

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

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF OF ELECTRIC
AND NON-ELECTRIC CAPITAL
PROJECTS FOR THE
REGULATORY YEARS 2017 TO 2018

ERC CASE NO. 2018 - ____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. Raymond 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 an 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 not yet begun 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 2017 to RY 2018 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 2017 to RY 2018:

CAPITAL PROJECTS
(For the Regulatory Years 2017 to 2018)

Proposed Project		Project Cost (PHP)		Reference	
No.	Title	RY 2017	RY 2018	Total	
1	Line Extension Projects	4,791,585.36	7,499,573.33	12,291,158.69	Annex A
2	Line Restoration Projects	6,892,273.58	2,835,255.64	9,727,529.22	Annex B
3	Replacement of Poles Project	Safety	2,616,906.88	2,616,906.88	Annex C
4	ILPI Connection to NGCP 69kV Lugait Source	Reliability Improvement	39,016,579.74	39,016,579.74	Annex D

5	Reconductorin g of Vegetated Areas	Reliability Improvement	903,318.57		903,318.57	Annex E
6	SCADA Monitoring Improvements and Protective Relaying & SCADA Laboratory	Reliability Improvement	4,186,191.08	2,515,607.14	6,701,798.22	Annex F
7	Streetlight Metering	System Loss Reduction	1,769,854.59	1,488,895.70	3,258,750.29	Annex G
8	Pole Maintenance	Capacity	5,834,637.27	2,985,334.63	8,819,971.90	Annex H
9	Distribution Transformers Maintenance	Capacity	8,193,627.00	5,624,698.48	13,818,325.48	Annex I
10	Low Voltage Distribution Lines	Capacity	1,962,895.06	1,692,769.87	3,655,664.93	Annex J
11	Customer Service Drops, Meters, Metering Equipment and Transformers	Capacity	9,092,875.12	19,772,874.05	28,865,749.17	Annex K
12	Rooftop Solar RE Pilot Project	Capacity	83,437.50		83,437.50	Annex L
13	Occupational Safety and Health	Service Efficiency	168,194.00	2,830,000.00	2,998,194.00	Annex M
14	Communicatio n System Improvement and Maintenance	Service Efficiency	597,262.02	1,564,923.17	2,162,185.19	Annex N
15	Tools and Instruments	Service Efficiency	4,797,538.38	9,071,927.20	13,869,465.58	Annex O
16	Geographical Information System	Service Efficiency		131,500.00	131,500.00	Annex P
17	Vehicles	Service Efficiency	1,098,214.29		1,098,214.29	Annex Q
18	Acquisition of IT-Related Hardware and Software Requirements	Service Efficiency	1,553,491.09	574,445.09	2,127,936.18	Annex R
19	Buildings and Others	Service Efficiency	1,279,497.19	2,194,623.08	3,474,120.27	Annex S
TOTAL PROJECT COST (Php)			92,221,471.84	63,399,334.26	155,620,806.11	

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 Performance Based Regulation.

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 A	Line Extension Projects
Annex B	Line Restoration Projects
Annex C	Replacement of Poles Project
Annex D	ILPI Connection to NGCP 69kV Lugait Source
Annex E	Reconductoring of Vegetated Areas
Annex F	SCADA Monitoring Improvements and Protective Relaying & SCADA Laboratory
Annex G	Streetlight Metering
Annex H	Pole Maintenance
Annex I	Distribution Transformers Maintenance
Annex J	Low Voltage Distribution Line
Annex K	Customer Service Drops, Meters, Metering Equipment and Transformers
Annex L	Rooftop Solar RE Pilot Project
Annex M	Occupational Safety and Health
Annex N	Communication System Improvement and Maintenance
Annex O	Tools and Instruments
Annex P	Geographical Information System
Annex Q	Vehicles
Annex R	Acquisition of IT-Related Hardware and Software Requirements
Annex S	Buildings and Others

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 Performance Based Regulation (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. Line Extension Projects
2. Line Restoration Projects
3. Replacement of Poles Project
4. ILPI Connection to NGCP 69kV Lugait Source
5. Reconductoring of Vegetated Areas
6. SCADA Monitoring Improvements and Protective Relaying & SCADA Laboratory
7. Streetlight Metering
8. Pole Maintenance
9. Distribution Transformers Maintenance
10. Low Voltage Distribution Lines
11. Customer Service Drops, Meters, Metering Equipment and Transformers
12. Rooftop Solar RE Pilot Project
13. Occupational Safety and Health
14. Communication System Improvement and Maintenance
15. Tools and Instruments
16. Geographical Information System
17. Vehicles
18. Acquisition of IT-Related Hardware and Software Requirements
19. Buildings and Others

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

Pasig City, November 9, 2018.

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

Counsel for the Applicant

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4 ADB Avenue corner Poveda Street
1605 Ortigas Center, Pasig City
Tel. No.: (632) 631-09-81 to 85

By:



MANUEL L.M. TORRES

ROLL OF ATTORNEYS NO. 25410

MCLE COMPLIANCE NO. V-0013987; 4/14/2019

PTR NO. 3897178; 1/10/2018

PASIG CITY

IBP NO. 020857; 1/04/2018

QUEZON CITY

MIGUEL K. MATHAY

ROLL OF ATTORNEYS NO. 43982

MCLE COMPLIANCE NO. VI-0010308; 4/14/2022

PTR NO. 3897179; 1/10/2018

PASIG CITY

IBP NO. 020858; 1/04/2018

RSM



GIANNA MARIA C. COMSTI

ROLL OF ATTORNEYS NO. 63071

MCLE COMPLIANCE NO. VI-0011515; 4/14/2022

PTR NO. 3897411; 1/19/2018

PASIG CITY

IBP NO. 020865; 1/04/2018

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 15th day of NOVEMBER 2018 at ILIGAN CITY. Affiant who is personally known to me, exhibited to me his Community Tax Certificate (CTC) with CTC No. 4868635 issued at Luanab, Iligan City on January 17, 2018, as competent evidence of identity.

Doc. No. 2269
Page No. 04
Book No. VI
Series of 2018.

ATTY. CONCORDIO Y. BAGUIO
NOTARY PUBLIC
NOTARIAL COMMISSION/EXPIRES ON 12/31/2018
PTR No. 7927598 ISSUED ON JANUARY 4, 2018
LIFETIME No. 02115 / ROLL OF ATTORNEYS No. 23457