

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



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE INCREASE
OF AUTHORIZED CAPITAL
STOCK OF CLARK ELECTRIC
DISTRIBUTION CORPORATION
(CEDC)**

**CLARK ELECTRIC
DISTRIBUTION
CORPORATION (CEDC)**

**ELECTRIC
Applicant.**

**ERC CASE NO. 2015-066
MC**

X-----X

D U C K E T E D
Date: AUG 12 2016
By: _____

ORDER

On 9 October 2015, Clark Electric Distribution Corporation (CEDC) filed with the Commission an application for approval of the increase of its authorized capital stock.

In the said application, CEDC alleged, among others, that:

1. The Applicant is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Bldg. N2830, Bayanihan Street, Clark Freeport Zone, Philippines, where it may be served with summons and other legal processes;
2. The Applicant is the exclusive franchise holder issued by the Clark Development Corporation (CDC) by virtue of Executive Order No. 80, to operate and maintain the power distribution system within the Clark Economic Zone and to distribute power exclusively therein;
3. The Applicant had an authorized capital stock of Two Hundred Million Pesos (Php 200,000,000.00) consisting of Two Million (2,000,000) Common Shares with a par value of Php1000.00 per share.
4. In order to raise additional equity funds for the expansion and upgrading of its subtransmission and distribution system and in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) and the Corporation Code of the Philippines, the Applicant has found it necessary to increase its

said authorized capital stock to Seven Hundred Million Pesos (PhP700,000,000.00) consisting of Seven Million (7,000,000) common shares with a par value of PhP100.00 per share.

5. Out of the aforesaid increase in capital stock, Two Million (2,000,000) common shares have been subscribed and fully paid by the following shareholders:

NAME OF SUBSCRIBER	NATIONALITY	NUMBER OF SHARES SUBSCRIBED	AMOUNT SUBSCRIBED AND PAID
Manila Electric Company	Filipino	1,300,000	130,000,000
J Ten Equities, Inc.	Filipino	700,000	70,000,000
		2,000,000	200,000,000

6. The remaining balance of Three Million (3,000,000) common shares shall be available for subscription or sale to existing shareholders, or to other parties, as the Applicant may determine.
7. The aforesaid increase in capital stock has been duly approved by the Board of directors and Stockholders of the Applicant and, in respect thereof, all other requirements in the Corporation Code have been complied with.
8. Before it can issue any shares that form part of the increase, the Applicant requires the approval of the Energy Regulatory Commission to allow the issuance.
9. In support of this Application, the Applicant has attached the following supporting documents:

SCHEDULE	INFORMATION PROVIDED
1	Directors' Certificate
2	Amended Articles of Incorporation
3	Certificate of Increase of Capital Stock of Clark Electric Distribution Corporation
4	Treasurer's Affidavit
5	Waiver of Pre-Emptive Right

10. The approval of this Application will enable the Applicant to continue to render safe, reliable and efficient service and, in general, will promote public interest, in a just and suitable manner.

Finding the said application sufficient in form and in substance with the required fees having been paid, the same is hereby set for initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **September 13, 2016 (Tuesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing**

Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.

CEDC is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, with the date of the publication to be made not later than ten (10) days before the scheduled date of initial hearing. It is also directed to inform the consumers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the 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.

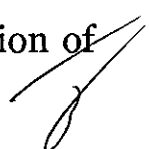
Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Office of the Administrator/Responsible Officer of the Clark Freeport Zone Authority (CFZA) for the appropriate posting thereof on their respective bulletin boards.

CEDC is directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing and pre-trial conference, CEDC must submit to the Commission its 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 aforementioned Administrator/Responsible Officer, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published together with the complete issue of the said newspaper, and such other proofs of compliance with the requirements of the Commission.

CEDC 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 thereof; 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 CEDC to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses within the prescribed period shall be a ground for the cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from said date of cancellation.

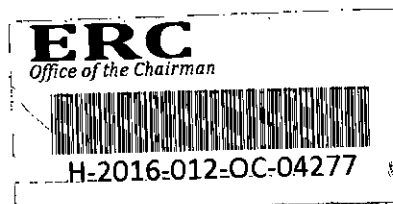
As part of the pre-trial conference, CEDC must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned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

SO ORDERED.

Pasig City, 2nd of August 2016.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSE VICENTE B. SALAZAR
Chairman



Copy furnished:

1. **Atty. Ranulfo M. Ocampo**
Counsel for CEDC
7/F Strata 100 Bldg./ F. Ortigas Jr. Road
Ortigas Center, Pasig City

2. **Clark Electric Distribution Corporation (CEDC)**
Attention: Mr. Ricardo V. Buencamino
President and Chief Executive Officer
Bldg. N2830, Bayanihan Street, Clark Freeport Zone, Pampanga

3. **Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila

4. **Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila

5. **Senate Committee on Energy**
GSIS Bldg. Roxas Blvd., Pasay City
Metro Manila

6. **House Committee on Energy**
Batasan Hills, Quezon City, Metro Manila

8. **Office of the President**
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

9. **Office of the Administrator/Responsible Officer**
Clark Freeport Zone Authority (CFZA)
Clark Freeport Zone, Pampanga

12. **PSA-TWG**
Energy Regulatory Commission,
Pacific Center, San Miguel Avenue, Pasig City

