

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE NON-
FIRM ENERGY SUPPLY
AGREEMENT BETWEEN
COTABATO LIGHT &
POWER COMPANY AND
MAPALAD POWER
CORPORATION, WITH
PRAYER FOR PROVISIONAL
AUTHORITY**

ERC CASE NO. 2018 -113 RC

**COTABATO LIGHT &
POWER COMPANY AND
MAPALAD POWER
CORPORATION,
Applicants.**

Promulgated:
FEB 19 2019

X-----X

ORDER

On 29 November 2018, Cotabato Light & Power Company (CLPC) and Mapalad Power Corporation (MPC) filed an *Application* dated 04 October 2018, seeking the approval of their Non-Firm Energy Supply Agreement, with prayer for the issuance of provisional authority.

In their *Application*, CLPC and MPC alleged, among others, the following:

1. CLPC is a domestic corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at Sinsuat Avenue, Cotabato City. It is a duly authorized distribution utility of electric power to the end-users in City of Cotabato, and portions of the Municipalities of Sultan Kudarat, and Datu Odin Sinsuat, both in the province of Maguindanao, pursuant to its franchise under Republic Act No. 10637.

2. MPC 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 4th Floor, Alphaland Southgate Tower, 2258 Pasong Tamo Extension corner EDSA, Makati City.
3. Applicants may be served with notices, orders and other processes of the Honorable Commission through their respective undersigned counsel.

Nature of the Joint Application

4. Section 45(b) of Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001, provides that the distribution utilities may enter into bilateral power supply contracts subject to review by the Honorable Commission. In connection with this, ERC Resolution No. 2, Series of 2015 provides that the distribution utilities and generation companies jointly file with the Honorable Commission their respective power supply agreements.

Statement of Facts

5. Among the declared State policies of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2008 (“EPIRA”) as enumerated in Section 2 thereof, is ensuring the quality, reliability, security and affordability of the supply of electric power. CLPC shares in the realization of this State policy.
6. As part of its thrust to provide a more resilient sourcing of the power needs of its customers, CLPC deemed it prudent to have an alternative source of power from suppliers that are willing and capable of supplying power to CLPC on an as-needed, or non-firm, basis.
7. Thus, CLPC sought competitive offers for the non-firm supply of up to 5 MW of capacity from prospective suppliers. After the second round of the competitive selection process, two winning bidders emerged, and CLPC awarded and signed two non-firm supply contracts with the winning bidders, one of which is MPC.
8. Thus, this instant Joint Application for the approval of the non-firm Energy Supply Agreement (“ESA”) between MPC and CLPC.

Overview of the 103 MW MPC Power Station

9. **The Generation Facilities.** MPC shall supply power under the ESA from its bunker C-fired diesel power station with a total net generating capacity of 103 MW, located in Sitio Mapalad, Barangay Dalipuga, Iligan City, Province of Lanao del Norte (the "MPC Power Station"). A description of the technical and economic characteristics of the Power Station is attached in the Application.
10. The specific fuel oil consumption ("SFOC") rate 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 a certification on the Power Station's SFOC rate is attached in the Application.
11. **Project Cost.** A summary of the costs of the project as of March 2014 is attached to the application and for reference, a comparison between the said project cost and earlier project cost totals used to compute the tariff is attached also attached in the said application.
12. **Operating Expenses** A breakdown of the projected operating expenses is attached is attached to the application and for reference, a comparison between MPC's updated and previous projected fixed operating expenses is likewise attached in the said application.
13. **Debt Equity Ratio.** The project was funded through loans and equity, with a debt-equity ratio of 68:32. For the costs of an additional unit brought back to the MPC Power Station, the debt-equity ratio is 70:30.
14. **Computation of Weighted Average Cost of Capital ("WACC"), Annual Interest.** The nominal pre-tax Weighted Average Cost of Capital ("WACC") of the project is 12.38%. MPC's actual interest cost is 6.5% p.a. A copy of the computation of the WACC and the relevant loan agreement reflecting the interest rate are attached in the said Application.
15. **Fuel Supply.** In order to ensure the supply of fuel for the operations of the MPC Power Station, MPC solicited offers from reputable suppliers in the area, and has contracted with the supplier which offered the best terms. A discussion of the fuel procurement process and a copy of the fuel supply agreement are attached in the said Application.
16. **Environmental Compliance Requirements.** The Office of the President of the Republic of the Philippines previously approved the exemption of the MPC Power Station from the requirement of an environmental compliance certificate. Nevertheless, the MPC Power Plant

will be operated responsibly in accordance with good utility practice and in accordance with all relevant laws and regulations, including environmental laws. Copies of documents evidencing such exemption are attached in the said Application.

17. **DOE Certification.** The Department of Energy (“DOE”) has certified that the capacity of the MPC Power Plant is consistent with the DOE’s Power Development Plan. A copy of the said certification is attached in the said Application.
18. **Certificate of Compliance.** This Honorable Commission has issued the necessary Certificate of Compliance for the Power Station. A copy of the said certification is attached in the said application.

Salient Terms and Conditions of the ESA

19. **Contract Period.** The ESA provides for a Contract Period of three (3) years from Operations Effective Date as defined in the ESA. The ESA also stipulates that any time during the Contract Period, the Parties may enter into good faith negotiations to extend the Contract Period under the same terms and conditions of the ESA.
20. **Maximum Contract Demand and Supply of Energy.** The Maximum Contract Demand refers to the maximum quantity (in kilowatts) that CLPC may nominate and draw per Interval as defined in the ESA. Beginning on Operations Effective Date, MPC shall deliver, on an as-available basis and as-needed by CLPC, the quantities nominated by CLPC up to 5,000 kW (whether from the capacity of the power plants owned or operated by MPC, any of its Affiliates or any third – party supplier) to CLPC at the Delivery Point.
21. **Adjustments to Maximum Contract Demand.** At any time during the Contract Period, CLPC may send a written request to increase the maximum Contract Demand no later than sixty (60) Days prior to the date of effectivity of such proposed increase, which shall be without prejudice to the right of MPC to waive the sixty (60) Day notice period. MPC may, at its sole option, approve the request to increase the Maximum Contract Demand, and the energy quantities attributable to the additional Maximum Contract Demand shall be paid for by CLPC at the Contract Price. CLPC may also request an adjustment to the Maximum Contract Demand in respect of a particular Billing Period by delivery of written notice thereof at least (30) Days before the date on which such adjustment is proposed to take effect, which shall be without prejudice to the right MPC to waive the thirty (30) Day notice period, setting out the reasons therefore and providing all documents necessary to support the request. Any such request shall be subject to approval by MPC in its sole discretion (which approval shall not be unreasonably withheld), and the energy quantities attributable to the

additional Maximum Contract Demand shall be paid for by CLPC at the Contract Price.

22. **Monthly Payments.** MPC shall deliver to CLPC a Billing Statement setting out the Electricity Fees due on account of Contract Energy delivered during each Billing Period on or before the seventh (7th) Day of the Payment Month. If MPC sourced any capacity and/or energy from another supplier during any particular Billing period, the Billing Statement(s) shall (a) set out the quantities of capacity and/or energy sourced from such other suppliers and the amount due thereon, (b) identify the account or accounts to which amounts payable to it may be paid, (c) identify value-added taxes due on all capacity and/or energy sourced and delivered, if any, and (d) have attached thereto copies of invoices, statements, or other acceptable substitutes issued by the relevant supplier in respect of any capacity and/or energy sourced and delivered by such supplier.
23. **Penalties.** If CLPC fails to pay the Electricity Fee or any other amounts payable by it under the ESA in full on the due date, it shall pay a penalty of one percent (1%) per month (a fraction of a month to be considered one month) based on the amount due, from the date when such payment is due until the date such amount is received in full by MPC. In the event that any charges due from MPC are not credited or paid in accordance with Section 8.1.1 of the ESA, MPC shall be liable to pay interest one percent (1%) per month (a fraction of a month to be considered one month) based on the unpaid charges, from the date when such amount is due until the date it is received in full by CLPC.
24. **Taxes, Fees and Costs.** Save as otherwise provided in the ESA, each Party shall be liable for such taxes, fees, costs and expenses that each may incur on account of the performance of its obligations hereunder, including legal and professional fees, if any. CLPC shall be liable for payment of the Universal Charge, it being understood that the imposition of the Universal Charge pursuant to the provisions of EPIRA shall not be an event of Force Majeure.
25. **Electricity Fees.** Electricity Fees refers to the total amount of charges due from CLPC in respect of all energy supplied during a Billing Period, computed in accordance with Schedule 7.2 of the ESA. Schedule 7.2 of the ESA is provided below. The term "Customer" or "Buyer" refer to CLPC, while "Supplier" or "Seller" refer to MPC.

Schedule 7.2 Rates Schedule

a. Electricity Fees

The Electricity Fees are exclusive of applicable Value Added Tax ("VAT"), which shall be for the account of Customer and shall be reflected in the Invoice to be

issued to Customer. For the avoidance of doubt, the value-added tax that shall be remitted by Customer to supplier is the amount as actually collected by Customer from its customers.

The Buyer shall make the following payments to the Seller in accordance with the provisions of this Agreement:

I. Monthly Payments

The Monthly Payments shall be paid to the Seller on a monthly basis in accordance with the following formula:

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

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

Taxes = Value – Added Tax, other applicable taxes and government impositions, if any

1.1. Capital Recovery Fee (CRF)

CRF shall be computed as follows:

$$\text{CRF} = \text{CRFR} \times \text{ED}$$

Where:

CRF = Capital Recovery Fee, in Pesos

$$\text{CRFR} = \frac{\text{PHP250.18}}{\text{UF}} / \text{no. of hours in the billing month}$$

UF = Utilization Factor of 28.71%

ED = kWh delivered during the Billing Month

1.2. Fixed Operation & Maintenance Fee (FOMF)

The Fixed Operation & Maintenance Fee (FOMF) covers the operating and maintenance costs of the MPC Power Station. It shall be computed according to the following formula:

$$\begin{aligned}
 \mathbf{FOMF} &= \left\{ \mathbf{FOMR} \times \left[\left(0.58 \times \frac{\mathbf{CPI}_n}{\mathbf{CPI}_o} \right) \right. \right. \\
 &+ \left. \left(0.02 \times \frac{\mathbf{WPC}_n}{\mathbf{WPC}_o} \right) \right. \\
 &+ \left. \left. \left(0.40 \times \frac{\mathbf{EU}_n}{\mathbf{EU}_o} \times \frac{\mathbf{FPPI}_n}{\mathbf{FPPI}_o} \right) \right] \right\} \times \mathbf{ED}
 \end{aligned}$$

Where:

FOMF	=	Fixed O&M Fee, in Pesos
FOMR	=	$\frac{\text{PHP } 217.62}{\text{UF}}$ / total no. of hours in the billing month
UF	=	Utilization Factor of 28.71%
ED	=	kWh delivered during the Billing 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 for June 2010 (at 115.9, 2006 = 100)
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 June 2010 (at 518.2, 1998=100)

EU_n	=	Euro – Peso Exchange Rate for the period of price determination as published by Bangko Sentral ng Pilipinas
EU_o	=	Euro – Peso Exchange Rate for June 2010 (at P56.5910 / 1Euro) as published by Bangko Sentral ng Pilipinas
$FPPI_n$	=	Finland Producers’ Price Index for Manufacturing for the period price determination as published in the International Financial Statistics of IMF
$FPPI_o$	=	Finland Producers’ Price Index for Manufacturing for June 2010 (at 99.97) as published in the International Financial Statistics of IMF

1.3. Variable Operation & Maintenance Fee (VOMF)

The Variable Operation and Maintenance Fee (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 MPC Power Station. It shall be computed according to the following formula:

$$\begin{aligned}
 \mathbf{VOMF} &= \left\{ \mathbf{VOMFR} \times \left[\left(0.10 \times \frac{\mathbf{CPI}_n}{\mathbf{CPI}_o} \right) + \left(0.60 \times \frac{\mathbf{WPC}_n}{\mathbf{WPC}_o} \right) + \left(0.30 \times \frac{\mathbf{EU}_n}{\mathbf{EU}_o} \times \frac{\mathbf{FPPI}_n}{\mathbf{FPPI}_o} \right) \right] \right\} \times \mathbf{ED}
 \end{aligned}$$

Where:

$VOMF$	=	Variable O&M Fee, in Pesos
$VOMFR$	=	Variable O&M Fee Rate of Php 0.17/kWh
ED	=	kWh delivered during the Billing 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 for June 2010 (115.9, 2006 = 100)
EU _n	=	Euro – Peso Exchange Rate for the period of price determination as published by Bangko Sentral ng Pilipinas
EU _o	=	Euro – Peso Exchange Rate for June 2010 (at P56.5910 / 1 Euro) 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 for June 2010 (at 99.97) as published in the International Financial Statistics of IMF
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 June 2010 (at 518.2).

1.4. Actual Fuel Cost (AFC)

The Actual Fuel Cost (AFC) is the fee paid to the Seller as payment for the procurement and delivery of the fuel oil (Diesel) used in the operation of the MPC Power Station. The Actual Fuel Cost shall be computed as follows:

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

Where:

- AFC = Actual Fuel Cost, in Pesos
- FC = Fuel Cost, The average MOPS 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 = kWh delivered during the Billing Month

1.5. Start-Up Costs (SC)

The Buyer, on a pro rata basis of the capacity of the MPC Power Station allocated to the Buyer, shall pay the Seller Start – Up Costs for the cost of starting up the MPC Power Station after a period of shutdown due to any reason attributable to all the buyers of the Seller. 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:

$$SC = (\text{No. of Cold Start ups} \times 600 \text{ liters} \times \text{price of Diesel per liter}) + (\text{No. of Warm Start ups} \times 300 \text{ liters} \times \text{price of Diesel per liter})$$

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

1.6. Value Added Tax

The relative Value Added Taxes (“VAT”) of the above fee payments 12% shall be computed as follows:

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

For reference, a sample computation of the monthly payment is contained in Schedule 7.2 of the ESA.

26. **Basis for indexation.** As indicated in the formulas above, the monthly fees to be paid by CLPC are subject to adjustments based on various indices.

27. The components of the Operation and Maintenance Fees representing foreign currency-denominated costs are adjusted based on the foreign exchange rate and the appropriate foreign price indices; those representing local costs are adjusted based on local price indices. The Actual Fuel Costs vary based on the applicable fuel cost index.
28. **Financial Model.** A copy of MPC's financial model for the tariff is attached in the application. As discussed below, the financial model is the subject of a motion for confidential treatment of information.
29. **Rate Implication.** An analysis was conducted to determine the impact of the implementation of the ESA on CLPC's generation costs, a copy of which is attached in the said Application. The following table shows the indicative rate impact:

Estimated Generation Charge* (Year 2018, PhP/kWh)		
Without MPC (non-firm)	With MPC (non-firm)	Impact
4.0709	4.2117	0.1408

* Assumptions:

- MPC is projected to enter on May 2018
- Power Cost used is based on ERC approved rate per supplier
- MPC will cater the forecasted demand growth and shortfall of PSALM in 2018 and thereafter

30. The following documents are likewise attached as annexes hereof, to support the instant application:

Annex	Document
N	CLPC's Articles of Incorporation (AOI)
O	CLPC's By-Laws
P	CLPC's General Information Sheet (GIS) and Ownership Structure Map
Q	MPC's Securities and Exchange Commission Certificate of Registration
R	MPC's Articles of Incorporation
S	MPC' By-Laws of MPC
T	MPC's General Information Sheet
U	MPC's Audited Financial Statements
V	Diagram showing MPC's affiliates and/or subsidiaries
W	CLPC's Demand Side Management Programs
X	PSALM Certification
Y	CLPC's Supply and Demand Scenario and Average Daily Load Curves

Annex	Document
Z	CLPC's Distribution Development Plan Summaries
AA and series	Invitations to Submit Proposal for the Supply of Power and Bidding Terms of Reference, published on 5 March 2017 and 17 March 2017
BB and series	Letter proposals from bidders
CC and series	CLPC BAC Evaluation Reports dated 15 March 2017 and 29 March 2017
DD	CLPC Board Resolution confirming approval of Evaluation Report
EE	CLPC Notice of Award to MPC dated 3 April 2017
FF and series	Matrix of Competitive Selection Process
GG	Certification (Conduct of Competitive Selection Process)
HH	Energy Supply Agreement (ESA) between MPC and CLPC
II	Write-up on Other Documentary Requirements

MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

31. As mentioned above, the financial model attached is hereby submitted under a motion to treat information confidential ("Motion").
32. The financial model discloses the basis for the tariff under the ESA. It includes all the formulas and calculations as well as the assumptions and values considered therein.
33. In accordance with Section 1, Rule 4 of this Honorable Commission's Rules of Practice and Procedure ("ERC Rules"), Applicant MPC respectfully moves that the financial model be treated as confidential information for the following reasons:
 - 33.1. The financial model qualifies as a "trade secret" as contemplated under existing jurisprudence.
 - 33.2. In the case *Air Philippines Corporation vs. Pennswell Inc.*,¹ 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.

¹ G. R. No. 172835, 13 December 2007.

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."

34. Also, the financial model was prepared and developed for the exclusive use of MPC, and is designed for the specific use of the company in its power generation business. Consequently, should the financial model be disclosed to the public, they could easily be copied or used by MPC's competitors or other entities engaged in the power business for their own benefit, and to the prejudice of MPC. Thus, the commercial value of the model will be diminished significantly.
35. Given the foregoing, the financial model qualifies as "confidential information" as defined under Section 2, Rule 4 of the ERC Rules.
36. In accordance with Section 1 (b), Rule 4 of the ERC Rules, an electronic copy of the financial model is contained in a compact disc and submitted in a sealed envelope marked with the word "Confidential."
37. Further, all parties furnished copies of the present Application are not furnished copies of the model subject the present motion.
38. In accordance with Sections 3 and 4, Rule 4 of the ERC Rules, Applicant MPC reserves the right to use the financial model and its contents as evidence, and respectfully moves for the issuance of a Protective Order.

**ALLEGATIONS IN SUPPORT OF THE
PRAYER FOR PROVISIONAL AUTHORITY**

39. As earlier intimated, the non-firm ESA is a mode proposed by CLPC to provide a more resilient sourcing of the power needs of its customers.
40. In the event that there is a sudden need for CLPC to source power for its customers for reasons such as short term demand growth or temporary unavailability of supply from other suppliers to meet demand, CLPC may call on the non-firm supply from MPC under the ESA.
41. The grant of a provisional authority will allow CLPC to immediately draw power under the ESA when needed by CLPC's customers. Thus, the immediate approval of the ESA

will ultimately redound to the benefit of CLPC's customers in terms of continuous, reliable, efficient and affordable power supply. The Judicial Affidavit of Mr. Anthony Bueno is attached in the Application in support of the motion for provisional approval.

42. Applicants pray that the Commission: (1) issue an Order declaring the financial model attached in the Application as confidential information within the purview of Rule 4 of the ERC Rules, as well as directing that the same be treated with confidentiality and be protected from public disclosure; (2) issue the corresponding Protective Order in accordance with Section 2 and 4 of the said Rule 4; (3) Pending trial on the merits, provisionally approve the ESA, including all the rates, fees and charges set out therein; and (4) After trial on the merits, approve with finality the ESA, including all the rates, fees and charges set out therein.

On 07 January 2019, the Commission issued an *Order* and a *Notice of Public Hearing* setting the application for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on 27 February 2019 at CLPC's Main Office, Sinsuat Avenue, Cotabato City.

On 01 February 2019, applicant CLPC filed a *Motion to Change Venue and Reset Hearing with Entry of Appearance*, praying that the venue of hearing be transferred from CLPC's Main Office, Sinsuat Avenue, Cotabato City to the Commission's Field Office in Davao City, in view of the heightened security alert in and around the area of Cotabato City and that the date of hearing be reset to a later date.

Finding the said *Motion* meritorious, the same is hereby GRANTED. Accordingly, the instant application is hereby set anew for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on **27 March 2019 (Wednesday), two o'clock in the afternoon (2:00 P.M.), at ERC Mindanao Field Office, Mintrade Building, Monteverde Avenue cor. Sales St. Davao City.**

CLPC and MPC are hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart and the date of the last

publication to be made not later than ten (10) days before the date of the scheduled initial hearing;

- 2) Furnish with copies of this *Order* and the attached *Notice of Public Hearing* the Offices of the Provincial Governors, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, by any other means available and appropriate;
- 4) Furnish with copies of this *Order* and the attached *Notice of Public Hearing*, 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; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, CLPC and MPC must submit to the Commission their written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached *Notice of Public Hearing* consisting of affidavits of the Editor or Business Manager of the newspapers where the said Notice of Public Hearing was published, and the complete issue of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Public Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;

- 3) The evidence of other means employed by CLPC and MPC to inform of the filing of the *Application*, the reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Public Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

CLPC and MPC and all interested parties are also required 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:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Failure of CLPC and MPC to comply with the above requirements 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 the said date of cancellation.

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CLPC and MPC must also be prepared to make an expository presentation of the instant *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, the nature of the *Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 18 February 2019.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Commissioner

 LS: CRC/ARC/GED ord.2018-113 RC clpc mpc PSA io-reset

Copy Furnished:

1. Atty. Sherwin Quilatan
Counsel for CLPC
Sinsuat Avenue, Cotabato City
2. Cotabato Light and Power Company, Inc. (CLPC)
Sinsuat Avenue, Cotabato City
3. Lachica and Associates
Suite 2304-B, West Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City
4. Mapalad Power Corporation
4th floor, Alphaland, Southgate Tower
2258 Pasong Tamo Extension
Corner EDSA, Makati City
5. Office of the Solicitor General
134 Amorsolo St., Legaspi Village
City of Makati 1229

6. Commission on Audit (COA)
Commonwealth Avenue,
Quezon City 1121
7. Senate Committee on Energy
GSIS Building, Roxas Boulevard
Pasay City 1300
8. House Committee on Energy
Batasan Hills, Quezon City 1126
9. Office of the City Mayor
Cotabato City
10. Office of the Sangguniang Panglungsod
Cotabato City
11. Office of the Municipal Mayor
Datu Odin Sinsuat, Maguindanao
12. Office of the Sangguniang Bayan
Datu Odin Sinsuat, Maguindanao
13. Office of the Municipal Mayor
Sultan Kudarat, Maguindanao
14. Office of the Sangguniang Bayan
Sultan Kudarat, Maguindanao
15. Office of the Governor
Province of Maguindanao
16. Office of the Sangguniang Panlalawigan
Province of Maguindanao
17. Regulatory Operations Service
17th Floor, Pacific Center Building
San Miguel Avenue, Pasig City