

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

**DRAFT FOR DISCUSSION ONLY**

**RULES ON CUSTOMER SWITCHING**  
**(previously referred to as the**  
**Uniform Business Practices)**

Pursuant to Sections 31 and 43 of Republic Act No. 9136, hereinafter referred to as “the Act”, and its Implementing Rules and Regulations (IRR), the Energy Regulatory Commission (ERC) hereby adopts and promulgates the Rules on Customer Switching to facilitate commercial transfers of Customers in a competitive environment.

**ARTICLE I**  
**GENERAL PROVISIONS**

**Section 1. Objectives.**

The Rules on Customer Switching shall have the following objectives:

- (a) To establish standardized rules and procedures governing the commercial transfer of Customers from one competitive electricity supplier to another; and
- (b) To ensure the efficient and timely exchange of information between and among competitive retail market participants, thereby facilitating metering, billing and settlements.

**Section 2. Scope.**

These Rules shall apply to:

- (a) Retail Electricity Suppliers (RES’);
- (b) Local Retail Electricity Suppliers (Local RES’);
- (c) Distribution Utilities (DUs); For purposes of these Rules, references to “DUs” include persons authorized to supply electricity within their respective economic zones;
- (d) Suppliers of Last Resort (SOLRs);
- (e) Aggregators which are allowed to supply electricity to Customers in the second phase of retail competition and open access;
- (f) The Market Operator (MO);
- (g) The Central Registration Body (CRB); and
- (h) The Contestable Market, referred to herein as “Customers”.

### **Section 3. Definition of Terms**

<b>Act</b>	Republic Act No. 9136, otherwise known as “Electric Power Industry Reform Act of 2001”
<b>Aggregator</b>	A person or entity duly licensed by the ERC to engage in consolidating electric power demand of end-users in a Contestable Market for the purpose of purchasing and reselling electricity on a group basis.
<b>Business Day</b>	A day other than a Saturday, a Sunday or an official or declared Philippine national or local public holiday.
<b>Business to Business (B2B) System</b>	An Information Technology (IT) infrastructure that handles information exchange among competitive retail market participants with the end in view of fulfilling an efficient Switching by end-users in the competitive retail market.
<b>Central Registration Body (CRB)</b>	<p>The entity designated by the ERC to develop and manage the B2B system that facilitates Customer Switching and keeps track of the movement of end-users in the contestable market.</p> <p>The ERC, through Resolution No. 15, Series of 2006, designated the Philippine Electricity Market Corporation (PEMC) as the Central Registration Body.</p>
<b>Contestable Market</b>	The electricity end-users who have a choice of a supplier of electricity, as may be determined by the ERC in accordance with the Act.
<b>Cooling-Off Period</b>	The period of five (5) Business Days, or a longer period agreed upon by both parties, commencing from the signing of the Retail Supply Contract, within which the Customer has the right to cancel the Retail Supply Contract it has entered into with the RES or the Local RES.

<b>Cramming</b>	Adding charges to a Customer's bill for optional services without the Customer's permission.
<b>Customer</b>	An electricity end-user that belongs to the Contestable Market. An aggregate of Customers formed under the second phase of retail competition and open access shall be considered as a single Customer, unless otherwise provided by the ERC.
<b>Customer Authorization</b>	Written consent from a Customer allowing a RES or Local RES to obtain Customer Information from the CRB.
<b>Customer Information</b>	Customer-specific account information maintained by the CRB.
<b>Distribution Services and Open Access Rules (DSOAR)</b>	The set of rules promulgated by ERC regarding the provision of regulated services by a DU to entities such as captive and contestable customers, RES or Local RES, other DUs, and generation company, under the new environment created by the Act.
<b>Distribution Utility (DU)</b>	Any electric cooperative, private corporation, government-owned utility or existing local government unit which has an exclusive franchise to operate a distribution system in accordance with the Act.
<b>Distribution Wheeling Service (DWS)</b>	The conveyance of power throughout a distribution system to meet the demand of end-users.
<b>Distribution Wheeling Service (DWS) Agreement</b>	An agreement between a DU and a RES or Local RES for the procurement of DWS on behalf of a Customer.
<b>Drop</b>	A transaction that terminates a Customer's retail electricity supply service agreement with an incumbent RES or Local RES.
<b>Drop Notice</b>	A notice sent by the CRB for an incumbent RES or Local RES to terminate its service to a Customer effective on a given date.

<b>Drop Response</b>	A response by an incumbent RES or Local RES related to the Drop Notice.
<b>Dual Billing</b>	A billing option whereby a Customer receives two (2) separate bills from a RES or Local RES and a DU.
<b>Energy Regulatory Commission (ERC)</b>	The independent and quasi-judicial regulatory agency created under Section 38 of the Act.
<b>Last Resort Supply Event</b>	An event where a Customer ceases to receive service from its RES or Local RES, or if a Customer fails to choose a RES or Local RES as stated in Article II, Sections 1 and 2 of the Rules for the Supplier of Last Resort.
<b>Local Retail Electricity Supplier (Local RES)</b>	The business segment of the DU catering to the Contestable Market only within its franchise area. As such, a license is not required.
<b>Market Operator</b>	The entity responsible for the operation of the WESM .
<b>Request for Relocation of Service</b>	A request by a Customer to its RES or Local RES to relocate electric service at the Customer's new location.
<b>Retail Electricity Supplier (RES)</b>	Any person or entity authorized by the ERC to sell, broker, market or aggregate electricity to end-users in the Contestable Market.
<b>Retail Supply Contract (RSC)</b>	The contract for the sale of electricity entered into by and between the RES or Local RES and the Customer.
<b>RSC Termination Notice</b>	A notice sent by a RES or Local RES informing the CRB of the Customer's decision to terminate the Retail Supply Contract.
<b>Rules for Contestability</b>	The set of rules promulgated by ERC that prescribes the conditions and criteria for an end-user to qualify as a contestable

	Customer.
<b>Rules for the Supplier of Last Resort</b>	The set of rules promulgated by ERC that provides the policies and procedures for the provision of supply to Contestable Customers in case of a Last Resort Supply Event.
<b>Rules on Customer Switching</b>	The set of rules promulgated by ERC which prescribes the standardized business rules for interactions between and among the DU, CRB, RES or Local RES, Market Operator and SOLR relating to the commercial transfer of a Customer from one RES/Local RES to another.
<b>Single Billing</b>	A billing option whereby a Customer receives only one consolidated bill issued by a RES or Local RES.
<b>Slamming</b>	Transfer of customer electric service by an incumbent RES or Local RES to another RES or Local RES, as the case may be, without Customer permission.
<b>Special Meter Reading</b>	An actual meter reading performed by a DU on a date that is different from the regularly scheduled meter reading date.
<b>Supplier of Last Resort (SOLR)</b>	A regulated entity designated by the ERC to serve end-users in the Contestable Market following a Last Resort Supply Event.
<b>Switch Request</b>	A request sent by a prospective RES or Local RES for the CRB to switch a Customer from its incumbent RES or Local RES.
<b>Switch Approval / Disapproval</b>	A response by the CRB to a RES or Local RES, indicating acceptance of a Switch Request and effective date of switch, or rejection of Switch Request and reason for such rejection.
<b>Switching</b>	The commercial transfer of a Customer from one RES or Local RES to another.

**Time-of-Use (TOU)  
metering facility**

A metering facility capable of measuring energy use and demand in a fashion consistent with WESM energy settlement intervals, and distribution and transmission demand charge intervals.

**WESM**

The Wholesale Electricity Spot Market established by the Department of Energy (DOE) pursuant to the Act.

**Section 4. Guiding Principles**

To ensure the smooth transition to a competitive environment and to promote the interest of all stakeholders in the electricity industry, the ERC adopts initial policies towards making the market rules more transparent and eliminating complexities that may impede the effective implementation of retail open access during its infancy stage. Once the market evolves to a level that is ready to handle the complexities related to expanding the Customer's power of choice, these general policies will be so amended by the ERC. The following are the specific policies embodied in these Rules:

- a. Switching of Customers from one RES or Local RES to another is only allowed at the end of, and not within, a billing cycle.
- b. A Customer is allowed to enter into a Retail Supply Contract only with a single RES or Local RES. Should a Customer's requirements necessitate contracting with other RES' (e.g. peaking plants), the RES or Local RES, which the Customer has initially contracted with, shall have the responsibility of contracting with other sources to meet said requirements.
- c. A single billing policy is initially adopted. The RES or Local RES will thus be contracting with other network service providers on behalf of its Customers, except for the Connection Agreement, which shall be entered into by a Customer and the DU. The Dual Billing Option as provided in the DSOAR shall be adopted upon the issuance of a Commission policy relative to this.
- d. The DU shall be the sole meter reader for the retail market until such time that the ERC opens the provision of metering services at the retail level to competition.

**ARTICLE II**  
**PROVISION OF CUSTOMER INFORMATION**

**Section 1. Establishment of Customer Information by the CRB**

- 1.1 At least six (6) months prior to the commencement of retail competition and open access, all DUs in Luzon shall submit to the CRB information, subject to the Rules for Contestability, of Customers with, 1) monthly average peak demand of at least one megawatt (1 MW) for the preceding twelve (12) months, and 2) peak demand of seven hundred fifty kilowatts (750 kW) but not greater than nine hundred ninety nine kilowatts (999 kW) as of date of submission, which include the following:
  - a. Customer name;
  - b. Billing and service addresses;
  - c. Customer's account number;
  - d. Meter number;
  - e. Meter type (interval meter, etc.);
  - f. Meter reading date or cycle and reporting period;
  - g. Billing date or cycle, billing period and payment due date;
  - h. Standardized Customer classification;
  - i. The most recent twelve (12) months of historical usage (kW&kWh);
  - j. Customer contact information such as telephone number/s and e-mail addresses, subject to agreement on confidentiality.
- 1.2 All DUs in Luzon shall submit an update of the above data to the CRB every fifteenth (15<sup>th</sup>) day of the following month until the commencement of retail competition.
- 1.3 Once retail competition commences, the DUs shall regularly submit to the CRB, thru the B2B System, the meter reading data of each Customer within three (3) Business Days upon meter reading.
- 1.4 The CRB shall upload the meter reading data and make it available in the B2B system for retrieval by authorized entities once downloading of said data from DUs is completed.
- 1.5 Once the WESM compliant TOU meters for Customers have been installed, the DU shall regularly submit to the CRB the hourly consumption data for each billing cycle within three (3) Business Days upon meter reading.
- 1.6 The CRB shall, in releasing Customer Information only to authorized entities, abide by the rules and procedures in these Rules, ensuring the utmost security and confidentiality of Customer Information at all times. The CRB shall be responsible for any unauthorized access to the Customer Information under its custody.

## **Section 2. Request and Release of Customer Information**

Customer Information is necessary to allow a RES or Local RES to assess a Customer's profile before entering into an RSC with such Customer. It shall also allow the RES or Local RES to plan for its energy purchase and the procurement of other necessary services to supply power to said Customer.

This section describes the processes for the request made by a RES or Local RES and the release by the CRB of such Customer Information.

### **2.1 Customer Authorization**

2.1.1 A RES or Local RES shall obtain written Customer Authorization prior to requesting Customer Information from the CRB. The RES or Local RES shall inform its prospective Customers of the type of information to be obtained and indicate the period of validity of the authorization, without prejudice to the right of the Customer to revoke the same.

2.1.2 The RES or Local RES shall be held responsible for obtaining a valid Customer Authorization. The CRB shall not be responsible for validating the authenticity of said Customer Authorization. Any dispute between Customer and RES or Local RES regarding the authenticity of Customer Authorization shall be dealt with as provided in Article III, Section 9 of these Rules.

2.1.3 Customer Authorization may be provided in paper or electronic form as long as the written document evidencing the authorization is properly retained by the RES or Local RES for the period that the Customer Authorization is valid.

### **2.2 Request of Customer Information from the CRB**

2.2.1 The RES or Local RES may request Customer Information through the B2B System by sending a request for Customer Information to the CRB. The RES or Local RES may request from the CRB any or all of the Customer Information provided in Article II Section 1.1 hereof. A copy of the relevant Customer Authorization shall be included in the request made by the RES or Local RES to the CRB.

2.2.2 The CRB shall release Customer Information to RES or Local RES within one (1) Business Day upon receipt of request.

2.2.3 While Customer Information is secured from the CRB, the RES or Local RES may also opt to obtain information directly from the Customer assuming the latter maintains an efficient record of its Customer Information.

- 2.3 The CRB shall transmit the Customer Information through the B2B System. A RES or Local RES shall adequately safeguard all Customer Information and shall not publicly disclose nor make available for sale any Customer Information or data obtained.
- 2.4 No charges, unless otherwise approved by the ERC, shall be imposed by the CRB to a RES, Local RES or SOLR in the provision of the information described in this Section. The CRB, however, may impose a corresponding fee for any of the following reasons: (a) request for Customer Information beyond the most recent twelve (12) months; and (b) repeat requests within thirty (30) days from the time the first request was made.

### **ARTICLE III CUSTOMER SWITCHING**

This Article provides the basic conditions and procedures for Customer Switching such as receiving, processing and approving / rejecting requests for Switching.

#### **Section 1. Basic Conditions For Switching**

A prospective RES or Local RES shall submit a Switch Request to the CRB only if the following basic conditions are met:

- a. An RSC has been entered into between a prospective RES or Local RES and a Customer;
- b. The Cooling-Off Period has expired; and
- c. A DWS Agreement has been entered into between the RES or Local RES and the DU on behalf of the Customer. Said DWS Agreement will however commence only on the effective date of Switching.

#### **Section 2. Customer Switching Procedures**

##### Submission and Facilitation of Switch Request

- 2.1 Once the basic conditions for Switching as stated in Section 1 hereof have been satisfied, a prospective RES or Local RES shall submit a Switch Request to the CRB through the B2B System at least five (5) Business Days prior to the Customer's next meter reading date for it to be effective on said meter reading date.
- 2.2 The Switch Request, to be submitted by the prospective RES or Local RES, shall contain the following:

- a) a statement under oath that an RSC between the RES or Local RES and the Customer was signed, and the date of signing;
  - b) the duration or term of the RSC, to include effectivity dates;
  - c) the expiration of Cooling-Off Period; and
  - d) a statement under oath that a DWS Agreement between the RES or Local RES and DU was entered into, and the date of signing.
- 2.3 The CRB shall not act on a Switch Request if any of the information prescribed in Section 2.2 above is materially incomplete. In such case, the CRB shall advise the prospective RES or Local RES about the materially incomplete information as soon as practicable.
- 2.4 The prospective RES or Local RES shall complete the required data within one (1) day from receipt of advice from the CRB, and shall immediately submit the complete Switch Request requirements to the CRB.
- 2.5 Should the prospective RES or Local RES fail to submit the complete Switch Request requirements within one (1) day after the CRB's advice, the CRB shall inform the prospective RES or Local RES, within thirty (30) minutes from the expiration of the one (1) day period, that its Switch Request has been rejected.
- 2.6 Where a Customer opts to procure directly from the WESM, through the Market Operator, the latter shall take notice of the same, and the conditions enumerated in Section 2.2 above shall not apply in this case. However, for record purposes, the Market Operator must issue a Switch Request to the CRB.
- 2.7 Conversely, if a Customer is a direct WESM member and it wishes to be served by a RES or Local RES, said RES or Local RES shall follow the Switching procedures in Sections 2.1 to 2.5 above.
- 2.8 The CRB shall follow the same procedures in 2.9 to 2.14 in reflecting the Customer's decision to be served either by a RES, Local RES, or the WESM, through the Market Operator.

#### Drop Notice / Drop Response

- 2.9 Within one (1) hour upon receipt of the complete Switch Request requirements, the CRB shall send Drop Notice to the incumbent RES, Local RES or the Market Operator.
- 2.10 Upon receipt of Drop Notice from the CRB, the incumbent RES, Local RES or Market Operator shall verify its records to determine whether Customer has outstanding balance, or other unsettled obligations.

- 2.11 The incumbent RES, Local RES or Market Operator may reject a Drop Notice if Customer has undisputed outstanding balance with the incumbent RES, Local RES or Market Operator other than those associated with the final or terminal invoice of the Customer. A disputed outstanding balance should not be a ground for the incumbent RES, Local RES or Market Operator for refusing to issue a positive Drop Response.
- 2.12 The incumbent RES, Local RES or Market Operator shall send a Drop Response to the CRB, within one (1) Business Day upon receipt of Drop Notice, indicating approval or rejection and the reason for such rejection. In the event the incumbent RES, Local RES or Market Operator fails to submit the Drop Response thirty (30) minutes after the expiration of the specified time to respond, the Drop Notice is deemed to have taken effect.
- 2.13 Upon transmittal of the Drop Response, the incumbent RES or Local RES shall process the termination of its DWS Agreement with the DU, as well as its contracts with other service providers (like transmission and ancillary service) on behalf of the Customer. Termination of said agreements/contracts shall take effect on the regular meter reading date.

#### Switch Approval / Disapproval

- 2.14 Based on the Drop Response, the CRB shall send a Switch Approval / Disapproval to the RES or Local RES, (if disapproved, the reason for such disapproval shall be indicated), as soon as practicable upon receipt of Drop Response.

The CRB shall likewise inform the DU of the Switch Approval/Disapproval.

- 2.15 The prospective RES, Local RES or Market Operator shall inform its Customer of the Switch Approval / Disapproval within one (1) hour upon receipt from the CRB.
- 2.16 Once Switching is approved, the Customer shall settle its balances with its incumbent RES, Local RES or the Market Operator within the timeframe specified in the RSC. Otherwise, incumbent RES, Local RES or the Market Operator may request for the disconnection of service due to non-payment.

If a security deposit has been put up by the Customer as required by its incumbent RES or Local RES, said security deposit plus interest earned must be returned by the incumbent RES or Local RES upon the Customer's settlement of its balances. Said security deposits may also be applied to settle the Customer's balances if these are sufficient enough to cover said balances.

- 2.17 If payment of deposit is required as stated in the RSC or the contract with the WESM, the Customer shall pay the corresponding deposit to the prospective

RES, Local RES or Market Operator immediately after receipt of a Switch Approval from the RES or Local RES.

- 2.18 The prospective RES or Local RES shall contract with other service providers on behalf of the Customer upon receipt of a Switch Approval from the CRB.
- 2.19 Switching takes effect on the regular meter reading date. For a Switch Request received less than five (5) Business Days prior to the Customer's next scheduled meter reading date, Switching shall be effective on the Customer's subsequent meter reading date.

#### Special Meter Reading

A Special Meter Reading is done on a date other than the regular meter reading date. Said Special Meter Reading may be required in case of a Last Resort Supply Event. An additional fee will be charged to the entity requesting this service.

- 2.20 The DU shall perform the Special Meter Reading on the agreed date, and shall send the meter reading data to the CRB within two (2) Business Days following the Special Meter Reading date.
- 2.21 Once made available by the CRB, the RES or Local RES shall retrieve the meter reading data for its initial meter reading, and the incumbent RES or Local RES shall retrieve the same meter reading data for its final meter reading.
- 2.22 Switching takes effect on the date the Special Meter Reading was conducted and thereafter the regular meter reading schedule shall resume. The Special Meter Reading in no way affects the regular meter reading date and schedule.

#### Customer Switching to SOLR

- 2.23 In case of a Last Resort Supply Event, the procedures for the assumption of SOLR, as provided in Article IV of the Rules for the Supplier of Last Resort, shall be followed.

### **Section 3. Customer Relocation within DU's franchise area**

- 3.1 A Customer who intends to transfer to a new service address within the DU's franchise area and wishes to continue receiving service from its incumbent RES or Local RES shall send a Request for Relocation of Service to its incumbent RES or Local RES at least thirty (30) days before the planned relocation date.

- 3.2 The RES or Local RES shall inform the Customer whether it shall continue or discontinue its service at the Customer's new location within one (1) Business Day upon receipt of the request.
- 3.3 If the RES or Local RES does not wish to continue service at the new location, it shall so inform the Customer, and the latter shall endeavor to find a new RES and undergo the Switching procedures under Section 2 hereof.
- 3.4 Should the RES or Local RES wish to continue service at the new location, it shall send a copy of the Customer's Request for Relocation of Service, along with a notice to continue or discontinue RES' service, to the CRB within one (1) Business Day upon receipt of request from the Customer.
- 3.5 The CRB shall forward the request to the DU. The DU shall enter into negotiations with the RES or Local RES to modify its DWS Agreement, specifically the service deposit and fees, taking into account all the changes that the requested relocation shall cause. The DU shall approve a relocation request only upon consummation of the modified DWS agreement. The DU shall send a relocation response to the CRB within fifteen (15) Business Days upon receipt of request.

The relocation response shall indicate either:

- 1) The consummation of the modified DWS agreement and the effective dates and time, upon the Customer's approval, for discontinuance of service at the original location and commencement of service at the new location;
  - 2) The expected date of consummation for the modified DWS that is currently still being negotiated; or
  - 3) The outright rejection of the relocation request and the reason for such rejection.
- 3.6 The CRB shall forward such response to RES or Local RES as soon as practicable upon receipt of response from DU, and the RES or Local RES shall forward such response to its Customer.
  - 3.7 The DU and Customer shall enter into a connection agreement, if there is a need for new facilities or modification of existing facilities at the new location. The relocation date shall take into consideration the DU's completion of connection facilities at the new location.

#### **Section 4. Customer Relocation to Another Franchise Area**

- 4.1 A Customer who intends to transfer to a new service address in another franchise area and wishes to continue receiving service from its incumbent

RES shall send a Request for Relocation of Service to its incumbent RES at least thirty (30) days before the planned relocation date.

- 4.2 The RES shall inform the Customer whether it shall continue or discontinue its service at the Customer's new location within one (1) Business Day upon receipt of the request.
- 4.3 If the RES does not wish to continue service at the new location, it shall inform the Customer and the latter shall endeavor to find a new RES. The Switching procedures in Section 2 above shall then be applied.
- 4.4 Should the RES wish to continue service at the new location, it shall send a copy of the Customer's Request for Relocation of Service, along with a notice to continue or discontinue RES' service, to the CRB within one (1) Business Day upon receipt of request from the Customer.
- 4.5 The CRB shall forward the request to the incumbent DU as soon as practicable upon receipt of Request for Relocation of Service. If the RES agrees to serve the Customer at the new location, it shall coordinate with the incumbent DU and arrange for the termination of the DWS Agreement for that Customer. The RES and Customer shall also agree on the changes in the RSC caused by the relocation, if any.
- 4.6 The incumbent DU shall inform the CRB of the effective date of termination of the DWS Agreement for that Customer as agreed upon by the RES and incumbent DU. The date of disconnection shall coincide with the effective date of termination of the DWS Agreement, and a meter reading shall be done upon disconnection.
- 4.7 The CRB shall inform the RES of the effective date of termination of the DWS Agreement as soon as practicable upon receipt from DU.
- 4.8 The RES shall enter into a DWS Agreement with the DU at the new location, and shall inform the CRB of the new DWS Agreement upon approval by the DU, and the effective date of Customer transfer at the new location.
- 4.9 Meter reading shall be conducted on the regular meter reading date of the DU at the new location. Commencement of RES' or Local RES' service at the new location shall coincide with the meter reading date.

## **Section 5. Prohibited Customer Transfers**

- 5.1 A commercial transfer of Customer to another RES or Local RES without the Customer's authorization, known as Slamming, is not permitted.

- 5.2 A Customer shall file a complaint with the ERC, if it believes Slamming has occurred.

## **Section 6. Termination of RES or Local RES Service**

### Customer's Early Termination of Retail Supply Contract

- 6.1 If a Customer decides to terminate its RSC with its RES or Local RES before the end of term of the RSC, the Customer shall inform the RES or Local RES, and the latter shall process the termination of the RSC and compute the applicable early termination fee as specified in the RSC.
- 6.2 Once the RES or Local RES receives the payment for early termination, it shall submit an RSC Termination Notice to the CRB.
- 6.3 The CRB shall forward the notice to the DU as soon as practicable upon receipt of the RSC Termination Notice. The DU and RES or Local RES shall act on the termination of the DWS Agreement for that Customer. The RES or Local RES shall likewise process the termination of its contract with other service providers on behalf of that Customer.
- 6.4 The Customer shall switch to a RES or Local RES following the procedures for Switching.
- 6.5 Termination of RSC shall coincide with the effective date and time of switch to the RES or Local RES, or to SOLR (if made a temporary option), which should be after the end of a billing cycle.

### Non-Renewal of Retail Supply Contract

- 6.6 If a RES or Local RES does not intend to renew its RSC, it shall send a notice of non-renewal to the Customer and the CRB. The latter shall forward the notice to the DU at least thirty (30) Business Days before RSC expires.
- 6.7 The RES or Local RES and DU shall act on the termination of the DWS Agreement for that Customer. The RES or Local RES shall likewise process the termination of its contract with other service providers on behalf of that Customer.
- 6.8 The Customer shall endeavor to find a new RES or Local RES and undergo the Switching procedures under Section 2 hereof.
- 6.9 If it is the Customer that does not intend to renew its RSC with its RES or Local RES, said Customer shall send a notice to its incumbent RES or Local RES and undergo the procedure in item 6.8 above.

- 6.10 In the event that both RES or Local RES and Customer neglect to renew the RSC prior to its expiration, or the Customer neglects to contract with a new RES or Local RES, the CRB shall alert the incumbent RES or Local RES about the forthcoming expiration of its RSC with that Customer. Thereafter, procedures 6.7 to 6.9 shall be followed.

#### Termination of RES or Local RES Service due to Non-Payment

- 6.11 In the event that a Customer fails to pay the RES or Local RES for services rendered by due date, the RES or Local RES may send a 48-hour written notice of disconnection to the Customer.
- 6.12 The RES or Local RES shall inform the CRB of such notice at the same time it sends the notice of disconnection to the Customer.
- 6.13 The CRB shall forward the notice of disconnection to the DU as soon as practicable upon its receipt of said notice.
- 6.14 If the Customer fails to pay within the 48-hour period, the RES or Local RES may send a request for disconnection to the CRB. The latter shall then forward the request for disconnection to the DU as soon as practicable upon its receipt of said request.
- 6.15 The DU shall disconnect the Customer within 24 hours upon receipt of request for disconnection, and notify the CRB that the Customer has been disconnected. The DU shall not be responsible for verifying the validity of the RES' or Local RES' request for disconnection.
- 6.16 The RES or Local RES shall be held liable in cases where the Customer is protesting the disconnection made by the DU.

#### **Section 7. B2B System Contingency**

- 7.1 In case of emergencies affecting the operation of the B2B System, the CRB shall immediately inform the ERC, affected DUs and RES' or Local RES' of the situation.
- 7.2 During such situation, transactions will be done through electronic mail or fax. The transaction timeframes, however, shall still be complied with.

#### **Section 8. Data Irregularity**

- 8.1 In case of data irregularity between retail market participants (e.g. meter reading, Customer Information), data from the DU shall be used temporarily while the irregularity is being investigated by the ERC.

## **Section 9. Dispute Resolution**

Any dispute or complaint arising from the switching procedures and processes contained in these Rules shall be resolved through the dispute resolution process of the ERC.

### **ARTICLE IV B2B SYSTEM TRANSACTION TIMEFRAMES**

Requests, notices, responses to notices or requests, and data sent or received by a concerned entity before 3:00 PM on a Business Day shall be received on that Business Day. Otherwise, it shall be deemed to have been received on the first working hour of the next Business Day.

### **ARTICLE V BILLING AND PAYMENTS**

This Article establishes the processes for RES' or Local RES' billing and remitting payments to parties providing services to Customer. The DU and RES or Local RES shall agree on a billing agreement outlining both parties' responsibilities, and procedures for the exchange of information and settlement of bills.

#### **Section 1. Bill Content**

- 1.1 A RES or Local RES may decide upon the format of its single bill provided that it identifies and segregates the components of its supplier's charge and separately states the unbundled charges in sufficient detail.
- 1.2 RES' or Local RES' bills shall contain sufficient information to allow Customers to calculate their bills, such as but not limited to: the kWh usage for the indicated billing period, the billing date (due date), next meter reading date, remaining balance and payments applied.
- 1.3 RES' or Local RES' bills shall be in clear and simple language, and shall, among others, contain the following:
  - i) RES' or Local RES' contact person, address and telephone number;
  - ii) Address, telephone number and email addresses of the ERC; and
  - iii) DU's customer service and emergency telephone numbers.
- 1.4 If optional services are provided, the associated charges shall be itemized separately on the Customer's bill.
- 1.5 No party shall engage in Cramming.

## **Section 2. Billing**

- 2.1 The DU shall send its billing statement to the RES or Local RES within the timeframe specified in its billing agreement after it has provided the Meter Reading Data to the CRB.
- 2.2 The RES or Local RES shall acknowledge receipt of the DU's billing statement within one (1) Business Day.
- 2.3 The RES or Local RES shall send the consolidated billing statement to the Customer within the timeframe specified in its RSC upon receipt of DU's billing statement.

## **Section 3. Payment Processing and Remittance**

- 3.1 The RES or Local RES shall send DWS payments to the DU within the timeframe specified in their billing agreement by use of electronic funds transfer, bank-to-bank transfers, or any other means as agreed upon by both parties.
- 3.2 The RES or Local RES may impose late payment charges to Customers on unpaid amounts provided the terms of the late payment charges are stated in the RSC and previously disclosed to the Customers.
- 3.3 If a Customer's check is returned for any reason, the RES or Local RES may charge the Customer for the return fee and any reasonable administrative fee, in addition to late payment charges.
- 3.4 Upon failure of the RES or Local RES to pay the DU its proper share of Customer payments within the timeframe specified in its billing agreement, the RES or Local RES shall pay interest on the un-remitted amount. The RES or Local RES shall calculate the interest at the rate of 12% per annum from the date the payment was due to be received by the DU or its bank. The payment of interest is in addition to, and not in lieu of, the rights and remedies otherwise available to the parties.
- 3.5 A Customer is responsible for paying its RES or Local RES all amounts responsible for any amount not paid by the RES or Local RES to other market participants.
- 3.6 The RES or Local RES shall supply the agreed amount of energy to its Customer as specified in their RSC, and shall pay all amounts due to the DU, transmission company, WESM and generation company within the timeframe specified in its respective agreements to avoid disconnection of service. Any difference between the contracted amount and actual energy consumption of

Customer shall be settled by the RES or Local RES and the Customer that caused the imbalance.

## **ARTICLE V REPORTORIAL REQUIREMENTS**

- 1.1 The CRB shall submit the following information to the ERC:
  - a. Number and names of Customers served by each RES or Local RES;
  - b. Number of Customers that switched, sorted by DU franchise area;
  - c. Percent (%) increase in Switching per DU franchise area;
  - d. Number of Switch Requests received per DU franchise area;
  - e. Number of Switch Requests approved per DU franchise area;
  - f. Number of Switch Requests rejected per DU franchise area, and reasons for rejection;
  - g. Average Switching time (no. of hours or days from receipt of Switch Request to date Switching took effect); and
  - h. Maximum and minimum Switching time.
  
- 1.2 The CRB shall submit a regular update of the above data to ERC every 15<sup>th</sup> day of the following month.

## **ARTICLE VI SANCTIONS**

ERC shall impose the appropriate fines and penalties for any violation or non-compliance with the Rules on Customer Switching, pursuant to the “Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of R.A. 9136”.

## **ARTICLE VII AMENDMENTS**

The ERC shall amend and expand the Rules on Customer Switching from time to time where this may be necessary. Before making any significant revisions to the Rules, the ERC will undertake public consultation as appropriate.

Any previous rule promulgated by the ERC that is inconsistent with this is hereby modified accordingly.

**ARTICLE VIII  
SEPARABILITY**

If for any reason any provision of the Rules on Customer Switching is declared unconstitutional or invalid by final judgment of a competent court, the other parts or provisions hereof which were not affected thereby shall continue to be in full force and effect.

**ARTICLE IX  
EFFECTIVITY**

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

Pasig City, [place date here]
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<b>RODOLFO B. ALBANO, JR.</b> Chairman	
<b>RAUF A. TAN</b> Commissioner	<b>ALEJANDRO Z. BARIN</b> Commissioner
<b>MARIA TERESA A.R. CASTAÑEDA</b> Commissioner	<b>JOSE C. REYES</b> Commissioner