

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



IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE POWER SALES AGREEMENT (PSA) BETWEEN COTABATO LIGHT AND POWER COMPANY, INC. (CLPC) AND WESTERN MINDANAO POWER CORPORATION (WMPC), WITH PRAYER FOR PROVISIONAL AUTHORITY AND CONFIDENTIAL TREATMENT OF INFORMATION

ERC CASE No. 2015-225 RC

**COTABATO LIGHT AND POWER COMPANY, INC. (CLPC) AND WESTERN MINDANAO POWER CORPORATION (WMPC),
Applicants.**

DOCKETED
Date: MAR 02 2016
By: [Signature]

X----- X

ORDER

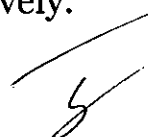
On 29 December 2015, Cotabato Light and Power Company, Inc. (CLPC) and Western Mindanao Power Corporation (WMPC) filed a Joint Application for the approval of their Power Sales Agreement (PSA), with prayer for provisional authority and confidential treatment of information.

In the said Joint Application, CLPC and WMPC alleged, among others, the following:

1. CLPC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at Sinsuat Avenue, Cotabato City. It is a duly authorized distribution utility of electric power to the end-users in the City of Cotabato

and portions of the Municipalities of Sultan Kudarat and Datu Odin Sinsuat, all in the Province of Maguindanao (CLPC Franchise Area) pursuant to its franchise under Republic Act No. 10637.

2. WMPC is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at the 4th Floor Alphaland Southgate Tower, EDSA corner Chino Roces Extension, Makati City.
3. Applicants may be served with notices, orders, and other processes through their respective counsels.
4. CLPC is sourcing bulk of its electricity requirements from the National Power Corporation (NPC)/Power Sector Assets and Liabilities Management Corporation (PSALM) under a Contract for Supply of Electricity Energy (CSEE), which was set to expire on 25 December 2015. CLPC requested a renewal of the CSEE, but has not yet received a written approval on such request. Thus, to augment its supply requirements due to the uncertainty of the renewal of the CSEE, CLPC sought out competitive offers from prospective suppliers.
5. In compliance with Energy Regulation Commission (ERC) Resolution No. 13, Series of 2015 (the Resolution), CLPC undertook a Competitive Selection Process (CSP). The Invitation to Submit Proposal for the Supply of Power to CLPC was attached to the Joint Application as Annex "A".
6. CLPC received bids, one of them being the WMPC's proposal (WMPC Proposal). After the successful CSP procedure, the CLPC Bids and Awards Committee (CLPC BAC) assessed the bids received and issued its evaluation (CLPC BAC Evaluation). Thereafter, the Notice of Award was issued to the winning bidders, one of them being WMPC. The evaluation by the CLPC BAC of the received offers was confirmed by the CLPC Board of Directors (CLPC Board).
7. Attached to the Joint Application were copies of the WMPC Proposal, CLPC BAC Evaluation, CLPC Board Resolution confirming the BAC evaluation, and Notice of Award as Annexes "B", "C", "D", and "E", respectively.



8. Accordingly, on 22 December 2015, the parties executed a PSA for the supply of two megawatts (2 MW) of power beginning the Effective Date indicated in the PSA until 28 April 2016. A copy of the PSA was attached to the Joint Application as Annex "F".
9. CLPC and WMPC now come before the Commission to apply for its approval of the PSA which has been entered into with due consideration of the best interests of the consumers of CLPC.
10. **The Generation Facilities** - WMPC shall supply power under the PSA from its 100 MW bunker C-fired diesel power generating plant located in Barangay Sangali, Zamboanga City (the Power Station). A brief description of the technical characteristics of the Power Station was attached to the Joint Application as Annex "M".
11. The Specific Fuel Oil Consumption (SFOC) of the Power Station shall not be greater than 0.2464 kg/kWh at site condition of 32 deg. C ambient temperature. The SFOC is based on a bunker C fuel oil density of 0.9855 kilogram/liter. A copy of the Certification on the Power Station's SFOC Rate was attached to the Joint Application as Annex "N".
12. **Project Cost and Operating Expenses** - A summary of the costs of the project was attached to the Joint Application as Annex "O". A detailed breakdown of the projected operating expenses was likewise attached to the Joint Application as Annex "P".
13. **Fuel Supply** - In order to ensure the supply of fuel for the operations of the Power Station, WMPC is making arrangements with the present bunker C fuel supplier of an affiliate generation company in Mindanao. The said affiliate previously selected the supplier by soliciting offers from reputable fuel suppliers and contracting with the one that offered the best terms for fuel supply.
14. It must be stressed that, in accordance with the relevant policy of the Commission, WMPC shall derive no revenue whatsoever from the fuel supply.

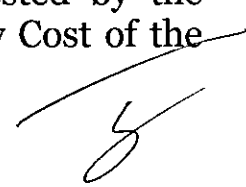


15. **Environmental Compliance Certificate (ECC)** - The Department of Environment and Natural Resources (DENR) has issued the necessary ECCs covering the Power Station. A copy of the ECC was attached to the Joint Application as Annex "Q".
16. **Department of Energy (DOE) Accreditation** - The DOE has accredited the Power Station as a Block Power Production Facility under the Implementing Rules and Regulations of Executive Order No. 215. A copy of the pertinent Certificate of Accreditation was attached to the Joint Application as Annex "R".
17. **Certificate of Compliance (COC)** - The Commission has issued the necessary COC for the Plant. A copy of the said certification was attached to the Joint Application as Annex "S".
18. **Term** - The PSA shall be effective from the Effective Date until 28 April 2016.
19. **Contracted Capacity** - The Contracted Capacity is two megawatts (2 MW), which may be increased or reduced in accordance with the PSA.¹ At any time during the Term of the PSA, the Parties may agree to permanently increase or decrease the Contracted Capacity and Dispatchable Energy. Any additional Contracted Capacity and Dispatchable Energy agreed by the Parties shall be paid for by the Buyer at the same rates specified in Schedule B (Payments to the Seller).²
20. **Outages** - The PSA provides for an Allowed Outage not exceeding 1,314 hours in the relevant Contract Year or the proportionate number of hours if a Contract Year is less than twelve (12) months.³
21. Replacement Capacity and Energy During any period of Outage within the Allowed Outage and subject to the availability of Replacement Capacity and Energy from the System, the Seller shall use its best efforts to deliver Replacement Capacity and Energy to the Buyer. If Replacement Capacity and Energy is requested by the Buyer, the Replacement Capacity and Energy Cost of the

¹ Section 1.1 (Definitions), PSA

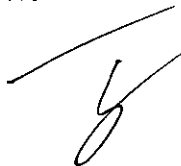
² Par. 3, Section 4.1, PSA

³ See Definitions, Section 1.1 of the PSA



Replacement Capacity and Energy delivered by the Seller to the Buyer shall be a full pass-through cost to the Buyer. The cost of transmission line losses and congestion from the Receiving Point or Alternative Receiving Point, in the case of Replacement Capacity and Energy, to the Buyer's substation shall be for the account of the Buyer.⁴

22. **Backup Capacity and Energy** - During any Forced Outage⁵ the Seller shall have the obligation to deliver Backup Capacity and Backup Energy to the Buyer.⁶
23. **Monthly Payments** - From the Commencement Date and continuing throughout the Term, the Buyer shall pay to the Seller an amount (the Monthly Payment) calculated in accordance with the formula set out in Schedule B (Payments to the Seller), plus Value-Added Taxes (VAT) and any other applicable taxes, fees, and charges. Subject to Section 6.3 (Settlement), billings shall be based on the Contracted Capacity and monthly energy delivered to the Buyer at the Receiving Point or Alternative Receiving Point and in accordance with the provisions of Schedule F (Measurement and Recording of Electricity).
24. All Ancillary Service charges, taxes, fees, imposts, and other similar charges shall also be included in the monthly billing. The Monthly Payment in respect of a Billing Month shall include Replacement Capacity and Energy Costs and Backup Capacity Costs and Backup Energy Costs to the extent applicable.
25. The Monthly Payment shall be subject to further adjustments if there are new taxes, fees, imposts and similar charges, or any increase in existing taxes, fees, imposts, and charges;
26. Schedule B (Payments to the Seller) of the PSA is reproduced below:



⁴ See Section 6.6, PSA

⁵ "Forced Outage" means, after the Commencement Date, any Outage in excess of the Allowed Outage, whether due to unplanned partial or total plant shutdown, for reasons other than Force Majeure

⁶ Par. 1, Section 6.7, PSA

PAYMENTS TO THE SELLER

1. *Monthly Payments*

The Monthly Payments shall be paid to the Seller in accordance with the following formula:

$$\text{Monthly Payments} = CRF + FOMF + VOMF + AFC + SC + RCEC + BCEC + Taxes$$

Where:

CRF = Capital Recovery Fees

FOMF = Fixed Operation and Maintenance Fee

VOMF = Variable Operation and Maintenance Fee

AFC = Actual Fuel Cost

SC = Start-Up Costs

RCEC = Replacement Capacity and Energy Costs

BCEC = Back-up Capacity and Energy Costs

Taxes = Value-Added Tax and other applicable taxes, if any

1.1 *Capital Recovery Fee (CRF)*

The CRF shall be computed as follows:

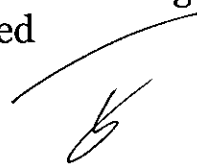
$$CRF = CRFR \times CC \times F$$

Where:

CRFR = Capital Recovery Fee Rate of
PhP250.18/kW/month

CC = Contracted Capacity

F = Outage Factor as derived using the following formula to be used



Where:

$$F = \frac{\text{Monthly Actual Energy Delivered}}{\text{TMED}}$$

Where:

TMED = Theoretical Maximum Energy Delivered being the Contracted Capacity multiplied by the hours in the relevant month, less any adjustments made for Allowed Outage, limitation due to dispatch order, Force Majeure affecting either Party, and allowable start-up time due to period of non-generation due to a Buyer dispatch order or an Allowed Outage, and any other hours as a consequence of Buyer's failure to perform any of its obligations

F = 1 if the foregoing formula results in F being greater than 1

A summation of the ED & TMED for a given Contract Year shall be made to determine true F during the Contract Year. Such yearly F factor shall be basis for adjustment of the CRF for the Contract Year. The adjustment shall be guided by the following conditions:

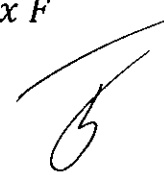
$$\text{If } \Sigma ED = \Sigma TMED, F = 1$$

$$\text{If } \Sigma ED < \Sigma TMED, F < 1$$

2. **Fixed Operation and Maintenance Fee (FOMF)**

The FOMF covers the operating and maintenance costs of the Power Station. It shall be computed according to the following formula:

$$FOMF = \left\{ FOMR \times \left[\left(0.58 \times \frac{CPI_n}{CPI_o} \right) + \left(0.02 \times \frac{WPC_n}{WPC_o} \right) + \left(0.40 \times \frac{EU_n}{EU_o} \times \frac{FPPIn}{FPPIo} \right) \right] \right\} \times CC \times F$$



Where:

FOMR = Fixed O&M Fee Rate of PhP219.00/kW/month

CPI_n = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO for the period of price determination

CPI_o = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO as of December 31, 2013

WPC_n = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO for the period of price determination

WPC_o = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO for as of December 31, 2013

EUn = Euro-Peso Exchange Rate for the period of price determination as published by Bangko Sentral ng Pilipinas

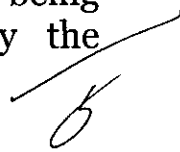
EU_o = Euro-Peso Exchange Rate as of December 31, 2013 as published by Bangko Sentral ng Pilipinas

FPPI_n = Finland Producers' Price Index for Manufacturing for the period of price determination as published in the International Financial Statistics of IMF

FPPI_o = Finland Producers' Price Index for Manufacturing as of December 31, 2013 as published in the International Financial Statistics of IMF

F = Monthly Actual Energy Delivered / TMED

TMED = Theoretical Maximum Energy Delivered being the Contracted Capacity multiplied by the



hours in the relevant month, less any adjustments made for Allowed Outage, limitation due to dispatch order, Force Majeure affecting either Party, and allowable start-up time due to period of non-generation due to a Buyer dispatch order or an Allowed Outage, and any other hours as a consequence of Buyer's failure to perform any of its obligations

F = 1 if the foregoing formula results in F being greater than 1

A summation of the ED & TMED for a given Contract Year shall be made to determine true F during the Contract Year. Such yearly F factor shall be basis for adjustment of the CRF for the Contract Year. The adjustment shall be guided by the following conditions:

$$\text{If } \Sigma ED = \Sigma TMED, F = 1$$

$$\text{If } \Sigma ED < \Sigma TMED, F < 1$$

3. Variable Operation & Maintenance Fee (VOMF)

The VOMF covers the cost of the use of, among other items, chemicals, lubricants, and spare parts that are directly related to the generation of the Power Station. It shall be computed according to the following formula:

$$VOMF = \left\{ VOMFR \times \left[\left(0.10 \times \frac{CPI_n}{CPI_o} \right) + \left(0.60 \times \frac{WPC_n}{WPC_o} \right) + \left(0.30 \times \frac{EU_n}{EU_o} \times \frac{FPPI_n}{FPPI_o} \right) \right] \right\} \times ED$$

Where:

VOMF = Variable O&M Fee, in Pesos

VOMFR = Variable O&M Fee Rate of PhPo.18/kWh

ED = kWh delivered during the billing period

CPI_n = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all

items published by NEDA/NSO for the period of price determination

- CPIo = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO as of December 31, 2013
- EUn = Euro-Peso Exchange Rate for the period of price determination as published by Bangko Sentral ng Pilipinas
- EUo = Euro-Peso Exchange Rate as of December 31, 2013 as published by Bangko Sentral ng Pilipinas
- FPPIn = Finland Producers' Price Index for Manufacturing for the period of price determination as published in the International Financial Statistics of IMF
- FPPIo = Finland Producers' Price Index for Manufacturing as of December 31, 2013 as published in the International Financial Statistics of IMF
- WPCn = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO for the period of price determination
- WPCo = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO as of December 31, 2013

4. *Actual Fuel Cost (AFC)*

The AFC is the fee paid to the Seller as payment for the procurement and delivery of the fuel oil (Bunker C) used in the operation of the WMPC Power Station. It shall be computed as follows:

$$AFC = FC \times EC \times ED$$



Where:

FC = Fuel Cost ; The average MOPS price of Bunker C Fuel Oil/Heavy Fuel Oil (HFO) deliveries during the period of price determination in Peso/liter

EC = Efficiency Cap; $\frac{0.2464 \text{ kg/kWh}}{0.9855 \text{ kg/liter}}$

ED = Energy Delivered, kWh

5. ***Start-Up Costs (SC)***

On a pro rata basis of the capacity of the Power Station allocated to the Buyer, the latter shall pay the Seller Start-Up Costs for the cost of starting up the WMPC Power Station or any portion thereof, after a period of shutdown due to any reason attributable to the Buyer. The Start-Up Costs shall be computed based on the prevailing price of diesel fuel at the time of the Start-Up and paid in accordance with the following:


Type of Start-Up	Liters of Diesel Fuel per Unit
Cold Start-up (more than 10 hours of shutdown)	600
Warm Start-up (less than 10 hours of shutdown)	300

6. ***Replacement Capacity and Energy Cost Fee***
(If Applicable)

The Buyer shall pay the Seller Replacement Capacity and Energy Cost in accordance with the invoice provided by the supplier of Replacement Capacity and Energy Cost.

7. ***Backup Capacity and Backup Energy Costs Fee***
(If Applicable)

The Buyer shall pay the Seller Backup Capacity and Energy Cost equivalent to the Monthly Payment had there been no Forced Outage.



8. **Value Added Tax (VAT)**

The relative VAT of the above fee payments twelve percent (12%) shall be computed as follows:

$$VAT = (CRF + FOMF + VOMF + AFC + SC + RCEC + BCEC) \times 0.12$$

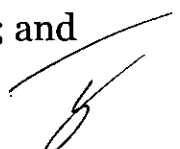
27. **Overdue Charges** - Any amount not paid on or after the Payment Due Date shall earn interest at the 91-day T-Bill Rate plus three percent (3%) per annum, from the day after the Payment Due Date until the date upon which such amount was received by the Seller.
28. **Payment Made Prior to Due Date** - The Buyer shall be given a one and a half percent (1.5%) prompt payment discount on the payment in full of the applicable Capital Recovery Fees twenty (20) days prior to the relevant Payment Due Date.
29. **Basis for PSA Tariff** - An explanation on the derivation and basis for the tariff under the PSA (Tariff Explanation) was attached to the Joint Application as Annex "T". The Tariff Explanation and its supporting financial models (Financial Models) were made subject of a Motion for Confidential Treatment.
30. **Rate Implication** - An analysis was conducted to determine the impact of the implementation of the PSA on CLPC's Generation Costs, a copy of which was attached to the Joint Application as Annex "V". The following table shows the indicative rate impact:

Blended Generation Charge	Without TMI and WMPC	With TMI and WMPC	Difference
Total	2.9178	3.1165	0.1988

31. CLPC and WMPC moved for the provisional approval of the PSA pending trial on the merits for the following reasons:
- a. **Mindanao Power Crisis** - Due to the continuing power shortage in Mindanao, the area served by CLPC continues to suffer power outages. Currently,

CLPC is compelled to implement rotational brownouts as a result of the tight supply. The PSA with WMPC is indispensable to immediately narrow the power supply gap that CLPC requires in order to minimize the power outages in its franchise area; and

- b. ***Continuing Demand Growth*** - As illustrated in its Distribution Development Plan (DDP), CLPC is expecting a growth in the total demand of its end-users. This, coupled with the lack of supply in Mindanao and the expiration of the CSEE, will result in a widening of the supply gap which CLPC may not immediately attend to. This will greatly disadvantage the end-users of CLPC who will then be forced to frequent and prolonged outages.
32. CLPC pointed out in the Joint Application that there is an urgent need for it to draw power by 26 December 2015 under the PSA. The provisional approval would allow CLPC to draw power based upon the said agreement. The Affidavit in support of the prayer for the issuance of Provisional Authority was attached to the Joint Application as Annex "G".
 33. The Tariff Explanation and the Financial Models are submitted under a "Motion to Treat Information Confidential" (Motion) incorporated in the Joint Application.
 34. The Tariff Explanation discusses the basis for the tariff under the PSA. This includes WMPC's commercial and financial strategies in setting up its tariff. On the other hand, the Financial Models include all the formulas and calculations, as well as the assumptions and values considered therein.
 35. In accordance with Section 1, Rule 4 of the Commission's Rules of Practice and Procedure (ERC Rules), WMPC moved that the Tariff Explanation and the Financial Models be treated as confidential information for the following reasons:
 - 35.1. The Tariff Explanation and the Financial Models included therein qualify as "trade secrets" as contemplated under existing jurisprudence; and



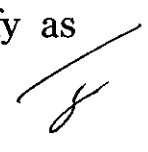
35.2. In the case of *Air Philippines Corporation vs. Pennswell Inc.*,⁷ the Supreme Court defined “trade secret” as follows:

A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having commercial value. **A trade secret may consist of any formula, pattern, device, or compilation of information that (1) is used in one’s business; and (2) gives the employer an opportunity to obtain advantage over competitors who do not possess the information.** Generally, a trade secret is a process or device **intended for continuous operation of the business, for example,** a machine or **formula,** but can be a **price list** or catalogue or specialized customer list. It is indubitable that **trade secrets constitute proprietary rights.** (*Emphasis supplied*)

35.3. WMPC also reasoned that the Financial Models were prepared and developed for the exclusive use of WMPC and is designed for the specific use of the company in its power generation business. Consequently, should the Financial Models be disclosed to the public, it could easily be copied or used by WMPC’s competitors or other entities engaged in the power business for their own benefit, and to the prejudice of WMPC. Thus, the commercial value of the said models will be diminished significantly.

35.4. Given the foregoing, WMPC argued that the Tariff Explanation and the Financial Models qualify as

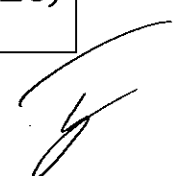
⁷ G. R. No. 172835, 13 December 2007



“confidential information” as defined under Section 2, Rule 4 of the ERC Rules.

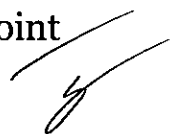
- 35.5. In accordance with Section 1 (b), Rule 4 of the ERC Rules, one copy of the Tariff Explanation is placed in a sealed envelope, with the envelope and each page of the document stamped with the word “Confidential.” Also, an electronic copy of the Financial Models is contained in one compact disc and submitted in a sealed envelope stamped with the word “Confidential.”
- 35.6. Further, all parties furnished copies of the present Application were not furnished copies of the documents subject of the Motion.
- 35.7. In accordance with Sections 3 and 4, Rule 4 of the ERC Rules, WMPC reserved the right to use the Financial Model and its contents as evidence. It likewise moved for the issuance of a Protective Order.
36. In support of the Joint Application and in compliance with Rule 20 (B) of the ERC Rules, CLPC and WMPC submitted the following documents, attached to the Joint Application as annexes:

Annex	Document
A	Invitation to Submit Proposal to CLPC
B	Offer of Alsons Power Group
C	CLPC BAC Evaluation
D	CLPC Secretary’s Certificate confirming that the CLPC Board Resolution ratified the CLPC BAC evaluation
E	Notice of Award
F	PSA between WMPC and CLPC
G	Judicial Affidavit of Mr. Velasco (CLPC)
H	Securities and Exchange Commission (SEC) Certificate of Registration of WMPC



I	Amended Articles of Incorporation of WMPC
J	General Information Sheet (GIS) of WMPC for the Year 2015
L	Latest Audited Financial Statements (AFS) of WMPC
M	Brief description of the technical characteristics of the Power Station
N	SFOC Certificate of the Power Station
O	Project Cost
P	Detailed breakdown of the projected operating expenses
Q	ECC issued by the DENR
R	Certificate of Accreditation issued by the DOE
S	COC issued by the Commission
T	Explanation on the WMPC Tariff
U	Computation of Monthly Payments
V	Rate Impact Analysis
W	CLPC DDP
X	Supply Demand Scenario

37. Applicants CLPC and WMPC pointed out that the approvals sought, provisional and final, will ultimately redound to the benefit of the customers of CLPC in terms of continuous, reliable, efficient and affordable power supply.
38. Applicants pray for the Commission to:
- a. Issue an Order declaring the Tariff Explanation and the Financial Models (Annex "T" of the Joint



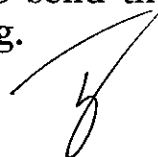
Application) as confidential information within the purview of Rule 4 of the ERC Rules, as well as directing that the Tariff Explanation and the Financial Models be treated with confidentiality and be protected from public disclosure;

- b. Issue the corresponding Protective Order in accordance with Sections 2 and 4 of the said Rule 4;
- c. Pending trial on the merits, provisionally approve the PSA, including all the rates, fees and charges and tariff adjustment mechanisms set out therein; and
- d. After trial on the merits, approve with finality the PSA, including all the rates, fees and charges set and tariff adjustment mechanisms out therein.

Finding the said Joint Application sufficient in form and substance with the required fees having been paid, the same is hereby set for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on **31 March 2016 at two o'clock in the afternoon (2:00 P.M.), due to personnel and time constraints, at the ERC Mindanao Field Office, Mintrade Building, Monteverde Avenue corner Sales Street, Davao City.**

CLPC and WMPC are hereby directed to cause the publication of the attached Notice of Public Hearing, at their own expense, twice (2x) for two (2) successive weeks in two (2) newspapers of general circulation in the Philippines, with the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing. They are also directed to inform the consumers within the franchise area of CLPC, by any other means available and appropriate, of the filing of the Joint Application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the Joint Application, this Order, and the attached Notice of Public Hearing be furnished the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives at the scheduled hearing.



Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Governor of the Province of Maguindanao and the Mayors of the City/Municipalities within CLPC's franchise area for the appropriate posting thereof on their respective bulletin boards.

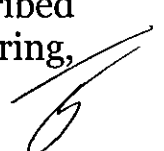
CLPC and WMPC are hereby directed to furnish all those making requests therefor with copies of the Joint Application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, CLPC and WMPC must submit to the Commission their written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governor and Mayors or their duly authorized representatives, bearing the seals of their offices, and the affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing were published together with the complete issues of the said newspapers, and such other proofs of compliance with the requirements of the Commission.

CLPC, WMPC, and all interested parties are directed to submit, at least five (5) days before the date of initial hearing and pre-trial conference, their respective Pre-trial Briefs containing, among others:

- a. A summary of admitted facts and proposed stipulation of facts;
- b. The issues to be tried or resolved;
- c. The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- d. The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.

Failure of CLPC and WMPC to submit the required Pre-trial Brief and Judicial Affidavits of their witnesses within the prescribed period shall be a ground for cancellation of the scheduled hearing,

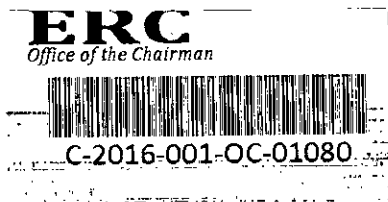


and the resetting of which shall be six (6) months from said date of cancellation.

As part of the pre-trial conference, CLPC and WMPC must also be prepared to make an expository presentation of their Joint Application, aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the application is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 26 February 2016.



FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSE VICENTE B. SALAZAR
Chairman and CEO

rec'd by GLS/APV
ICG/ GLS/ APV

Copy Furnished:

1. **Attys. Katrina M. Platon, Paul Soriño and Lew Carlo C. Lopez**
CounselS for DLPC
16th Floor, NAC Tower
32nd St., Bonifacio Global City, Taguig City
2. **Attys. Sundy Lorence C. Lachica and Abigail T. Madanlo**
CounselS for WMPC
Lachica & Associates
Suite 2304-B, West Tower, Philippine Stock Exchange Center, Exchange
Road, Ortigas Center, Pasig City
3. **Cotabato Light and Power Company, Inc. (CLPC)**
Sinsuat Avenue, Cotabato City
4. **Western Mindanao Power Corporation (WMPC)**
4th Floor, Alphaland Southgate Tower, EDSA corner Chino Roces
Extension, Makati City
5. **The Office of the Solicitor General**
234 Amorsolo Street, Legaspi Village, Makati City
Metro Manila
6. **The Commission on Audit**
Don Mariano Marcos Avenue
Diliman, Quezon City, Metro Manila
8. **The Senate Committee on Energy**
Senate of the Philippines
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
9. **The House Committee on Energy**
House of Representatives
Batasan Hills, Quezon City, Metro Manila
5. **Office of the President of PCCI**
Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, Chamber and Industry Plaza (CIP)
1030 Campus Avenue corner Park Avenue
McKinley Town Center, Fort Bonifacio, Taguig City
10. **Office of the Governor**
Province of Maguindanao
11. **Office of the City Mayor**
Cotabato City
12. **Office of the Municipal Mayor**
Sultan Kudarat, Maguindanao
13. **Office of the Municipal Mayor**
Datu Odin Sinsuat, Maguindanao

