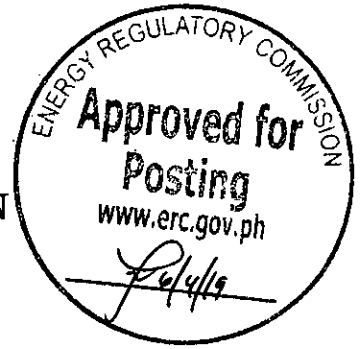


Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, Pasig City



**IN THE MATTER OF THE  
APPLICATION FOR  
AUTHORITY TO DEVELOP,  
OWN, AND OPERATE  
ASSETS, INCLUDING  
DEDICATED POINT-TO-  
POINT LIMITED  
TRANSMISSION FACILITIES  
TO CONNECT THE LA  
TRINIDAD  
HYDROELECTRIC POWER  
PLANT TO THE GRID, WITH  
PRAYER FOR PROVISIONAL  
AUTHORITY**

**ERC Case No. 2019-006 MC**

**HEDCOR, INC. (HEDCOR),**

**Applicant.**

**x-----x**

Promulgated:

   **MAY 31 2019.**

**ORDER**

On 04 April 2019, Hedcor, Inc. (HEDCOR) filed an *Application* dated 26 March 2019, seeking the approval of its authority to develop, own, and operate assets, including dedicated point-to-point limited transmission facilities to connect the La Trinidad Hydroelectric Power Plant to the grid, with prayer for provisional authority.

In its *Application*, HEDCOR alleged, among others, the following:

1. HEDCOR is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at 214 Ambuclao Road, Obulan, Beckel, La Trinidad, Benguet Province. It may be served with order, notices and other processes of this Honorable Commission through undersigned counsel.

2. The instant Application is being filed pursuant to Section 9 of the Electric Power Industry Reform Act of 2001 ("EPIRA") which states that:

"xxx A generation company may develop and own or operate dedicated point-to-point limited transmission line facilities that are consistent with the TDP; Provided, That such facilities are required only for the purpose of connecting to the transmission system, and are used solely by the generating facilities, subject to prior authorization by the ERC xxx."

3. It is similarly being filed pursuant to Section 5, Rule 5 of the Implementing Rules and Regulations of EPIRA which states:

"Section 5. Dedicated Point-to-Point Limited Transmission Facility of a Generation Company. (a) Subject to prior authorization from ERC, TRANSCO or its Buyer or Concessionaire may allow a Generation Company to develop, own and/or operate dedicated point-to-point limited transmission facilities: Provided, That:

- (i) Such dedicated point-to-point limited transmission facilities are required only for the purpose of connecting to the Grid which will be used solely by the Generation Facility, and are not used to serve End-users or Suppliers directly;
- (ii) The facilities are included and consistent with the TDP as certified by TRANSCO or its Buyer or Concessionaire; and
- (iii) Any other documents that may be required by the ERC."

4. HEDCOR is constructing the La Trinidad Hydroelectric Power Plant ("Project Plant"), a run-of-river development made for the purpose of increasing the combined capacity of Bineng 1, Bineng 2, and Bineng 2B from a total of 5.95 megawatts to 19 megawatts. The Project Plant is estimated to have a total generation of 59,157,173.00 kWh annually.
5. The Project Plant is to be connected to the Banengbeng Main Substation which, in turn, will have a tap connection to the National Grid Corporation of the Philippine's ("NGCP") La Trinidad Calot 69 kV Line. The connection will require an upgrade to a 3T type double circuit transmission line for the Project Plant and the construction and operation of an underbuilt 23 kV transmission line for the Bineng 3 Plant ("Subject Facilities").

**STATEMENT OF FACTS**

6. To connect the Project Plant to the transmission system, HEDCOR needs to own, develop, and operate a dedicated point to point limited line facilities. Said facilities are necessary to test, commission and dispatch the capacity of the Project Plant and shall be exclusively utilized by HEDCOR.
7. Upon the request of HEDCOR, NGCP conducted a System Impact Study (“SIS”) to evaluate the impact of connecting the Project Plant to the Luzon Grid.
8. The SIS states that “overall the connection of the proposed 19MW Bineng 1-2B Combination Hydropower Project of Hedcor, Inc. to the Luzon grid is technically feasible.” The SIS further states that “the Project will not result in the degradation of the Luzon grid for either connection scheme” and “the simulation results show that the La Trinidad-Calot 69 kV Line and the La Trinidad 2x300 MVA 230/69 kV transformers are sufficient to submit the full capacity of the proposed HEPP project”.
9. The total estimated cost of the Subject Facilities is PhP 51,930,626.00, broken down as follows:

<b>Transmission Line and Protection Cost (Php)</b>	
Direct Labor	1,919,096.00
Indirect Labor	2,075,525.00
Direct Materials	
Wire, Conductor, 336.4 MCM ACSR	2,304,000.00
Steel Poles (60 ft, 65 ft, 75ft)	22,392,728.00
Cross Brace and Supporting Accessories	1,452,000.00
Protection and Control Equipment	
Power Circuit Breaker	4,876,000.00
Disconnect Switch	659,903.00
SEL 311L	1,432,536.00
Hauling Cost	7,560,177.00
Equipment Rental	1,820,000.00
Contingency	5,438,661.00
<b>Total Transmission Cost</b>	<b>51,930,626.00</b>

10. HEDCOR is capable of owning, developing and operating the Subject Facilities. HEDCOR is the owner and largest developer and operator of run-of river plants in the Philippines. Developing and operating hydropower plants since 1978, the company is fully equipped in designing and maintaining long length transmission lines in order to transmit generated power to several distribution utilities or through the grid.

11. HEDCOR is in the process of applying for a Certificate of Compliance (COC).
12. The following documents are herewith submitted in support of the instant Application:

<b>Annex</b>	<b>Documents</b>
<b>A</b>	Dedicated Point-to-Point Limited Facility Project Description of the Proposed Hydroelectric Powerplant 19 MW La Trinidad Hydro
<b>B</b>	Write-Up on the Transmission Route
<b>C</b>	Transmission Development Plan (Portion referring to Subject Project)
<b>D</b>	NGCP's System Impact Study dated March 2017 with Annexes A to D.
<b>D-1</b>	Facilities Study dated November 2017
<b>E</b>	Single Line Diagram (La Trinidad Hydro)
<b>F</b>	Projected Financial and Economic Cost Analysis for the Subject Facilities dated 11 March 2019
<b>G</b>	Conceptual Engineering Design and Drawings
<b>H</b>	Project Cost Estimates
<b>I</b>	Gantt chart schedule of the proposed projects entitled "LTH Electrical Activities"
<b>J</b>	Letter re: Status of Connection Agreement between NGCP and HEDCOR dated 29 January 2019
<b>J-1</b>	Certification dated 29 January 2019
<b>K</b>	Secretary's Certificate dated 19 March 2019
<b>L</b>	Environmental Compliance Certificate (ECC-CAR-1703-0001) from the Environmental Management Bureau of the Department of Environment and Natural Resources
<b>L-1</b>	Certification Precondition (CPR CAR-17-08-94) from the National Commission on Indigenous Peoples
<b>M</b>	List of Key Management Officials
<b>M-1</b>	Amended Articles of Incorporation
<b>M-2</b>	Amended By-Laws
<b>M-3</b>	General Information Sheet for 2018
<b>N</b>	Technical Documents (including the Proof of Technical Capability to Operate and a List of List of Responsible Personnel)
<b>N-1</b>	Affidavit of Compliance with PGC and PDC
<b>O</b>	Audited Financial Statements 2016-2017
<b>P</b>	DOE Certificate of Registration (HSC 2015-05-568)
<b>P-1</b>	Confirmation of Commerciality (HCC 2017-12-158)
<b>P-2</b>	Resolution No. 140-2017 from the Office of the Sangguniang Bayan
<b>Q</b>	Judicial Affidavit of Mr. Rolando Vergara Jr.

**ALLEGATIONS IN SUPPORT OF  
PRAYER FOR PROVISIONAL AUTHORITY**

13. HEDCOR respectfully prays that the Honorable Commission provisionally authorize the ownership, development, and operation of Subject Facilities pending hearings on the instant Application.

14. HEDCOR is constructing the Project Plant in furtherance of the Republic Act No. 9513 or the Renewable Energy Act. HEDCOR intends to expeditiously respond to the Department of Energy's installation target for Run-of-River Hydropower. In order to meet such targets, permits must be secured, and construction and commission must be accomplished immediately.
15. HEDCOR needs to immediately test, commission and dispatch the Project Plant upon its completion. This is in order to avoid unnecessary delays which can lead to opportunity costs and contribute to the rising demand growth. Thus, it is necessary for Project Plant to connect to the grid as the soonest possible opportunity.
16. In support of this Application and the prayer for issuance of a Provisional Authority, the Judicial Affidavit of Mr. Rolando Vergara Jr., Assistant Vice President for Regulatory and Business Process at Aboitiz Power, Inc is attached as ANNEX "Q".
17. HEDCOR respectfully prays that these facts and circumstances warrant the issuance by the Honorable Commission of a provisional authority pending trial on the merits of the Application.

**PRAYER**

WHEREFORE, it is respectfully prayed that the Honorable Commission:

1. Immediately issue a PROVISIONAL AUTHORITY authorizing HEDCOR to develop, own, and operate assets, including dedicated point-to-point limited transmission facilities consisting of the Subject Facilities; and
2. After hearing on the merits, APPROVE the Application for authority to develop, own, and operate assets, including dedicated point-to-point limited transmission facilities consisting of the Subject Facilities.

Other relief, just and equitable, under 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 **27 June 2019 (Thursday) at ten o'clock in the morning (10:00 AM) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Bldg., San Miguel Avenue, Pasig City.**

Accordingly, HEDCOR is hereby directed to:

- 1) Cause the publication of the attached *Notice of Public Hearing* in one (1) newspaper of nationwide circulation in the Philippines at its own expense at least once (1x), to be made not 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 and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected area, for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, 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, HEDCOR 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 Editor or Business Manager of the newspapers where the said Notice of Public Hearing was published, and the complete issue 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, Mayor and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by HEDCOR to inform of the filing of the *Application*, the reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Public Hearing* by the Office of the Solicitor General (OSG), the Commission on Audit (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 proofs of compliance with the requirements of the Commission.

HEDCOR and all interested parties are also required to submit, at least five (5) days before the date of 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 therefore; 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 HEDCOR 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.

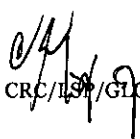
HEDCOR must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Application* with relevant information and pertinent details substantiating the reasons and justification being cited in support thereof.

**SO ORDERED.**

Pasig City, 27 May 2019.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**JOSEFINA PATRICIA A. MAGPALE-ASIRIT**  
*Commissioner*

  
LS: CRC/LSJ/GLO ord.2019-003MC HEDCOR ptp

Copy Furnished:

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Village, City of Makati 1229
4. Commission on Audit (COA)  
Commonwealth Avenue  
Quezon City 1121
5. Senate Committee on Energy  
GSIS Building, Roxas Boulevard,  
Pasay City 1300
6. House of Representatives  
Committee on Energy  
Batasan Hills, Quezon City 1126
7. Office of the Municipal Mayor  
La Trinidad, Benguet Province
8. Office of the Sangguniang Bayan  
La Trinidad, Benguet Province
9. Office of the Governor  
Province of Benguet
10. Office of the Sangguniang Panlalawigan  
Province of Benguet
11. National Grid Corporation of  
the Philippines (NGCP)  
Quezon Avenue corner BIR Road,  
Diliman, Quezon City
12. Philippine Chamber of Commerce  
and Industry (PCCI)  
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Plaza (CIP), 1030 Campus Avenue  
corner Park Avenue, McKinley  
Town Center, Fort Bonifacio,  
Taguig City
13. Regulatory Operation Service  
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