
Automatic Appropriations	<u>10,140</u>	<u>10,245</u>	<u>10,247</u>
Retirement and Life Insurance Premiums	10,140	10,245	10,247

Continuing Appropriations	22,276	26,751	
Unobligated Releases for Capital Outlays			
R.A. No. 10633		3,659	
Unobligated Releases for MOOE			
R.A. No. 10352	22,276		
R.A. No. 10633		23,092	
Budgetary Adjustment(s)	26,469		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	3,290		
Pension and Gratuity Fund	23,179		
Total Available Appropriations	269,574	514,350	369,232
Unused Appropriations	(36,043)	(26,751)	
Unobligated Allotment	(36,043)	(26,751)	
TOTAL OBLIGATIONS	233,531	487,599	369,232

Proposed New Appropriations Language
 For general administration and support and operations, as indicated hereunder.....P 358,985,000
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New Appropriations, by Programs/Activities/Projects

		<u>Current Operating Expenditures</u>			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
000001000000000	General Administration and Support	44,472,000	61,787,000	148,547,000	254,806,000
103001000100000	General Management and Supervision	P 27,581,000	P 50,793,000	P 127,508,000	P 205,882,000
103001000200000	Policy Formulation and Program Planning	3,288,000	3,221,000		6,509,000
103001000300000	Information System Development and Maintenance	4,404,000	4,799,000	21,039,000	30,242,000
103001000400000	Legal Service	9,199,000	2,974,000		12,173,000
Sub-total, General Administration and Support		44,472,000	61,787,000	148,547,000	254,806,000
000003000000000	Operations	60,177,000	44,002,000		104,179,000
000003010000000	MFO 1: ELECTRIC POWER INDUSTRY REGULATORY SERVICES	60,177,000	44,002,000		104,179,000
000003010100000	Regulation of Energy Related Industries	25,565,000	6,853,000		32,418,000
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	15,993,000	5,214,000		21,207,000

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	9,572,000	1,639,000	11,211,000
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	10,036,000	4,136,000	14,172,000
163003010300000	Consumer Education and Protection Program	<u>24,576,000</u>	<u>33,013,000</u>	<u>57,589,000</u>
Sub-total, Operations		60,177,000	44,002,000	104,179,000
TOTAL NEW APPROPRIATIONS		P 104,649,000	P 105,789,000	P 148,547,000
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Obligations, by Object of Expenditures

CYs 2014-2016
(In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	84,070	85,377	85,392
Total Permanent Positions	<u>84,070</u>	<u>85,377</u>	<u>85,392</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,552	2,604	2,568
Representation Allowance	2,476	2,508	2,406
Transportation Allowance	1,729	2,508	2,406
Clothing and Uniform Allowance	1,070	1,085	1,070
Productivity Incentive Allowance	406	434	
Year End Bonus	7,068	7,115	7,117
Cash Gift	1,140	1,085	1,070
Step Increment	222	213	221
Collective Negotiation Agreement	5,391		
Productivity Enhancement Incentive	1,055		1,070
Performance Based Bonus	2,207		
Total Other Compensation Common to All	<u>25,316</u>	<u>17,552</u>	<u>17,928</u>
Other Compensation for Specific Groups			
Other Personnel Benefits	5,539		
Total Other Compensation for Specific Groups	<u>5,539</u>		
Other Benefits			
Retirement and Life Insurance Premiums	9,678	10,245	10,247
PAG-IBIG Contributions	253	260	256
PhilHealth Contributions	712	828	818
Employees Compensation Insurance Premiums	254	260	255
Terminal Leave	222		
Total Other Benefits	<u>11,119</u>	<u>11,593</u>	<u>11,576</u>
Other Personnel Benefits			
Pension, Civilian Personnel	23,035		
Total Other Personnel Benefits	<u>23,035</u>		
TOTAL PERSONNEL SERVICES	<u>149,079</u>	<u>114,522</u>	<u>114,896</u>

Maintenance and Other Operating Expenses

Travelling Expenses	9,862	7,000	7,209
Training and Scholarship Expenses	4,440	2,800	2,884
Supplies and Materials Expenses	18,574	34,100	35,123
Utility Expenses	6,444	7,050	7,261
Communication Expenses	5,018	4,750	6,398
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	1,731	1,708	2,016
Professional Services	5,033	73,396	5,945
General Services	6,273	7,400	9,560
Repairs and Maintenance	1,713	2,121	2,184
Taxes, Insurance Premiums and Other Fees	403	1,050	1,050
Other Maintenance and Operating Expenses			
Advertising Expenses	473	3,100	3,193
Printing and Publication Expenses	3	300	309
Representation Expenses	30		
Rent/Lease Expenses	18,785	19,873	21,529
Subscription Expenses	518	1,129	1,128
Other Maintenance and Operating Expenses	11		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>79,311</u>	<u>165,777</u>	<u>105,789</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>228,390</u>	<u>280,299</u>	<u>220,685</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures		198,500	127,508
Machinery and Equipment Outlay	639	8,800	21,039
Transportation Equipment Outlay	4,380		
Furniture, Fixtures and Books Outlay	122		
TOTAL CAPITAL OUTLAYS	<u>5,141</u>	<u>207,300</u>	<u>148,547</u>
GRAND TOTAL	<u>233,531</u>	<u>487,599</u>	<u>369,232</u>