

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

ORDER

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.

Finding the said *Application* to be sufficient in form and in substance, with the required fees having been paid, the same is hereby set 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, Pala-o, Iligan City, Lanao del Norte**.

Accordingly, ILPI is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication to be made no less than seven (7) days apart, and the date of last publication to be made no later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Public Hearing* the Offices of the Provincial Governor, the City Mayor, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, by any other means available and appropriate;
- 4) Furnish with copies of this *Order* and the attached *Notice of Public Hearing* the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, ILPI must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached *Notice of Public Hearing* consisting of affidavits of the Editors or Business Managers of the newspaper where the said *Notice of Public Hearing* were published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Public Hearing* consisting of certifications issued to

that effect, signed by the aforementioned Governor, Mayors, and LGU legislative body or their duly authorized representatives, bearing the seals of their offices;

- 3) The evidence of other means employed by ILPI to inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached Notice of Public Hearing by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proof of compliance with the requirements of the Commission.

ILPI and all interested parties are also required to submit, at least five (5) days before the date of the initial hearing and pre-trial conference, their respective pre-trial briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the pre-trial brief.

Failure of ILPI to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

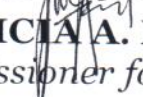
ILPI must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Application* with relevant information and

pertinent details substantiating the reasons and justifications being cited in support thereof.

SO ORDERED.

06 August 2019, Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


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


LS: DPG/BSA/GEO

Copy Furnished:

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Counsel for Applicant ILPI
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Applicant
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134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
4. Commission on Audit (COA)
Commonwealth Avenue
Quezon City, Metro Manila
5. Senate Committee on Energy
GSIS Bldg. Roxas Blvd., Pasay City
Metro Manila
6. House Committee on Energy
House of Representatives
Batasan Hills, Quezon City, Metro Manila
7. Philippine Chamber of Commerce and Industry (PCCI)
Campus Avenue corner Park Avenue,
McKinley Town Center, Fort Bonifacio, Taguig City
8. Office of the Provincial Governor
Province of Lanao del Norte
9. Office of the Sangguniang Panlalawigan
Province of Lanao del Norte
10. Office of the City Mayor
City of Iligan
11. Office of the Sanggunang Panlungsod
City of Iligan
12. Regulatory Operations Service
17/F, Energy Regulatory Commission, Pacific Center Bldg.,
San Miguel Ave., Ortigas Center, Pasig City