

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

**IN THE MATTER OF THE APPLICATION  
FOR THE APPROVAL OF RELIABILITY  
COMPLIANCE PROJECT 1- MINDANAO  
(PHASE III- MINDANAO SHUNT  
REACTORS AND CAPACITORS), WITH  
PRAYER FOR THE ISSUANCE OF  
PROVISIONAL AUTHORITY**

**ERC CASE No. 2010-059RC**

**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 Reliability Compliance Project 1- Mindanao (Phase III – Mindanao Shunt Reactors and Capacitors), which involves the installation of 138 kV Shunt Reactors and Capacitors Banks to improve the system voltage at Bislig and Sta. Clara Substations within the limit prescribed by the Philippine Grid Code. This is intended to improve the efficiency of transmission system in the Mindanao Grid and preserve the power quality to the electricity end users in the provinces of Zamboanga del Sur, Zamboanga del Norte, Davao Oriental, Agusan del Sur and Surigao del Sur.

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

<b>SUPPORTING DOCUMENTS</b>	<b>ANNEXES</b>
1. Project Description	Annex A
2. Rationale	Annex B
3. Technical Study	Annex C
4. Conceptual Design/Layout	Annex D
5. Project Cost Estimate and Disbursement Schedule	Annex E
6. Implementation Schedule	Annex F
7. Asset Categories	Annex G
8. Regulatory Information	Annex H
9. Secretary's Certificate dated 23 February 2010	Annex I

6. Moreover, the project is included in ERC Case No. 2009-180RC<sup>1</sup> 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 "J" and "K".

### **PRAYER**

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

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<sup>1</sup> 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.

1. **ISSUE**, immediately upon filing of the Application, a Provisional Authority for the implementation of the Reliability Compliance Project 1 – Mindanao (Phase III – Mindanao Shunt Reactors and Capacitors); and

2. **APPROVE**, after notice and hearing, the Application for the implementation of the Reliability Compliance Project 1 – Mindanao (Phase III – Mindanao Shunt Reactors and Capacitors) 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, 24 May 2010.

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