

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

**IN THE MATTER OF THE
APPLICATION FOR APPROVAL OF
THE ANNUAL REVENUE
REQUIREMENT AND
PERFORMANCE INCENTIVE
SCHEME IN ACCORDANCE WITH
THE PROVISIONS OF THE RULES
FOR SETTING DISTRIBUTION
WHEELING RATES**

ERC CASE NO. 2008-028 RC

**MACTAN ELECTRIC COMPANY, INC.
(MECO),**

Applicant.

x-----x

NOTICE

On **May 27, 2008**, Mactan Electric Company, Incorporated (MECO) filed an application for approval of its Annual Revenue Requirement (ARR) and Performance Incentive Scheme (PIS) for the Second Regulatory Period commencing on April 1, 2009 and terminating on March 30, 2013 in accordance with the provisions of the Rules for Setting Distribution Wheeling Rates (RDWR).

Having found said application sufficient in form and substance, the Commission set the same for jurisdictional hearing, expository presentation and pre-trial conference on July 4, 2008 and evidentiary hearings on July 24 and 25, 2008. Said public hearings were scheduled with the end view of reaching out to as many stakeholders as possible, including consumers, who would be affected by the resolution of the application.

During the public hearings, MECO presented several witnesses, who testified in support of its application.



In accordance with the RDWR and the Regulatory Reset Position Paper, the Commission shall issue a Draft Determination not later than September 25, 2008. Said Draft Determination embodies the Commission's preliminary position on the price control arrangements that should apply to the Second Regulatory Period and describes its initial evaluation of MECO's proposals in the instant application, as well as the evidence presented in support thereof during the public hearings up to the date of this issuance.

It is important to note that the Draft Determination is not a final decision. This will only provide an opportunity for interested parties to comment and discuss the Commission's evaluation during the public consultations and/or hearings to be held for that purpose, prior to the final determination. The final determination will be issued by the Commission after the termination of the presentation of evidence by all the parties (both documentary and testimonial) during the public consultations and/or hearings and only after it has conducted a complete evaluation thereof.

The Draft Determination may be downloaded from the Commission's official website at www.erc.gov.ph or may be photocopied at cost during the usual office hours from the ERC Docket Section at the 22nd Floor, Pacific Center Building, San Miguel Avenue, Pasig City.

Relative thereto, the Draft Determination is hereby set for public consultation on **November 7, 2008 (Friday) at two o'clock in the afternoon (2:00 P.M.) at the Computer Room, Marigondon National High School, Brgy. Marigondon, Lapu-Lapu City, Cebu.**



Interested parties are hereby given until **October 24, 2008 (Friday)** to submit their written comments on the Draft Determination (both hard and soft copies) to the aforementioned address (soft copies may be sent to info@erc.gov.ph). The ERC encourages submission of said comments in its preferred format hereto attached as **Annex "A"**. On the other hand, those who may wish to have a copy of the Draft Determination may request MECO, prior to the date of the initial hearing, that they be furnished with a copy thereof. MECO is hereby directed to furnish all those making such requests with copies of the Draft Determination, subject to reimbursement of reasonable photocopying costs. Any party may examine the Draft Determination and other pertinent records filed with the Commission during the usual office hours.

Finally, MECO is hereby directed to:

1. Post a copy of this Notice in: a) its Main Office; b) Branch Office/s; and c) at least three (3) conspicuous places within its franchise area;
2. Publish this Notice in at least one (1) newspaper of general circulation, immediately upon receipt thereof; and
3. Undertake other possible means of disseminating information to the public relative to the above Draft Determination.

SO ORDERED.

Pasig City, September 26, 2008.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ALEJANDRO Z. BARIN
Commissioner

Copy Furnished:

1. Mactan Electric Company, Incorporated (MECO)
Sangi Road, Pajo, Lapu-lapu City, Cebu
2. Quaison Makalintal Barot Torres Ibarra & Sison
Attn: Atty. Manuel L.M. Torres
Atty. Miguel K. Mathay
Counsel for Applicant
21st Floor, Robinsons-Equitable Tower,
4 ADB Avenue corner Poveda Street,
1605 Ortigas Center, Pasig City
3. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, Makati City
4. Commission on Audit
Don Mariano Marcos Avenue, Diliman, Quezon City
5. Senate Committee on Energy
House of Senate
GSIS Building, Roxas Boulevard, Pasay City
6. House of Representatives Committee on Energy
House of Representatives
Batasan Hills, Quezon City
7. Office of the City Mayor
Lapu-Lapu City, Cebu
8. Office of the Municipal Mayor
Cordova, Cebu
9. Office of the Governor
Province of Cebu