

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



**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO IMPLEMENT
MICROGRID PROJECTS IN
UNVIABLE AREAS IN THE
MUNICIPALITY OF LOOC,
OCCIDENTAL MINDORO AND
APPROVAL OF FULL COST
RECOVERY RATE (FCRR)
THEREFOR WITH URGENT
PRAYER FOR ISSUANCE OF
PROVISIONAL AUTHORITY**

ERC CASE NO. 2021-016 RC

**LUBANG ELECTRIC
COOPERATIVE, INC.
(LUBELCO),**

Applicant.

X-----X

Promulgated:
March 19, 2021

ORDER

On 10 March 2021, Lubang Electric Cooperative Inc. (LUBELCO) filed an *Application* dated 07 October 2020, seeking the Commission's approval of its authority to implement its Microgrid Projects in Unviable Areas in the Municipality of Looc, Occidental Mindoro and the Full Cost Recovery Rate (FCRR) thereof, with prayer for the issuance of provisional authority.

The pertinent allegations of the *Application* are hereunder quoted as follows:

1. Applicant LUBELCO is an electric cooperative duly organized and existing by virtue of Presidential Decree 269, as amended by Republic Act 10531, with principal office located at Bagubag Vigo, Lubang, Occidental Mindoro. It may be served with notices and other processes of this Honorable Commission through its undersigned counsel at the address indicated therein.
2. LUBELCO has a franchise to construct, operate and maintain an electric power distribution system in the Municipalities of

Lubang and Looc in the Province of Occidental Mindoro¹. The franchise term is fifty (50) years until 13 July 2033.

3. LUBELCO seeks the Honorable Commission's approval to provide 24/7 electricity to end-users in the Unviable² areas within its franchise area, consistent with the mandate under Section 23 of Republic Act 9136 or the Electric Power Industry Reform Act ("EPIRA") that "a distribution utility shall have the obligation to provide distribution services and connections to its system for any end-user within its franchise area consistent with the distribution code. Any entity engaged therein shall provide open and non-discriminatory access to its distribution system to all users."
4. The same section in the EPIRA further states that: "[d]istribution utilities shall provide universal service within their franchise, over a reasonable time from the requirement thereof, including unviable areas, as part of their social obligations, in a manner that shall sustain the economic viability of the utility, subject to the approval by the ERC in the case of private or government-owned utilities. To this end, distribution utilities shall submit to the DOE their plans for serving such areas as part of their distribution development plans."
5. LUBELCO plans to construct, acquire, own, operate and maintain its own microgrid systems³ in Unviable areas, specifically Barangays Ambil, Bulacan, and Talaotao, located within the Municipality of Looc (herein referred to individually as a Project and collectively as the Projects) in order to provide universal service within its franchise area. This is pursuant to Section 16 (j-1) of Republic Act 10531 that allows an electric cooperative to undertake power generation.
6. Further, Section 26 of the EPIRA that allows a DU to directly or indirectly engage in any related business undertaking which maximizes the use of its assets subject to, among others, the separation of its business accounts to ensure that the (*sic*) such undertaking does not subsidize its distribution business or encumber its distribution assets.

In compliance with this requirement, LUBELCO filed an application for its Business Separation Unbundling Plan (BSUP) with the ERC⁴.

¹ - Copy of LUBELCO Franchise Certificate No. 092, herein attached as Annex "A.1".
- Copy of LUBELCO Certificate of Registration, By-Law, Certificate of Franchise, herein attached as Annex "A.2".
- Copy of the Latest and Complete Set of Audited Financial Statements of the Generation Company (Balance Sheet, Income Statement, and Statement of cash flows) herein attached as Annex "S.1", "S.2", "S.3", and "S.4".

² "Unviable" refers to a geographic area within the franchise area of a Distribution Utility where the immediate extension of the distribution line is not feasible. Rule 4, (ssss), RA 9136 Implementing Rules and Regulations (IRR).

³ "Microgrid system" refers to a group of interconnected loads and distributed utilities with clearly defined electrical boundaries that acts as a single controllable entity with respect to the generation and distribution grid.

⁴ Docketed as ERC Case No. 2019-009 MC filed on 16 April 2019.

7. However, upon close examination of the existing rules, there are no Implementing Rules and Regulations that covers the cost recovery of a DU-owned microgrid assets for the purpose of fulfilling its obligation of providing universal service within its franchise area, especially the Unviable areas. Applicant seeks the ERC's imprimatur to this Application based on Section 43 (f), (j) and (q) of the EPIRA that bestows on the Honorable Commission the power to fix rates charged by a DU to captive customers.
8. In terms of determining the rate-setting mechanism, Applicant seeks to apply by analogy EPIRA IRR Rule 7, Section 6(b) and Rule 14, which refer to the provision of electricity in Unviable areas. The regulation is not applicable on all fours since LUBELCO is not acting as a Qualified Third Party (QTP) provider. Before a QTP may enter into a remote and Unviable area, the DU shall first waive the area but LUBELCO has no intention of waiving the areas.
9. Consistent with the foregoing, the Application refers to Article 2, Section 6 of ERC Resolution 22, series of 2006 that allows a DU to provide electricity in its Unviable areas subject to certain conditions which have been met by the Projects. The section states:

“Special Rules for Small QTPs not Requiring Subsidies – An Entity providing Electricity Service in a Declared Unviable Area which:

 - (a) has a generating capacity below 200 kW; or
 - (b) has fewer than 100 connections; and
 - (c) does not seek to avail of a Missionary Electrification Subsidy because its retail rate is equal to or lower than the ERC-approved SARR in the Declared Unviable Area where it operates.

shall be deemed qualified and authorized to act as QTP upon issuance of a COC⁵ in its favor, provided that such authorization shall be valid only during the effectivity of the COC, while the above conditions are satisfied, or upon revocation by the ERC, whichever comes earlier.”
10. Moreover, given the consent⁶ of the customers, the Application does not contain a prayer for subsidy availment. This is dependent on Rule 10 of DOE Circular No. DC2019-01-0001 regarding the formulation of a subsidy rationalization policy.⁷

⁵ Refers to the Certificate of Compliance issued by the ERC to generation facilities.

⁶ Refers to the Barangay Resolutions for Talaotao, Bulacan and Ambil, herein attached as Annex O, Annex P and Annex Q.

⁷ Department Circular No. DC2019-01-0001 entitled “Prescribing the Omnibus Guidelines on Enhancing Off-Grid Power Development and Operation”

BACKGROUND AND PROJECT RATIONALE

11. The Lubang Group of Islands in the Province of Occidental Mindoro is composed of two municipalities – Lubang and Looc – covering four main islands, namely Lubang, Cabra, Ambil and Golo. There are twenty-five (25) barangays, sixteen (16) barangays in Lubang including Cabra island and nine (9) barangays in Looc including 3 barangays in Ambil and Golo islands. These areas comprise LUBELCO’s franchise area.
12. While Lubang island enjoys 24/7 electricity, the two other islands of Ambil and Golo where the Project barangays are located, only have electricity service for four (4) hours.
13. The source of electricity for Ambil island is unreliable and insufficient for its 450 households. Ambil island is composed of two sitios: Sitio Tabao, which has 200 households, and Sitio Tambo, which has 250 households. Most households source their income from the live fishing industry. The households in both sitios rely on informal electricity (private genset owners and individual solar home systems) to get up to four (4) hours, at most, of electricity on a nightly basis.
14. The situation is similar in Golo island, as there is only access to informal electricity for its 675 households. Golo island is composed of two barangays Bulacan with 310 households, and Talaotao with 365 households. Most households source their income from the live fishing industry. The households rely on informal electricity (private genset owners and individual solar home systems) to get up to four (4) hours, at most, on a nightly basis.
15. At present, the monthly price paid by each resident just to have limited access electricity ranges from PhP 450.00 to PhP 1,050.00.⁸ In Lubang island, an off-grid area benefiting from the Universal Charge for Missionary Electrification (UCME), the average price of electricity is PHP 13.25 per kilowatt-hour.
16. In its Distribution Development Plan (DDP)⁹, LUBELCO already included its plan to electrify through its own generation system the Unviable areas within its franchise area, specifically Sitios Tabao and Tambo in Barangay Ambil, Barangay Talaotao, and Barangay Bulacan (each a “Project” and collectively the “Projects”) located in the islands of Ambil and Golo.
17. Signifying its commitment to electrify these Unviable areas, LUBELCO has constructed the distribution networks in the two islands in 2012 and 2014 which however remain unutilized because the islands lack a generation facility[.]

⁸ A household paying PHP 15.00 per day or PHP 450.00 per month for 2 lightbulbs for 4 hours per night is paying PHP 208.33.00/kWh. A household with 2 lightbulbs, 1 television, and 1 fan for 4 hours per night is paying PHP 66.37/kWh.

⁹ A copy of LUBELCO’s DDP is herein attached as Annex “B”.

With RA 10531 allowing the ECs to undertake power generation, LUBELCO is keen on providing the electric service which is long overdue. Thus, the LUBELCO Board issued Board Resolution No. 52 series of 2018 “A Resolution Authorizing the Cooperative to Construct Its Own Generation Facilities to Enable Access to 24/7 Electricity in the Islands of Cabra, Ambil and Golo”¹⁰.

18. The Projects implementation is in line with the mandate of the current administration, consistent with the Power Development Plan (PDP) 2017-2040 and Department Order No. DO 20180-05-0010 of the Department of Energy to accelerate execution of Total Electrification Program (TEP) in the attainment of one hundred percent (100%) electrification of targeted and identified households by 2022.
19. The possibility of having a private company provide service either as a New Power Provider (NPP) or QTP was explored but given the lengthy regulatory process of obtaining the necessary permits and approvals from the relevant government agencies.¹¹ Nonetheless, LUBELCO exhausted all efforts to conduct a Competitive Selection Process (CSP).

Thus, LUBELCO deemed it in the best interest of its end-users to undertake power generation, which it is allowed to do, corollary with its obligation to undertake electricity distribution. With the objective of providing speedy electric service to the Unviable areas in the Lubang Group of Islands, LUBELCO decided to install its own Micro- grid systems.

20. LUBELCO plans to install a hybrid power generation system in the islands utilizing a combination of solar photovoltaic panels, modular diesel generator sets, and small-capacity battery energy storage system (BESS), and coordinated controllers. A power generation design for the Projects are prepared.¹²
21. In order to provide technical and commercial support to LUBELCO, it has requested assistance from its fellow ECs through the Association of Isolated Electric Cooperatives (AIEC) of which LUBELCO is a member. LUBELCO Board issued Board Resolution No. 43 series of 2018 entitled “Resolution Approving LUBELCO’s Partnership with AIEC Green Energy Corporation and ILAW Corporation for the Development of Renewable Energy

¹⁰ A copy of LUBELCO Board Resolution No. 52, series of 2018 is attached as Annex “C”.

¹¹ Attached as Annex “D” is the typical timeline for an NPP and QTP approval process.

¹² 1.) Power Gen Design and SLD marked as follows:

Annex “E.1”, “E.2” for Sitio Tabao;

Annex “F.1”, “F.2” for Sitio Tambo;

Annex “G.1”, “G.2” for Barangay Bulacan and

Annex “H.1”, “H.2” for Barangay Talaotao

2.) Certification of the net heat rate in liters per kWh marked as Annex “T”.

3.) Details on the procurement process of fuel including requests, proposals received, tender offers, etc. marked as Annex “U”.

Power Generation Business in the Franchise Area”.¹³ In turn, AIEC has tapped its affiliate called the AIEC Missionary Green Energy Corporation (AIEC MGEC)¹⁴, the corporation established by AIEC for the purpose of helping its member-electric cooperatives provide a solution to the problem faced by its consumers in unviable areas.¹⁵

22. The estimated cost of the Projects is PHP 94,896,503.00 (Ninety-Four Million Eight Hundred Ninety-Six Thousand Five Hundred and Three Pesos).¹⁶
23. Given the cost of the Projects, LUBELCO derived the Year 1 Full Cost Recovery Rate (FCRR) at PhP360.50 monthly, equivalent to a consumption of 7 kilowatt hours, for each connected customer and an additional charge of PhP26.50 per kilowatt-hour for consumption in excess of the 7 kilowatt hours.¹⁷ The Year 1 rates are subject to a 5% annual escalation. Using an escalated tariff scheme instead of a levelized tariff allows for lower tariff levels in the initial years of operation. The availability of 24/7 power supply plus the lower, escalated tariffs will encourage higher electricity consumption. LUBELCO expects that these factors would boost economic activity and foster development in the project sites. LUBELCO’s debt is also sculpted such that the amortization payments are escalating. For ease, the electricity charge is found below:

Consumption	Full Cost Recovery Rate
Up to 7 kWh	PhP360.50
In excess of 7 kWh	Php26.50 / kWh

24. It should be noted that there is no ERC-approved Subsidized Approved Retail Rate (SARR) in Lubang. In lieu of the SARR, LUBELCO has determined the socially acceptable rate for its consumers through extensive public consultations.¹⁸

¹³ A copy of LUBELCO Board Resolution

¹⁴ This is based on, Rule 7, Section 6(a), RA 9136 IRR which states that: “Unenergized areas that a Distribution utility does not find viable may be transferred to another Distribution Utility, if any is available, which will provide the service, subject to approval by ERC. In cases where a Distribution Utility failed or refused to service any area within its Franchise Area and allows another utility to service the same, the arrangements between the Distribution Utilities shall not affect their respective Franchise Areas. The ERC shall issue the appropriate guidelines to implement this provision.”

¹⁵ 1.) The partnership structure is further explained in the attached Annex “J.1” and Executive Summary for LUBELCO Application in Annex “J.2”.

2.) Copy of Community Energizer System Installation Agreements marked as Annex “V.1”, “V.2”, “V.3” and “V.4” for Tabao, Tambo, Bulacan and Talaotao respectively.

3.) Loan Agreement (Execution Copy) for Tabao marked as Annex “W”

4.) NEA Loan option marked as Annex “X”

¹⁶ Annex “K” shows the detailed cost breakdown and Annex “L” shows the Financial Plan.

¹⁷ Annex “M.1” shows the detailed tariff breakdown, Breakdown of the base prices; Capital Recovery Fee, Fixed and Variable O&M, Fuel Fee and Computation of Return on Investment/WACC while Annex “M.2” shows the financial model containing the derivation of rates in excel file together with Sample Computation of Power Rates with the supporting documents on the assumptions taken.

¹⁸ The list of public consultations conducted by LUBELCO is attached as Annex “N”.

25. More importantly, LUBELCO has obtained the consent of its residents who are seeking 24/7 electricity and are willing to pay the price for it.
- a. Barangay Resolution 18, s. of 2018 dated 3 December 2018: “A Resolution Favorably Approving and Endorsing the Proposal of Lubang Electric Cooperative Relative to Bringing 24/7 Electricity to Barangay Talaotao” in the Municipality of Looc signed by 400 individuals.¹⁹
 - b. Barangay Resolution 15 [,] s. of 2018 dated 4 December 2018: “A Resolution Favorably Approving and Endorsing the Proposal of Lubang Electric Cooperative Relative to Bringing 24/7 Electricity Service to Barangay Bulacan” in the Municipality of Looc signed by 170 individuals.²⁰
 - c. Barangay Resolution 25 [,] s. of 2018 dated 6 December 2018: “A Resolution Favorably Approving and Endorsing the Proposal of Lubang Electric Cooperative Relative to Bringing 24/7 Electricity Service to Barangay Ambil” in the Municipality of Looc signed by 480 individuals.²¹

**URGENT PRAYER FOR ISSUANCE OF PROVISIONAL
AUTHORITY OR INTERIM RELIEF**

26. The lack of reliable and affordable electricity in LUBELCO’s Unviable areas has stymied the economic growth in the Lubang Group of Islands. Most of the households rely on income from the live fishing industry. A lack of reliable freezer-storage facilities for their catch limits the entrepreneurial opportunities of the fishermen. Hence, the community clamors for 24/7 reliable electricity to allow for economic growth and a better standard of living.
27. The clamor of the people, the urge for LUBELCO to decrease the percentage of its unelectrified customers, the requirement of the DOE for LUBELCO to meet the Renewable Portfolio Standards, and requirement of the Department of Energy’s for DUs including the Electric Cooperatives to meet 100% electrification by the year 2022 has driven LUBELCO to act swiftly and begin immediate operations in Sitio Tabao, Barangay Ambil.
28. After the public consultation in Barangay Ambil last 6 December 2018, a technical assessment on the distribution system was undertaken. The final design of the micro-grid system and site selection were completed in April 2019. The construction of the power house began in July 2019 and interconnection was completed in September 2019. Commercial operations started on 30 October 2019. The current installation is a partial six-hour service to the community delivering to 132 households.

¹⁹ The consent of residents in Barangay Talaotao is attached as Annex “O”.

²⁰ The consent of residents in Barangay Bulacan is attached as Annex “P”.

²¹ The consent of residents in Barangay Ambil is attached as Annex “Q”.

29. Consistent with the amended COC guidelines, the application has been filed.
30. LUBELCO is in the process of completing the other permitting requirements for the Projects as soon as possible.²²
31. Accordingly, pending final approval, there is an urgent need for a provisional approval or interim relief for LUBELCO to implement the microgrid projects in the four (4) unviable areas and collect the full cost recovery rate from the end-users.

**ALLEGATIONS TO SUPPORT MOTION
FOR CONFIDENTIAL TREATMENT OF INFORMATION**

32. Under Rule 4 of the ERC Rules, the Honorable Commission may, upon request of a party and determination of the existence of conditions that would warrant such remedy, treat certain information submitted to it as confidential.
33. Applicant is submitting the following documents pursuant to the foregoing Rule:
 - Annex “E.1” and “E.2” – Power Generation Design for Sitio Tabao, Barangay Ambil
 - Annex “F.1” and “F.2” – Power Generation Design for Sitio Tambo, Barangay Ambil
 - Annex “G.1” and “G.2” – Power Generation Design for Barangay Talaotao
 - Annex “H.1” and “H.2” – Power Generation for Barangay Bulacan
 - Annex “J.1” – Partnership Structure
 - Annex “J.2” - Executive Summary
 - Annex “K” – Detailed Cost Breakdown
 - Annex “L” – Financial Plan
 - Annex “M.1” – Detailed Tariff Breakdown
 - Annex “M.2” - LUBELCO Cluster Model
34. These documents contain certain non-public information, data and calculations involving business operations and financial trade secrets.
35. Applicant thus respectfully moves that Annexes “E.1”, “E.2”, “F.1”, “F.2”, “G.1”, “G.2”, “J.1”, “J.2” “K”, “L”, “M.1” “M.2” not be disclosed and be treated as confidential documents in accordance with Rule 4 of the ERC Rules. Accordingly, Applicant hereby submit one (1) copy of Annexes “E.1”, “E.2”, “F.1”, “F.2”, “G.1”, “G.2”, “J.1”, “J.2” “K”, “L”, “M.1” “M.2” in a sealed envelope, with the envelope and each page of the document stamped with the word “Confidential.”

²² A list of permits and government approvals is attached as Annex “R” with copies of said permits further attached as Annex “R1”, “R2”, “R3”, and “R4”.

SUMMARY OF SUBMITTED DOCUMENTS

36. In support of the instant Application, Applicant most respectfully submit to the Honorable Commission the following documents which are referred to herein and summarized below, thus:

ANNEX	NATURE OF DOCUMENT
A.1	LUBELCO's Franchise Certificate
A.2	LUBELCO's Certificate of Registration, By-Laws
B	LUBELCO's Distribution Development Plan
C	LUBELCO Board Resolution No. 52, series of 2018
D	NPP and QTP Timeline Approval Process
E.1	Power Generation Design for Sitio Tabao, Barangay Ambil
E.2	SLD for Tabao
F.1	Power Generation Design for Sitio Tambo, Barangay Ambil
F.2	SLD for Tambo
G.1	Power Generation Design for Barangay Bulacan
G.2	SLD for Bulacan
H.1	Power Generation Design for Barangay Talaotao
H.2	SLD for Talaotao
I	LUBELCO Board Resolution No. 43, series of 2018
J.1	Partnership Structure
J.2	Executive Summary
K	Detailed Cost Breakdown
L	Financial Plan
M.1	Detailed Tariff Breakdown
M.2	LUBELCO Cluster Model
N.1	PowerPoint Presentation
N.2	List of Public Consultations
O	Barangay Resolution of Talaotao
P	Barangay Resolution of Bulacan
Q	Barangay Resolution of Ambil
R	Permits and Government Approvals
R.1	Certificate of Non-Coverage Application for Tambo
R.2	Certificate of Non-Coverage Application for Talaotao
R.3	Certificate of Non-Coverage Application for Tabao
R.4	Certificate of Non-Coverage Application for Bulacan
S.1	Audited Financial Statement 2017
S.2	LUBELCO Notes 2017
S.3	Audited Financial Statement 2018
S.4	LUBELCO Notes 2018
T	Certification GenSet Heat Rate
U	Details on the Procurement Process of fuel
V.1	Notarized CESIA Tabao
V.2	Notarized CESIA Tambo
V.3	Notarized CESIA Bulacan
V.4	Notarized CESIA Tatalotao
W	Loan Agreement with REM for Tabao
X	NEA Loan Option

Compliance with Jurisdictional Requirements

Y1	Proof of receipt by Sangguniang Bayan of Looc
Y2	Proof of receipt by the Sangguniang Panlalawigan of

	Occidental Mindoro
Y3	Application published in a newspaper of local circulation
Y4	Affidavit of publication
Y5	Sworn statement from LUBELCO in support of the provisional authority
Y6	Application published in a newspaper of local circulation
Y7	Affidavit of publication

PRAYER

WHEREFORE, premises considered, it is respectfully prayed to this Honorable Commission that the instant Application be APPROVED and that, after due notice and hearing, LUBELCO be allowed:

- a. to immediately charge the end-users the FULL COST RECOVERY RATE in Sitios Tabao and Tambo, Barangay Ambil, Barangay Talaotao, and Barangay Bulacan, all located in the Municipality of Looc, in the Province of Occidental Mindoro; and;
- b. to own, operate, and maintain the Microgrid Projects.

Other just and equitable reliefs are likewise prayed for.

Pending Approval, LUBELCO prays for the immediate issuance of the provisional authority or interim relief to allow LUBELCO to implement and collect.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020²³, dated 24 September 2020:

Date	Platform	Activity
11 May 2021 (Tuesday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
18 May 2021 (Tuesday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams	Pre-trial Conference and presentation of evidence

²³ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

Accordingly, LUBELCO is hereby directed to host the virtual hearing at **LUBELCO's principal office located at Bagubag Vigo, Lubang, Occidental Mindoro**, as the designated venue for the conduct thereof, and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, Applicant shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, LUBELCO is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at its 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 Virtual Hearing* the Offices of the Provincial Governors, the City or Municipal Mayors and the Local Government Unit (LGU) legislative bodies within LUBELCO's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within LUBELCO's franchise area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled virtual hearing thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual 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 and attend 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.

Within five (5) calendar days prior to the date of the virtual hearing, LUBELCO must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, and records@erc.gov.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of its 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 Virtual Hearing* consisting of affidavits of the Editors or Business Managers of the newspapers where the said *Notice of Virtual Hearing* was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual 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 LUBELCO to inform the consumers within the affected franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual 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 proof of compliance with the requirements of the Commission.

Moreover, LUBELCO is hereby required to post on its bulletin board, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Office of the Mayors, Provincial Governor and Local Legislative Bodies, and to submit proof of its posting thereof.

LUBELCO and all interested parties are also required to submit via e-mail at docket@erc.ph copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days before the date of the

scheduled virtual 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 therefor, which should also be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

LUBELCO must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of LUBELCO 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.

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

LUBELCO is hereby directed to file a copy of its Expository Presentation via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days prior to the scheduled virtual hearing. LUBELCO shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual

hearing, via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

LUBELCO is hereby directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of their Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

Finally, LUBELCO, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 17 March 2021.

FOR AND BY AUTHORITY
OF THE COMMISSION:


AGNES VST DEVANADERA
Chairperson and CEO

ERC CASE NO. 2021-016 RC
ORDER/ 17 MARCH 2021
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Copy Furnished:

1. Lubang Electric Cooperative Inc. (LUBELCO)
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Commonwealth Avenue, Quezon City 1121
Email Address: citizensdesk@coa.gov.ph
5. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City 1307
Email Address: senateenergycommittee@gmail.com
6. House Committee on Energy
Batasan Hills, Quezon City 1126
Email Address: committee.energy@house.gov.ph
7. Office of the Governor
Province of Occidental Mindoro
8. Office of the Sangguniang Panlalawigan
Province of Occidental Mindoro
9. Office of the Municipal Mayor
Looc, Occidental Mindoro
10. Office of the Sangguniang Bayan
Looc, Occidental Mindoro
11. Office of the Municipal Mayor
Lubang, Occidental Mindoro
12. Office of the Sangguniang Bayan
Lubang, Occidental Mindoro
13. 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
14. Regulatory Operations Service (ROS)
Energy Regulatory Commission
17th Floor, Pacific Center, San Miguel Avenue, Pasig City