

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

**IN THE MATTER OF THE APPLICATION
FOR THE APPROVAL OF NORTHEASTERN
TRANSMISSION DEVELOPMENT
PROJECT (MAGAPIT CAPACITOR), WITH
PRAYER FOR THE ISSUANCE OF
PROVISIONAL AUTHORITY**

ERC CASE No. 2010-056RC

**NATIONAL GRID CORPORATION OF
THE PHILIPPINES,**

Applicant.

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APPLICATION

Applicant **NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP)**, by counsel to this Honorable Commission, respectfully states that:

1. NGCP is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building Quezon Avenue corner BIR Road, Diliman, Quezon City. It is the corporate vehicle of the consortium which was awarded the concession to assume the power transmission functions of the National Transmission Corporation (TRANSCO) pursuant to Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA).

2. Under Republic Act No. 9511, entitled: *"An Act Granting the National Grid Corporation of the Philippines A Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-bone System or Interconnected Transmission Lines, Substations and Related Facilities, and For Other Purposes"*, NGCP was granted a franchise to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair and refurbish the present nationwide transmission system of the Republic of the Philippines.

3. On 15 January 2009, NGCP assumed transmission functions of TRANSCO including the operation, management and maintenance of the nationwide electrical grid.

4. In accordance with its mandate to ensure and maintain the quality, reliability, adequacy, security, stability and integrity of the Grid, NGCP seeks authority from this Honorable Commission to implement the Northeastern Transmission Development Project, which involves the immediate installation of 69 kV capacitor bank at Magapit load-end Substation of CAGELCO as the immediate or short-term solution to improve the system voltage within limit prescribed under the Philippine Grid Code.. This is intended to provide voltage support that will improve the power quality in the short-term and reliability of supply in the long-term, particularly in the province of Cagayan, which is presently being served by a relatively long (more than 100 km) 69 kV subtransmission line. It will also serve as the first stage of the two stage transmission development of the Northeastern part of the Luzon Grid, which will eventually call for the implementation of the new 78 km Tuguegarao-Magapit 230 kV transmission line including the new Magapit Substation in the future.

5. In support of this Application, NGCP hereby submits to this Honorable Commission the following documents:

SUPPORTING DOCUMENTS	ANNEXES
1. Project Description	Annex A
2. Rationale	Annex B
3. Historical & Projected Planning Data	Annex C
4. Technical Study	Annex D
5. Conceptual Design/Layout	Annex E
6. Project Cost Estimate and Disbursement Schedule	Annex F
7. Implementation Schedule	Annex G
8. ROW & Relocation Cost Estimate	Annex H
9. Asset Categories	Annex I
10. Regulatory Information	Annex J
11. Secretary's Certificate, 23 February 2010	Annex K

6. Moreover, the project is included in ERC Case No. 2009-180RC¹ as part of NGCP's annual capital expenditure forecast and requires an immediate regulatory approval. Thus, NGCP moves for the issuance of a provisional authority in order for the project to be immediately implemented. Copies of the affidavits in support thereof are hereto attached as Annexes "L" and "M".

¹ In the Matter of the Application for the Approval of the Maximum Allowable Revenue for the Third Regulatory Period (2011 to 2015) of the National Grid Corporation of the Philippines (NGCP) During the Regulatory Reset Process for the Third Regulatory Period in Accordance With the Alternative Form of Rate Setting Methodology Under the Rules in Setting the Transmission Wheeling Rates (RTWR), National Grid Corporation of the Philippines (NGCP), Applicant.

PRAYER

WHEREFORE, the NGCP most respectfully prays that this Honorable Commission:

1. **ISSUE**, immediately upon filing of the Application, a Provisional Authority for the implementation of the Northeastern Transmission Development Project (Magapit Capacitor).
2. **APPROVE**, after notice and hearing, the Application for the implementation of Northeastern Transmission Development Project (Magapit Capacitor) and render judgment making provisional approval permanent.

NGCP prays for such further and other relief as may be deemed just and equitable under the premises

Quezon City for Pasig City, 25 May 2010.

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