

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

**IN THE MATTER OF THE APPLICATION
FOR THE APPROVAL OF LUZON
SUBSTATION RELIABILITY PROJECT - 1,
WITH PRAYER FOR THE ISSUANCE OF
PROVISIONAL AUTHORITY**

ERC CASE No. 2010-057RC

**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 Luzon Substation Reliability Project - 1, which involves the supply and installation of two 50 MVA power transformers capacity and deployment/hauling and installation of four power transformers with total capacity of 220 MVA to various substations in the Luzon Grid. This is intended to provide service reliability to identified substations, which are being operated with only a single transformer unit and avert power interruptions to the customers during single outage or N-1 contingency condition at the said substations.

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. Asset Categories	Annex H
9. Regulatory Information	Annex I
10. Secretary's Certificate, 23 February 2010	Annex J

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 "K" and "L".

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 Luzon Substation Reliability Project - 1.
2. **APPROVE**, after notice and hearing, the Application for the implementation of Luzon Substation Reliability Project - 1 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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