

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



IN THE MATTER OF THE  
APPLICATION FOR EXTENSION OF  
CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY  
(CPCN) PREDICATED ON  
REPUBLIC ACT NO. 9831 TO  
CONTINUE OPERATING THE  
ELECTRIC LIGHT AND POWER  
SYSTEM IN THE CITY OF ANGELES,  
PROVINCE OF PAMPANGA UNTIL  
19 JUNE 2034

ERC CASE NO. 2008-060 MC

ANGELES ELECTRIC  
CORPORATION (AEC),  
Applicant.  
x-----x

D O C K E T E D  
Date: SEP 30 2008  
By: [Signature]

**DECISION**

Before the Commission for resolution is the application filed by Angeles Electric Corporation (AEC) on May 27, 2008 for extension of its Certificate of Public Convenience and Necessity (CPCN) predicated on Republic Act No. 9831 to continue operating the electric light and power system in the City of Angeles, Province of Pampanga until June 19, 2034.

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 June 2, 2008, were issued setting the same for initial hearing on July 15, 2008.

AEC 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

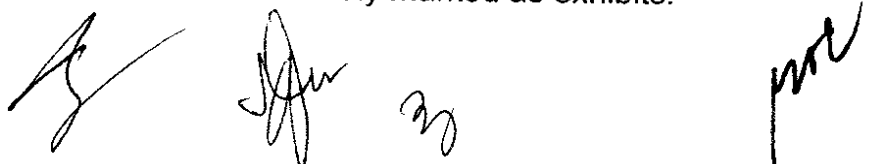
was also directed to inform the customers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor and the scheduled hearing thereon.

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 Office of the Mayor of Angeles City, Pampanga was furnished copy of the Order and the Notice of Public Hearing for the appropriate posting thereof on its bulletin board.

During the initial hearing of this case on July 15, 2008, only AEC appeared. No oppositor/intervenor appeared nor was there any opposition/intervention registered.

In the said hearing, AEC presented its proofs of compliance with the Commission's posting and publication of notice requirements which were duly marked as Exhibits "A" to "G-1", inclusive. Thereafter, it conducted an expository presentation of its application and presented two (2) witnesses, namely: 1) Ms. Cristina Arboleda, its Accountant, who testified on its financial capability based on financial performance ratios; and 2) Mr. Eulogio P. Antonio, its Distribution Manager, who testified on its technical capacity to continue operations based upon a twenty (20) year Power System Development Plan. In the course of their respective direct examinations, the witnesses identified various documents in support of the application. Said documents were duly marked as exhibits.



The direct examinations of the said witnesses having been terminated, the Commission propounded clarificatory questions and directed AEC to submit its formal offer of evidence within ten (10) days from said date of hearing.

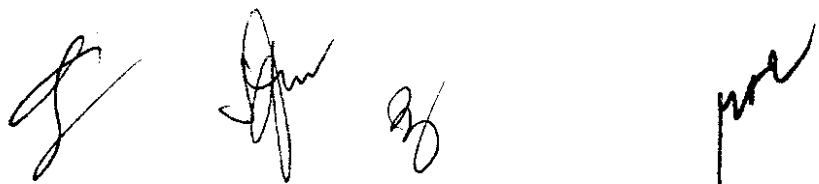
On July 25, 2008, AEC submitted its "*Formal Offer of Evidence (FOE)*" which is hereby admitted for being relevant and material in the final resolution of this case.

### DISCUSSION

Prior to the enactment of Republic Act No. 9136 (*the Electric Power Industry Reform Act of 2001* [EPIRA]), AEC was granted by the Congress of the Philippines a franchise to operate an electric, heat, and power service within the Municipality of Angeles, Province of Pampanga under Republic Act No. 2341 ("*Act Granting the Angeles Electric Corporation a Franchise for An Electric Light, Heat, and Power System in the Municipality of Angeles, Province of Pampanga*"). The franchise granted under the said law was for twenty-five (25) years from June 20, 1959 to June 19, 1984.

However, the said Act was later amended by Republic Act No. 4079 ("*An Act Amending Certain Sections of Republic Act Numbered Twenty-Three Hundred and Forty-One*"), which was approved on June 18, 1964, extending the franchise period originally granted to fifty (50) years or until June 19, 2009.

On March 9, 2007, the Congress of the Philippines enacted into law Republic Act No. 9381 granting AEC an extension of its franchise to operate and maintain its distribution system for a period of twenty-five (25) years or until June 19, 2034.



It has already been established that AEC 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 personnel employed in the construction, installation and operation of distribution systems in the City of Angeles, Province of Pampanga.

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

**WHEREFORE**, the foregoing premises considered, the application filed by Angeles Electric Corporation (AEC) for extension of its Certificate of Public Convenience and Necessity (CPCN) predicated on Republic Act No. 9831 to continue operating the electric light and power system in the City of Angeles, Province of Pampanga is hereby **APPROVED** effective June 19, 2009 and until June 19, 2034, to coincide with its approved congressional franchise.

**SO ORDERED.**

Pasig City, September 15, 2008.

  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson

  
**RAUF A. TAN**  
Commissioner

(On Official Travel)  
**MARIA TERESA A.R. CASTAÑEDA**  
Commissioner

  
**ALEJANDRO Z. BARIN**  
Commissioner

  
**JOSE C. REYES**  
Commissioner

**Copy Furnished:**

- 1. The Law Firm of Manjares & Manjares**  
Counsel for AEC  
No. 5 Saint Anne Street, President Villages, Marikina City
- 2. Office of the Solicitor General**  
134 Amorsolo Street, Legaspi Village,  
Makati City, Metro Manila
- 3. Commission on Audit**  
Commonwealth Avenue  
Quezon City, Metro Manila
- 4. Senate Committee on Energy**  
GSIS Building, Roxas Boulevard  
Pasay City, Metro Manila
- 5. House Committee on Energy**  
Batasan Hills, Quezon City, Metro Manila
- 6. National Electrification Administration (NEA)**  
NIA Road, Diliman, Quezon City
- 7. Angeles Electric Corporation (AEC)**  
Don Juan D. Nepomuceno Avenue corner  
Teresa Avenue, Nepo Mart Complex, Angeles City
- 8. Office of the City Mayor**  
Angeles City, Pampanga



ENERGY REGULATORY COMMISSION - PHILIPPINES

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

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ERC Certificate No. CPCN-08-20

# 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

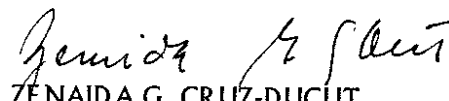
after having duly considered the application filed in ERC Case No. 2008-060 MC for the issuance of Certificate of Public Convenience and Necessity to continue operating the electric light, heat and power system in Angeles City, Pampanga and the evidence submitted in support thereof, has rendered a decision on September 15, 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

## ANGELES ELECTRIC CORPORATION


this CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY which shall be valid from June 19, 2009 to June 19, 2034 subject to the rules and regulations issued by the Commission in accordance with law.


Given at Pasig City, Philippines, this 15<sup>th</sup> day of September 2008.

  
ZENAIDA G. CRUZ-DUCUT  
Chairperson

  
RAUF A. TAN  
Commissioner

(On Official Travel)  
MARIA TERESA A.R. CASTAÑEDA  
Commissioner

  
ALEJANDRO Z. BARIN  
Commissioner

  
JOSE C. REYES  
Commissioner

Attested by:

  
ATTY. FRANCIS SATURNINO C. JUAN  
Executive Director III