

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

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF DALIPUGA
SWITCHING STATION –
PROTECTION AND
METERING AND LINES
(REPUBLIC CEMENT
ILIGAN, INC. 69 KV
OUTGOING LINES) CAPITAL
EXPENDITURE (CAPEX)
PROJECT AND ITS
CORRESPONDING CHARGES**

ERC CASE NO. 2019-058 RC

**ILIGAN LIGHT AND
POWER, INC.,**

Applicant.

X ----- X

Promulgated:
AUG 07 2019

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 30 July 2019, Iligan Light and Power, Inc. (ILPI) filed an *Application* dated 22 May 2019, seeking the approval of its Dalipuga Switching Station Capital Expenditure (CAPEX) Project – Protection and Metering and Lines (Republic Cement Iligan, Inc. 69 kV Outgoing Lines) and its corresponding charges.

The pertinent provisions of the *Application* are hereunder quoted as follows:

1. ILPI is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Bro. Jeffrey Road, Pala-o, Iligan City;
2. It is the holder of an exclusive franchise issued by the Congress of the Philippines to operate electric light and power distribution service in the City of Iligan, Province of Lanao del Norte;

NATURE OF THE APPLICATION

3. Pursuant to Commission’s Resolution No. 17, Series of 2011 entitled, “*Resolution Adopting the Investor Owned Electric Distribution Utility Planning Manual*,” Resolution No. 26, Series of 2009 entitled, “*Resolution Amending the Rules for Approval of Regulated Entities’ Capital Expenditure Projects*,” Resolution No. 20, Series of 2008 entitled, “*Resolution Modifying the Rules for Setting Distribution Wheeling Rates for Privately Owned Distribution Utilities Entering Performance Based Regulation (RDWR)*,” Resolution No. 13, Series of 2006 entitled, “*Guidelines to Govern the Submission, Evaluation and Approval of Electric Distribution Capital Projects*,” and other applicable laws and rules, this Application is submitted and filed for the consideration and approval of this Honorable Commission;

STATEMENT OF FACTS

4. Under the Honorable Commission’s *Performance-Based Regulation (PBR)*, ILPI is part of the Second Entry Point Group B that entered the PBR regime on April 1, 2009;
5. Inasmuch as the Honorable Commission has yet to issue the relevant rules for the reset process (*Third Regulatory Period covering April 1, 2013 to March 31, 2017*) for the subsequent filing of ILPI’s reset application and considering that for purposes of recovering the capital costs of the project through power rates, the same shall require the evaluation and approval of the Honorable Commission. Thus, Applicant caused the preparation, submission and filing of this Application for the approval of ILPI’s *Dalipuga Switching Station – Protection and Metering and Lines (Republic Cement Iligan, Inc. 69 kV Outgoing Lines) Capital Expenditure (CAPEX) Project and corresponding charges and effectivity to Republic Cement Iligan, Inc.* summarized hereunder, as follows:

Project Title	Dalipuga Switching Station – Protection and Metering and Lines (Republic Cement Iligan, Inc. 69 kV Outgoing Lines) CAPEX Project
Project Cost	PhP 25,621,248.45, VAT Inclusive PhP 22,876,114.69, VAT Exclusive
Applicable Charges and its Effectivity	Distribution Charge: PhP 319,408.70 per month Metering Charge: PhP 8,853.17 per month Effectivity: CAPEX Project Commissioning Date
Project Duration	RY 2019

THE CAPEX PROJECT

6. The CAPEX Project aims to connect Republic Cement Iligan, Inc. (RCII) to ILPI’s Subtransmission Network through the Dalipuga Switching Station. The project will construct a new 69kV lines from Dalipuga Switching Station to RCII and install protection, a Power Circuit Breaker and a Protection at the Switching Station. The project will also install a new revenue meter for RCII;

The CAPEX Project and its justifications are discussed in detail in ILPI's CAPEX Information Summary (CIS) together with all the necessary supporting data;

COMPLIANCE WITH PRE-FILING REQUIREMENTS

7. Finally, in order to facilitate the evaluation of the Application and in compliance with *Rule 20-C of the Commission's Rules of Practice and Procedure*, the following supporting documents are herein attached and made as an integral part of this Application:

Annex	Title of Document
"A"	Capital Expenditure (CAPEX) Information Summary
"B"	2019-2028 Distribution Development Plan (DDP)
"C"	Estimated Project Cost
"D"	Charges Applicable to RCII
"E"	Economic Analysis
"F"	Single Line Diagram
"G"	Secretary's Certificate approving the implementation of the CAPEX Project and the filing of an Application for its approval before the Honorable Commission
"H"	Sworn Statement of ILPI's authorized representative that an Application for approval from concerned government agencies/offices that may have interest in the proposed project has been filed or shall be filed, if applicable.

8. The *Dalipuga Switching Station – Protection and Metering and Lines (Republic Cement Iligan, Inc. 69 kV Outgoing Lines) CAPEX Project* will ensure ILPI's continuous compliance with the standards set under the Philippine Distribution Code (PDC) and the Philippine Grid Code (PGC).

Prayer

WHEREFORE, premises considered, **ILIGAN LIGHT & POWER, INC., (ILPI)** most respectfully prays that, after due notice and hearing, the following be **APPROVED**:

1. *Dalipuga Switching Station – Protection and Metering and Lines (Republic Cement Iligan, Inc. 69 kV Outgoing Lines) Capital Expenditure (CAPEX) Project*;
2. *Corresponding Charges applicable to Republic Cement Iligan, Inc.; and*
3. *Effectivity of the aforementioned Charges.*

Other reliefs, just equitable in the premises are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **19 September 2019 (Thursday) at two o'clock in the afternoon**

(02:00 P.M.), at ILPI's Main Office, at Bro. Jeffrey Road, Palao, Iligan City, Lanao del Norte.

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:



- 1) The name and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

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All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same, prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

WITNESS, the Honorable Chairperson and CEO **AGNES VST DEVANADERA** and the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA,** and **PAUL CHRISTIAN M. CERVANTES**, Energy Regulatory Commission, this 06 August 2019 in Pasig City.

06 August 2019, Pasig City.


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for the Legal Service 


LS: DPG/BSA/GLO