

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF ELECTRIC  
AND NON-ELECTRIC  
CAPITAL PROJECTS FOR  
THE YEAR 2015 AND THE  
REGULATORY YEAR 2021  
(RY 2021)**

**ERC CASE NO. 2022-007 RC**

**ILIGAN LIGHT AND  
POWER, INC. (ILPI),**  
*Applicant.*  
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**Promulgated:**  
March 25, 2022

**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 14 February 2022, Iligan Light and Power, Inc. (ILPI) filed an *Application* dated 29 October 2021 (Application), seeking the Commission's approval of its electric and non-electric Capital Expenditure (CAPEX) projects for year 2015 and regulatory year 2021.

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

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. Jersey 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).

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4. As part of the PBR rate setting methodology, ILPI's Second Regulator 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 (the "RDWR") for Privately Owned Distribution Utilities (Second Entry Group).
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, as well as the 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 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:

<b>Proposed Project</b>			<b>Project Cost (PhP)</b>	<b>Reference</b>
<b>No.</b>	<b>Title</b>	<b>Type</b>	<b>Total</b>	
1	Acquisition of Safety Equipment	Safety	6,629,739.66	Annex A
2	Transfer of NGCP Metering Point from RCII Property to ILPI Acmac Switching Station	Capacity	8,408,934.34	Annex B
3	Construction of Tubod 20/30 MVA Substation – RY 2021 (Continuation from RY 2020 Project)	Capacity	39,467,000.00	Annex C
4	Line Construction Projects	Electrification	23,641,000.00	Annex D
5	Pilferage Prone Metering Improvement	System Loss	1,289,040.00	Annex E

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<b>Proposed Project</b>			<b>Project Cost (PhP)</b>	<b>Reference</b>
<b>No.</b>	<b>Title</b>	<b>Type</b>	<b>Total</b>	
6	Verified Meter Installation and Rehabilitation Project	System Loss	2,921,529.40	Annex F
7	Streetlight Metering Project	System Loss	2,857,520.00	Annex G
8	Streetlight Retrofitting Project	System Loss	2,000,000.00	Annex H
9	Acquisition of Poles	Customer Requirement	11,958,362.58	Annex I
10	Acquisition of Distribution Transformers	Customer Requirement	6,606,099.06	Annex J
11	Acquisition of Low Voltage Distribution Lines	Customer Requirement	1,253,408.52	Annex K
12	Acquisition of meters and accessories, metering equipment and wires	Customer Requirement	9,628,825.57	Annex L
13	Acquisition of Backup Power Generator	Tools and Instruments	600,000.00	Annex M
14	Acquisition of Communication and Network Requirements	Communication	1,083,000.00	Annex N
15	Fiber Optic Cabling (Acmac to Dalipuga Switching Station)	Communication	748,680.00	Annex O
16	Acquisition of IT Software and Hardware Requirements	Communication	949,000.00	Annex P
17	Acquisition of New Tools and Instruments	Tools and Instruments	5,433,655.80	Annex Q
18	Acquisition of Replacement Tools and Instruments	Tools and Instruments	3,193,925.80	Annex R
19	Acquisition of Spare Equipment	Tools and Instruments	2,103,456.50	Annex S
20	Acquisition of Vehicles	Vehicles	6,860,000.00	Annex T
21	Acquisition of Desktop Computers, Laptops, and Printers	Computers	580,000.00	Annex U
22	Land, Building Improvements, and Others (Furniture & Equipment)	Buildings	4,011,274.98	Annex V
<b>Total</b>			<b>142,224,452.21</b>	

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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:

<b>Annex</b>	<b>Description</b>
Annex 1	Executive Summary
Annex 1-A	Company Profile
Annex 1-1A	ILPI CPCN
Annex 1-A2	ILPI Franchise Extension
Annex 1-B	Distribution Planning Process
Annex 1-C	Historical Data
Annex 1-C-1	kWh Sales Forecast
Annex 1-C-2	Demand Forecast
Annex 1-C-3	Consumer Forecast
Annex 1-C-4	Distribution Transformer Forecast
Annex 1-C-5	Other Data
Annex 1-D	Forecasting Models
Annex 1-E	Performance Assessment of the Distribution System
Annex 1-E1	Safety
Annex 1-E2	Capacity
Annex 1-E3	Power Quality
Annex 1-E4	Rural Electrifications
Annex 1-E5	Reliability
Annex 1-E6	System Loss
Annex 1-F	Summary of Identified Problems
Annex 1-G	Goal Setting and Prioritization
Annex 1-H	Summary of the Proposed Capital Projects
Annex 1-I	Financing Plans and Financial Statement Analysis
Annex A	Acquisition of Safety Equipment
Annex B	Transfer of NGCP Metering Point from RCII Property to ILPI Acmac Switching Station
Annex C	Construction of Tubod 20/30 MVA Substation – RY 2021 (Continuation from RY 2020 Project)
Annex D	Line Construction Projects
Annex E	Pilferage Prone Metering Improvement
Annex F	Verified Meter Installation and Rehabilitation Project
Annex G	Streetlight Metering Project

<b>Annex</b>	<b>Description</b>
Annex H	Streetlight Retrofitting Project
Annex I	Acquisition of Poles
Annex J	Acquisition of Distribution Transformers
Annex K	Acquisition of Low Voltage Distribution Lines
Annex L	Acquisition of meters and accessories, metering equipment and wires
Annex M	Acquisition of Backup Power Generator
Annex N	Acquisition of Communication and Network Requirements
Annex O	Fiber Optic Cabling (Acmac to Dalipuga Switching Station)
Annex P	Acquisition of IT Software and Hardware Requirements
Annex Q	Acquisition of New Tools and Instruments
Annex R	Acquisition of Replacement Tools and Instruments
Annex S	Acquisition of Spare Equipment
Annex T	Acquisition of Vehicles
Annex U	Acquisition of Desktop Computers, Laptops, and Printers
Annex V	Land, Building Improvements, and Others (Furniture & 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 the duration of which were from year 2015 and for RY2021 and that ILPI be granted the authority to implement, construct, own and/or operate the same:

1. Acquisition of Safety Equipment
2. Transfer of NGCP Metering Point from RCII Property to ILPI Acmac Switching Station
3. Construction of Tubod 20/30 MVA Substation – RY 2021 (Continuation from RY 2020 Project)
4. Line Construction Projects
5. Pilferage Prone Metering Improvement
6. Verified Meter Installation and Rehabilitation Project
7. Streetlight Metering Project
8. Streetlight Retrofitting Project
9. Acquisition of Poles
10. Acquisition of Distribution Transformers
11. Acquisition of Low Voltage Distribution Lines

12. Acquisition of meters and accessories, metering equipment and wires
13. Acquisition of Backup Power Generator
14. Acquisition of Communication and Network Requirements
15. Fiber Optic Cabling (Acmac to Dalipuga Switching Station)
16. Acquisition of IT Software and Hardware Requirements
17. Acquisition of New Tools and Instruments
18. Acquisition of Replacement Tools and Instruments
19. Acquisition of Spare Equipment
20. Acquisition of Vehicles
21. Acquisition of Desktop Computers, Laptops, and Printers
22. Land, Building Improvements, and Others (Furniture & Equipment)

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

Subsequently, the Commission, in its *Order* and *Notice of Virtual Hearing*, both dated 28 February 2022, set the instant *Application* for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference and presentation of evidence through virtual hearings on 22 March 2022 and 29 March 2022, respectively.

However, on 10 March 2022, ILPI filed an electronic copy of its *Manifestation and Motion to Reset Initial Hearing*, of even date, alleging its inability to comply with the requirements in the Commission's *Order* dated 28 February 2022.

Finding the said *Motion* in order, the Commission hereby grants the same. In view thereof, the hearings set on 22 March 2022 and 29 March 2022 are hereby **cancelled**.

**IN VIEW THEREOF**, the Commission hereby sets anew the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup> dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)<sup>2</sup>:

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<sup>1</sup> Entitled: A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>2</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

<b>Date and Time</b>	<b>Platform</b>	<b>Activity</b>
<b>29 April 2022</b> <b>(Friday)</b> at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements and Expository presentation
<b>06 May 2022</b> <b>(Friday)</b> at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Pre-trial Conference and presentation of evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address and e-mail 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.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and

subject to the requirements under Rule 9 of the ERC Revised 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, mailing address and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.


Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses and indicating therein the case number of the instant *Joint Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 22<sup>nd</sup> day of March 2022 in Pasig City.

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*



  
LS: BJV/MCCG