



Republic of the Philippines
DEPARTMENT OF ENERGY

DEC 12 2011

DEPARTMENT CIRCULAR NO. DC 2011-12-0011

**ADOPTING FURTHER AMENDMENTS TO THE WESM RULES
(WESM RULES SECTION 3.14.9 SETTLEMENT REVISIONS)**

WHEREAS, Rule 8.6 of the Wholesale Electricity Spot Market (WESM) Rules provides for the approval by the Department of Energy (DOE) of proposals for any WESM Rules changes upon endorsement by the Philippine Electricity Market (PEM) Board;

WHEREAS, on 24 February 2011, proposed changes to the WESM Rules and Billing and Settlement Manual were submitted to the Rules Change Committee (RCC);

WHEREAS, the proposed changes will provide for the Market Operator's deadline on the issuance of final statement adjustments;

WHEREAS, on its various meetings, the RCC deliberated the proposed changes to the WESM Rules incorporating comments from various stakeholders;

WHEREAS, on 04 May 2011, the RCC approved for submission to the PEM Board changes in the WESM Rules concerning provisions on settlement revisions; and

WHEREAS, on 25 May 2011, the PEM Board approved the proposed changes to the WESM Rules for endorsement to the DOE.

NOW, THEREFORE, pursuant to its authority under the WESM Rules, the DOE hereby issues, adopts and promulgates the following amendments to the WESM Rules.

Section 1. Amendments to the WESM Rules.

1.1 Clause 3.14.9.1 is amended to read -

3.14.9.1 If an amount in a *final statement* issued under clause 3.14.15:

- (a) Has been the subject of a dispute and the dispute has been resolved; or
- (b) Was subject of a pending case before a Court of competent jurisdiction and that said Court has already rendered a final and executor Decision;

If any of the abovementioned cases has caused a different amount payable as set out in the *final statement*, the *Market Operator* shall

issue to each WESM Member affected, an adjustment to the *final statement* for the relevant billing period setting out:

- (a) The amount payable by the WESM Member to the Market Operator or the amount payable by the Market Operator to the WESM Member, and
- (b) Interest calculated on a daily basis at the interest rate for the *final statement* to which the adjustment relates to the payment date applicable to the revised statement issued under this clause 3.14.9.1.

The Market Operator shall issue the adjustment to the *final statement* not later than twelve (12) calendar months after the resolution of the dispute or receipt of the relevant final and executor Order unless parties to be billed agrees that the issuance of the particular WESM bill adjustment shall be at a later time.


1.2 Clause 3.14.9.2 is amended to read -

3.14.9.2 If the Market Operator becomes aware of an error in an amount stated in a *final statement* issued under clause 3.14.5 and, in the Market Operator's reasonable opinion, a WESM Member would be materially affected if a revision to the *final statement* was not made to correct the error, then the Market Operator shall issue the Revised Statement not later than six (6) calendar months from receipt of the Market Operator of written notice of error from the participant, or from the Market Operator's discovery of the same.

Section 2. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 3. Effectivity. This Circular shall take into effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this _____ in Fort Bonifacio, Taguig City, Metro Manila.


JOSE RENE D. ALMENDRAS
Secretary

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