

EPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE, PASIG CITY

IN THE MATTER OF THE APPLICATION
FOR THE APPROVAL OF THE
AGREEMENT FOR THE SUPPLY OF
ELECTRIC POWER BETWEEN
CANTINGAS MINI-HYDRO POWER
CORPORATION (CHPC) AND
ROMBLON ELECTRIC COOPERATIVE,
INC. (ROMELCO), WITH PRAYER FOR
PROVISIONAL AUTHORITY

ERC CASE NO. 2010-052RC

ROMBLON ELECTRIC COOPERATIVE,
INC. AND CANTINGAS MINI-HYDRO
POWER CORPORATION,

Applicants.

X-----X

APPLICATION

Applicants Romblon Electric Cooperative, Inc. ("ROMELCO") and CANTINGAS MINI-HYDRO POWER CORPORATION ("CHPC"), by undersigned counsel, respectfully state:

I. THE APPLICANTS

1. Romblon Electric Cooperative, Inc. is a non-stock, non-profit electric cooperative organized and existing under and by virtue of P.D. 269, as amended, with office address at Capaclan, Romblon, Romblon. ROMELCO has been granted a franchise by the National Electrification Administration ("NEA") to distribute electric service in the municipalities of Romblon, San Fernando, Cajidiocan, and Magdiwang, all in the province of Romblon (the "Franchise Area").

Copies of relevant documents proving the due incorporation, registration and permit to operate of ROMELCO as a distribution utility are attached herewith as follows:

Document	Annex
<i>Articles of Incorporation</i>	A
<i>By-laws</i>	B
<i>NEA Certificate of Registration</i>	C
<i>Certificate of Franchise</i> issued by the National Electrification Commission	D

2. CHPC is a corporation duly organized and existing under the laws of the Republic of the Philippines and established to invest, develop, construct, operate and maintain Mini-Hydro Power Plant in the country, with principal office address at Taclobo, San Fernando, Romblon.

Attached are copies of relevant documents proving the due incorporation, registration and permit to operate of CHPC as a generation company, as follows:

Document	Annex
<i>SEC Certificate of Incorporation</i>	E
<i>Articles of Incorporation</i>	E-1
<i>General Information Sheet</i>	E-2
<i>Certification on Non-Registration with the Board of Investments</i>	F
<i>Certificate of Non-Coverage (CNC)DENR</i>	G
<i>Certificate of Compliance ("COC")</i>	H
Mini-Hydro Electric Power Development Operating Contract	I

The Applicants may be served orders and other processes through the undersigned counsel in his address indicated herein below.

II. NATURE OF THE APPLICATION

3. This Application is submitted to the Honorable Commission for its review and approval of the Power Supply Agreement (PSA), dated November 21, 2009, executed by ROMELCO and CHPC.

A copy of the PSA is attached hereto as **Annex "J."** Likewise, copy of the Executive Summary of the said PSA is hereto attached and duly marked as **Annex "J-1"**.

Also attached herewith as **Annexes "K" and "K-1"** are the respective board resolutions of ROMELCO and CHPC approving the execution of the PSA by the parties.

III. COMPLIANCE WITH PRE-FILING REQUIREMENTS

4. In compliance with Rule 6 of the ERC Rules of Practice and Procedure, applicants have furnished the respective legislative bodies of the local government units within the Franchise Area, and the *Sangguniang Panlalawigan* of Romblon, with a copy of the instant Application, all its annexes and accompanying documents.

Certifications from the Presiding Officer or Secretary of the legislative bodies of the Franchise Area and of the *Sangguniang Panlalawigan* of Romblon, or their duly authorized representatives, attesting to the fact of such service will be attached hereto as follows:

Certification of Presiding Officer/Duly Authorized Representative	Annex
Romblon	L
Cajidiocan	L-1
San Fernando	L-2
Magdiwang	L-3
Sangguniang Panlalawigan of Romblon	L-4

5. Furthermore, Applicants have caused the publication of the present Application in its entirety in the Romblon Text, a newspaper of general circulation in ROMELCO's franchise area.

The corresponding Affidavit of Publication and the newspaper issue containing the published application will be attached hereto as follows:

Document	Annex
Affidavit of Publication	M
Romblon Text Newspaper	M-1

IV. STATEMENT OF FACTS

6. ROMELCO is an electric cooperative engaged in the distribution of electricity, light, heat and power in the Province of Romblon and CHPC has recognized the need of ROMELCO to ensure the quality, reliability, dependability and affordability of supply of electric power to its franchise area for the better service to the member-consumers and contributes for the socio-economic development of the community it served. CHPC also recognized the available potential of renewable source of power in the franchise area of ROMELCO, more particularly in Sibuyan Island, which abound a lot of rivers which can be harness into a hydro power source. Pursuant to the policy of the state declared in Republic Act No. 7156, otherwise known as the Mini-hydro Electric Power Incentive Act, CHPC is willing to put an investment to develop, construct, operate and maintain Mini-Hydro Power Plant to supply the power needs of ROMELCO. On the other hand, ROMELCO has also recognized the willingness of CHPC for the development of the Mini-Hydro and the benefits it can offer to its member-consumers and agreed to purchase power from CHPC under the stipulations in the PSA.

V. ABSTRACT OF THE PSA AND RELATED INFORMATION

7. The following are the salient features of the PSA:

7.1 Term. The PSA shall be for a period of thirty (30) years effective on the commencement of commercial operation of the mini-hydro power plant as declared by CHPC.

7.2. Volume. Under the PSA, ROMELCO agrees to pay for whatever energy it has taken from the mini-hydro power plant as measured at the delivery point/s.

7.3. Energy Rates and Payment. CHPC shall sell the energy output from the mini-hydro power plant to ROMELCO which the latter agrees to buy, at a price per kilowatt-hour (kwh) lower than the Subsidized/Approved Generation Rate (SAGR) of NPC-SPUG approved by ERC at the first year reckoned from start of the commercial operation date of

CHPC's mini hydro power plant. The selling rate per kwh shall be fixed for five (5) years, to be reckoned from the date of the commercial operation of the Mini-Hydro Power Plant. However, if an extraordinary event happens within the period, that would require for additional investment by CHPC to the Mini-Hydro Power Plant, CHPC shall be allowed to adjust its rate subject to the approval of ERC to recover its investment. Further, after the said period, the parties shall meet again to negotiate for the appropriate price cap to be imposed on CHPC's selling rate to ROMELCO. The manner of payment provides that CHPC shall send billing to ROMELCO within five (5) days after the photograph of the electric meter reading is taken on the 25th day of each month and such billing shall be due and payable without the necessity of further notice on or before the 30th day of immediately succeeding month from the time the bill is swerved on ROMELCO. Payment shall be made by ROMELCO to the principal office of CHPC which will be established in San Fernando, Romblon or to an authorized collector of the latter.

ROMELCO shall be entitled to a two percent (2%) prompt payment discount on the total monthly bill due provided that the total monthly bill is paid in full on or before the fifteenth (15th) day of the month immediately following the billing period and provided that ROMELCO has no unpaid power bill account including interests and other charges. Notwithstanding this prompt payment discount, ROMELCO shall, however, ensure the prompt release of the electricity fees. On the other hand, if ROMELCO fails to pay any power bill or account after it become due and payable, such overdue account shall bear a basic penalty interest payment equivalent to eight (8%) percent per annum reckoned from the first day it become due and payable. Interest of overdue accounts shall be computed based on a 360-day year.

If ROMELCO disputes the amount specified in any billing, it shall so inform CHPC in writing within seven (7) days from receipt of such invoice or statement of account. If the dispute is not resolved by the due date, ROMELCO shall pay the undisputed amount on or before such due date and the disputed amount shall be resolved within fourteen (14) days after the due date for such invoice or statement of account. Any sum paid by ROMELCO as a result of the resolution of such dispute shall be paid together with interest (Treasury Bill Rate).

Attached as **Annex "N"** is an Energy Rates and Payment Provisions. The Impact on Overall Rate of ROMELCO, both Summary and in Detail, are likewise attached and duly marked as **Annex "N-1"** and **Annex "N-2"**. The Financial Evaluation and WACC basis (Sources of Funds and Rate) for Cantingas Mini-Hydro Projects, consisting of eight (8) pages, is also attached and marked as **Annex "N-3"**. The Total Project Cost, as summarized and adjusted, is attached and marked as **Annex "N-4"**. It was further updated as shown in the Adjusted Works of Different Work Component, duly marked as **"N-4-a"**. The Summary of Financial Analysis and the Financial Internal Rate of Return of the Project are attached and marked as **Annex "N-5"** and **Annex "N-6"**, respectively. The Cantingas Mini-Hydro Projects will be financed through additional investments of shareholders. The Auditors' Report and Financial Statements for the years 2007 and 2008 are likewise attached and marked as **Annex "N-7"**.

8. **Characteristics of the power capability.** The power plant initial capacity is 900 kw with provision for additional 450 kw not later than 5 years from initial commercial operation date.

The relevant technical specifications of the brand new Hydro Generating Sets are specifically described in **Annex "O"**.

The WEIR Operation and Maintenance Procedures for Cantingas Mini-Hydro Project is hereto attached and marked as **Annex "O-1"**. A

Certificate of Endorsement issued by the Department of Energy is likewise attached as **Annex "O-2"**;

9. **ROMELCO made an initial investment to CHPC.** ROMELCO was granted a short-term loan facility last January 21, 2010 by the Rural Electrification Financing Corporation in the amount of Four Million Thirty Six Thousand Six Hundred Fifty Five Pesos (P 4,036,655.00) to augment the loan funds received from NEA for the restoration of damages caused by typhoon Feria, as shown in the attached Certification dated February 11, 2010, duly marked as **Annex "P"** and the Loan Amortization Schedule as **Annex "P-1"** . Previously, the National Electrification Administration extended a loan to ROMELCO amounting to Eleven Million One Hundred Twenty Three Thousand Nine Hundred Fifty Six & 12/100 Pesos (P11,123,956.12) for the restoration of damages sustained by Cantingas Mini-Hydro Project caused by Typhoon "Feria" , as evidenced by a Certification dated February 11, 2010 and duly marked as **Annex "P-2"**, the Contract of Loan as **Annex "P-3"**, the NEA Loan Recommendation and Approval Document as **Annex "P-4"** , and the Tentative Schedule of Amortization as **Annex "P-5"**. Originally, the Development Bank of the Philippines (DBP) has granted ROMELCO a Term Loan of Seventy Three Million Five Hundred Thousand Pesos (P73,500,000.00) as shown in the attached certification **Annex "P-6"** and loan amortization schedule as **Annex "P-7"**. The proceeds of the said loans were invested to the Cantingas Mini-Hydro Power Corporation (CHPC) to be used to finance the mini-hydro project.

VI. ISSUANCE OF A PROVISIONAL AUTHORITY

10. **Provisional Authority under the Rules.** Under Rule 14 of the ERC Rules of Practice and Procedures, the Honorable Commission is authorized to issue a provisional authority or interim relief prior to a final decision in the instant Application, provided that the facts and circumstances alleged warrant such remedy.

11. **Factual Grounds for issuance of Provisional Authority.** Applicants respectfully submit that the following facts and circumstances clearly

warrant the issuance by the Honorable Commission of provisional authority or interim relief in the instant Application.

11.1. Subsidized/Approved Generation Rate (SAGR) of NPC-SPUG will be eliminated. In order for NPC-SPUG to immediately use the subsidy of ROMELCO to other places that most needed the subsidy, applicants are constrained to ask the Honorable Commission for a provisional approval of the instant Application pending the issuance of a final order or decision.

11.2. Inability of ROMELCO to avail of incentives under the PSA without provisional approval. Pending final resolution of the pending application and without a provisional authority granted, ROMELCO will be unable to avail of the advantages granted to it under its PSA with CHPC, such as:

- a. Savings for ROMELCO and its customers, as CHPC's generation rate under the PSA is affordable considering that the source of energy is hydro;
- b. Prompt Payment Discounts offered by CHPC under the PSA, which further makes more competitive and advantageous for ROMELCO and its customers; and
- c. Incentives and benefits availed under the Mini-Hydro Electric Power Incentive Act (R.A. No. 7156) by CHPC and transferred to ROMELCO through the PSA.

11.3. ROMELCO will be assured of quality, reliability and dependability of supply of electric power. Considering the availability of renewable source of power in the franchise area of ROMELCO, more specifically in Sibuyan Island, which abound a lot of rivers, the supply of electric power is ensure.

11.4. Legal Basis for the Grant of Provisional Authority. Applicants likewise respectfully submit that Section 3, Rule 14 of the Honorable Commission's Rules of Practice and

Procedure clearly provides legal basis for the grant of provisional authority, as it expressly states that “motions for provisional authority or interim relief may be acted upon with or without hearing.”

The aforesaid rule further provides that the Honorable Commission shall act on the motion on the basis of the allegations of the application or petition and other evidences that the Applicants have submitted and the comments filed by any interested person, if there be any.

The authority of the Honorable Commission to grant a provisional authority has been clearly affirmed by the Supreme Court in the case of *Freedom from Debt Coalition vs. Energy Regulatory Commission* (432 SCRA 157) where the Supreme Court has stressed that the Honorable Commission is endowed with the statutory authority to approve provisional rate adjustments under the aegis of Sections 44 and 80 of the Electric Power Industry Reform Act, in relation to Section 16 (c) of the Public Service Act and Section 8 of E.O. No. 172.

Verily, in the *Freedom from Debt Coalition* case, when confronted with the issue of whether the Honorable Commission exercised grave abuse of discretion in granting provisional rate adjustment, the Supreme Court emphasized that “like Section 16 (c), C.A. No. 146 and Section 8, E.O. No. 172, Section 4 (e), Rule 3 of the IRR does not require the conduct of a hearing prior to the issuance of a provisional order.”

The Supreme Court only emphasized that, as a prerequisite to such issuance, the Honorable Commission should consider also the comments of the consumers and the local government units concerned on the application which were filed within thirty (30) days from their receipt of a copy of the application or the publication thereof. In other words, the Honorable Commission must wait for thirty (30) days from service of copies of the

application on the interested parties or from the publication of such application before it can issue a provisional order.

Considering the foregoing, there is clear and sufficient basis that the issuance of a provisional authority or interim relief pending the issuance of a final order or decision in the instant Application is imperative.

12. In view of all the foregoing, Applicants respectfully submit the instant Application for the approval of the Power Supply Agreement between CHPC and ROMELCO for the Honorable Commission's urgent and utmost consideration.

PRAYER

WHEREFORE, premises considered, the Applicants most respectfully pray that this Honorable Commission issue an order:

1. Granting provisional approval/authority for the parties to implement the provisions of the PSA pending the issuance of a final resolution in the instant Application;
2. Allowing ROMELCO to reflect the rate provided in the PSA to its end-users; and
3. Approving the PSA dated 21 November 2009 entered into between ROMELCO and CHPC.

Other reliefs just and equitable are likewise prayed for.

Cainta, Rizal for Pasig City, April 16, 2010.

ARNIDO O. INUMERABLE

Counsel for the Applicants
405 Elisa Street, U.E. Village,
Cainta, Rizal 1900
Tel. No. 6473056;
E Mail attyinumerable @ yahoo. com.
ph
IBP No. 813345, 1-20-10, Pasig
PTR No. 3238782, 1-21-10, Q.C.
Roll of Attorneys No. 218764
MCLE Compliance II No. 0015415

**VERIFICATION AND CERTIFICATION
AGAINST FORUM SHOPPING**

I, **CYRIL A. TANSIONGCO**, of legal age, Filipino, married and residing at Poblacion Magdiwang, Romblon, after being sworn in accordance with law, depose and say that:

1. I am the authorized representative of Romblon Electric Cooperative, Inc. (ROMELCO), co-applicant in the instant case;
2. In my capacity as such, and being the duly authorized officer of ROMELCO (Corporate Secretary's Certification attached herewith), I have caused the preparation of the foregoing Application and have read the contents thereof;
3. All the allegations therein are true and correct of my own personal knowledge and belief, and based on authentic corporate records of ROMELCO;
4. I attest to the authenticity of the attached documents;
5. I further certify that:
 - a. ROMELCO has not commenced any action or proceeding involving the same issued in the Supreme Court, the Court of appeals or different divisions thereof, or any other tribunal or agency;
 - b. To the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal or agency; and
 - c. Should I subsequently learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal or agency, I shall notify this court within five (5) days from such notice.

IN WITNESS WHEREOF, I have signed this Verification and Certification Against Forum-Shopping on the ____ day of _____, 2010 at Romblon, Romblon.

CYRIL A. TANSIONGCO
Affiant

SUBSCRIBED AND SWORN to before me this ____ day of _____,
2010 at _____, affiant exhibiting to me his **Community Tax
Certificate No. 27134027** issued at **Magdiwang, Romblon** on **January 21,
2010**.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2010.

VERIFICATION AND CERTIFICATION

I, **ENGR. RENE M. FAJILAGUTAN**, of legal age, Filipino, married and residing at Capaclan, Romblon, Romblon, after being sworn in accordance with law, depose and say that:

1. I am the authorized representative of Cantingas Mini Hydro Power Corporation Cooperative, Inc. (CHPC), co-applicant in the instant case;
2. In my capacity as such, and being the duly authorized officer of CHPC (Corporate Secretary's Certification attached herewith), I have caused the preparation of the foregoing Application and have read the contents thereof;
3. All the allegations therein are true and correct of my own personal knowledge and belief, and based on authentic corporate records of CHPC;
4. I attest to the authenticity of the attached documents;
5. I further certify that:
 - a. CHPC has not commenced any action or proceeding involving the same issued in the Supreme Court, the Court of appeals or different divisions thereof, or any other tribunal or agency;
 - b. To the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal or agency; and
 - c. Should I subsequently learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals or different divisions thereof, or any other tribunal or agency, I shall notify this court within five (5) days from such notice.

IN WITNESS WHEREOF, I have signed this Verification and Certification on the ____ day of _____, 2010 at Romblon, Romblon.

ENGR. RENE M FAJILAGUTAN
Affiant

SUBSCRIBED AND SWORN to before me this ____ day of _____,
2010 at _____, affiant exhibiting to me his **Community Tax
Certificate No. 27347842** issued at **Romblon, Romblon** on **February 1, 2010**.

Notary Public

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2010.

SECRETARY'S CERTIFICATE

I, **ANTHONY G. RUGAS**, after having been duly sworn according to law, hereby depose and state that:

1. I am a Filipino citizen, of legal age, and a resident of Romblon, Romblon;

2. I am the Board of Directors Secretary of Romblon Electric Cooperative, Inc. (ROMELCO), a non-profit electric cooperative duly organized and existing under and by virtue of the laws of the Philippines;

3. At the meeting of the Board of Directors of ROMELCO held on September 27, 2009, the following resolutions were unanimously passed and approved:

RESOLVED, AS IT IS HEREBY RESOLVED, that ROMELCO authorizes the filing with the Energy Regulatory Commission (ERC) of an application for approval of the Power Supply Agreement (PSA) entered into by ROMELCO with Cantingas Mini-Hydro Power Corporation (CHPC);

RESOLVED FURTHER, AS IT IS HEREBY RESOLVED, that ATTY. ARNIDO O. INUMERABLE be authorized to file the application for approval of the PSA with the ERC and to represent ROMELCO and appear for and on its behalf in all proceedings, meetings, discussions before the ERC, with authority:

- a. To represent ROMELCO in the pre-trial conference or mediation of said case, with full power to settle, dismiss and compromise, either partially or totally; and to consider: (1) the possibility of amicable settlement or a submission to arbitration, mediation or other modes of alternative dispute resolution; (2) the simplification of the issues; (3) the necessity or desirability of amendments to the pleadings; (4) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (5) the limitation of the number of witnesses; (6) the advisability of a preliminary reference of issues to a commissioner; and (7) such other matters as may aid in the prompt disposition of the case including the authority to sign and bind ROMELCO to any

compromise agreement or settlement; and,

- b. To do and perform on my behalf any act and deed relating to the case/s, which ROMELCO could legally do and perform, including any appeals or further legal proceedings.

RESOLVED FURTHERMORE, that MR. CYRIL A. TANSIONGCO, Board President, be appointed, as he is hereby appointed, attorney-in-fact of ROMELCO to represent ROMELCO and appear for and on its behalf in all proceedings, meetings and discussions before the ERC, with authority:

- a. To represent ROMELCO in filing with the ERC an application for approval of the PSA entered into by ROMELCO with CHPC;
- b. To execute, sign and obtain any document, including the verification and certificate of non-forum shopping, that may be required in the filing of the said application;
- c. To represent ROMELCO in the pre-trial conference or mediation of said case with full power to settle, dismiss and compromise, either partially or totally; and to consider (1) the possibility of an amicable settlement or a submission to arbitration, mediation or other modes of alternative dispute resolution; (2) the simplification of the issues; (3) the necessity or desirability of amendments to the pleadings; (4) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (5) the limitation of the number of witnesses; (6) the advisability of a preliminary reference of issues to a commissioner; and (7) such other matters as may aid in the prompt disposition of the case including the authority to sign and bind ROMELCO to any compromise agreement or settlement;

- d. To execute, sign and obtain any bond that may be required in said case from any bonding or insurance company and to sign any document necessary to obtain said bond; and
- e. To do and perform on my behalf any act and deed relating to the case/s which ROMELCO could legally do and perform, including any appeals or further legal proceedings.

4. These Board Resolution effectively revoked the resolutions previously passed by ROMELCO's Board regarding the appointment of ROMELCO's counsel and attorney-in-fact. These resolutions have not been revoked, amended or modified, and remain valid and bind on ROMELCO.

5. The foregoing is in accordance with the records of ROMELCO.

ANTHONY G. RUGAS
Board of Directors Secretary

SUBSCRIBED AND SWORN to before me this ____ day of _____, _____, affiant exhibiting to me his Community Tax Certificate No. _____, issued at _____ on _____.

Notary Public

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 20__.

SECRETARY'S CERTIFICATE

I, **VICTORIO F. BENEDICTO**, after having been duly sworn according to law, hereby depose and state that:

1. I am a Filipino citizen, of legal age, and a resident of Romblon, Romblon;

2. I am the Corporate Secretary of Cantingas Mini-Hydro Power Corporation (CHPC), a domestic corporation duly organized and existing under and by virtue of the laws of the Philippines;

3. At the meeting of the Board of Directors of CHPC held on September 27, 2009 at Romblon, Romblon, the following resolutions were unanimously passed and approved:

RESOLVED, AS IT IS HEREBY RESOLVED, that CHPC authorizes the filing with the Energy Regulatory Commission (ERC) of an application for approval of the Power Supply Agreement (PSA) entered into by CHPC with ROMELCO;

RESOLVED FURTHER, AS IT IS HEREBY RESOLVED, that ATTY. ARNIDO O. INUMERABLE be authorized to file the application for approval of the PSA with the ERC and to represent CHPC and appear for and on its behalf in all proceedings, meetings, discussions before the ERC, with authority:

- a. To represent CHPC in the pre-trial conference or mediation of said case, with full power to settle, dismiss and compromise, either partially or totally; and to consider: (1) the possibility of amicable settlement or a submission to arbitration, mediation or other modes of alternative dispute resolution; (2) the simplification of the issues; (3) the necessity or desirability of amendments to the pleadings; (4) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (5) the limitation of the number of witnesses; (6) the advisability of a preliminary reference of issues to a commissioner; and (7) such other matters as may aid in the prompt disposition of the case including the authority to sign and bind CHPC to any compromise agreement or settlement; and,

- b. To do and perform on my behalf any act and deed relating to the case/s, which CHPC could legally do and perform, including any appeals or further legal proceedings.

RESOLVED FURTHERMORE, that ENGR. RENE M. FAJILAGUTAN, President/Chief Executive Officer, be appointed, as he is hereby appointed, attorney-in-fact of CHPC to represent CHPC and appear for and on its behalf in all proceedings, meetings and discussions before the ERC, with authority:

- a. To represent CHPC in filing with the ERC an application for approval of the PSA entered into by CHPC with ROMELCO;
- b. To execute, sign and obtain any document, including the verification and certificate of non-forum shopping, that may be required in the filing of the said application;
- c. To represent CHPC in the pre-trial conference or mediation of said case with full power to settle, dismiss and compromise, either partially or totally; and to consider (1) the possibility of an amicable settlement or a submission to arbitration, mediation or other modes of alternative dispute resolution; (2) the simplification of the issues; (3) the necessity or desirability of amendments to the pleadings; (4) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (5) the limitation of the number of witnesses; (6) the advisability of a preliminary reference of issues to a commissioner; and (7) such other matters as may aid in the prompt disposition of the case including the authority to sign and bind CHPC to any compromise agreement or settlement;
- d. To execute, sign and obtain any bond that may be required in said case from any bonding or insurance company and to sign any document necessary to obtain said bond; and

e. To do and perform on my behalf any act and deed relating to the case/s which CHPC could legally do and perform, including any appeals or further legal proceedings.

4. These Board Resolution effectively revoked the resolutions previously passed by CHPC's Board regarding the appointment of CHPC's counsel and attorney-in-fact. These resolutions have not been revoked, amended or modified, and remain valid and bind on CHPC.

5. The foregoing is in accordance with the records of CHPC.

VICTORIO F. BENEDICTO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of _____, _____, affiant exhibiting to me his **Community Tax Certificate No. 27349802** issued at **Romblon, Romblon** on **March 23, 2010**.

Doc. No. ____;
Page No. ____;
Book No. ____;
Series of 2010.