

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 (PSA)
BETWEEN BOHOL I
ELECTRIC COOPERATIVE
INC. (BOHECO I) AND
UNIFIED LEYTE
GEOTHERMAL ENERGY,
INC.(ULGEI) WITH PRAYER
FOR CONFIDENTIAL
TREATMENT OF
INFORMATION AND THE
ISSUANCE OF PROVISIONAL
AUTHORITY,**

ERC CASE NO. 2016-151 RC

**BOHOL I ELECTRIC
COOPERATIVE, INC.
(BOHECO I) AND UNIFIED
LEYTE GEOTHERMAL
ENERGY, INC. (ULGEI),**

D O C K E T E D
Date: OCT 07 2016
By: W

Applicants.

X-----X

ORDER

On 04 July 2016, Bohol I Electric Cooperative, Inc. (BOHECO I) and Unified Leyte Geothermal Energy, Inc. (ULGEI) filed their joint Application for the approval of the Power Supply Agreement (PSA) with prayer for confidential treatment of information and the issuance of provisional authority.

In support of said Application, BOHECO I and ULGEI alleged the following:

1. Applicant BOHECO I is a non-stock, non-profit electric cooperative, duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at

Cabulijan, Tubigon, Bohol. It is authorized to distribute and provide electricity services to its member-consumers in the Municipalities of Alburquerque, Antequera, Baclayon, Balilihan, Batuan, Bilar, Calape, Carmen, Catigbian, Clarin, Corella, Cortes, Dauis, Dimiao, Inabanga, Lila, Loay, Loboc, Loon, Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna, and Tubigon, all in the Province of Bohol (collectively, the "Franchise Area").

2. Copies of BOHECO I's Articles of Incorporation, By-Laws, Certificate of Registration and Certificate of Franchise are attached to the Application as follows:

Annex	Document
"A"	BOHECO I's Articles of Incorporation
"B"	BOHECO I's By-laws
"C"	Certificate of Registration with the National Electrification Administration (NEA)
"D"	Certificate of Franchise

3. Meanwhile, Applicant ULGEI is a corporation duly organized and existing under the laws of the Republic of the Philippines with principal address at 38th Floor, One Corporate Center, Julia Vargas cor. Meralco Avenue, Ortigas Center, Pasig City, and it manifests the following:

3.1 ULGEI, as an Independent Power Producer Administrator, falls within the ambit of Sections 47 and 29 of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA).

3.2 While ULGEI is a co-applicant, it manifests that this joint application shall neither modify, diminish, nor constitute as a waiver of ULGEI's rights or expand its obligations and responsibilities as a generation company under the EPIRA.

3.3 ULGEI has joined in this Application as a co-applicant, as required by the Commission.

4. Copies of ULGEI's Securities and Exchange Commission Certificate of Incorporation, Articles of Incorporation, By-Laws and General Information Sheet are attached and are made integral parts to the Application as follows:

Annex	Document
"E"	Certificate of Registration issued by the Securities and Exchange Commission (SEC)
"F"	ULGEI's Articles of Incorporation
"G"	General Information Sheet

5. BOHECO I and ULGEI may each be served with orders, notices and other legal processes of this Commission through the address of their respective counsels at the addresses indicated below.

NATURE OF THE APPLICATION

6. Pursuant to Sections 23, 25, 43 (u), and 45 (b) of the EPIRA, its Implementing Rules and Regulations (IRR), and other pertinent rules and regulations, this Application is submitted to the Commission for its consideration and approval of the PSA¹ executed between BOHECO I and ULGEI on 4 April 2016.

I.

STATEMENT OF FACTS

BOHECO I's Power Supply and Demand Situation

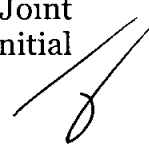
7. BOHECO I needs to address the insufficiency of its power supply due to the increasing demand within its franchise area.
8. BOHECO I currently receives a total of 22 MW from its existing suppliers out of its peak requirement of 29 MW. With an annual average growth rate of 6.32%, BOHECO I forecasts that its peak demand for the year 2018 will be 37 MW.

The Competitive Selection Process

9. BOHECO I and Bohol II Electric Cooperative, Inc. (BOHECO II), collectively, the "1BP ECs", received an unsolicited proposal from GNPowder Ltd. Co. ("GNPower") for the supply of their aggregated short-term baseload demand for the period 26 December 2018 to 25 December 2019 and medium-term baseload demand for the period 26 December 2018 to 25 December 2023.
10. Guided by declared and agreed policy and guidelines as described in the 1BP ECs Rules and Procedures for Unsolicited Proposal, which is Annex A of the Instructions to Proponents², the 1BPECs created the Joint Competitive Power Supply Procurement ("JCPSP") Board, the 1BP JCPSP Bids and Awards Committee ("JBAC") and the 1BP Joint Technical Working Group ("JTWG") to conduct the initial

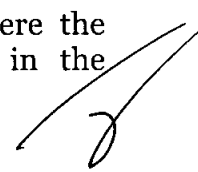
¹ Attached to the Application as Annex "H".

² Attached to the Application as Annex "I".



evaluation of GNPowr's unsolicited proposal in order to determine its compliance with 1BP EC's policy and guidelines.

11. The JTWG found the proposal of GNPowr consistent with the criteria set forth in the aforementioned policy and guidelines. A copy of the results of the evaluation is attached to the Application as "Annex "J".
12. As required by the JBAC, GNPowr submitted a Firm and Final Proposal, containing the Legal, Technical and Financial Documents, the Technical Proposal, and the Financial Proposal.
13. After a more detailed evaluation, the JBAC endorsed the GNPowr proposal to the 1BP JCPSP Board, which granted GNPowr the *Original Proponent* status in the Competitive Selection Process through Comparative Proposals. A copy of the results of the detailed evaluation is attached as Annex "K" of the Application.
14. Other generating companies ("GENCOs") were invited to submit Comparative Proposals to challenge GNPowr's offer through publications in newspapers of general and national circulation for two (2) consecutive weeks and through written invitations to the GENCOs published in the Department of Energy website. Copies of the invitation as published twice in the Philippine Daily Inquirer and the Affidavit of Publication are attached to the Application as Annexes "L" to "L-2".
15. Participating GENCOs submitted letters of intent (LOI), and they were provided with a copy of the Instructions to Proponents (ITP) and due diligence data. Thereafter, transaction conferences were held to clarify and discuss the transaction process, requirements, rules, and evaluation methodology. Copies of the LOI from the GENCOs are attached as Annex "M" and series of the Application.
16. During the submission and opening of bids, First Gen and Trans-Asia Oil and Energy Development Corporation submitted comparative proposals. First Gen, through the submitted documents, manifested that its affiliate, ULGEI, will be the proponent in the transaction. Upon evaluation by the JBAC, it was found that the evaluated effective levelized price of ULGEI for the short-term (CY-2016-2018) and of GNPowr for the medium-term (CY 2019-2023) were the lowest. The results of the evaluation are shown in the attached Annex "N" of the Application.



17. On 22 January 2016, the JBAC issued a Notice of Award to ULGEI and the same was accepted by ULGEI on 26 January 2016, copies of which are attached to the Application as Annexes "O-1" and "O-2", respectively.
18. The 1BP ECs and ULGEI negotiated the final terms and conditions of the PSA based on the Key Contract Terms provided in the ITP. This led to the execution of separate/individual but identical PSAs by and between each of BOHECO I and BOHECO II and ULGEI.

II.

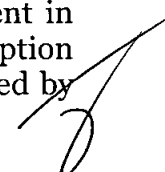
ABSTRACT OF THE PSA AND OTHER RELATED INFORMATION

19. The following are the salient terms and conditions of the PSA:
 - A. **Effectivity and Term of Agreement.** The Agreement shall take effect immediately from Effective Date and shall remain in force and effect until 25 December 2018. The obligation of the ADMINISTRATOR to sell and deliver the contracted capacity and its associated energy and the obligation of the CUSTOMER to accept and pay for the same shall commence upon receipt by the Parties of the ERC Approval, whether provisional or final, of this Agreement.
 - B. **Supply of Contracted Capacity and Associated Energy.** The ADMINISTRATOR shall, during the entire term of this Agreement, make available, sell and deliver, or cause to be delivered to the CUSTOMER the Contracted Capacity and Associated Energy ("Contracted Capacity and Associated Energy") in accordance with Annex "A" at the Point of Delivery, whether sourced from the Plant or from other electricity generators including the WESM.

CONTRACTED CAPACITY AND ASSOCIATED ENERGY

Term	Contracted Capacity (kW)
Effective Date until 25 December 2016	5,000
26 December 2016 to 25 December 2017	6,000
26 December 2017 to 25 December 2018	8,000

CUSTOMER shall, over the term of this Agreement, pay the guaranteed associated energy. The guaranteed associated energy shall be equal to the product of 70% of Contracted Demand, and No. of Hours of the applicable Billing Period, subject to adjustment in kWh due to Force Majeure, Customer's Service Interruption Adjustment, or other causes, such as safety, as may be provided by



law, rule, regulation or order of a competent authority in accordance to Annex "B" of the PSA.

CUSTOMER may be allowed to increase the Contracted Capacity at the same rate subject to: (a) the Technical Limits of the Plant, the constraints relating to the transmission lines, substations and other facilities, (b) the availability of capacity of the ADMINISTRATOR that may be utilized to serve the increase in Contracted Capacity, and (c) such other terms and conditions as the Parties may agree upon.

C. Basic Energy Charge, Applicable Load Factor, and Guaranteed Monthly Payment

BASIC ENERGY CHARGE

The Basic Energy Charge or BEC shall be equal to:

$$BEC = CRF_{ALF} + VOMF + Generation\ Payment\ Rate + Administration\ Fee$$

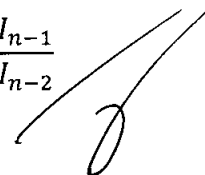
Where:

- a) CRF_{ALF} is the Capital Recovery Fee with values for different Capacity Utilization Factors (CUF) or Applicable Load Factors (ALF), effective until 25 December 2018. The Capital Recovery Fees, as tabulated in Annex "V", shall be fixed throughout the term of the Agreement.
- b) VOMF is the Variable O&M Fee equivalent to the value stated in Annex "V" is effective until 25 December 2015.

The VOMF shall be adjusted annually at a rate equivalent to the actual increase (or decrease) in the Philippine Consumer Price Index – base period calendar year 2006=100 ("CPI") published by the Philippines Statistics Authority, or its succeeding entity, for the year. For purposes of adjusting the VOMF, the base CPI shall be Average 2014. The first adjustment to the VOMF shall be made on 26 December 2015 and such adjustment shall take effect from 26 December 2015 up to 25 December 2016.

The VOMF shall be adjusted annually using the following formula:

$$Adjusted\ VOMF_n = VOMF_{n-1} * \frac{CPI_{n-1}}{CPI_{n-2}}$$



Where:

- VOMF_n = VOMF for year **n**
VOMF_{n-1} = VOMF for year **n-1**
CPI_{n-1} = Average Philippine Consumer Price Index (CPI) of year **n-1**, as published by Philippine Statistics Authority or its successor
CPI_{n-2} = Average Philippine Consumer Price Index (CPI) of year **n-2**, as published by Philippines Statistics Authority or its successor

A sample computation on the adjustment of VOMF is provided in Annex "V".

- c) Generation Payment Rate = Rate x I_n, such that if I_n < 1, I_n = 1

Where:

Rate = is subject to inflation factor, I_n, with value stated in Annex "V".

I_n = Inflation Factor for the Billing Period under consideration, where Inflation Factor shall be:

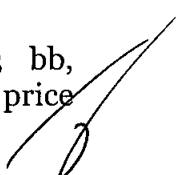
$$\frac{FX_1}{FX_0} \left(0.398 + 0.240 \frac{CE_1}{CE_0} + 0.080 \frac{FCP_1}{FCP_0} \right) + 0.085 \frac{LCP_1}{LCP_0} + 0.084 \frac{WPG_1}{WPG_0} + 0.085 \frac{WPM_1}{WPM_0} + 0.04792$$

Where:

FX₁ = Philippine Peso vs US Dollar Reference Rate as published by the Bangko Sentral ng Pilipinas at the last working day of the Billing Period under consideration;

FX₀ = Philippine Peso vs US Dollar Reference Rate as published by the Bangko Sentral ng Pilipinas as of 24 May 2013 equivalent to 41.508;

CE₁ = US Price Index for Capital Equipment, line 63 bb, International Financial Statistics (2010=100) for the period of price determination;



CE_0 = US Price Index for Capital Equipment, line 63 bb, International Financial Statistics (2010=100) for the month of May 2013 equivalent to 104.185;

FCP_1 = US Consumer Price Index, All Items, line 64, International Financial Statistics (2010=100) for the period of price determination;

FCP_0 = US Consumer Price index, All Items, line 64, International Financial Statistics (2010=100) for the month of May 2013 equivalent to 106.828;

LCP_1 = Consumer Price Index for National Capital Region, All Items (2006=100) as published by the National Statistics Office for the period of price determination.

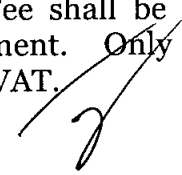
LCP_0 = Consumer Price Index for National Capital Region, All Items (2006=100) as published by the National Statistics Office for the month of May 2013 equivalent to 125.7.

WPG_1 = Manufactured Goods Classified Chiefly by Materials Component of the General Wholesale Price Index for National Capital Region (1998=100) as published by the National Statistics Office for the period of price determination.

WPG_0 = Manufactured Goods Classified Chiefly by Materials Component of the General Wholesale Price Index for National Capital Region (1998=100) as published by the National Statistics Office for the month of May 2013 equivalent to 170.

WPM_1 = Machinery and Transport Equipment component of the General Price Index for National Capital Region (1998=100) as published by the National Statistics Office for the period of price determination.

WPM_0 = Machinery and Transport Equipment component of the General Wholesale Price Index for National Capital Region (1998=100) as published by the National Statistics Office for the month of May 2013 equivalent to 152.2.

- d) Administration Fee shall be equivalent to the value specified in Annex "V", effective until 25 December 2018. For the avoidance of doubt, the Administration Fee shall be fixed throughout the term of the Agreement. Only the Administration Fee shall be subject to 12% VAT.
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APPLICABLE LOAD FACTOR

Formula:

$$ALF (\%) = \frac{ED}{(CC \times N) - \sum_{i=1}^k X_i \pm EQ}$$

Where:

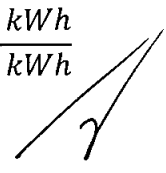
- ALF = Capacity Utilization Factor (CUF) or Applicable Load Factor (ALF) for the Billing Period, in %, rounded off to 2 decimal places (E.g. 85.62%).
- ED = Total energy delivered for the Billing Period inclusive of Exchange in Quantity, if any, kWh
- CC = Contracted Capacity, kW
- N = Total number of hours in a Billing Period
- k = Total number of affected hours in a Billing Period
- X_i = Adjustment in kWh due to Force Majeure, Customer's Service Interruption Adjustment, or other causes, such as safety, as may be provided by law, rule, regulation or order of a competent authority
- EQ = Exchanged Quantity, defined as the total energy delivered to or received from the other 1BP EC, kWh

Sample Computation:

Energy Delivered (kWh)	2,600,000
Contracted Capacity (kW)	5,000
N, no. of hours in a Billing Period (kW)	744
k, no. of affected hours (hours)	3
X ₁ (kW)	1,000
X ₂ (kW)	2,000
X ₃ (kW)	3,000

$$\text{Applicable Load Factor} = \frac{2,600,000 \text{ kWh}}{(5,000 \times 744) - (1,000 + 2,000 + 3,000)}$$

$$= \frac{2,600,000 \text{ kWh}}{3,714,000 \text{ kWh}}$$

$$= 70.00\%$$


GUARANTEED MONTHLY PAYMENT

1. If the Applicable Load Factor is less than 70%, the following Minimum Charge formula shall apply:

Guaranteed Monthly Payment

$$= (\text{Applicable CRF at 70\% Load Factor} + \text{VOMF} + \text{Generation Payment Rate} + \text{AF}) \times \text{Adjusted Associated Energy}$$

2. The Adjusted Associated Energy shall be determined as follows:

$$\text{Adjusted Associated Energy} = 70\% * CC * N - \sum_{i=1}^k X_i \pm EQ$$

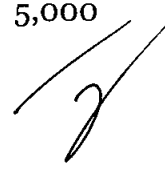
Sample Computation:

Load Factor is less than 70%:

Energy Delivered (kWh), ED	2,566,800
Contracted Capacity (kW)	5,000
N, no. of hours in a Billing Period (kW)	744
k, no. of affected hours (hours)	3
X ₁ (kW)	6,000
X ₂ (kW)	4,000
X ₃ (kW)	2,000
EQ (kWh) (delivered to other 1BP EC)	5,000
Applicable Load Factor, %	69%
Applicable CRF at 70% Load Factor (PhP/kWh)	2.3477
VOMF (Php/kWh)	0.0529
Rate (Php/kWh)	2.2442
In	1.05
Administration Fee (PhP/kWh), AF	0.1900

The following Guaranteed Monthly Payment shall apply:

$$\begin{aligned} \text{Adjusted Associated Energy (kWh)} &= 2,604,000 - (6,000 + 4,000 + 2,000) - \\ &\quad 5,000 \\ &= 2,587,000 \end{aligned}$$



$$\begin{aligned} \text{Guaranteed Monthly Payment (PhP)} &= (2.3477 + 0.0529 + (2.2442 * 1.05) + \\ &\quad 0.1900) * 2,587,000 \\ &= 12,797,914.87 \end{aligned}$$

III.

**GENERATION RATE AND IMPACT ON BOHECO I's
 RETAIL RATES**

20. As earlier stated, BOHECO I currently receives a total of 22MW from its existing suppliers out of its peak requirement of 29MW. BOHECO I forecasts that its peak demand from 26 December 2016 to 25 December 2018 will be 37MW. Thus, BOHECO I needs to address the insufficiency of its power supply due to the increasing demand within its franchise area.
21. The additional supply from ULGEI will significantly augment the supply deficiency of BOHECO I and will decrease the adverse effects thereof by providing a stable and adequate source of electricity.
22. Among the suppliers capable of providing additional energy to BOHECO I and the rest of the 1BP ECs, ULGEI's rates proved to be more reasonable and competitive.
23. BOHECO I simulated a rate impact analysis³ which ultimately resulted in a PhPo.2864/kWh decrease with the execution of the PSA with ULGEI:

→ Simulation of Generation Mix Rate
 without ULGEI

Power Supplier	Forecasted Quantity (kWh)	Amount (PhP)	Percent Share (%)	Resulting Capacity Factor (%)	Average Rate (₱/kWh)	Weighted Average Rate (₱/kWh)
CEDC	90,155,000	581,888,219	55.74%	74%	5.9624	5.3851
SPC	2,973,301	14,481,937	1.39%	34%	4.5304	
BSMHP	8,468,000	35,949,200	3.44%	39%	3.9684	
JMHP	19,053,000	70,981,951	6.80%	44%	3.4825	
SPUG	572,946	4,135,563	0.40%	22%	6.7472	

³ Assumptions:

- a. WESM hourly Prices are inflated from actual prices of 2014 at the rate of 3.43%
- b. CEDC/SPC/SPUG/ULGEI inflatable prices are inflated at the rate of PH CPI of 3.43%
- c. Weighted average Price are Present Worth in a 3 year levelizing period (2016 – 2018)
- d. Actual Prices of Existing Power Suppliers and Evaluated price of ULGEI on September 2015 are used as base in the simulation.
 The complete Rate Impact Analysis is attached as ANNEX "P".

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ULGEI	0	0	0.00%	0%	
GNP	0	0	0.00%	0%	
WESM	61,437,727	336,440,585	32.23%		4.9593
TOTAL	182,659,974	1,043,877,457	100.00%		

Simulation of Generation Mix Rate with
 ULGEI

Power Supplier	Forecasted Quantity (kWh)	Amount (PhP)	Percent Share (%)	Resulting Capacity Factor (%)	Average Rate (P/kWh)	Weighted Average Rate (P/kWh)
CEDC	90,155,000	581,888,219	55.74%	74%	5.9624	5.0987
SPC	2,973,301	14,481,937	1.39%	34%	4.5304	
BSMHP	8,468,000	35,949,200	3.44%	39%	3.9684	
JMHP	19,053,000	70,981,951	6.80%	44%	3.4825	
SPUG	572,946	4,135,563	0.40%	22%	6.7472	
ULGEI	46,602,691	216,442,788	20.73%	87%	4.3027	
GNP	0	0	0.00%	0%		
WESM	14,835,036	85,922,222	8.23%		5.1005	
TOTAL	182,659,974	1,009,801,882	96.74%			

Generation Rate Impact: -0.2864

24. In compliance with Rule 20 of ERC Rules of Practice and Procedure relative to the submission of supporting documents and information for the approval of the PSA and the rate structure embodied therein, Applicants BOHECO I and ULGEI also attach to the Application the following documents to form integral parts hereof:

ANNEX	DOCUMENT
"Q"	ULGEI's Financial Proposal
"R"	ULGEI's Audited Financial Statement for 2015
"S"	BOHECO I's Distribution Development Plan (DDP)
"T"	BOHECO I's Actual and Forecasted Energy and Demand
"U"	BOHECO I's Average Daily Load Curve

25. Applicants BOHECO I and ULGEI are reserving their right to submit other documents, either in the course of the hearing or as may be required by the Commission.

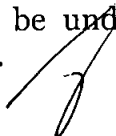
IV.

COMPLIANCE WITH PRE-FILING REQUIREMENTS

26. In compliance with Rule 6 of the ERC Rules of Practice and Procedure, Applicants have furnished the legislative bodies of Pasig City, Municipality of Tubigon, and the Province of Bohol with copies of their Application with all its annexes. The certifications attesting receipts and postings thereof are to be attached to the Application as Annexes "Z", "AA" and "BB", respectively. Applicants have caused the publication of their Application in a local newspaper circulating within the franchise area of BOHECO I. Copies of the Affidavit of Publication and the local newspaper including the relevant page thereof are to be attached to the Application as Annexes "CC", "DD", and "EE", respectively.

V.

**MOTION FOR CONFIDENTIAL TREATMENT OF
ANNEXES "I" to "N" and "Q" to "V"**

27. Under Rule 4 of the ERC Rules of Practice and Procedure, a party to any proceeding before the Commission may request that certain information not be disclosed and be treated as confidential, by describing with particularity the information to be treated as confidential, specifying the ground for the claim of confidential treatment of the information and, if applicable, specifying the period during which the information must not be disclosed.
28. BOHECO I requests for the confidential treatment of Annexes "I" to "N" of the Application, consisting of the tender documents. These annexes show the individual offers of the bidders which participated in the 1BP JCPSP, as well as the results of the evaluation. The 1BP ECs, BOHECO I included, are bound by their undertaking to secure and keep in confidence the offers and the proposed terms of supply, so as not to prejudice or pre-empt any future CSPs in which these bidders will participate. Otherwise, BOHECO I and BOHECO II may be held liable for damages for breach of confidentiality, and eventually, risk their good relations with the suppliers concerned.
29. Similarly, Applicant ULGEI respectfully moves for the confidential treatment of Annexes "Q" to "V" of the Application. These annexes, exclusively owned by Applicant ULGEI, contain information which are considered part of its business and trade secrets. As such, ULGEI has the sole proprietary interest and will be unduly prejudiced should they be disclosed to the public.
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30. In accordance with Section 1(b), Rule 4 of the ERC Rules of Practice and Procedure, Applicants BOHECO I and ULGEI submit one (1) copy each of Annexes "I" to "N" and "Q" to "V" in a sealed envelope, with the envelope and each page of the documents stamped with the word "*Confidential*".

VI.

DEMAND SIDE MANAGEMENT

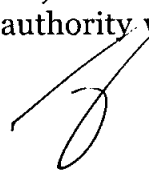
31. BOHECO I undertakes to submit a copy of the Demand Side Management program as part of its submission to the Energy Regulatory Commission.

VII.

PRAYER FOR PROVISIONAL AUTHORITY

32. All the foregoing allegations are re-pleaded by reference in support of herein Prayer for the issuance of Provisional Authority to implement the subject PSA;
33. BOHECO I and ULGEI pray for the issuance of a Provisional Authority or interim relief prior to final decision pursuant to *Rule 14* of the *ERC Rules of Practice and Procedure*, to wit:

"Section 3.Action on the Motion. – Motions for provisional authority or interim relief may be acted upon with or without hearing. The Commission shall act on the motion on the basis of the allegations of the application or petition and supporting documents and other evidences that applicant or petitioner has submitted and the comments or opposition filed by any interested person, if there be any."

34. The continuous additional supply shall help keep stable power supply for the increasing demand and low and stable cost of power available at the WESM and for the end-users; and
35. To emphasize the necessity of a provisional approval of herein Application, a Judicial Affidavit to support the prayer for provisional authority will be attached to the Application as Annex "GG".
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PRAYER

WHEREFORE, premises considered, it is most respectfully prayed that this Honorable Commission (i) treat as confidential all information in **Annexes "I" to "N" and "Q" to "V"** ; (ii) pending hearing on the merits, issue a Provisional Authority authorizing the immediate implementation of the Power Supply Agreement between Applicants BOHECO I and ULGEI, including the rate structure therein, as applied; (iii) after due notice and hearing, approve the *Application*, the *Power Supply Agreement*, and the rate structure contained therein; and (iv) in case the final approval is issued after ULGEI starts actual delivery of power to BOHECO I an order retroactively applying the final approval to the date of actual delivery.

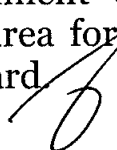
Other reliefs as may be just and equitable under the premises are, likewise, most respectfully prayed for.

Finding the said Application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for jurisdictional, Expository Presentation, Pre-trial Conference and evidentiary hearings on **04 November 2016 (Friday) at two o'clock in the afternoon (2:00 P.M.) at BOHECO I Main Office in Cabulijan, Tubigon, Bohol.**

BOHECO I and ULGEI 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 BOHECO I's franchise area, by any other means available and appropriate, of the filing of the Application, their 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 Offices of the Provincial Governor and the City and Municipal Mayors and Local Government Unit (LGU) Legislative Bodies within BOHECO I's franchise area for the appropriate posting thereof on their respective bulletin board.



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

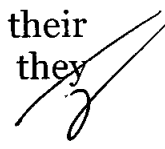
On the date of the initial hearing and Pre-trial Conference, BOHECO I and ULGEI must submit to the Commission their written compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidence of the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayors, and LGU Legislative Bodies, or their duly authorized representatives, bearing the seals of their offices, and the affidavits of the Editors or Business Managers of the newspapers where 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.

BOHECO I and ULGEI, 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 thereof 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 BOHECO I and ULGEI 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, BOHECO I and ULGEI must also be prepared to make an Expository Presentation of their Application, aided by whatever communication medium that they



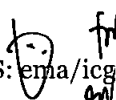
may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the Application is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 20 September 2016.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSE VICENTE B. SALAZAR
Chairman and CEO

LS:  /apv.2016-151 RC BOHECO I and ULGEI.doc




Copy furnished:

1. Attys. Kathy Buenaventura and Miguel Rolando Bayot
Counsels for Applicant ULGEI
12/F, East Tower, Phil Stock Exchange Center
Exchange Rd., Ortigas, Pasig City
2. Attys. Maria Concepcion Ojeda and Shirley Olaguer-Obenza
Counsels for Applicant BOHECO I
240 J.P. Rizal, Marikina City
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 Building, Roxas Boulevard
Pasay City, Metro Manila
6. House Committee on Energy
Batasan Hills
Quezon City, Metro Manila

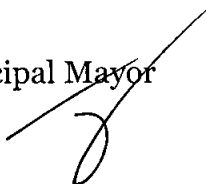
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7. President
Philippine Chamber of Commerce and Industry (PCCI)
McKinley Hill, Fort Bonifacio, Taguig
8. Office of the Provincial Governor
Province of Bohol
9. Office of the LGU Legislative Body
Province of Bohol
10. Office of the City Mayor
City of Pasig
11. Office of the LGU Legislative Body
City of Pasig
12. Office of the Municipal Mayor
Albuquerque, Bohol
13. Office of the LGU Legislative Body
Albuquerque, Bohol
14. Office of the Municipal Mayor
Antequera, Bohol
15. Office of the LGU Legislative Body
Antequera, Bohol
16. Office of the Municipal Mayor
Baclayon, Bohol
17. Office of the LGU Legislative Body
Baclayon, Bohol
18. Office of the Municipal Mayor
Balilihan, Bohol
19. Office of the LGU Legislative Body
Balilihan, Bohol
20. Office of the Municipal Mayor
Batuan, Bohol
21. Office of the LGU Legislative Body
Batuan, Bohol
22. Office of the Municipal Mayor
Bilar, Bohol
23. Office of the LGU Legislative Body
Bilar, Bohol
24. Office of the Municipal Mayor
Calape, Bohol



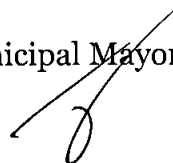
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25. Office of the LGU Legislative Body
Calape, Bohol
26. Office of the Municipal Mayor
Carmen, Bohol
27. Office of the LGU Legislative Body
Carmen, Bohol
28. Office of the Municipal Mayor
Catigbian, Bohol
29. Office of the LGU Legislative Body
Catigbian, Bohol
30. Office of the Municipal Mayor
Clarin, Bohol
31. Office of the LGU Legislative Body
Clarin, Bohol
32. Office of the Municipal Mayor
Corella, Bohol
33. Office of the LGU Legislative Body
Corella, Bohol
34. Office of the Municipal Mayor
Cortes, Bohol
35. Office of the LGU Legislative Body
Cortes, Bohol
36. Office of the Municipal Mayor
Daus, Bohol
37. Office of the LGU Legislative Body
Daus, Bohol
38. Office of the Municipal Mayor
Dimiao, Bohol
39. Office of the LGU Legislative Body
Dimiao, Bohol
40. Office of the Municipal Mayor
Inabanga, Bohol
41. Office of the LGU Legislative Body
Inabanga, Bohol
42. Office of the Municipal Mayor
Lila, Bohol



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43. Office of the LGU Legislative Body
Lila, Bohol
44. Office of the Municipal Mayor
Loay, Bohol
45. Office of the LGU Legislative Body
Loay, Bohol
46. Office of the Municipal Mayor
Loboc, Bohol
47. Office of the LGU Legislative Body
Loboc, Bohol
48. Office of the Municipal Mayor
Loon, Bohol
49. Office of the LGU Legislative Body
Loon, Bohol
50. Office of the Municipal Mayor
Maribojoc, Bohol
51. Office of the LGU Legislative Body
Maribojoc, Bohol
52. Office of the Municipal Mayor
Panglao, Bohol
53. Office of the LGU Legislative Body
Panglao, Bohol
54. Office of the Municipal Mayor
Sagbayan, Bohol
55. Office of the LGU Legislative Body
Sagbayan, Bohol
56. Office of the Municipal Mayor
San Isidro, Bohol
57. Office of the LGU Legislative Body
San Isidro, Bohol
58. Office of the Municipal Mayor
Sevilla, Bohol
59. Office of the LGU Legislative Body
Sevilla, Bohol
60. Office of the Municipal Mayor
Sikatuna, Bohol



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61. Office of the LGU Legislative Body
Sikatuna, Bohol
62. Office of the Municipal Mayor
Tubigon, Bohol
63. Office of the LGU Legislative Body
Tubigon, Bohol
64. PSA-TWG 1
Energy Regulatory Commission (ERC)
14th Floor, Pacific Center Building
San Miguel Avenue, Pasig City