

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

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IN THE MATTER OF THE
APPLICATION FOR RENEWAL OF
THE CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY
(CPCN)

ERC CASE NO. 2008-057 MC

ILIGAN LIGHT AND POWER, INC.
(ILPI),

Applicant.

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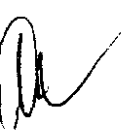
D O C K E T E D
Date: FEB. 24. 2009
By: 

DECISION

Before this Commission for resolution is the application filed by Iligan Light and Power, Inc. (ILPI) on May 16, 2008 for renewal of its Certificate of Public Convenience and Necessity (CPCN).

Having found the said application to be sufficient in form and in substance with the required fees having been paid, an Order and a Notice of Public Hearing, both dated May 23, 2008, were issued setting the same for initial hearing on June 20, 2008.

ILPI was directed to cause the publication of the Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the



Philippines, at least ten (10) days before the scheduled date of initial hearing. It was also directed to inform the customers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor and of the scheduled hearing thereon.

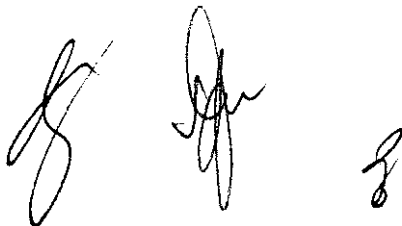
The Office of the Solicitor General (OSG), the Commission on Audit (COA) and the Committees on Energy of both Houses of Congress were furnished with copies of the Order and Notice of Public Hearing and were requested to have their respective duly authorized representatives present at the aforesaid initial hearing.

Likewise, the Office of the Mayor of the City of Iligan, Province of Lanao Del Norte, was furnished copies of the Order and Notice of Public Hearing for the appropriate posting thereof on its bulletin board.

On June 16, 2008, ILPI filed its "Pre-Trial Brief".

During the initial hearing of this case on June 20, 2008, only ILPI appeared. No oppositor/intervenor appeared nor was there any opposition/intervention registered.

In the said hearing, ILPI presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "C", inclusive. Thereafter, it conducted an expository presentation of its application and presented its lone witness, Engr. Keenan M. Erigbuagas, its Management Services Specialist, who testified that ILPI meets all



the qualifications as enumerated in Section 2 of Article II of the *Rules to Govern the Issuance of Certificate of Public Convenience and Necessity (CPCN) to Entities Engaged in the Transmission and Distribution of Electricity*. In the course of his direct examination, various documents were presented and duly marked as exhibits. The direct examination of the said witness having been terminated, the Commission propounded clarificatory questions.

On July 7, 2008, ILPI submitted its "*Formal Offer of Exhibits*" which is hereby admitted for being relevant and material in the final resolution of this case.

On July 9 to 11, 2008, the Commission conducted an ocular inspection on ILPI's distribution assets as well as its franchise area.

DISCUSSION

On December 6, 1930, Ms. Consuelo D. Borja (predecessor in interest of ILPI) was granted a franchise to install, operate, and maintain an electric light, heat, and power plant in the Municipality of Iligan, Province of Lanao, by virtue of Republic Act No. 3810 ("*An Act Granting to Consuelo D. Borja a Franchise to Install, Operate, and Maintain an Electric Light, Heat, and Power Plant in the Municipality of Iligan, Province of Lanao, Philippine Islands*") effective December 6, 1930 to December 6, 1980.

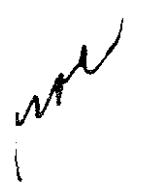
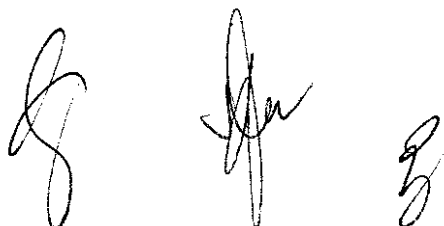
The block contains four handwritten signatures in black ink, arranged horizontally. From left to right, they are: a large, stylized signature; a signature with a prominent vertical stroke; a signature with a looped end; and a signature that appears to be the initials 'JC'.

Subsequently, on October 16, 1931, the defunct Public Service Commission (PSC) issued to Ms. Borja a Certificate of Public Convenience and Necessity (CPCN) for the operation of an electric plant in the Municipality of Iligan, Lanao.

On September 1, 1971, the Congress of the Philippines enacted into law Republic Act No. 6391 (*"An Act Extending the Term of the Franchise Granted to Consuelo D. Borja Under Act Numbered Three Thousand Eight Hundred Ten and For Other Purposes"*) granting the franchisee Consuelo D. Borja an extension of franchise to operate for a period of twenty-five (25) years or until December 6, 2005.

On September 4, 1995, the Congress of the Philippines enacted into law Republic Act No. 8184 (*"An Act Further Extending the Term of the Franchise Granted to Consuelo D. Borja now presently held by Iligan Light and Power, Inc. her Successor-In-Interest, Under Republic Act Numbered Six Thousand Three Hundred Ninety-One, Originally Granted to Consuelo D. Borja Under Act Numbered Three Thousand Eight Hundred Ten for a Period of Twenty-Five (25) Years from the Date of its Expiration, and for Other Purposes"*), granting Consuelo D. Borja's successor-in-interest ILPI an extension of its franchise to operate for a period of twenty-five (25) years or until December 6, 2030.

A cursory review of the documents submitted in this case disclosed that ILPI failed to submit sufficient evidence to prove that it was granted a CPCN from the enactment of R.A. 6391 up to the filing of the instant application.



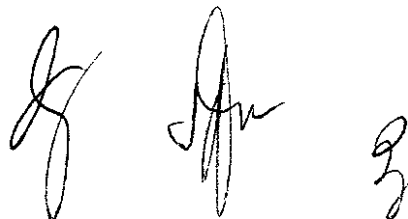
Section 18 of Commonwealth Act No. 146, as amended, otherwise known as the Public Service Law, provides that:

"Sec. 18. It shall be unlawful for any individual, copartnership, association, corporation or joint-stock company, their lessees, trustees or receivers appointed by any court whatsoever, or any municipality, province, or other department of the Government of the Philippines to engage in any public service business without having first secured from the Commission a certificate of public convenience or certificate of public convenience and necessity as provided for in this Act, except grantees of legislative franchises expressly exempting such grantees from the requirement of securing a certificate from this Commission, as well as concerns at present existing expressly exempted from the jurisdiction of the Commission, either totally or in part, by the provisions of section thirteen of this Act. (Chapter III [Operators of Public Services Regulations and Prohibitions])"

Meantime, it has already been established that ILPI has the expertise and resources to adequately and reliably serve the present and future electrical power needs of its customers. It has also submitted information to prove its technical and financial capabilities of operating and maintaining its distribution system for the conveyance of electric power to the end-users in the City of Iligan, Province of Lanao Del Norte.

A thorough evaluation of the records of this case showed that its approval will redound to the benefit of ILPI's consumers in terms of continuous, reliable and efficient electric services.

WHEREFORE, the foregoing premises considered, the application filed by Iligan Light and Power, Inc. (ILPI) for renewal of its Certificate of Public



Convenience and Necessity (CPCN) is hereby **APPROVED** effective December 6, 2005 to December 6, 2030, to coincide with its approved congressional franchise.

SO ORDERED.

Pasig City, February 2, 2009.

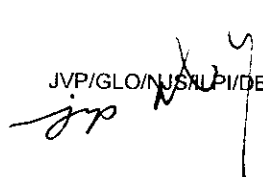

ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner



Copy Furnished:

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President, Iligan Light and Power Company, Inc. (ILPI)
Bro. Raymond Jeffrey Road
Palao, Iligan City, Lanao del Norte
3. **The City Mayor**
Iligan City, Lanao del Norte



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

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ERC Certificate No. CPCN-09-02

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that, pursuant to the power and authority conferred upon it by Republic Act No. 9136, the

ENERGY REGULATORY COMMISSION

after having duly considered the application filed in ERC Case No. 2008-057 MC for the issuance of Certificate of Public Convenience and Necessity to continue operating the electric light, heat and power system in the City of Iligan, Province of Lanao del Norte and the evidence submitted in support thereof, has rendered a decision on February 2, 2009 declaring that the operation by the applicant of the business described therein will promote public interest in a proper and suitable manner.

WHEREFORE, the COMMISSION hereby issues to


ILIGAN LIGHT & POWER COMPANY, INC.

this **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY** which shall be valid from December 6, 2005 until December 6, 2030 subject to the rules and regulations issued by the Commission in accordance with law.

Given at Pasig City, Philippines, this 2nd day of February 2009.


ZENAIDA G. CRUZ-DUCUT
 Chairperson


RAUF A. TAN
 Commissioner


MARIA TERESA A.R. CASTAÑEDA
 Commissioner


ALEJANDRO Z. BARIN
 Commissioner


JOSE C. REYES
 Commissioner

Attested by:


ATTY. FRANCIS SATURNINO C. JUAN
 Executive Director III

