



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT ORDER NO. *DO 2010-08-0015*₇₈

CREATING THE TECHNICAL WORKING GROUP (TWG) FOR THE AUDIT OF NATIONAL GRID CORPORATION OF THE PHILIPPINES' (NGCP) SYSTEM OPERATIONS AND METERING SERVICE OPERATIONS

WHEREAS, Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA) mandates the Department of Energy (DOE) to, among others, ensure the reliability, quality and supply of electric power; ensure transparent and reasonable prices of electricity in a regime of free and a fair competition and full public accountability to achieve greater operational and economic efficiency and enhance the competitiveness of Philippine products in the global market; and protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power;

WHEREAS, pursuant to Section 30 of the EPIRA, on June 26, 2006, the DOE established the wholesale electricity spot market composed of the wholesale electricity spot market participants which provides the mechanism for identifying and setting the price of actual variations from the quantities transacted under contracts between sellers and purchasers of electricity;

WHEREAS, WESM Rules 1.3.3 provides that the National Grid Corporation of the Philippines (NGCP) as the System Operator, shall, among others, be responsible for and operate the power system in accordance with the WESM Rules, the Grid Code and any instruction issued by the Market Operator or the ERC; provide central dispatch to all generation facilities and loads connected, directly or indirectly, to the transmission system in accordance with the dispatch schedule submitted by the Market Operator; and contribute towards the development of procedures, processes or systems, or to assist with any aspect of the operation of the spot market, in coordination with the Market Operator;

WHEREAS, the NGCP as the current Metering Service Provider (MSP), shall be responsible to, among others, ensure that the metering installations are provided, installed, tested, calibrated and maintained in accordance with the WESM Rules, the Grid Code and Distribution Code and all applicable laws, rules and regulations; ensure the accuracy of each of its metering installations in accordance with the requirements of the WESM Rules, the Grid Code and Distribution Code; and if the Market Operator requires, arrange for the provision of remote monitoring facilities to alert the Market Operator of any failure of any components of the metering installation, which might affect the accuracy of the metering data derived from that metering installation;

WHEREAS, WESM Rules provides that the PEM Board shall oversee and monitor the activities of the Market Operator and the System Operator to ensure that they fulfill their responsibilities under the WESM Rules, and acting in a manner consistent with the WESM Rules; and that the PEM Board through the PEM Audit Committee, in consultation with the Market Operator and Metering Services Providers, shall review the security arrangements and requirement of metering installations annually;

WHEREAS, as required under WESM Rules, the audit of the Market Operator was conducted in 2009;

WHEREAS, to assess the compliance of the System Operator and the Metering Service Provider with their responsibilities under the WESM Rules, an independent audit of NGCP's System Operations and Metering Service Operations shall be conducted;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Technical Working Group (TWG) for the Audit of the NGCP's System Operations (SO) and Metering Service Operations (MSO) is hereby created:

Section 1: Composition. The SO-MSO TWG shall be composed of:

| | | |
|----------------|---|--|
| Chairperson | : | Director Mylene C. Capongcol, DOE |
| Co-Chairperson | : | Assistant Director Irma C. Exconde, DOE |
| Members | : | Atty. Josefina Patricia M. Asirit, DOE |
| | | Eduardo B. Fernandez, DOE |
| | | Thelma B. Ejercito, DOE |
| | | Rodel S. Limbaga, DOE |
| | | Madonna M. Naling, DOE |
| | | Ruth C. Perez, DOE |
| | | Ferdinand B. Binondo, DOE |
| | | Jesusito H. Sulit, PEMC |
| | | Carlito C. Claudio, PEMC |
| | | Mario R. Pangilinan, PEMC |
| | | Chrysanthus S. Heruela, PEMC |
| | | Milan H. Libongco, PEMC |
| | | Renato B. Afurong, PEMC |
| | | Joseph Roseller M. Atienza, TRANSCO |
| | | Norman R. Ampat, TRANSCO |
| | | Alipio M. Agaton, TRANSCO |
| | | Rennedy Anthony B. Elarmo, TRANSCO |
| | | Bienvenido D. Valeros, Grid Management Committee |
| | | Ronaldo T. Garcia, Distribution Management Committee |


Section 2: Responsibilities. The TWG shall be responsible in assisting the PEM Board and the PEM Audit Committee (PAC) and will be performing the following tasks:

1. Prepare and issue the Request for Proposal (RFP) which includes, among others, the terms of reference (TOR), instructions to bidders/firms and the draft audit contract;
2. Evaluate the Expression of Interest (EOIs) submitted by the bidders/firms for shortlisting;
3. Evaluate the Technical and Financial Proposals submitted by shortlisted firms;
4. Actively participate in the Preliminary/Technical Conferences, and public consultations;
5. Assist the PAC in the drafting of other necessary documents;
6. Review and assess the deliverables submitted by the Auditor;
7. Attend meetings as may be called by the PAC; and
8. Perform such other tasks as may be directed by the PAC.

Section 3. Confidentiality. All activities undertaken in the performance of such responsibilities by the TWG shall be approved by the PAC and shall be made with utmost confidentiality and ensure that all documents, data and information in connection with the bidding and the actual implementation of the Audit shall not be released, reproduced or made available for other purposes.

Section 4. Effectivity. This Department Order shall take effect immediately.

Issued this 23rd day of August 2010 at Fort Bonifacio, Taguig City, Metro Manila.


JOSE RENE D. ALMENDRAS
Secretary

