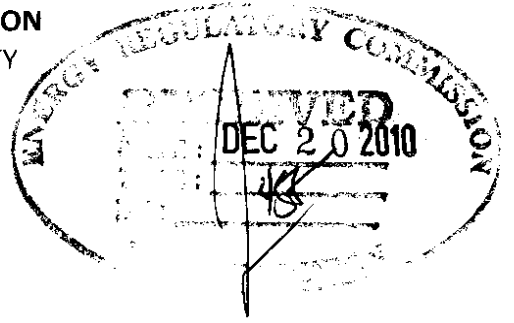


REPUBLIC OF THE PHILIPPINES  
ENERGY REGULATORY COMMISSION  
SAN MIGUEL AVENUE, PASIG CITY



IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE POWER SUPPLY AGREEMENT BETWEEN ISABELA I ELECTRIC COOPERATIVE, INC. AND LUCKY PPH INTERNATIONAL, INC. WITH PRAYER FOR PROVISIONAL AUTHORITY.

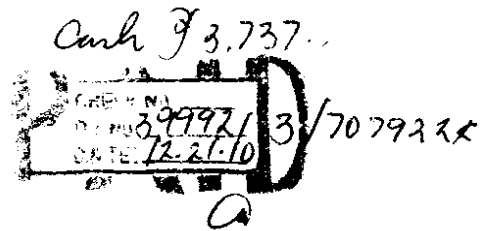
2010-155 RC

ERC CASE NO. \_\_\_\_\_

ISABELA I ELECTRIC COOPERATIVE, INC. AND LUCKY PPH INTERNATIONAL, INC.

Applicants.

X-----X



**APPLICATION FOR THE APPROVAL OF POWER SUPPLY AGREEMENT**

Applicants ISABELA I ELECTRIC COOPERATIVE, INC. ("ISELCO I") and LUCKY PPH INTERNATIONAL, INC. ("LPII"), by respective counsel, respectfully state:

**THE APPLICANTS**

1. ISELCO I is a non-stock, non-profit electric cooperative organized and existing under and by virtue of Republic Act No. 6038 as amended with principal office address at the Municipality of Alicia, Isabela; it was granted a franchise by the National Electrification Administration ("NEA") on 6 June 1979 to operate an electric light and power service for a period of fifty (50) years in the municipalities of Alicia, Angadanan, Cabatuan, Cordon, Echague, Jones, Luna, Ramon, Reina Mercedes, San Agustin, San Guillermo, San Isidro, San Mateo, and cities of Cauayan and Santiago, all in the Province of Isabela (the "Franchise Area").

A copy of ISELCO I's Certificate of Franchise is attached as **Annex "A"**.

2. LPII is a generation company duly authorized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at the National Highway, Barangay Antonino, Alicia, Isabela.

Copies of LPII's Certificate of Registration, Articles of Incorporation, its latest General Information Sheet, latest audited financial statements, and list of shareholders are attached hereto as **Annexes "B," "C," "D," "E," and "F,"** respectively. A copy of LPII's Certificate of Registration with the Board of Investments ("BOI"), issued on 22 October 2010, is also attached as **Annex "G"**.

3. The Applicants may be served orders and other processes through their respective undersigned counsel.

#### **NATURE OF THE APPLICATION**

4. Pursuant to Rule 20 (B) of the ERC Rules of Practice and Procedure ("ERC Rules"), approved by this Honorable Commission on 22 June 2006 in Resolution No. 38, Series of 2006, this Application is submitted to the Honorable Commission for its review and approval of the Power Supply Agreement ("PSA") dated 22 September 2010 executed by and between ISELCO I and LPII.

A copy of the PSA is attached hereto as **Annex "H"**.

#### **COMPLIANCE WITH PRE-FILING REQUIREMENTS**

5. In compliance with Rule 6 of the ERC Rules, Applicants have furnished the respective legislative bodies of the Local Government Units of all the cities and

municipalities where the Applicants principally operate with a copy of the present application with all its annexes and accompanying documents.

Copies of the certifications from the Presiding Officer or Secretary of the legislative bodies of the province of Isabela, the municipalities of Alicia, Angadanan, Cabatuan, Cauayan, Cordon, Echague, Jones, Luna, Ramon, Reina Mercedes, San Agustin, San Guillermo, San Isidro, San Mateo, and Santiago, or their duly authorized representatives, attesting to the fact of such service are attached hereto as **Annexes "I"** to **"I-15,"** respectively.

6. Furthermore, Applicants have caused the publication of the present application in its entirety in The Cagayan Valley Newsweek, a newspaper of general circulation within the franchise area of ISELCO I.

Copies of the corresponding Affidavit of Publication and the newspaper are attached hereto as **Annexes "J"** and **"J-1,"** respectively.

#### **STATEMENT OF FACTS**

7. LPII owns a 3.6 MW Biomass Electric Power Plant (the "Biomass Plant") located in Alicia, Isabela which utilizes rice husks for production of energy. LPII intends to expand the Biomass Plant to an increased capacity of 7.2 MW ("Expansion"). A general technical description of the Biomass Plant is attached as **Annex "K"**.

8. LPII intends to operate and maintain the Biomass Plant for production of energy for sale of power to distribution utilities and electric cooperatives which are duly authorized by law to sell and distribute energy to end consumers.

8.1. Pursuant to Section (6) of the Electric Power Industry Reform Act of 2001 ("EPIRA"), LPII has obtained a Certificate of Compliance ("COC") from this Honorable Commission for the operation of the Biomass Plant. A copy of the COC is attached hereto as "**Annex "L"**".

8.2. In accordance with applicable environmental regulations of the Department of Environment and Natural Resources ("DENR"), LPII also obtained an Environmental Compliance Certificate ("ECC") from the Environmental Management Bureau of the EMB for the operation of the Biomass Plant. A copy of ECC No. ECC-R02-0804-96-9999(a), as amended,<sup>1</sup> is attached as **Annex "M"**.

9. ISELCO I is an electric cooperative authorized to distribute electricity to its Franchise Area. It used to source its electricity requirements for distribution to its end customers from the National Power Corporation ("NPC") pursuant to a Contract for the Supply of Electric Energy ("CSEE") which expired on 25 December 2009.

9.1. In a Letter dated 17 November 2009, ISELCO I requested the NPC to extend the CSEE for six months or until 25 June 2010.

9.2. On 18 December 2009, the Power Sector Assets and Liabilities Management ("PSALM") responded to ISELCO I's request. It explained that on and from 11 May 2009, the power supply contracts of NPC are deemed amended with PSALM replacing NPC as supplier. In this capacity, PSALM informed ISELCO I that it can no longer economically supply the electric power requirements of its existing customers, more so with requests for renewal, extension, and increases in contracted energy. Consequently, PSALM denied ISELCO I's request for

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<sup>1</sup> The ECC was amended on 25 September 2009 to reflect the projected increase in capacity of the Biomass Plant to 7.2 MW.

extension of the CSEE. A copy of PSALM's letter-response dated 18 December 2009 is attached as **Annex "N"**.

10. With the expiration of its CSEE, ISELCO I procures energy for distribution to its end customers through sources other than its CSEE. Currently, ISELCO sources an average of 10% of its requirements from the WESM and the balance through San Miguel Energy Company (SMEC) under a bilateral contract with time-of-use (TOU) rates. The rates for the first six (6) months of the year, including transmission cost, have been as low as PhP5.9/kWh to as high as PhP7.9/kWh.

11. It is noted that in addition to its regular energy requirements for distribution to its end customers, ISELCO I also has specific capacity requirements for maintaining the stability of its distribution system and avoiding overload of its existing substations. This specific energy requirement is necessary to ensure ISELCO I's continued supply of energy to its end-consumers within the Franchise Area.

12. This specific energy requirement of ISELCO I can be addressed by the supply of electricity from LPIL's Biomass Plant. The Biomass Plant is uniquely situated as it is embedded in ISELCO I's distribution system and is the only facility strategically located to supply energy to stabilize the distribution of power. Moreover, the Biomass Plant will add to ISELCO I's renewable energy portfolio in anticipation of the implementation of the Renewable Portfolio Standard ("RPS") as provided for in the Renewable Energy Act of 2008 ("RE Act") requiring all distribution utilities to procure supply from renewable energy sources. LPIL is a registered RE project with the Department of Energy (DOE). A copy of LPIL's RE registration, issued October 23, 2010, is attached as **Annex "O"**.

13. With the strategic location and nature of the Biomass Plant, LPII is the only generation company which can adequately supply the specific capacity requirements of ISELCO I for maintaining stability of its distribution system. For this reason, ISELCO I selected LPII as supplier for the aforesaid required capacity without conducting a public bidding process.

14. On 22 September 2010, after due negotiation, LPII and ISELCO I executed the PSA subject of this present Application for the supply of electricity to ISELCO I under the terms and conditions provided therein.

**ABSTRACT OF THE POWER SUPPLY AGREEMENT  
AND RELATED INFORMATION**

15. **Executive Summary.** The PSA provides that LPII shall supply ISELCO I up to 2.5 MW ("Contracted Energy"), subject to regular payment of fees by ISELCO I to LPII. The Contracted Energy will be increased from 2.5 MW to 5 MW upon completion of the expansion of the Biomass Plant's capacity from 3.6 MW to 7.2 MW. The PSA has an original term of fifteen (15) years, from approval (provisional or final) of the PSA by this Honorable Commission, to terminate automatically once the Feed-in Tariffs (FITs) are implemented. The price of the Contracted Energy is fixed at the rate of five pesos per kilowatt hour (PhP5.00/kWhr), exclusive of transmission charges since the Biomass Plant is embedded in ISELCO I's franchise area, subject to the approval of the Honorable Commission. The PSA allows LPII the discretion to source the energy to be supplied to ISELCO I from sources other than the Biomass Plant as replacement energy.

16. **Salient features of the PSA.** The supply of the Contracted Energy under the PSA shall be subject to the following salient terms and conditions:

16.1. **Term.** The PSA has a term commencing on the date at which an authorization or approval (provisional or otherwise) from the Honorable

Commission takes effect and shall be in full force and effect for a period of fifteen (15) years to terminate automatically once the FITs are implemented. The PSA may be renewed by the Parties upon mutual agreement and subject to such terms and conditions as may be further agreed upon by the Parties. In the event that the Honorable Commission requires an amendment of any provision in the PSA (including the Power Purchase Rate), the Parties will meet for the purpose of reaching an agreement on whether the PSA will become effective as amended by the Honorable Commission's order or will be deemed terminated.

16.2. **Volume.** LPII will originally supply up to 2.5 MW to ISELCO I, which will be later increased to 5 MW upon completion of the Biomass Plant's expansion to 7.2 MW. LPII undertakes to complete the expansion of the Biomass Plant, including the necessary commissioning thereof, within eighteen (18) months from the effectivity of the PSA.

16.3. LPII will connect to the existing distribution line of ISELCO I located in front LPII's facility along the National Highway at Brgy. Antonino, Alicia, Isabela. The metering facility will be located inside LPII's facilities.

16.4. **Purchased Power Rate.** The price of the Contracted Energy shall be Five Pesos per kilowatt hour (PhP5/kWhr), exclusive of transmission charges. The breakdown of the Power Purchase Rate, including sample computations for deriving the same, is attached as **Annex "P"**. The computation of the Power Purchase Rate will be based on energy measured at the metering facility that will be located inside LPII's facility.

(a) **Penalty for Overdue Accounts.** If the account of ISELCO I becomes due and is left unpaid for more than two months, ISELCO I

agrees to pay a penalty of eleven percent (11%) per year for every additional month of delay.

(b) *Billing and Payment Schedule.* The PSA provides that the power consumption of ISELCO I shall be billed and paid monthly, with each "Month" covering the 26<sup>th</sup> of the present calendar month to the 25<sup>th</sup> succeeding calendar month. Consumption for the preceding Month will be computed and billed by LPII within five days after the end of the Month and shall be paid by ISELCO I within thirty (30) days from receipt of the bill. If ISELCO I pays within ten (10) days after receipt of the bill, it shall be entitled to a Prompt Payment Discount ("PPD") equivalent to three percent (3%). If the Biomass Plant does not operate for fifteen (15) days within the Month, Supplier shall shoulder the excess KW demand registered at the consumer's meter.

17. **Rationale of the Purchased Power Rates.** A discussion on the basis or rationale of the Purchased Power Rates is also provided in **Annex "P."**

18. **Sources of Funds/Financial Plans; Cash Flow.** A discussion on LPII's cash flow, including information related thereto, is attached as **Annex "Q"** hereof. A copy of the Land Bank of the Philippines Notice (Southern Cagayan alley Lending Center) Notice of Loan Approval dated 3 August 2010 is also attached as **Annex "Q-1"** hereof.

19. **Sources of Fuel.** The Biomass Plant utilizes rice hull to produce energy. LPII obtains the rice hulls/husks necessary for its operations through several agreements with various owners of rice mills located in the Province of Isabela.

19.1. The agreements between LPII and each rice mill owner states that each rice mill produces approximately 900 tons of rice hulls/husks per month. The rice mill owners seek to dispose of its rice hulls/husks in a manner that is

safe and compliant with environmental laws. Since the rice mill owners do not have the area or facility to manage and dispose of the rice hulls/husks, LPII offers to pick up the rice hulls/husks from the rice mill owners premises and dispose the same for free. The rice hulls/husks are then utilized by LPII for the operation of the Biomass Plant.

19.2. Currently, LPII acquires rice hull at a cost of PhP 7 per 50-kilogram bag or approximately PhP 140 per metric ton. The rice hull is then transported from the source rice mill to LPII’s facility at an average cost of PhP 65 pesos per kilometer or approximately PhP 5,078 per 25-cubic meter truck load transported over an average distance of 25 kilometers. Other relevant costs such as raw material holding, warehousing, spoilage, and other losses are being shouldered by LPII and have been excluded from the cost calculations to enable LPII to offer competitive prices for generated power.

19.3. The agreements of LPII for the supply of rice hulls/husks has a term of fifteen (15) years each, and can only be terminated upon mutual agreement by the parties. A description of the fuel procurement plan of LPII, as well as the copies of the Memoranda of Agreement between LPII and each rice mill owner are attached as Annexes “R”, “R-1”, “R-2”, “R-3”, “R-4”, “R-5”, “R-6”, “R-7”, “R-8”, “R-9”, “R-10”, “R-11”, “R-12”, “R-13”, “R-14”, and “R-15”.

20. **Impact of PSA on ISELCO I’s overall rates.** A summary analysis of the impact of the delivered cost of power from SMEC to ISELCO I compared with the delivered cost of power from LPII to ISELCO I is presented in Annex “S”. The impact is summarized in the table below:

Source of Energy	Average Total Rate/kWh (inclusive of transmission and all other charges)
Primary Energy Source (SMEC)	PhP 6.6258
LPII	PhP 5.0000

Blended Rate	PhP 6.2205
Impact of LPII on ISELCO I rate	(PhP 0.4053)

**PROVISIONAL AUTHORITY**

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

26. **Factual Grounds for issuance of Provisional Authority.** Applicants respectfully submit that the facts and the circumstances of this Application clearly warrant the issuance by the Honorable Commission of provisional authority prayed for.

26.1. **No Committed Supply from NPC.** As evidenced by the certification issued by PSALM dated 18 December 2009, NPC cannot commit the availability of capacity to supply any energy requirements of ISELCO I for the current period due to the ongoing privatization of the NPC generating assets in the Luzon Grid.

26.2. **Power Supply Requirements to Maintain Stable Distribution Systems.** It is noted that ISELCO I has specific energy requirements necessary to maintain the stability of its distribution system. If ISELCO I is unable to meet this specific requirement, it will run the risk of overloading its existing substations which may result in discontinued supply of energy to end consumers within the Franchise Area. The Biomass Plant of LPII is the only facility which can address the energy required by ISELCO I to stabilize its distribution facility

26.3. Based on the load forecast under the Distribution Development Plan (“DDP”) of ISELCO I as of 2004, the load requirements of the Franchise Area

of ISELCO I take into account the capacity that will be produced from the Biomass Plant as a mechanism to maintain continued distribution of energy to ISELCO I's end-consumers. A copy of the DDP as of 2004 and load forecast for 2010 are attached hereto as **Annexes "T" and "U"**, respectively.

26.4. The generation capacity of the Biomass Plant is consistent with the Department of Energy's ("DOE") Power Development Program ("PDP") as indicated in the DOE's Certificate of Endorsement No. 2010-01-01 issued on 27 January 2010. A copy of the DOE Certificate of Endorsement No. 2010-01-01 is attached as **Annex "V"**.

27. In light of the foregoing, the grant of a provisional authority in the instant Application is critically necessary in order to ensure stable continued supply of power to ISELCO I's end users and minimize power interruptions in its Franchise Area.

28. Given the facts and the law surrounding the Application, it is respectfully submitted that the Honorable Commission's immediate issuance of provisional authority for the Applicants to implement the provisions of the PSA is necessary in order to serve the interests of the consuming public and avoid [any/avert total service] interruption to the power supply in the Franchise Area.

#### **PRAYER**

WHEREFORE, in view of all the foregoing, the Applicants most respectfully pray that this Honorable Commission:

- 1) Issue an Order granting provisional approval/authority for the Applicants to implement the provisions of their Power Supply Agreement dated 22 September 2010 between Isabela I Electric Cooperative, Inc. and Lucky PPH

International, Inc. and pending the issuance of a final resolution in the instant Application;

- 2) Approve the Power Supply Agreement dated 22 September 2010 entered into between Isabela I Electric Cooperative, Inc. and Lucky PPH International, Inc.

Other reliefs just and equitable are likewise prayed for.

Pasig City and Makati City for Pasig City, 14 December 2010.

**LERIOS-AMBOY & UYBARRETA**

Counsel for Applicant ISELCO I  
Unit 1609-1610 Tycoon Center  
Condominium, Pearl Drive  
Pasig City

By:



**DITAS A. LERIOS-AMBOY**

Roll No. 40628  
MCLE Compliance III Cert. No. 0006100/  
Nov. 12, 2009  
PTR No. 5914248/ Jan. 6, 2010/ Pasig City  
IBP No. 807570/ Jan. 6, 2010/ RSM

**CARLOS ROMAN L. UYBARRETA**

Roll No. 39013  
MCLE Compliance Cert. No. II-0007174  
PTR No. 5152986/ 01-06-10/ Pasig City  
IBP Lifetime No. 01482/ 01-06-10/ Rizal  
Chapter

**PUYAT JACINTO & SANTOS**

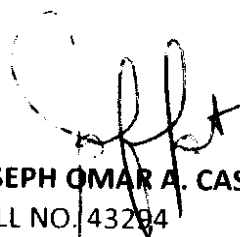
Counsel for Applicant LP11

12/F, VGP Center

6772 Ayala Avenue

Makati City

By:



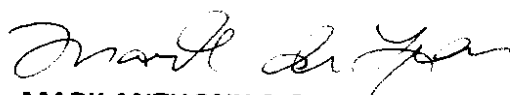
**JOSEPH OMAR A. CASTILLO**

ROLL NO. 43284

IBP LRN 03329/MAKATI CITY

PTR NO. 2087903/1-04-10/MAKATI CITY

MCLE III-0005490/10-19-09



**MARK ANTHONY C. DE LEON**

ROLL NO. 47537

IBP LRN 03024/MANILA II

PTR NO. 5929130/04-14-10/PASIG CITY

MCLE NO. III-0014032/04-23-10

**VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING**

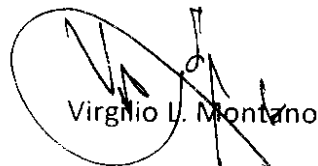
I, VIRGILIO MONTANO, of legal age, with office address at the Main Office of ISABELA I ELECTRIC COOPERATIVE, INC., Victoria, Alicia, Isabela, after having been sworn in accordance with law, hereby depose and state:

1. I am the duly authorized representative of ISABELA I ELECTRIC COOPERATIVE, INC. Attached hereto as proof of such authority is the corresponding Secretary's Certificate.

2. Pursuant to and by virtue of such authority, I caused the preparation of the foregoing Application. I have read its contents and the allegations therein are true and correct and of my personal knowledge, or based on authentic documents.


3. I hereby certify that ISABELA I ELECTRIC COOPERATIVE, INC. has not commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency, and, to the best of my knowledge, no such other action or claim is pending therein. Should I thereafter learn that the same or a similar action or claim has been filed or is pending, I shall report such fact to this Honorable Commission within five (5) days therefrom.

IN WITNESS WHEREOF, I have set my hand this 14<sup>th</sup> day of December 2010.

  
Virgilio L. Montano

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of December 2010 in Alicia, Isa., affiant exhibiting to me his Driver's License No. B02-85-003566 issued at ETO East Av. Q, G, Feb. 4, 2009.

Doc. No. 141 ;  
Page No. 39 ;  
Book No. 08 ;  
Series of 2010.

  
MANUEL A. FERNANDEZ  
Notary Public  
Until December 31, 2010  
PTR No. 0154522  
Issued at Alicia, Isabela  
On Jan. 04, 2010

REPUBLIC OF THE PHILIPPINES )  
Municipality of Alicia ) S.S.  
Province of Isabela )

### SECRETARY'S CERTIFICATE

I, Manuel R. Santos, after having been duly sworn according to law, hereby depose and state that:

1. I am a Filipino Citizen, of legal age with address at National Highway, Barangay Victoria, Alicia Isabela. I am the Board Secretary of Isabela I Electric Cooperative, Inc. (the "Cooperative"), an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines;
2. At the special meeting of the Board of Directors of the Cooperative held on 14 November 2009, during which meeting a quorum was existing and acting throughout, the following resolutions were unanimously passed and approved:

**"RESOLVED**, that Isabela I Electric Cooperative, Inc. (the "Cooperative") be authorized, as it is hereby authorized to file an Application with the Energy Regulatory Commission ("ERC") for the Approval of the Power Supply Agreement between the Cooperative and Lucky PPH International, Inc. ("Application").

**RESOLVED FURTHER**, that the Lerios-Amboy & Uybarreta Law Offices Law Office be authorized:

- a. to file the said Application and to represent the Cooperative and appear for and on its behalf in all proceedings, meetings, discussions before the ERC, to perform any and all acts and deeds and to submit and sign such documents and pleadings necessary to implement this authority;
- b. act as agent of and appear in behalf of the Cooperative in the pre-trial and all proceedings in relation to the said Application, with full power to make commitments and take positions, 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 or time allocated to particular witnesses and issues; (6) the advisability of a preliminary reference of issues to a commissioner; (7) the necessity or desirability of having an expository hearing or consumer forum; (8) procedures at the hearing and hearing schedule; (9) the submission of written testimony and exhibits to be offered and the marking thereof; (10) agreements regarding service of documents; and (11) such other matters as may aid in the prompt disposition of the proceedings;

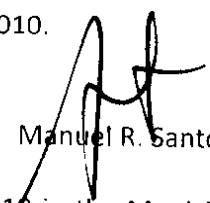
**RESOLVED FINALLY**, that Engr. Virgilio Montano (General Manager of the Cooperative), be appointed, as he is hereby appointed, attorney-in-fact of the Cooperative, with authority:

- a. to represent the Cooperative in filing of the said Application with the ERC;
- b. to execute, sign and obtain any document, including the verification and certification of non-forum shopping, that may

be required in the filing and prosecution of the said Application, as well as any further necessary petitions or appeals;


- c. to do and perform on behalf of the Cooperative any act and deed relating to the case, which the Cooperative could legally do and perform, including the filing of any further necessary petitions or appeals.”
3. These board resolutions have not been revoked, amended, or modified, and remain valid and binding on the Cooperative. The foregoing is in accordance with the records of the Cooperative.

IN WITNESS WHEREOF, I have set my hand this 14 December 2010.

  
Manuel R. Santos

SUBSCRIBED AND SWORN to before me this 14 December 2010 in the Municipality of Alicia, Isabela, affiant exhibiting to me his Driver's License No. 23222444, issued at Reina Mercedes, Isabela on January 6, 2010.

Doc. No. 140 ;  
Page No. 38 ;  
Book No. 28 ;  
Series of 2010.

  
MANUEL A. PADILLA  
Notary Public  
Until December 31, 2010  
PTR No. 0154522  
Issued at Alicia, Isabela  
On January 04, 2010

**VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING**

I, Henry Uy Pua, of legal age, with office address at National Highway, Barangay Antonino, Alicia, Isabela, after having been sworn in accordance with law, hereby depose and state:

1. I am the duly authorized representative of Lucky PPH International, Inc. Attached hereto as proof of such authority is the corresponding Secretary's Certificate.

2. Pursuant to and by virtue of such authority, I caused the preparation of the foregoing Application. I have read its contents and the allegations therein are true and correct and of my personal knowledge, or based on authentic documents.

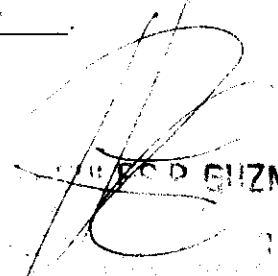
3. I hereby certify that Lucky PPH International, Inc. has not commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency, and, to the best of my knowledge, no such other action or claim is pending therein. Should I thereafter learn that the same or a similar action or claim has been filed or is pending, I shall report such fact to this Honorable Commission within five (5) days therefrom.

IN WITNESS WHEREOF, I have set my hand this \_\_\_\_ day of \_\_\_\_\_ 2010.

  
Henry Uy Pua

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of December 2010 in \_\_\_\_\_, affiant exhibiting to me his Driver's License No. 130695015587, issued at KANKAYAN, ISABELA, on 6-19-10.

Doc. No. 461 ;  
Page No. 93 ;  
Book No. XII ;  
Series of 2010.

  
ROCIO GUZMAN  
UNTE  
PTR NO. \_\_\_\_\_  
IBP NO. \_\_\_\_\_ 2010  
ROLL NO. 32720

REPUBLIC OF THE PHILIPPINES )  
Municipality of Alicia ) S.S.  
Province of Isabela

**SECRETARY'S CERTIFICATE**

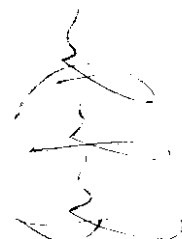
I, **JENNIFER G. DIZON**, after having been duly sworn according to law, hereby depose and state that:

1. I am a Filipino Citizen, of legal age with address at National Highway, Barangay Antonino, Alicia, Isabela. I am the Board Secretary of Lucky PPH International, Inc. (the "Corporation"), a power generation company duly organized and existing under and by virtue of the laws of the Philippines;
2. At the special meeting of the Board of Directors of the Corporation held on January 16, 2010, during which meeting a quorum was existing and acting throughout, the following resolutions were unanimously passed and approved:

**"RESOLVED**, that Lucky PPH International, Inc. (the "Corporation") be authorized, as it is hereby authorized to file an Application with the Energy Regulatory Commission ("ERC") for the Approval of the Power Supply Agreement between the Corporation and Isabela Electric Cooperative, Inc. ("Application")

**RESOLVED FURTHER**, that Puyat, Jacinto and Santos (PJS) Law Office be authorized:

- a. to file the said Application and to represent the Corporation and appear for and on its behalf in all proceedings, meetings, discussions before the ERC, to perform any and all acts and deeds and to submit and sign such documents and pleadings necessary to implement this authority;
- b. act as agent of and appear in behalf of the Corporation in the pre-trial and all proceedings in relation to the said Application, with full power to make commitments and take positions, 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 or time allocated to particular witnesses and issues; (6) the advisability of a preliminary reference of issues to a commissioner; (7) the necessity or desirability of having an expository hearing or consumer forum; (8) procedures at the hearing and hearing schedule; (9) the submission of written testimony and exhibits to be offered and the marking thereof; (10) agreements regarding service of documents; and (11) such other matters as may aid in the prompt disposition of the proceedings;



**RESOLVED FINALLY**, that Henry U. Pua, be appointed, as he is hereby appointed, attorney-in-fact of the Corporation, with authority:

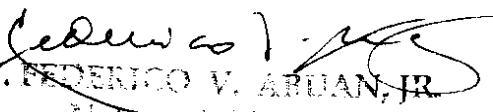
- a. to represent the Corporation in filing of the said Application with the ERC;
- b. to execute, sign and obtain any document, including the verification and certification of non-forum shopping, that may be required in the filing and prosecution of the said Application, as well as any further necessary petitions or appeals;

- c. to do and perform on behalf of the Corporation any act and deed relating to the case, which the Corporation could legally do and perform, including the filing of any further necessary petitions or appeals.”
3. These board resolutions have not been revoked, amended, or modified, and remain valid and binding on the Corporation. The foregoing is in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have set my hand this 16 January 2010.

  
**JENNIFER G. DIZON**  
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this 16 January 2010 in National Highway, Barangay Antonino, Alicia, Isabela, affiant exhibiting to me her CTC No. 24713419, issued at Manila on 06 January 2010.

  
**ATTY. FEDERICO V. ARUAN, JR.**  
 Notary Public  
 Until December 31, 2010  
 ITR No. 00762 / 4-4-01 / Alicia, Isa.  
 BFP No. 11111 / ... Chapter  
 Roll No. 22115  
 MCLE Compliance No. 110015494

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