



30 October 2020

MEMORANDUM NO. 2020-052

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : ERC ADVISORY DATED OCTOBER 29, 2020

On September 29, 2020, the National Electrification Administration issued **NEA Memorandum No. 2020-047** on the subject, ***"DOE Advisory on Providing Grace Period to All Power Sector Bills Falling Due During the Period of Community Quarantine (CQ)."***

In said Memorandum, all Electric Cooperatives (ECs) were enjoined to abide by the directives in the DOE Advisory, specifically the implementation of the 30-day grace period and staggered payment for unpaid bills, particularly those that fall due within the Community Quarantine Period.

On October 29, 2020, the Energy Regulatory Commission (ERC), acting on the request of the DOE to issue the necessary procedures and guidelines for the implementation of the DOE Advisory in line with the policies and purpose of R.A. 11494, or the Bayanihan to Recover as One Act, issued an Advisory directing DUs/ECs **NOT** to implement any disconnection on account of non-payment of bills until December 31, 2020 for consumers with monthly consumption not higher than twice the ERC-approved maximum lifeline consumption level.

It further clarified that for all other customers, DUs and Retail Electricity Suppliers (RES) are directed to implement a minimum 30-day grace period on all payments falling due within the period of **Enhanced Community Quarantine (ECQ)** and **Modified Enhanced Community Quarantine (MECQ)**, without incurring interests, penalties and other charges, and that any unpaid balance after the lapse of the 30-day grace period shall be payable in three (3) equal monthly installments, likewise without incurring interests, penalties and other charges.

The Advisory further directs DUs to observe the other related procedures and guidelines contained therein, particularly the monthly submission of the following: (a) power supply contract utilization report; (b) record of payments received from customers; and (c) records of payments to suppliers, covering the afore-cited grace period and installment periods, by sending the same to tariffs@erc.gov.ph. Relative to this requirement, all submissions should be copy furnished NEA-RAO at raonea.csp@gmail.com.

In this regard, all ECs are enjoined to abide by all the directives contained in the ERC Advisory.

Attached is the ERC Advisory dated October 29, 2020 for further details and guidance.

Thank you for your usual cooperation.



EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



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10/3/20



ADVISORY

29 October 2020

In view of the recent enactment of Republic Act No. 11494¹ otherwise known as the “Bayanihan to Recover As One Act” (Bayanihan 2), the Energy Regulatory Commission (ERC) issues the following directives:

1. Distribution Utilities (DU) are directed **NOT** to implement any disconnection on account of non-payment of bills until December 31, 2020 for consumers with monthly consumption not higher than twice the ERC approved maximum lifeline consumption level.
2. For all other customers, DUs and Retail Electricity Suppliers (RES) are directed to implement a minimum of 30-day grace period on all payments falling due within the period of Enhanced Community Quarantine (ECQ) and Modified Enhanced Community Quarantine (MECQ)² without incurring interests, penalties, and other charges. Any unpaid balance after the lapse of the 30-day grace period shall be payable in three (3) equal monthly installments without incurring interests, penalties, and other charges.
3. Customers who have the ability to pay are encouraged to settle their bills within the original due date to help manage the cash flow in the energy supply chain and ensure the continuous supply of electricity. The DUs may offer less onerous payment terms to encourage early payment.
4. Government Offices, Government Agencies, Government Owned-and-Controlled Corporations and other Government instrumentalities are not covered by the thirty (30) days grace period and installment payment arrangement provided herein.

¹ An Act Providing for Covid-19 Response and Recovery Interventions and Providing Mechanisms to Accelerate the Recovery and Bolster the Resiliency of the Philippine Economy, Providing Funds Therefor, and for Other Purposes;

² As declared by the National Inter-Agency Task Force on Emerging Infectious Diseases (IATF-EID)





5. All Distribution Utilities (DUs) and Retail Electricity Suppliers (RES) are directed to inform their respective customers of the directives contained in this Advisory through a bill insert.

In addition to the bill insert, DUs and RES shall inform their customers through any other available means but shall not be limited to: announcements through social media, radio station announcements, posting in bulletin boards of local government units and/or posting in the DUs'/RES' website.

6. The Generators/Suppliers, Power Sector Assets and Liabilities Management Corporation (PSALM), National Power Corporation (NPC), National Transmission Corporation (TransCo), National Grid Corporation of the Philippines (NGCP), Independent Power Producers (IPPs), Independent Power Producer Administrators (IPPAs) and the Market Operator (MO) shall extend the same 30-day grace period, staggered payment, and no disconnection policy provided in item numbers 1 and 2 hereof, to the RES, DUs and other customers.
7. DUs are required to submit monthly the following: (a) power supply contract utilization report; (b) record of payments received from customers; and (c) record of payments made to suppliers, covering the aforementioned grace period and installment periods, by sending to tariffs@erc.gov.ph.

This Advisory shall be effective from the date of its posting on ERC's website www.erc.gov.ph.

Please be guided accordingly.

