

PSALM ADVISORY TO STAKEHOLDERS RE BILLINGS FALLING DUE WITHIN THE PERIOD OF COMMUNITY QUARANTINE 06 November 2020

In view of the continued rise of confirmed Covid-19 cases and the ensuing economic disruption therefrom, Congress passed Republic Act No. 11494 entitled "**Bayanihan to Recover as One Act**" (Bayanihan 2) in August 2020, which was approved by President Rodrigo R. Duterte on 11 September 2020 and became effective on 14 September 2020. As part of the authorized Covid-19 response and recovery intervention particular to the electric power industry, Bayanihan 2 directed the implementation of a minimum of thirty (30)-day grace period and staggered payment without interests, penalties and other charges, to all payments due within the period of Community Quarantine (CQ) in the entire electric power value chain to include generation companies, transmission utility and distribution utilities.

In compliance with the abovementioned provision of the Bayanihan 2 and the Advisories issued by the Department of Energy (DOE) in its Memorandum dated 23 September 2020 on the subject **Advisory on Providing Grace Period to All Power Sector Bills Falling Due During the Period of Community Quarantine (CQ)**, and by the Energy Regulatory Commission (ERC) dated 29 October 2020 on its directives on the implementation of Bayanihan 2, PSALM hereby adopts and issues the following policies:

- a. No notice of disconnection shall be issued to distribution utilities on account of non-payment of bills until 31 December 2020;
- b. Payment of all fees to PSALM on regular power bills (PB), Deferred Accounting Adjustments (DAA) on GRAM and ICERA, ACRM True-up Adjustments, remittances entitled to prompt payment discount (PPD), Restructured Accounts (RA) on power, and Ancillary Services (AS) payments due from the National Grid Corporation of the Philippines (NGCP), **falling due within the period of Enhanced Community Quarantine (ECQ) or Modified Enhanced Community Quarantine (MECQ) from the effectivity of Bayanihan 2**, shall be entitled to a one-time 30-day grace period, without incurring any interest, penalties and other charges. Any unpaid balance after the lapse of the one-time 30-day grace period shall be payable in three (3) equal monthly installments without incurring interests, penalties and other charges. The installments shall be reflected as a separate item in the PSALM billings due on those succeeding months.

For avoidance of doubt, all PSALM billings whose **due dates shall fall within the period of ECQ or MECQ from 14 September 2020**, the date of effectivity of Bayanihan 2, shall be entitled to the application of the said one-time 30-day grace period and the installment payment arrangement.

Table 1 below provides the details of PSALM’s power and ancillary services billings falling due within the period of ECQ or MECQ and their corresponding extended due dates:

TABLE 1: PSALM’s Billings on Power and Ancillary Services Due Within the ECQ or MECQ Period & their Extended Due Dates

Type of Bill	Billing Period	Original Due Date	Due date after the 30-day grace period ECQ/MECQ areas	Unpaid Balance after the 30-day grace period
RA Monthly Amortization	August 2020	30 September 2020	30 October 2020	27 November 2020 29 December 2020 29 January 2021
DAA/ACRM only - with PPD	August 2020	10 September 2020	N.A.	N/A
Regular PB – PPD	26 July to 25 August 2020	10 September 2020	N.A.	N/A
Regular PB – Non PPD	26 July to 25 August 2020	25 September 2020	23 October 2020	25 November 2020 23 December 2020 25 January 2021
DAA/ACRM only – w/o PPD	August 2020	25 September 2020	23 October 2020	25 November 2020 23 December 2020 25 January 2021
NGCP AS	26 July to 25 August 2020	30 September 2020	30 October 2020	27 November 2020 29 December 2020 29 January 2021

The PPD shall apply to both the current power bill, including deferred GRAM and ICERA and ACRM true-up adjustments, and deferred power bill and DAA/ACRM amounts, falling due within the period of ECQ or MECQ, if these are remitted to PSALM in full on the due dates indicated above. Those who will opt to pay the deferred power bill and DAA/ACRM amounts in three (3) equal monthly installments will no longer be entitled to avail of the PPD.

- c. Government Offices, Government Agencies, Government Owned-and-Controlled Corporations and other Government instrumentalities are not covered by the 30-day grace period and installment payment arrangement. Hence, government entities which have amounts due to PSALM relative to power bills are not covered by the 30-day grace period and installment payment arrangement indicated herein, consistent with the ERC Advisory.
- d. Collecting Entities (CEs) of Universal Charge for Missionary Electrification (UC-ME) and Universal Charge for Stranded Debt (UC-SD) located in areas under ECQ or MECQ from the effectivity of Bayanihan 2, are expected to implement also a

grace period of at least 30 days and installment payment arrangement to all electricity end-users, in compliance with the ERC and DOE Advisories. In this regard, PSALM shall likewise grant the one-time 30 day grace period to CEs, without imposing any interest and penalties, on UC remittances falling due within the period of ECQ or MECQ from the effectivity of Bayanihan 2. Consequently, PSALM’s disbursements thereof to UC beneficiaries falling due within the said period of ECQ or MECQ shall also follow the same grace period or number of days given to CEs. The UC remittances to PSALM and PSALM’s disbursements of the UC remittances falling due within the period of ECQ or MECQ from 14 September 2020, are provided in Tables 2 and 3 below:

TABLE 2: Collecting Entities’ UC Remittances to PSALM Due Within the ECQ or MECQ Period & their Extended Due Dates

UC Collection Period	Original Due Date	Extended Due Date
August 2020	15 September 2020	15 October 2020
September 2020	15 October 2020	16 November 2020
October 2020	15 November 2020	15 December 2020

TABLE 3: PSALM’s Disbursements to UC Beneficiaries for UC Due Within the ECQ or MECQ Period

UC Collection Period	Original Due Date	Due Date in view of the ECQ and MECQ
August 2020	20 September 2020	20 October 2020
September 2020	20 October 2020	20 November 2020
October 2020	20 November 2020	21 December 2020

- e. Further, in accordance with Section 4 (tt) of the Bayanihan 2 on moving of statutory deadlines and timelines for the filing and submission of any document, PSALM hereby extends the submission of reports on UC as follows:

Period	UC Reports	Original Due Date	Extended Due Date
September 2020	Billing Report	20 October 2020	20 November 2020
	Collection/Remittance Report	15 October 2020	16 November 2020
October 2020	Billing Report	20 November 2020	22 December 2020
	Collection/Remittance Report	15 November 2020	15 December 2020

Deadlines for the submission of reports to PSALM that are not falling due within the ECQ or MECQ periods shall follow the usual due dates, and failure to submit on or before such due dates may result to imposition of penalties pursuant to


the ERC-approved UC Guidelines and Procedures Governing Remittances and Disbursements of the Universal Charge, as Amended.

- f. PSALM shall provide a one-time 30-day grace period on payments of Independent Power Producer Administrators (IPPAs) falling due within **the period of ECQ or MECQ from the effectivity of the Bayanihan 2.** The said 30-day grace period shall apply to payments due to PSALM pursuant to IPPA Administration Agreements, for both capacity and energy payments, without incurring any interests, penalties and other charges thereto. Any unpaid balance after the lapse of the one-time 30-day grace period shall be payable in three (3) equal monthly installments without incurring interests, penalties and other charges.

Consistent with the DOE and ERC Advisories intending to lessen the impact of the grace period given to electricity power industry stakeholders and to help manage the cashflow in the energy supply chain to ensure the continuous supply of electricity, PSALM reiterates its requirement to power customers, CEs, NGCP and IPPAs to immediately remit to PSALM any proportionate amounts that they may have already collected within the due dates, if any, without awaiting the end of the 30-day grace period provided above. Customers who have the ability to pay are encouraged to continue to settle their bills within the original due dates.

PSALM will issue the necessary supplemental or amendatory advisories should there be further updates or amendment to the Advisories issued by the DOE and ERC, or if there are instructions or decisions that will be issued by the PSALM Board of Directors relative to the Advisories of PSALM.

Signed this 06 November 2020 in Quezon City, Philippines.


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