

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE, PASIG CITY

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF ELECTRIC AND
NON-ELECTRIC CAPITAL
PROJECTS FOR THE
REGULATORY YEAR 2020,

ERC CASE NO. 2019 - ____ RC

ILIGAN LIGHT & POWER, INC.
(ILPI),

Applicant.

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APPLICATION

Applicant **ILIGAN LIGHT & POWER, INC.** ("ILPI"), through the undersigned counsel, and unto this Honorable Commission, most respectfully states: That –

1. Applicant ILPI is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Bro. Jeffrey Road, Pala-o, Iligan City where it may be served with summons and other legal processes.
2. Applicant ILPI is the exclusive franchise holder issued by the Congress of the Philippines to operate electric light and power service in the City of Iligan in the Province of Lanao del Norte.
3. ILPI is part of the Second Entry Group (otherwise known as "Group B") that entered into the performance-based regulation ("PBR") rate setting methodology on April 1, 2009. Other members of Group B are Mactan Electric Company, Inc. (MECO) and Cotabato Light and Power Company (CLPC).
4. As part of the PBR rate setting methodology, ILPI's Second Regulatory Period was from April 1, 2009 to March 31, 2013.

5. Prior to the end of the Second Regulatory Period for the Second Entry Group, the Honorable Commission began the process of updating the Rules for Setting Distribution Wheeling Rates for Privately Owned Distribution Utilities (Second Entry Group) (the “RDWR”).

6. However, the revisions to the RDWR from the Third and Fourth Regulatory Periods and the resolution of certain issues identified under PBR by the Honorable Commission had not yet been completed by the time the Second Regulatory Period had ended on March 31, 2013.

7. Unfortunately, the revisions to the RDWR have not yet been finalized. Since the start of the regulatory reset process under PBR for Group B for the Third and Fourth Regulatory Periods has just only recently begun but is expected to only be concluded by mid-2020 and given the need by ILPI to undertake electric and non-electric capital projects in order to address the load growth, renewal, replacement, and refurbishment of existing distribution assets, ILPI is now filing this instant Application.

8. ILPI has several electric and non-electric capital projects planned for RY 2020 which are necessary to maintain the reliable and safe operation of its distribution network as well as to provide for the growing electricity demand in the ILPI franchise area.

9. Being guided by the latest Rules for Setting Distribution Wheeling Rates (RDWR), as amended, ILPI hereby submits for approval of this Honorable Commission the following electric and non-electric capital projects for RY 2020:

CAPITAL PROJECTS
(For the Regulatory Year 2020)

Proposed Project			Project Cost (PhP)	Reference
No.	Title	Type	Total	
1	Construction of Tubod 20/30 MVA Substation	Capacity	25,358,500.00	Annex A
2	Line Construction Projects	Expansion	11,000,000.00	Annex B
3	Capacitor Placement for Line Loss Reduction	System Loss	1,140,000.00	Annex C

4	Verifier Meter Installation and Rehabilitation Project	System Loss	2,227,883.76	Annex D
5	Meter Relocation Project: MIH/MIF	System Loss	1,289,040.00	Annex E
6	Streetlight Improvement Project	System Loss	2,868,116.00	Annex F
7	Customer Service Drops and Metering Equipment	Other CAPEX	12,797,859.48	Annex G
8	Poles	Other CAPEX	10,727,550.00	Annex H
9	Distribution Transformers	Other CAPEX	8,114,394.00	Annex I
10	Low Voltage Distribution Lines	Other CAPEX	3,030,876.00	Annex J
11	Land Improvements, Building Construction and Improvements and Other Equipment	Service Efficiency	23,545,550.00	Annex K
12	Acquisition of Various Equipment for System Operations	Service Efficiency	3,344,700.00	Annex L
13	Tools and Instruments for Maintenance and Operations	Service Efficiency	11,840,524.32	Annex M
14	Vehicles	Service Efficiency	5,750,000.00	Annex N
15	Meter Data Improvement Project for WESM Facility	Service Efficiency	9,216,863.17	Annex O
16	Acquisition of IT Software and Hardware Requirements	Service Efficiency	1,254,000.00	Annex P
17	Communication System	Service Efficiency	2,050,220.00	Annex Q
18	Acquisition of Desktop Computers, Laptops, and Printers	Service Efficiency	597,000.00	Annex R
19	Health and Wellness Project	Service Efficiency	850,000.00	Annex S
20	Purchase Spare of Substation Equipment	Service Efficiency	2,158,000.00	Annex T

TOTAL PROJECT COST (PhP)	139,161,076.73
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10. The proposed electric and non-electric capital projects will not have a direct impact on the current rates of ILPI until approved by the Honorable Commission as part of ILPI's Regulatory Asset Base in its next regulatory reset application under PBR.

11. A detailed description for each of the projects are attached hereto as part of the specific projects' annex and are made integral parts of this Application.

In support of this Application, the Applicant has attached the following supporting documents in connection with the projects:

ANNEX	INFORMATION PROVIDED
Annex 1	Executive Summary
Annex 1-A	Company Profile
Annex 1-B	Distribution Planning Process
Annex 1-C	Historical Data needed
Annex 1-D	Forecasting
Annex 1-E	Performance Assessment of the Distribution System
Annex 1-F	Summary of Identified Problems
Annex 1-G	Goal Setting and Prioritization
Annex 1-H	Summary of the Proposed capital Projects
Annex A	Construction of Tubod 20/30 MVA Substation
Annex B	Line Construction Projects
Annex C	Capacitor Placement for Line Loss Reduction
Annex D	Verifier Meter Installation and Rehabilitation Project
Annex E	Meter Relocation Project: MIH/MIF
Annex F	Streetlight Improvement Project
Annex G	Customer Service Drops and Metering Equipment
Annex H	Poles
Annex I	Distribution Transformers
Annex J	Low Voltage Distribution Lines
Annex K	Land Improvements, Building Construction and Improvements and Other Equipment
Annex L	Acquisition of Various Equipment for System Operations
Annex M	Tools and Instruments for Maintenance and Operations
Annex N	Vehicles
Annex O	Meter Data Improvement Project for WESM Facility
Annex P	Acquisition of IT Software and Hardware Requirements
Annex Q	Communication System

Annex R	Acquisition of Desktop Computers, Laptops, and Printers
Annex S	Health and Wellness Project
Annex T	Purchase Spare of Substation Equipment

12. The approval of the foregoing electric and non-electric capital projects will ensure that the customers of ILPI will be served continuously and reliably in accordance with the standards under the Philippine Distribution Code (PDC) and other regulatory obligations as well as the approved Performance Level Targets for ILPI's Performance Incentive Scheme (PIS) under PBR.

PRAYER

WHEREFORE, it is respectfully prayed that the Honorable Commission, after trial on the merits, issue a final approval of the following Capital Projects and that ILPI be granted the authority to implement, construct, own and operate the same:

1. Construction of Tubod 20/30 MVA Substation
2. Line Construction Projects
3. Capacitor Placement for Line Loss Reduction
4. Verifier Meter Installation and Rehabilitation Project
5. Meter Relocation Project: MIH/MIF
6. Streetlight Improvement Project
7. Customer Service Drops and Metering Equipment
8. Poles
9. Distribution Transformers
10. Low Voltage Distribution Lines
11. Land Improvements, Building Construction and Improvements and Other Equipment
12. Acquisition of Various Equipment for System Operations
13. Tools and Instruments for Maintenance and Operations
14. Vehicles

15. Meter Data Improvement Project for WESM Facility
16. Acquisition of IT Software and Hardware Requirements
17. Communication System
18. Acquisition of Desktop Computers, Laptops, and Printers
19. Health and Wellness Project
20. Purchase Spare of Substation Equipment

Applicant likewise prays for such other and further relief as may be deemed just and equitable in the premises.

Pasig City, August 05, 2019.

**QUIASON MAKALINTAL BAROT
TORRES IBARRA SISON & DAMASO**

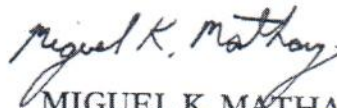
Counsel for the Applicant

21st Floor, Robinsons-Equitable Tower
4 ADB Avenue corner Poveda Street
1605 Ortigas Center, Pasig City
Tel. No.: (632) 631-0981

By:

MANUEL L.M. TORRES

ROLL OF ATTORNEYS NO. 25410
MCLE COMPLIANCE NO. VI-0013645; 4/14/2022
PTR NO. 5212301; 1/03/2019
PASIG CITY
IBP NO. 060726; 1/03/2019
QUEZON CITY



MIGUEL K. MATHAY

ROLL OF ATTORNEYS NO. 43982
MCLE COMPLIANCE NO. VI-0010308; 4/14/2022
PTR NO. 5212297; 1/03/2019
PASIG CITY
IBP NO. 060727; 1/03/2019
RSM

Gianna Maria C. Comsti
GIANNA MARIA C. COMSTI
ROLL OF ATTORNEYS NO. 63071
MCLE COMPLIANCE NO. VI-0011515; 4/14/2022
PTR NO. 5232096; 1/05/2019
PASIG CITY
IBP NO. 060732; 1/03/2019
RSM

VERIFICATION / CERTIFICATION

I, **RALPH B. CASIÑO**, of legal age, Filipino and with office address at Bro. Jeffrey Road, Pala-o, Iligan City, after having been duly sworn in accordance with law, hereby deposes and states: That –

1. I am the President of Iligan Light & Power, Inc. (ILPI), who had caused the preparation of the foregoing Application.

2. The allegations set forth therein are true and correct based on my own personal knowledge and/or on the authentic records of ILPI.

3. ILPI has not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; to the best of their knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency, which involve issues that may somehow be related to those in this Application; and that, if they should learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency, they undertake to promptly inform this Honorable Court within five (5) days therefrom.


RALPH B. CASIÑO
Affiant

SUBSCRIBED AND SWORN to before me this 7th day of AUGUST 2019 at ILIGAN CITY. Affiant who is personally known to me, exhibited to me his Community Tax Certificate (CTC) with CTC No. 04977684 issued at Luinab, Iligan City on January 16, 2019, as competent evidence of identity.

Doc. No. 1034 ;
Page No. 112 ;
Book No. 23 ;
Series of 2019.


CONCORDIO Y. BAGUIN
NOTARY PUBLIC

NOTARIAL COMMISSION EXPIRES (UNTIL) NOVEMBER 17, 2020 new
PTR NO 844711