

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

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF ELECTRIC AND
NON-ELECTRIC CAPITAL
PROJECTS FOR THE
REGULATORY YEARS 2022 AND
2023,

ERC CASE NO. 2022-033 RC

May 04, 2022

ILIGAN LIGHT & POWER, INC.
(ILPI),

Applicant.

X-.....X

APPLICATION

Applicant **ILIGAN LIGHT & POWER, INC.** (“ILPI”), through the undersigned counsel, and unto this Honorable Commission, most respectfully states: That –

1. Applicant ILPI is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Bro. Jeffrey Road, Pala-o, Iligan City where it may be served with summons and other legal processes.
2. Applicant ILPI is the exclusive franchise holder issued by the Congress of the Philippines to operate electric light and power service in the City of Iligan in the Province of Lanao del Norte.
3. ILPI is part of the Second Entry Group (otherwise known as “Group B”) that entered into the performance-based regulation (“PBR”) rate setting methodology on April 1, 2009. Other members of Group B are Mactan Electric Company, Inc. (MECO) and Cotabato Light and Power Company (CLPC).

4. As part of the PBR rate setting methodology, ILPI's Second Regulatory Period was from April 1, 2009 to March 31, 2013.

5. Prior to the end of the Second Regulatory Period for the Second Entry Group, the Honorable Commission began the process of updating the Rules for Setting Distribution Wheeling Rates for Privately Owned Distribution Utilities (Second Entry Group) (the "RDWR").

6. However, the revisions to the RDWR from the Third and Fourth Regulatory Periods and the resolution of certain issues identified under PBR by the Honorable Commission had not yet been completed by the time the Second Regulatory Period had ended on March 31, 2013.

7. Unfortunately, the revisions to the RDWR have not yet been finalized. Since the start of the regulatory reset process under PBR for Group B for the Third and Fourth Regulatory Periods has just only recently begun and given the need by ILPI to undertake electric and non-electric capital projects in order to address the load growth, renewal, replacement, and refurbishment of existing distribution assets, ILPI is now filing this instant Application.

8. ILPI has several electric and non-electric capital projects planned for RY 2022 and 2023 which are necessary to maintain the reliable and safe operation of its distribution network as well as to provide for the growing electricity demand in the ILPI franchise area.

9. Being guided by the latest Rules for Setting Distribution Wheeling Rates (RDWR), as amended, ILPI hereby submits for approval of this Honorable Commission the following electric and non-electric capital projects for RY 2022 and 2023:

CAPITAL PROJECTS
(For the Regulatory Year 2021)

Proposed Project			Project Cost (PhP)	Reference
No.	Title	Type	Total	
1	ILPI-NGCP Metering Protection Scheme Redundancy	Safety	700,000.00	Annex 1
2	KCC Mall – Protection and Metering, and 69kV Lines	Safety	12,000,000.00 ¹	Annex 2

¹ VAT Exclusive

3	ILPI's Smart Distribution Utility Roadmap (SDUR) – Installation of Open-Tie Disconnect Switches	Capacity	51,013,600.00	Annex 3
4	Acquisition of Poles	Customer Requirement	23,166,790.00	Annex 4
5	Acquisition of Distribution Transformers	Customer Requirement	16,646,000.00	Annex 5
6	Acquisition of Low Voltage Distribution Lines	Customer Requirement	6,568,548.04	Annex 6
7	Acquisition of CS Drops & Metering Equipment for Existing Customers	Customer requirement	5,716,640.35	Annex 7
8	Acquisition of CS Drops & Metering Equipment for New Customers	Customer requirement	12,921,354.00	Annex 8
9	Line Construction Projects	Electrification	35,640,751.76	Annex 9
10	Reconducting of Vegetated Areas	Electrification	4,855,607.54	Annex 10
11	Verified Meter Installation and Rehabilitation Project	Systems Loss	2,706,109.53	Annex 11
12	Pilferage Prone Metering Improvement	Systems Loss	765,986.28	Annex 12
13	Acquisition of Communication and Network Requirements	Non-network Project	1,371,270.00	Annex 13
14	Fiber Optic Cabling (Pala-o Data Center to Dalipuga Switching Station)	Non-network Project	3,278,947.00	Annex 14
15	Implementation of Data Center Redundancy	Non-network Project	2,414,633.00	Annex 15
16	Acquisition of redundant SCADA	Non-network Project	2,822,000.00	Annex 16

	Server, Desktop Computers, Laptops, and Printers			
17	Acquisition of Various Tools and Equipment	Non-network Project	10,414,369.60	Annex 17
18	Re-Fleeting Program	Non-network Project	14,000,000.00	Annex 18
19	Land, Building Improvements and Others	Non-network Project	43,940,680.00	Annex 19
20	Acquisition of Furniture, Fixture and Equipment	Non-network Project	1,281,830.00	Annex 20

10. The proposed electric and non-electric capital projects will not have a direct impact on the current rates of ILPI until approved by the Honorable Commission as part of ILPI's Regulatory Asset Base in its next regulatory reset application under PBR.

11. A detailed description for each of the projects are attached hereto as part of the specific projects' annex and are made integral parts of this Application.

12. In support of this Application, the Applicant has attached the following supporting documents in connection with the projects:

ANNEX	INFORMATION PROVIDED
Annex A	Company Profile
Annex B	Distribution Planning Process
Annex C	Historical Data
Annex C-1	Sales Forecast
Annex C-2	Demand Forecast
Annex C-3	Consumer Forecast
Annex C-4	Distribution Transformer Forecast
Annex C-5	Other Data
Annex D	Forecasting Models
Annex E series	Performance Assessment of the Distribution System
Annex F	Summary of Identified Problems
Annex G	Goal Setting and Prioritization
Annex H	Summary of the Proposed Capital Projects
Annex I	Summary of Proposed Project Costs
Annex J	Financing Plans and Financial Statement Analysis
Annex 1	NGCP Metering Protection
Annex 2	KCC Mall Lines, Metering & Protection
Annex 3	ILPI's Smart Distribution Utility Roadmap (SDUR) – Installation of Open-Tie Disconnect Switches

Annex 4	Acquisition of Poles
Annex 5	Acquisition of Distribution Transformers
Annex 6	Acquisition of Low Voltage Distribution Lines
Annex 7	Acquisition of CS Drops & Metering Equipment for Existing Customers
Annex 8	Acquisition of CS Drops & Metering Equipment for New Customers
Annex 9	Line Construction Projects
Annex 10	Reconductoring of Vegetated Areas
Annex 11	Verifier Meter Install & Rehabilitation
Annex 12	Pilferage Prone Metering Improvement
Annex 13	Communication & Network Requirements
Annex 14	Fiber Optic Cabling (Pala-o DC to Dalipuga Switching Station)
Annex 15	Implementation of Data Center Redundancy
Annex 16	Acquisition of Computers
Annex 17	Acquisition of Tools & Equipment
Annex 18	Re-fleeting Program
Annex 19	Land, Building Improvements & Others
Annex 20	Acquisition of Furniture & Fixtures

13. The approval of the foregoing electric and non-electric capital projects will ensure that the customers of ILPI will be served continuously and reliably in accordance with the standards under the Philippine Distribution Code (PDC) and other regulatory obligations as well as the approved Performance Level Targets for ILPI's Performance Incentive Scheme (PIS) under PBR.

PRAYER

WHEREFORE, it is respectfully prayed that the Honorable Commission, after trial on the merits, issue a final approval of the following Capital Projects and that ILPI be granted the authority to implement, construct, own and/or operate the same:

1. ILPI-NGCP Metering Protection Scheme Redundancy
2. KCC Mall – Protection and Metering, and 69kV Lines
3. ILPI's Smart Distribution Utility Roadmap (SDUR) – Installation of Open-Tie Disconnect Switches
4. Acquisition of Poles
5. Acquisition of Distribution Transformers
6. Acquisition of Low Voltage Distribution Lines
7. Acquisition of CS Drops & Metering Equipment for Existing Customers
8. Acquisition of CS Drops & Metering Equipment for New Customers

9. Line Construction Projects
10. Reconducting of Vegetated Areas
11. Verified Meter Installation and Rehabilitation Project
12. Pilferage Prone Metering Improvement
13. Acquisition of Communication and Network Requirements
14. Fiber Optic Cabling (Pala-o Data Center to Dalipuga Switching Station)
15. Implementation of Data Center Redundancy
16. Acquisition of redundant SCADA Server, Desktop Computers, Laptops, and Printers
17. Acquisition of Various Tools and Equipment
18. Re-Fleeting Program
19. Land, Building Improvements and Others
20. Acquisition of Furniture, Fixture and Equipment

Applicant likewise prays for such other and further relief as may be deemed just and equitable in the premises.

Pasig City, November 2, 2021.


**QUIASON MAKALINTAL BAROT
TORRES IBARRA SISON & DAMASO**


Counsel for Applicant

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4 ADB Avenue corner Poveda Street
1605 Ortigas Center, Pasig City
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By:

MANUEL L.M. TORRES
ROLL OF ATTORNEYS NO. 25410
MCLE COMPLIANCE NO. VI-0013645; 4/14/2022
PTR NO. 8131675; 01/04/2022
PASIG CITY
IBP NO. 174390; 01/03/2022
QUEZON CITY


MIGUEL K. MATHAY
ROLL OF ATTORNEYS NO. 43982
MCLE COMPLIANCE NO. VI-0010308; 4/14/2022
PTR NO. 8131674; 01/04/2022
PASIG CITY
IBP NO. 174391; 01/03/2022
RIZAL


GIANNA MARIA C. COMSTI
ROLL OF ATTORNEYS NO. 63071
MCLE COMPLIANCE NO. VI-0011515; 4/14/2022
PTR NO. 8131583; 01/08/2022
PASIG CITY
IBP NO. 174396; 01/03/2022
RSM

VERIFICATION & CERTIFICATION
AGAINST FORUM SHOPPING

I, **RALPH B. CASIÑO**, of legal age, married, Filipino, with address at Bro. Jeffrey Road, Pala-o, Iligan City, after having been duly sworn to in accordance with law, hereby depose and state:

1. I am the President of Iligan Light and Power, Inc. ("ILPI"), the Applicant in the above-captioned case;
2. I have caused the preparation of the foregoing Application;
3. The allegations contained herein are true and correct of my personal knowledge and based on authentic records and/or documents;
4. The foregoing Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
5. The factual allegations in the foregoing Application have evidentiary support, or if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;
6. I certify that Applicant has not commenced any other action, claim for relief or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other court, tribunal or quasi-judicial agency; and to the best of my knowledge, no such other action, claim or proceeding is pending; and that, if I should learn that a same or similar action, claim or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other court, tribunal or quasi-judicial agency, I undertake to promptly inform this Honorable Court within five (5) calendar days therefrom.


RALPH B. CASIÑO
Affiant

SUBSCRIBED AND SWORN to before me this 7 day of Nov 2021 at ILIGAN CITY; affiant is known to me and exhibited to me his Competent Evidence of Identity as follows:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date/Place Issued</u>
Community Tax Certificate	CTC No. 15667093	Pala-o, Iligan City January 8, 2021
Passport ID	Passport No. P6533722B	Cagayan de Oro City March 23, 2021

Doc. No. 1634;
Page No. 163;
Book No. 14;
Series of 2021.

ATTY. CONCORDIO Y BAGUIO
NOTARY PUBLIC
MY NOTARIAL COMMISSION EXPIRES ON 12-31-2021
PTR No 9882717 ISSUED ON JANUARY 4, 2021
LIFETIME IBP No/2015 /ROLL OF ATTORNEYS 23436

SECRETARY'S CERTIFICATE

I, **SILVIA JO G. SABIO**, Filipino, of legal age and with address at Capistrano Complex Subdivision, Gusa, Cagayan de Oro City, after being duly sworn in accordance with law hereby certify that:

1. I am the duly elected and incumbent Corporate Secretary of **Iligan Light and Power Inc. (ILPI)**, an electric distribution utility duly organized and existing under the laws of the Republic of the Philippines with office address at Bro. Jeffrey Road, Pala-o, Iligan City;
2. At a duly constituted regular meeting of the Board of Directors of Iligan Light and Power, Inc. (ILPI), held at the ILPI Function Hall, ILPI-Palao Building, Bro. Jeffrey Road, Palao, Iligan City, attended by the Board of Directors via Zoom videoconferencing on **MAY 11, 2021**, during which a quorum was present and acting throughout, the following resolution was approved, to wit:

RESOLUTION NO. 21-05-11- 06

RESOLVED, as it is hereby RESOLVED, to:


- a. Approve the Company's Capital Expenditures (CAPEX) for the period of April 2021 to March 2023 (Regulatory Year 2022-2023) in the amount of P251,704,873.43.
 - b. Approve the filing of Regulatory Year 2022-2023 Application to the Energy Regulatory Commission (ERC);
 - c. Authorize the President, Ralph B. Casiño to sign the verification and certification of all the pleadings;
 - d. Hire the legal services of Quaison Makalintal Barrot Torres Ibarra Sison & Damaso to handle the Application.
3. I hereby certify that the foregoing resolution is in full force and effect and that it has not been revoked, amended or cancelled.

IN WITNESS WHEREOF, I have signed this Certificate on MAY 20 2021 at CAGAYAN DE ORO CITY


SILVIA JO G. SABIO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 20 2021 day of _____, 2021, by affiant exhibiting her driver's license number N03-06-011721, which expires on February 12, 2023.

Doc. No. 324 ;
Page No. 65 ;
Book No. 126 ;
Series of 2021.


CHESTER C. CASTAÑOS
Notary Public until 12-31-2021
PTR No. 432334 A / 12-03-2020 (for 2021)
IBP O.R. No. 150424 / 10-07-2020 (for 2021)
Roll No. 54917
MCLE Compliance No. VI-0003819/04-14-2022
Tel No. (0917) 712 0321