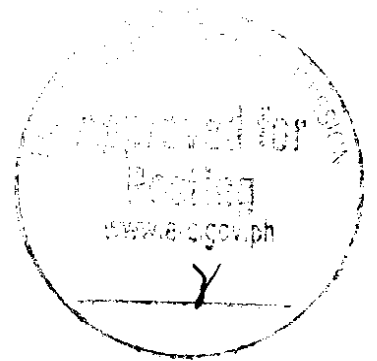


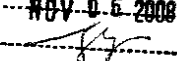
Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



**IN THE MATTER OF THE APPLICATION
FOR ISSUANCE OF A CONSOLIDATED
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR
THE OPERATION OF ELECTRIC
SERVICE IN THE
CITIES/MUNICIPALITIES OF METRO
MANILA, BULACAN, CAVITE AND
RIZAL, AND CERTAIN
CITIES/MUNICIPALITIES/BARANGAYS
IN BATANGAS, LAGUNA, QUEZON
AND PAMPANGA, WITH PRAYER FOR
PROVISIONAL AUTHORITY**

ERC CASE NO. 2008-081 MC

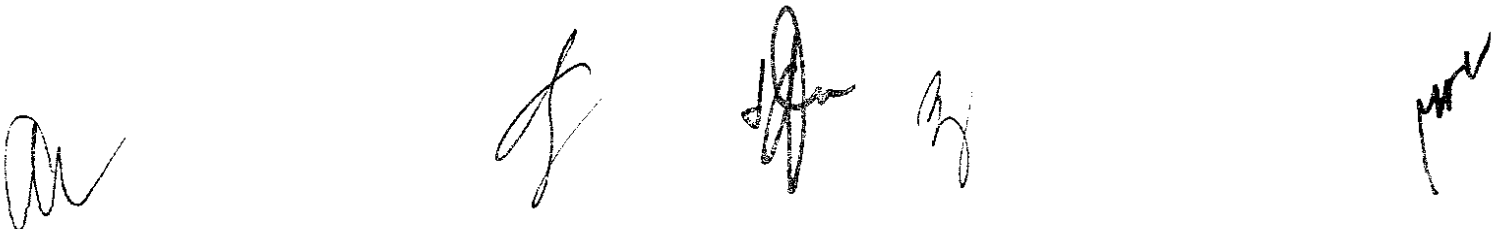
**MANILA ELECTRIC COMPANY
(MERALCO),**
Applicant.
x-----x

D O C K E T E D
Date: **NOV 05 2008**
By: 

D E C I S I O N

Before this Commission for resolution is the application filed by the Manila Electric Company (MERALCO) on September 2, 2008 for the issuance of a consolidated Certificate of Public Convenience and Necessity (CPCN) for the operation of electric service in the Cities/Municipalities of Metro Manila, Bulacan, Cavite and Rizal, and certain Cities/Municipalities/Barangays in Batangas, Laguna, Quezon and Pampanga, with prayer for provisional authority.

Having found the said application sufficient in form and in substance with the required fees having been paid, an Order and a Notice of Public Hearing, both dated September 15, 2008, were issued setting the same for initial hearing on October 14, 2008.



MERALCO was directed to cause the publication of the attached 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 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 the Notice of Public Hearing and were requested to have their respective duly authorized representatives present at the aforesaid initial hearing.

Likewise, the Offices of the Mayors of the Cities and Municipalities concerned were furnished copies of the Order and Notice of Public Hearing for the appropriate posting thereof on their respective bulletin boards.

On September 19, 2008, MERALCO submitted an "Urgent Motion for the Issuance of a Provisional Authority".

On September 30, 2008, the Commission issued an Order directing MERALCO to submit a list of all its CPCN with the corresponding dates of expiration.

Subsequently, on October 8, 2008, MERALCO filed its "Compliance with Motion (to the Honorable Commission's Order dated 03 October 2008)".

The bottom of the page contains several handwritten signatures and initials. From left to right, there is a large, stylized signature, followed by a smaller signature, a signature that appears to be 'J. Garcia', a set of initials 'JG', and a final signature on the far right.

On October 9, 2008, MERALCO filed its "Pre-Trial Brief" while on October 13, 2008, it filed its "Compliance".

During the initial hearing of this case on October 14, 2008, only MERALCO appeared. No oppositor/intervenor appeared nor was there any opposition/intervention registered.

In the said hearing, MERALCO presented its proofs of compliance with the Commission's publication and posting of notice requirements together with other pertinent documents which were duly marked as exhibits. Thereafter, it presented three (3) witnesses, namely: 1) Mr. Gerardo Lozada, its Senior Manager and Team Leader of the Network System Development Team; 2) Mr. Diosdado Dela Cruz, its Manager and Team Leader of Network Asset Optimization; and 3) Mr. Luis Zagala, its Supervising Analyst for Policy Research of the Utility Economics and Development Office, who all testified on MERALCO's financial and technical capabilities and on its approved rate schedules.

At the continuation of the hearing on October 15, 2008, MERALCO presented its last witness, Mr. Gilbert Oriño, its Senior Manager and Head of Financial Accounting, who likewise testified on MERALCO's financial capability.

On October 15, 2008, MERALCO submitted its "Formal Offer of Evidence" which is hereby admitted for being relevant and material to the final resolution of this case.



DISCUSSION

Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA) vested exclusively in the Congress of the Philippines, the power to grant franchises to persons/entities engaged in the transmission and distribution of electricity. Relative thereto, on June 9, 2003, the Congress of the Philippines enacted into law Republic Act No. 9209 granting MERALCO a franchise to operate and maintain a distribution system for a period of twenty-five (25) years effective June 28, 2003 until June 28, 2028.

It has already been established that MERALCO 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 capability, including a list of its technical men employed in the construction, installation and operation of distribution systems in the Cities/Municipalities of Metro Manila, Bulacan, Cavite and Rizal, and certain Cities/Municipalities/Barangays in Batangas, Laguna, Quezon and Pampanga.

A thorough evaluation of the record of the instant application showed that its approval will redound to the benefit of MERALCO's consumers in terms of continuous, reliable and efficient electric services.

WHEREFORE, the foregoing premises considered, the application filed by the Manila Electric Company (MERALCO) for the issuance of a consolidated Certificate of Public Convenience and Necessity (CPCN) for the operation of electric service in the Cities/Municipalities of Metro Manila, Bulacan, Cavite and



Rizal, and certain Cities/Municipalities/Barangays in Batangas, Laguna, Quezon and Pampanga, with prayer for provisional authority, is hereby **APPROVED** effective until June 28, 2028, to coincide with its approved franchise.

SO ORDERED.

Pasig City, October 20, 2008.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

Copy Furnished:

1. **Atty. Jose Ronald V. Valles**
Atty. Rommel L. Yap
Atty. Hazel Rose B. See
Atty. Carmen Grace S. Ramos
Atty. Irish Mae V. Rodriguez
Atty. Angelica Diane B. Monteza
Lopez Building
MERALCO Compound
Ortigas Avenue, Pasig City
2. **The Office of the Solicitor General**
234 Amorsolo Street, Legaspi Village, Makati City
Metro Manila
3. **The Commission On Audit**
Don Mariano Marcos Avenue
Diliman, Quezon City, Metro Manila
4. **The Committee On Energy**
Senate of the Philippines
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
5. **The Committee On Energy**
House of Representatives
Batasan Hills, Quezon City, Metro Manila
6. **The City Mayor**
City of Manila 1000
7. **The City Mayor**
Quezon City 1100
8. **The City Mayor**
City of Caloocan 1400
9. **The City Mayor**
City of Makati 1200
10. **The City Mayor**
City of Malabon 1470
11. **The City Mayor**
City of Mandaluyong 1550
12. **The City Mayor**
City of Muntinlupa 1770
13. **The City Mayor**
City of San Jose del Monte, Bulacan 3023
14. **The City Mayor**
City of Valenzuela 1440
15. **The City Mayor**
City of Pasig 1600
16. **The City Mayor**
Pasay City 1300
17. **The City Mayor**
City of Parañaque 1700

18. **The City Mayor**
Cavite City 4100
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Trece Martirez City 4109
20. **The City Mayor**
Las Piñas City 1740
21. **The City Mayor**
Lucena City 4301
22. **The City Mayor**
Batangas City 4200
23. **The City Mayor**
San Pablo City, Laguna 4000
24. **The City Mayor**
City of Marikina 1800
25. **The City Mayor**
Antipolo City, Rizal 1870
26. **The City Mayor**
Tagaytay City, Cavite 4120
27. **The City Mayor**
Tanauan City, Batangas 4232
28. **The City Mayor**
Calamba, Laguna 4027
29. **The City Mayor**
Lipa City, Batangas 4217
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Navotas, Metro Manila 1485
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Taguig, Metro Manila 1637
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San Antonio, Quezon 4324
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Meycauayan, Bulacan 3020
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Sta. Rosa, Laguna 4026
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Marilao, Bulacan 3019
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San Juan, Metro Manila 1500
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Norzagaray, Bulacan 3013
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Sta. Maria, Bulacan 3022
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Angat, Bulacan 3012
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Doña Remedios Trinidad, Bulacan 3009
55. **The Municipal Mayor**
Victoria, Laguna 4011
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Luisiana, Laguna 4032
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San Pedro Tunasan, Laguna 4023
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Maragondon, Cavite 4112
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Gen. Trias, Cavite 4107
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Mendez, Cavite 4121

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Plaridel, Bulacan 3004
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San Mateo, Rizal 1850
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San Simon, Pampanga 2015
120. **The Municipal Mayor**
Hagonoy, Bulacan 3002
121. **The Municipal Mayor**
Paombong, Bulacan 3001
122. **The Municipal Mayor**
Meycauyan, Bulacan 3020



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

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ERC Certificate No. CPCN-08-21

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

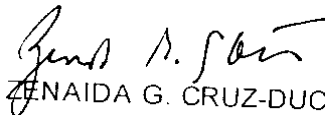
after having duly considered the application filed in ERC Case No. 2008-081 MC for the issuance of Certificate of Public Convenience and Necessity to continue operating the electric light, heat and power system in the Cities/Municipalities of Metro Manila, Bulacan, Cavite, and Rizal and certain Cities/Municipalities/Barangays in Batangas, Laguna, Quezon and Pampanga and the evidence submitted in support thereof, has rendered a decision on October 20, 2008 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

MANILA ELECTRIC COMPANY

this CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY which shall be valid from June 28, 2003 to June 28, 2028 subject to the rules and regulations issued by the Commission in accordance with law.

Given at Pasig City, Philippines, this 20th day of October 2008.


ZENAIDA G. CRUZ-DUCUT
Chairperson

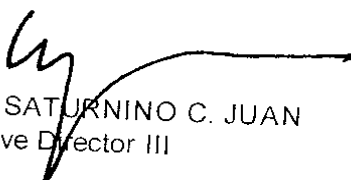

RAUL A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A.R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

Attested by:


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III