

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE POWER
SUPPLY AGREEMENT
BETWEEN SN ABOITIZ
POWER-MAGAT, INC. AND
CAGAYAN II ELECTRIC
COOPERATIVE, INC., WITH
MOTION FOR
CONFIDENTIAL TREATMENT
OF INFORMATION AND
PRAYER FOR PROVISIONAL
AUTHORITY**

ERC Case No. 2021-069 RC

**SN ABOITIZ POWER-MAGAT,
INC. AND CAGAYAN II
ELECTRIC COOPERATIVE,
INC.,**

Promulgated:
September 20, 2021

Applicants.

X----- X

ORDER

On 27 August 2021, SN Aboitiz Power-Magat, Inc. (SNAP-MI) and Cagayan II Electric Cooperative, Inc. (CAGELCO II) filed their *Joint Application* dated 14 June 2021, for the approval of their Power Supply Agreement (PSA), with motion for confidential treatment of information and prayer for provisional authority.

The pertinent portions in the said *Joint Application* are hereunder quoted, as follows:

I. THE APPLICANTS

1. CAGELCO II is an electric cooperative duly organized and existing under the laws of the Republic of the Philippines, with principal office at Maharlika Highway, Macanaya, Aparri, Cagayan. It has been granted a franchise by the Philippine Government to distribute electricity and power in its franchise areas in the municipalities of Abulug, Allacapan, Aparri, Ballesteros, Buguey, Camalaniugan, Claveria, Gattaran, Lal-

lo, Lasam, Gonzaga, Pamplona, Sanchez Mira, Sta. Ana, Sta. Praxedes, Sta. Teresita, all in the province of Cagayan; Flora, Luna, Pudtol, and Sta. Marcela, all in the province of Apayao (collectively, the “Franchise Area”).

Copies of relevant documents proving the due incorporation, registration, and permit to operate of CAGELCO II as a distribution utility are attached hereto as follows:

Document	Annex
Articles of Incorporation dated 20 January 1978	A
By-laws adopted on 18 July 1992	B
Certificate of Registration with the National Electrification Administration (“NEA”) dated 20 January 1978	C
Certificate of Franchise issued by the National Electrification Commission (“NEA”) issued on 1 October 1980	D
General Information Sheet	E

2. SNAP-MI is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at Magat Hydro Electric Power Plant, Magat River, Brgy. Aguinaldo, Ramon, Isabela. It owns, operates and maintains the 360 MW Magat Hydro Electric Power Plant located at Ramon, Isabela (the “Plant”).

Attached are copies of relevant documents proving SNAP-MI’s due registration as a generation company, relevant permits to operate the Plant and audited financial statements, as follows:

Document	Annex
Articles of Incorporation dated 10 November 2005 and Amended Articles of Incorporation dated 12 April 2019	F
By-Laws adopted on 10 November 2005 and Amended By-Laws adopted 28 November 2014	F-1
Certificate of Registration Incorporation with the Securities and Exchange Commission (“SEC”) issued on 29 November 2005	G
General Information Sheet for the year 2020	H
Duly Updated Conglomerate Map of Aboitiz Power Corporation (“AP”) showing SNAP-MI’s listing its relation to its ultimate parent entity, AP, its parent company, Manila-Oslo Renewable Enterprise, Inc. (“MORE”), and affiliates and related groups, with a certification from the Assistant Corporate Secretary of the Ultimate Parent Entity	H-1
Amended General Information Sheet of SNAP-MI’s parent company, MORE	H-2
2015 Amended and Restated Shareholders’ Agreement dated 27 August 2015	I

Document	Annex
Board of Investments (“BOI”) Certificate of Registration No. 2007-118 dated 12 July 2007	J
DENR-EMB Certificate of Non-Coverage No. 0707- O09- 020 dated 9 July 2007	K
Water Permit No. 08-08-040-022968 dated 04 October 2013	K-1
Provisional Authority to Operate dated 18 November 2020 for Magat Hydroelectric Power Plant	L
Certificate of Endorsement No. DOE-EPIMB-ERC No.2020-08-005 issued by the Department of Energy (“DOE”) on 24 August 2020 for Magat Hydroelectric Power Plant	M
Hydropower Service Contract No. 2016-04-621 dated 2 June 2016	N
Certificate of Registration of HSC No. 2016-04 621 dated 2 June 2016 for Magat Hydroelectric Power Plant	O
Latest Audited Financial Statement for the year 2020	P

It should be emphasized that Annex I (2015 Amended and Restated Shareholders’ Agreement) contains information relating to the shareholders of SNAP-MI which are confidential in nature.

3. The Applicants may be served with copies of orders and other processes through their respective undersigned counsels at their addresses indicated herein below.

II. NATURE OF THE APPLICATION

4. Pursuant to Sections 23, 25 and 45 (b) of Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" (“EPIRA”) in relation to Rule 20 (B) of the ERC Revised Rules of Practice and Procedure, approved by the Honorable Commission on 17 December 2020 in Resolution No. 1, Series of 2021, this Application is submitted to the Honorable Commission for its review and approval of the Power Supply Agreement (“PSA”), dated 13 April 2021, executed by CAGELCO II and SNAP-MI.

A copy of the PSA is hereto attached and made an integral part hereof as Annex “Q”.

Also attached hereto as Annexes “R” and “R-1” are the board resolutions of CAGELCO II and SNAP-MI, respectively, approving the filing of the instant Application by the parties.

III. COMPLIANCE WITH PRE-FILING REQUIREMENTS

5. In compliance with Rule 3, Section 4 (e) of the Implementing Rules and Regulations of the EPIRA and Rule 6 of the ERC Revised Rules of Practice and Procedure, Applicants have

furnished the Offices of the Mayor and Sangguniang Bayan as well as the Offices of the Governor and Sangguniang Panlalawigan where they respectively principally operate, with copies of the instant Application and its accompanying documents.

Certifications from the Offices of the Mayor and Sangguniang Bayan of Aparri and Offices of the Governor and Sangguniang Panlalawigan of Cagayan, as well as Offices of the Mayor and Sangguniang Bayan of Ramon and Offices of the Governor and Sangguniang Panlalawigan of Isabela, attesting to the fact of such service are attached hereto as follows:

Certification of Presiding Officer/Duly Authorized Representative	Annex
Office of the Municipal Mayor of Aparri	S
Sangguniang Bayan of Aparri	S-1
Office of the Municipal Mayor of Ramon	S-2
Sangguniang Bayan of Ramon	S-3
Office of the Governor of Cagayan	S-4
Sangguniang Panlalawigan of Cagayan	S-5
Office of the Governor of Isabela	S-6
Sangguniang Panlalawigan of Isabela	S-7

6. Furthermore, Applicants have caused the publication of the present Application in a newspaper of general circulation in CAGELCO II's Franchise Area.

The Affidavit of Publication and the newspaper issue containing the published Application will be attached hereto as follows:

Document	Annex
Affidavit of Publication	T
Copy of Newspaper	T-1

IV. STATEMENT OF FACTS

7. The EPIRA mandates that a distribution utility shall have the obligation to supply electricity in the least cost manner to its captive market, subject to the collection of retail rate duly approved by this Honorable Commission.¹ Towards this end, the EPIRA expressly allows distribution utilities to enter into bilateral power supply contracts, subject to review by this Honorable Commission.²
8. In furtherance of the State policy to ensure the quality, reliability, security and affordability of the supply of electric power and to protect public interest affected by the rates and services of the electric utilities and other providers of electric power, this Honorable Commission issued Resolution No. 21, Series of 2005 which directed all distribution utilities to enter

¹ Cf. EPIRA, Sec. 23, par. 3.

² Cf. EPIRA, Sec. 45(b).

into future bilateral power supply contract with power producers to be subjected to a review by the ERC.

9. The Power Supply and Demand Situation in CAGELCO II's Franchise Area. Annex "U" shows CAGELCO II's demand and supply scenario for the years 2019 to 2026 and its average daily load curves, which is consistent with CAGELCO II's Distribution Development Plan and Power Supply Procurement Plan attached as Annex U-1.
10. The Competitive Procurement Process.

Attached are copies of the relevant documents proving SNAP-MI's selection and qualification as the winning bidder in the competitive selection process for the supply of the Contracted Energy for the period of two (2) years.

Document	Annex
Invitation to Bid	V
Instruction to Bidders	V-1
Terms of Reference	V-2
Supplemental Bid Bulletins	V-3
Bid Proposals	V-4
Certification on CAGELCO II's conduct of Competitive Selection Process	V-5
Bidding Tally Sheet	V-6
Third Party Bids and Awards Committee ("TPBAC") Post Qualification Report dated 9 October 2020	V-7
Result of Post-Evaluation	V-8
TPBAC Resolution dated 27 October 2020 declaring lowest calculated bid	V-9
Board Resolution dated 28 October 2020 confirming the award	V-10
Notice of Award dated 17 November 2020	V-11

11. It should be emphasized that Annexes V-4, V-6, V-7, V-8 contain information on the rates, prices and bidding strategy of Applicant SNAP-MI which are confidential in nature.
12. It bears stressing that the competitive selection process conducted by the TPBAC was well-structured, fair, and transparent, and thus resulted in a highly attractive price. All actions taken by SNAP-MI and CAGELCO II leading to and in connection with the execution of the CAGELCO II PSA are compliant with all applicable laws and regulations.

V. ABSTRACT OF THE PSA AND RELATED INFORMATION

13. The following are the salient features of the CAGELCO II PSA:
 - 13.1 Term. The PSA shall commence on the date of signing and shall remain for the period of two (2) years. The

supply of electric power shall be on the next immediate 26th day of the month immediately following the day of approval by the ERC of the PSA provided that, any Provisional Authority granted by the ERC shall be considered as approval for purposes of determining the commencement of the supply date.³

- 13.2 Volume. SNAP-MI shall supply CAGELCO II the monthly energy volume in kWh in accordance with the following schedule (“Contracted Energy”):⁴

Billing Month	Contracted Capacity: 10,000 kW	
	Intervals	Minimum Energy Off-take (kWh)
January	744	5,580,000
February	744	5,580,000
March	672	5,040,000
April	744	5,580,000
May	720	5,400,000
June	744	5,580,000
July	720	5,400,000
August	744	5,580,000
September	744	5,580,000
October	720	5,400,000
November	744	5,580,000
December	720	5,400,000

SNAP-MI guarantees to deliver the Contracted Energy. If SNAP-MI fails to deliver whole or part of the Contracted Energy and fails to provide replacement power, a penalty of ten percent (10%) of the deficiency in supply in kWh multiplied by the contract rate shall be deducted from the monthly billing where the failure of delivery of energy requirement transpired. Effectively, ten percent (10%) of the deficiency in supply in kWh multiplied by the contract rate shall be charged to SNAP-MI, which SNAP-MI shall settle through the issuance of a credit memo in favor of CAGELCO II.⁵

- 13.3 Replacement energy during plant outage. Replacement of power shall be the main obligation of SNAP-MI. However, if an outage (scheduled or unscheduled) starts and SNAP-MI fails to provide the contracted capacity, CAGELCO II shall be allowed to source replacement power at the expense of SNAP-MI. Replacement power rate should be equal or lower than the ERC approved tariff.⁶

- 13.4 Force Majeure. Force Majeure shall excuse a party from its obligations under the PSA (except its

³ Sec. 2.1 of the PSA (Annex “M”).

⁴ Schedule I of the PSA.

⁵ Sec. 8.1 of the PSA.

⁶ Sec. 6.1 of the PSA.

obligation to pay the amounts due) for the duration of the Force Majeure; provided that any actual consumption of electricity supplied from the Plant shall be billed as provided for under the PSA. In the event of extended Force Majeure, both parties shall agree to re-negotiate terms and conditions on replacement power. An uncontested happening of an Event of Force Majeure, which prevents a party from supplying or taking electricity for at least ninety (90) consecutive calendar days, shall entitle either of the parties to terminate the PSA.⁷

- 13.5 Late Payment Penalty. In case of failure by CAGELCO II to pay the monthly fees within the period specified under the PSA, CAGELCO II shall pay an additional interest equivalent to 3% + BSP Lending Rate on the unpaid portion of the invoice amount reckoned from the first day such amount is due and payable, up to and including the date on which payment is made, with interest computed based on a 360-day year.⁸

Attached as Annex “W” hereof is a summary of the applicable Generation Rate and Monthly Fees as well as a discussion on the Prompt Payment Discount under the PSA. Attached as Annex “W-1” hereof are the sample computation of power rates with the supporting documents on the assumptions taken.

Attached as Annex “X” hereof is a summary of the methodology used by SNAP-MI to arrive at the hourly generation rate under the PSA. It also contains information regarding the cost of debt and equity, weighted average cost of capital, among other information. Also attached as Annex “X-1” is the computation of the true cost of generation of SNAP-MI together with the supporting documents.

In support of the information reflected in Annex “X”, attached as Annex “X-2” and “X-3” hereof are a certification regarding the principal amortization, term and interest of its long-term loans and the audited financial statements of SNAP-MI for the year 2008, respectively.

Considering the confidential nature of Annexes “W-1”, “X”, “X-1” “X-2” and “X-3” as the numbers, methodology, and calculations contained therein would provide valuable information reflecting the bidding strategy of SNAP-MI, not only for distribution utilities undertaking competitive process for their power supply requirements, but also for SNAP-MI’s trading in the Wholesale Electricity Spot Market (“WESM”), WESM, SNAP-MI respectfully requests that Annexes “W-1”, “X”, “X-1”, “X-2” and “X-3” be treated as confidential documents.

⁷ Sec. 4.5 of the PSA.

⁸ Sec. 10.2.2 of the PSA.

14. Characteristics of the power capability and connection facility. The Plant is a hydropower generating facility with a capacity of 360 MW. The Plant’s generation capacity is consistent with the DOE’s Philippine Development Plan as shown by DOE COE 2020-08-005 issued on 24 August 2020 for Magat Hydroelectric Power Plant (Annex “M”).

The Plant is connected to the 230kV grid system of the National Grid Corporation of the Philippines (“NGCP”).

15. Other Documents. In compliance with the ERC Rules of Practice and Procedure, the following documents are likewise submitted:

Document	Annex
Transmission Service Agreement between NGCP and CAGELCO II	Y
Transmission Service Agreement between NGCP and SNAP-MI for Magat Hydroelectric Power Plant dated 9 May 2018	Y-1
Connection Agreement between NGCP and SNAP-MI for Magat Hydroelectric Power Plant dated 29 October 2019	Z
Metering Service Agreement between NGCP and SNAP-MI for Magat Hydroelectric Power Plant dated 20 November 2018	AA
Write-up on the technical characteristics of the plant	BB

16. Rate Impact Simulation. The rate impact simulation shows that the immediate approval of this Application will allow CAGELCO II to enjoy a substantial reduction in power generation rates by as much as PhP0.0882 per kWh.

A copy of the rate impact simulation is attached hereto as Annex “CC”.

17. Explanation for Inapplicable Requirements. In compliance with some of the Honorable Commission’s directive, the following documents are attached hereto to justify the inapplicability of the Honorable Commission’s requirement to the Application:

Document	Annex
Certification from CAGELCO II in relation to its Demand Side Management Program	DD
Certification that there is no expected Transition Supply Contract during the contractual period	DD-1
Explanation Letter to the ERC dated 27 May 2021	DD-2

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

18. As discussed above, the rate impact simulation demonstrates the reduction in power generation rates which will be enjoyed by CAGELCO II should the provisional authority prayed for in the instant Application be duly granted.
19. In the absence of a provisional authority, CAGELCO II's captive customers would be exposed to the WESM and will be subjected to the volatilities of the market. The immediate commencement of the delivery of power from SNAP-MI to CAGELCO II pursuant to the PSA will alleviate its power supply requirements and of the latter's end-user.
20. It is for this reason that CAGELCO II is urgently praying to the Honorable Commission for the grant of provisional authority immediately upon the filing of this joint application to spare its customers from the volatilities of WESM prices.

A copy of the Affidavit executed by CAGELCO II's Authorized Representative, Eva M. Antiporda, in support of the prayer for issuance of provisional authority is hereto attached and made an integral part hereof as Annex "DD-3".

**VII. CONFIDENTIAL TREATMENT OF CONFIDENTIAL
DOCUMENTS**

21. As earlier mentioned, Annexes "V-4", "V-6", "V-7", "V-8", "W-1", "X" and "X-1", together with Annex "P" and "X-3", contain numbers, methodology, and calculations which provide valuable information and insight on how SNAP-MI arrives at the hourly generation rate and would accordingly reflect SNAP-MI's bidding strategy for distribution utilities undertaking competitive process for the selection of their power suppliers and SNAP-MI's trading in the WESM.

We further note that pursuant to SNAP-MI's agreement with its shareholders, Annex I (2015 Amended and Restated Shareholders' Agreement dated 27 August 2015) contains certain confidential and non-public information relating to such shareholders. Moreover, pursuant to SNAP-MI's agreement with its lenders, Annexes "X-2" likewise contain certain non-public information involving its lenders' financial trade secrets. The information contained in Annex "X-2", when disclosed together with Annexes "P", "W-1", "X", "X-1", "X-2" and "X-3" would provide an indication of SNAP-MI's bidding strategy for distribution utilities undertaking competitive process for the selection of their power suppliers and SNAP-MI's trading in the WESM.

It is submitted therefore that Annexes "I", "P", "V-4", "V-6", "V-7", "V-8", "W-1", "X", "X-1", "X-2" and "X-3" (collectively, these Annexes shall be referred to as "Confidential Documents"), fall within the bounds of proprietary "trade

secrets” which are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission. In accordance with Section 1(b), Rule 4 of the ERC Revised Rules of Practice and Procedure, Applicant SNAP-MI hereby submits one (1) copy of Annexes “I”, “P”, “V-4”, “V-6” “V-7”, “V-8”, “W-1”, “X”, “X-1”, “X-2” and “X-3” in a sealed envelope, with each page of the document stamped with the word “Confidential.”

Under Rule 4 of the ERC Revised Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such provision, Applicant SNAP-MI respectfully requests for the issuance of a protective order declaring the Confidential Documents as confidential information, as the Applicants intend to present it as evidence in the instant Application.

22. The data contained in the Confidential Documents constitute “trade secrets” of Applicant SNAP-MI; thus, SNAP-MI has actual and valuable proprietary interest to protect with respect to such information. The Supreme Court, in the recent case of *Air Philippines Corporation vs. Pennswell, Inc.*⁹, had the opportunity to discuss the definition of “trade secrets” and the great extent to which the same are protected under our laws. In other instances, the Supreme Court has held that the confidential nature of trade secrets protects such from disclosure even in the face of the right of inspection given to stockholders¹⁰ or the constitutional right to information¹¹.
22. In ERC Case No 2008-030, the National Power Corporation’s (“NPC”) application for revised basic generation rates, the Honorable Commission had an occasion to rule on the confidentiality of NPC’s results of operation per power plant for calendar years 2005 to 2007. The Honorable Commission declared such information as confidential, in this wise:

“Upon review of the documents submitted by NPC, the Commission found that the results of operation per plant of NPC for years 2005 to 2007 contain vital information necessary in the calculation of its production costs in P/kWh per plant and the corresponding revenues. This information will serve as initial inputs to NPC’s decision-making. As such, disclosure of this information will give the other parties, particularly the other generation companies (Gencos) and the distribution utilities (DUs) with Genco counterparts, undue advantage in the pricing of electricity in the market over NPC and other Gencos by using its production costs as benchmark. Thus, the Commission deems the information as confidential, which may not be made public, as it may affect adversely the competitive position of NPC and other generation companies.”

⁹ 540 SCRA 215 [2007].

¹⁰ *Philpotts vs. Philippine Manufacturing Company*, 40 Phil. 471 (1919).

¹¹ *Garcia vs. Board of Investments*, G.R. 88637 (1989).

24. Information which falls within the definition of a trade secret as defined by jurisprudence is clearly information which merits the confidential treatment provided for under Rule 4 of the ERC Revised Rules of Practice and Procedure. The Confidential Documents should therefore be entitled to the protection of confidential information provided under Rule 4 of the ERC Revised Rules of Practice and Procedure.
25. In view of all the foregoing, Applicants respectfully submit the instant Application for the approval of the Power Supply Agreement between SNAP-MI and CAGELCO II for the Honorable Commission's urgent and utmost consideration.

PRAYER

WHEREFORE, premises considered, the Applicants most respectfully pray that this Honorable Commission:

1. Immediately issue an Order granting provisional authority for the Applicants to implement the Power Supply Agreement effective the billing period starting on 26 June 2021, including the authority for CAGELCO II to recover from its customers the Fees payable to SNAP-MI pursuant to the Power Supply Agreement;
2. Immediately issue an Order treating Annexes "I", "P", "V-4", "V-6" "V-7", "V-8", "W-1", "X", "X-1", "X-2" and "X-3" as confidential information pursuant to Rule 4, Section 1 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof; and
3. After, due notice and hearing, issue a final approval of the Power Supply Agreement.

Other reliefs just and equitable are likewise prayed for.

Finding the *Joint Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same for the 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 2020,¹² dated 24 September 2020, and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):¹³

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

¹³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Date	Platform	Activity
15 October 2021 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and Expository Presentation
22 October 2021 (Friday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and Presentation of Evidence

Accordingly, Applicants are hereby directed to host the virtual hearings at **CAGELCO II's Principal Office in Maharlika Highway, Macanaya, Aparri, Cagayan**, 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, Applicants shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, SNAP-MI and CAGELCO II are 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 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 virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Mayors, Governors, and the Local Government Unit (LGU) legislative bodies within CAGELCO II's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within CAGELCO II's franchise area, by any other means available and appropriate, of the filing of the *Joint Application*, the reasons therefor, and of the scheduled virtual hearings 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 hearings; and

- 5) Furnish with copies of the *Joint Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, and reimbursement of reasonable photocopying costs.¹⁴

Within five (5) calendar days prior to the date of the initial virtual hearing, Applicants must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of 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 Virtual Hearing* consisting of affidavit 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 Mayors, Governors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by SNAP-MI and CAGELCO II to inform the consumers within the affected franchise area of the filing of the *Joint Application*, the reasons therefor, and of the scheduled hearings 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 *Joint Application* and its attachments, except those covered by motion for confidential treatment of information, by all those making requests therefor, if any; and

¹⁴ For the e-mail address of the applicants, please see page 17.

- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, SNAP-MI and CAGELCO II are hereby required to post on their bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Offices of the Mayors, Governors, and Local Legislative Bodies, and to submit proof of their posting thereof.

SNAP-MI, CAGELCO II 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.

SNAP-MI and CAGELCO II 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 SNAP-MI and CAGELCO II to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearings, and the resetting of which shall be six (6) months from the said date of cancellation.

SNAP-MI and CAGELCO II must also be prepared to make an expository presentation of the instant *Joint Application*, aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit

of the consumers and other concerned parties, the nature of the *Joint Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

SNAP-MI and CAGELCO II are hereby directed to file a copy of their 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. SNAP-MI and CAGELCO II shall also be required, upon the request of any stakeholder, to provide an advance copy of their 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.

SNAP-MI and CAGELCO II are 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.

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Finally, Applicants, including their authorized representative/s and witness/es, are hereby directed to provide the Commission, through legal.virtualhearings@erc.ph, 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 hearings.

SO ORDERED.

Pasig City, 07 September 2021.

FOR AND BY AUTHORITY
OF THE COMMISSION:



AGNES VST DEVANADERA
Chairperson and CEO


LS: KMS/ARG/MCCG

ERC

Office of the Chairperson



AVSTD-2021-09-510-0036

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7. Senate Committee on Energy
GSIS Bldg., Roxas Boulevard, Pasay City
senateenergycommittee@gmail.com
8. House Committee on Energy
Batasan Hills, Quezon City
committee.energy@house.gov.ph
9. Office of the President of PCCI
Philippine Chamber of Commerce and Industry (PCCI)
3rd Floor, Chamber and Industry Plaza (CIP), 1030 Campus Avenue corner Park Avenue, McKinley Town
Center, Fort Bonifacio, Taguig City
secretariat@philippinechamber.com
10. Office of the Provincial Governor
Province of Cagayan
11. Office of the Sangguniang Panlalawigan
Province of Cagayan
12. Office of the Provincial Governor
Province of Apayao
13. Office of the Sangguniang Panlalawigan
Province of Apayao
14. Office of the Mayor
Abulug, Cagayan
15. Office of the LGU Legislative Body
Abulug, Cagayan
16. Office of the Mayor
Allacapan, Cagayan
17. Office of the LGU Legislative Body
Allacapan, Cagayan
18. Office of the Mayor
Aparri, Cagayan
19. Office of the LGU Legislative Body
Aparri, Cagayan

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20. Office of the Mayor
Ballesteros, Cagayan
21. Office of the LGU Legislative Body
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22. Office of the Mayor
Buguey, Cagayan
23. Office of the LGU Legislative Body
Buguey, Cagayan
24. Office of the Mayor
Camalaniugan, Cagayan
25. Office of the LGU Legislative Body
Camalaniugan, Cagayan
26. Office of the Mayor
Claveria, Cagayan
27. Office of the LGU Legislative Body
Claveria, Cagayan
28. Office of the Mayor
Gattaran, Cagayan
29. Office of the LGU Legislative Body
Gattaran, Cagayan
30. Office of the Mayor
Lal-lo, Cagayan
31. Office of the LGU Legislative Body
Lal-lo, Cagayan
32. Office of the Mayor
Lasam, Cagayan
33. Office of the LGU Legislative Body
Lasam, Cagayan
34. Office of the Mayor
Gonzaga, Cagayan
35. Office of the LGU Legislative Body
Gonzaga, Cagayan
36. Office of the Mayor
Pamplona, Cagayan
37. Office of the LGU Legislative Body
Pamplona, Cagayan
38. Office of the Mayor
Sanchez Mira, Cagayan
39. Office of the LGU Legislative Body
Sanchez Mira, Cagayan
40. Office of the Mayor
Sta. Ana, Cagayan
41. Office of the LGU Legislative Body
Sta. Ana, Cagayan
42. Office of the Mayor
Sta. Praxedes, Cagayan
43. Office of the LGU Legislative Body
Sta. Praxedes, Cagayan
44. Office of the Mayor
Sta. Teresita, Cagayan
45. Office of the LGU Legislative Body
Sta. Teresita, Cagayan

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46. Office of the Mayor
Flora, Apayao
47. Office of the LGU Legislative Body
Flora, Apayao
48. Office of the Mayor
Luna, Apayao
49. Office of the LGU Legislative Body
Luna, Apayao
50. Office of the Mayor
Pudtol, Apayao
51. Office of the LGU Legislative Body
Pudtol, Apayao
52. Office of the Mayor
Sta. Marcela, Apayao
53. Office of the LGU Legislative Body
Sta. Marcela, Apayao
54. Regulatory Operations Service (ROS)
17th Floor, Pacific Center Building, San Miguel Avenue, Ortigas Center 1600, Pasig City