



## Electricity selling rate in Region I up by 33 percent in 2005

Data from the National Electrification Administration (NEA) revealed that the average systems rate (ASR) of electric cooperatives (ECs) in Region I went up by 32.8 percent in 2005, higher by P1.76 per Kwh as compared to the P5.37 per Kwh in 2004. ASR is also the selling rate for electricity.

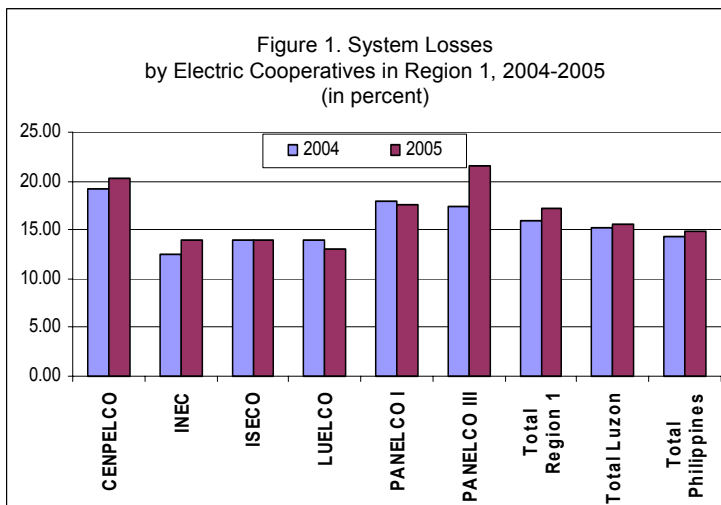
All the regions in Luzon recorded increases in electricity selling rates in 2005 compared to 2004. Among the seven regions in Luzon, Region I had the third highest selling rate, higher than the P7.09 per Kwh average for Luzon. The 32.8 percent increase in ASR for Region I is also higher than the 32.3 percent increase in ASR for Luzon and 23.8 percent for Philippines.

Table 1. Average Systems Rate of Electric Cooperatives in the Luzon Area, 2003-2005 (in P/Kwh)

|                    | 2003        | 2004        | 2005        |
|--------------------|-------------|-------------|-------------|
| <b>REGION I</b>    | <b>4.96</b> | <b>5.37</b> | <b>7.13</b> |
| INEC               | 4.86        | 5.27        | 7.39        |
| ISECO              | 4.80        | 5.24        | 6.94        |
| LUELCO             | 4.96        | 5.50        | 7.18        |
| PANELCO I          | 5.32        | 5.70        | 7.19        |
| CENPELCO           | 5.03        | 5.46        | 7.29        |
| PANELCO III        | 5.00        | 5.30        | 6.86        |
| Region II          | 4.76        | 5.35        | 7.18        |
| CAR                | 4.45        | 5.16        | 6.96        |
| Region III         | 4.61        | 5.28        | 6.95        |
| Region IV A        | 4.60        | 5.25        | 6.99        |
| Region IV B        | 5.76        | 5.67        | 6.38        |
| Region V           | 5.18        | 5.57        | 7.32        |
| <b>LUZON</b>       | <b>4.83</b> | <b>5.36</b> | <b>7.09</b> |
| <b>PHILIPPINES</b> | <b>4.39</b> | <b>4.88</b> | <b>6.04</b> |

INEC-Ilocos Norte Electric Cooperative  
ISECO-Ilocos Sur Electric Cooperative  
LUELCO-La Union Electric Cooperative  
PANELCO-Pangasinan Electric Cooperative  
CENPELCO-Central Pangasinan Electric Cooperative  
Source: National Electrification Administration

Among the ECs in Region I, the Ilocos Norte Electric Cooperative (INEC) had the highest electricity selling rate in 2005 while the Pangasinan Electric Cooperative (PANELCO) III sold electricity the cheapest. All the ECs in the region had increased selling rates in 2005. INEC posted an increase of about 40.2 percent, the highest percent increase in ASR for the said period. On the other hand, PANELCO I posted the lowest increase in ASR at 26.1 percent.



Notes:

**System losses** refer to the power of energy lost in the process of transmitting and distributing electric power from the source to the customers or end-users.

Source of basic data: NEA

Meanwhile, distribution utilities or ECs experience power system losses that may come from transmission losses, electricity pilferage or both. In Region I, the system losses increased by around 1.4 percentage points from 15.9 percent in 2004 to 17.3 percent in 2005 - higher than the system losses of 15.5 percent for Luzon and 14.8 percent for the entire country.

Among the ECs in the region, PANELCO III posted the highest system loss in 2005 which is relatively higher by 4.2 percentage points than the 17.4 percent in 2004. On the other hand, LUELCO, ISECO and PANELCO I had lower system losses with LUELCO recording a drop of -0.8 percentage points in 2005, the highest among the ECs.

The ASR and the recovery cost for the power system losses of ECs are approved by the Energy Regulatory Commission (ERC). Both rates determine the electricity cost paid by the consumers. Electricity cost could be lowered if system losses of ECs are minimized through efficient management of services, specifically on their transmission lines, and proper implementation of RA 7832 or the Anti-Pilferage of Electricity Law. On the other hand, consumers are expected to partake in lowering electricity cost by practicing energy saving measures. Likewise, they should be vigilant and honest consumers by reporting pilferages to proper authorities so that the burden of paying pilferage cost shall not be passed on to them.