

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF THE CONTRACT FOR THE
SUPPLY OF ELECTRIC ENERGY
IN THE VISAYAS GRID WITH
CAPIZ ELECTRIC
COOPERATIVE, INC., CEBU I
ELECTRIC COOPERATIVE, INC.,
GUIMARAS ELECTRIC
COOPERATIVE, INC., AND
ILOILO II ELECTRIC
COOPERATIVE, INC., WITH
PRAYER FOR ISSUANCE OF
PROVISIONAL AUTHORITY,**

ERC CASE NO. 2021-076 RC

**POWER SECTOR ASSETS AND
LIABILITIES MANAGEMENT
CORPORATION (PSALM),
Applicant,
X-----X**

Promulgated:
November 12, 2021

ORDER

On 23 September 2021, the Power Sector Assets and Liabilities Management Corporation (PSALM) filed an *Application* dated 23 June 2021, seeking the Commission’s approval of the terms and conditions of the Contract for the Supply of Electric Energy (CSEE) in the Visayas Grid with Capiz Electric Cooperative, Inc. (“CAPELCO”), Cebu I Electric Cooperative, Inc. (CEBECO I), Guimaras Electric Cooperative, Inc. (GUIMELCO), and Iloilo II Electric Cooperative, Inc. (ILECO II), respectively, pursuant to Section 67 of Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” (“EPIRA”), with prayer for provisional authority.

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

1. This is an Application for the Approval of the terms and conditions of the Contract for the Supply of Electric Energy

("CSEE") in the Visayas Grid entered into by and between Applicant PSALM with Capiz Electric Cooperative, Inc. ("CAPELCO"),¹ Cebu I Electric Cooperative, Inc. ("CEBECO I"),² Guimaras Electric Cooperative, Inc. ("GUIMELCO"),³ and Iloilo II Electric Cooperative, Inc. ("ILECO II"),⁴ respectively, pursuant to Section 67 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" ("EPIRA").

2. Applicant PSALM is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 24th Floor Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, Quezon City.
3. Pursuant to Section 49 of the EPIRA and the consequent assignment on 11 May 2009 (the Letter of Agreement is hereto attached as **Annex "A"**) of all National Power Corporation ("NPC") power supply contracts to PSALM, NPC assigned and transferred to PSALM all its rights and obligations in, to, and under its CSEEs and other similarly or substantially equivalent power supply contracts with NPC power customers (collectively referred to as "Power Supply Contracts").
4. On and from 11 May 2009, the Power Supply Contracts were deemed amended as follows: (i) all references to NPC therein shall be treated as references to PSALM; (ii) PSALM shall be deemed the SUPPLIER under said Power Supply Contracts; and (iii) the rights and obligations of the Parties shall be governed by and construed in accordance with said Power Supply Contracts, as amended by the 11 May 2009 Letter Agreement. Thus, this instant application by PSALM.
5. The subject CSEEs were executed based on the ERC- approved template under ERC Resolution No. 08, Series of 2005 issued on 07 July 2005. On 09 August 2005, said template was later on amended by this Honorable Commission in its Resolution No. 15, Series of 2005.
6. In ERC Resolution No. 33, Series of 2006, "Resolution Clarifying the Purpose of the Adoption of the TSC Template," the ERC clarified that the TSC Template should merely serve as a guide for the Distribution Utilities ("DUs") and NPC and should not be construed as the contract contemplated under Section 67 of the EPIRA.
7. PSALM filed similar Applications in 2011, 2012, and 2013 for the Approval of the terms and conditions of CSEEs effective 26 December 2011 to 25 December 2012, 26 December 2012 to 25 December 2013, and 26 December 2013 to 25 December 2014, respectively.

¹ Hereinafter referred to as "PSALM-CAPELCO CSEE".

² Hereinafter referred to as "PSALM-CEBECO I CSEE".

³ Hereinafter referred to as "PSALM-GUIMELCO CSEE".

⁴ Hereinafter referred to as "PSALM-ILECO II CSEE".

8. By reason of public bidding to privatize rights to the contracted energy under the Unified Leyte Geothermal Power Plant (“ULGPP”) and the asset sale of the Naga Power Plant Complex, PSALM no longer renewed the CSEEs that expired on 25 December 2014.
9. The ULGPP has a dependable capacity of 400MW out of the 538MW installed capacity.
10. On 08 June 2018, PSALM filed its application docketed as ERC Case No. 2018-055 RC for the approval of the CSEEs for the duration of 26 December 2017 to 25 December 2020, duly executed and negotiated with the following:
 - Leyte III Electric Cooperative, Inc. (LEYECO III); and
 - Leyte V Electric Cooperative (LEYECO V)
11. The foregoing CSEEs were executed based on the template approved by this Honorable Commission under Resolution No. 8, Series of 2005 as amended by Resolution No. 15, Series of 2005. Likewise, the CSEEs incorporated the minor changes previously proposed by PSALM and approved by the DUs, which changes were contained in the CSEEs approved by this Honorable Commission in PSALM's Application in ERC Case No. 2012-008 RC, ERC Case No. 2013-044 RC, ERC Case No. 2013-169 RC and ERC Case No. 2014-173.
12. The **revisions** made in the CSEEs under said Application consist of: (a) those found in Annex 1 of the CSEEs (which reflects the Contracted Energy and the corresponding equivalent demand); and (b) the amendment of Section 3.1 on CONTRACT DURATION, as follows:
 - 3.1 This Contract consisting of the Transition Supply Contract shall remain in full force and effect from 26 December 2017 to 25 December 2020. Unless otherwise provided, the applicable provisions of this Contract shall be deemed modified by the applicable WESM Rules.
13. In a Decision dated 20 January 2021, the Honorable Commission confirmed and approved the CSEEs entered into by PSALM with LEYECO III and LEYECO V for a contract term of three (3) years from 26 December 2017 to 25 December 2020.

**PSALM'S PENDING CSEE/LOA APPLICATIONS
WITH THE ENERGY REGULATORY COMMISSION**

ERC CASE NO. 2019-040 RC

14. On 31 May 2019, PSALM filed a similar application docketed as ERC Case No. 2019-040 RC for approval of several duly executed and negotiated CSEEs in the Visayas Grid with the following DUs:
 - Biliran Electric Cooperative, Inc. (“BILECO”);
 - Bohol Electric Cooperative, Inc. (“BOHECO”);

- Bohol II Electric Cooperative, Inc. (“BOHECO II”);
 - Don Orestres Romualdez Electric Cooperative (“DORELCO”);
 - Eastern Samar Electric Cooperative Inc. (“ESAMELCO”);
 - Leyte II Electric Cooperative, Inc. (“LEYECO II”);
 - Leyte IV Electric Cooperative, Inc. (“LEYECO IV”);
 - Northern Samar Electric Cooperative Inc. (“NORSAMELCO”);
 - Samar I Electric Cooperative, Inc. (“SAMELCO I”);
 - Samar II Electric Cooperative, Inc. (“SAMELCO II”);
and
 - Southern Leyte Electric Cooperative, Inc. (“SOLECO”).
15. These CSEEs had a duration of 26 December 2018 to 25 December 2019.
16. The foregoing CSEEs were executed based on the template approved by this Honorable Commission under Resolution No. 8, Series of 2005 as amended by Resolution No. 15, Series of 2005. Likewise, the CSEEs incorporated the minor changes previously proposed by PSALM and approved by the DUs, which changes were contained in the CSEEs approved by this Honorable Commission in PSALM’s Application in ERC Case No. 2012-008 RC, ERC Case No. 2013-044 RC, ERC Case No. 2013-169 RC and ERC Case No. 2014-173.
17. The **revisions** made in the CSEEs under said application consist of (i) those found in Annex 1 of the CSEEs (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) the amendment of Section 3.1 on CONTRACT DURATION, as follows:
- 3.1 This Contract consisting of the Transition Supply Contract shall remain in full force and effect from 26 December 2018 to 25 December 2019. Unless otherwise provided, the applicable provisions of this Contract shall be deemed modified by the applicable WESM Rules.
18. Also included in said application (ERC Case No. 2019-040 RC) were the Letters of Agreement (“LOAs”) of LEYECO III and LEYECO V. The LOAs were necessary to accommodate LEYECO III’s and LEYECO V’s requests for an increase in contract demand and energy. This application is pending resolution by this Honorable Commission.
19. The CSEEs and LOAs were necessary due to delay in the commercial operation of the 1336MW (2 x 668) Coal-Fired Power Plant located in Dinginin, Mariveles, Bataan owned by GNPower Dinginin Ltd., Co. with which the DUs had power supply contracts.

20. PSALM filed a similar application docketed as ERC Case No. 2020-014 RC for approval of duly executed and negotiated CSEE in the Visayas Grid with Aklan Electric Cooperative (“AKELCO”) with a contract duration from 26 February 2020 to 25 November 2020.
21. Said CSEE, which has a duration from 26 February 2020 to 25 November 2020, was executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005. Likewise, the CSEE incorporated the minor changes previously proposed by PSALM and approved by the DUs, which changes were contained in the CSEEs approved by this Honorable Commission in PSALM’s Application in ERC Case Nos. 2012-008 RC, 2013-044 RC, 2012-169 RC and 2014-173 RC.
22. The **revisions** made in the CSEE under the said application consist of (i) those found in Annex 1 of the CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) the amendment of Section 3.1 on CONTRACT DURATION, as follows:

3.1 This Contract shall be effective for a period of ten (10) months from 26 February 2020 to 25 November 2020, unless modified by the applicable WESM Rules.
23. This application is pending resolution before this Honorable Commission.

**PSALM’s CSEEs with CAPELCO,
CEBECO I, GUIMELCO, and ILECO II**

24. Pursuant to Section 5, Article III of the ERC’s Guidelines for the Recovery of Costs for the Generation Component of the Distribution Utilities’ Rate, PSALM is filing the instant Application for the approval of the CSEEs duly negotiated with CAPELCO, CEBECO I, GUIMELCO, and ILECO II, respectively, hereto attached as **Annexes “B”** to **“E”** respectively.
25. Said CSEEs were executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005. Likewise, the CSEEs incorporated the minor changes previously proposed by PSALM and approved by the DUs, which changes were contained in the CSEEs approved by this Honorable Commission in PSALM’s Application in ERC Case Nos. 2012-008 RC, 2013-044 RC, 2012-169 RC and 2014-173 RC.

**Salient Provisions of the CSEEs with
CAPELCO, CEBECO I, GUIMELCO, and ILECO II.**

26. The table below shows the Contract Duration of the CSEEs with CAPELCO, CEBECO I, GUIMELCO, AND ILECO II, respectively:

CSEE	Contract Duration
PSALM-CAPELCO CSEE	26 May 2020 to 25 July 2022

PSALM-CEBECO I CSEE	26 February 2020 to 25 December 2021
PSALM-GUIMELCO CSEE	26 April 2020 to 25 April 2021
PSALM-ILECO II CSEE	26 February 2020 to 25 December 2020

27. The CSEE for **CAPELCO**⁵ subject of this Application has the following salient provisions, apart from the revisions mentioned in the preceding paragraphs:

(i) **CONTRACT ENERGY**

4.1 Contract Energy and Equivalent Demand as indicated in Annex I may be changed by PSALM due to a change in the projected available capacity of PSALM's power plants and at any time during the duration of the Contract due to the privatization of any of the assets of PSALM pursuant to the EPIRA.

4.1.1 CAPELCO shall nominate month-ahead its hourly and daily energy quantity requirements three (3) days before the start of the next billing period based on its Daily Load Profile as reflected in Annex 1a. On a day-to-day transaction, the CAPELCO shall confirm the schedule of hourly energy requirements to PSALM on the day ahead. PSALM shall declare to WESM the schedule of hourly energy requirements delivered to customers immediately on the day after.

(ii) **ASSIGNABILITY**

4.8 PSALM may assign or transfer part or all of its rights and obligations in the supply of Contract Energy herein stated, to any such entity, provided that prior written notice is given to CAPELCO thirty (30) days before the actual transfer. This Contract shall remain binding to Parties, their successors and assignees. PSALM warrants that any sale, assignments, transfer, or subcontracting of the Contract shall not affect or impair CAPELCO's rights and obligations with respect to quantity and price of electricity, Contract effectivity, incentives, discounts and other terms and conditions of this Contract. The

⁵ See Annex "B" hereof.

assignee shall, by written instrument, assume the rights and obligations of PSALM to CAPELCO. When the CSEE with CAPELCO has been assigned by PSALM to a Successor Generating Company (SGC) by virtue of the privatization of the PSALM Generating Plant pursuant to the EPIRA, the SGC has the option to renegotiate this Contract with the CAPELCO within six (6) months from the actual transfer of the CAPELCO to the SGC. If the CAPELCO and the SGC fail to reach an agreement, either Party shall have the right to terminate this Contract.

- 4.9 CAPELCO may assign, sell or transfer a part or all of its Contract Energy and/or Equivalent Demand either permanently or for a certain number of billing periods, subject to the written consent of PSALM under the following conditions, and which consent shall not be unreasonably withheld:
- a. CAPELCO has obtained certification from NGCP, that the transmission, sub-transmission, substation and other facilities can accommodate the increase in the power requirements of the assignee/transferee.
 - b. CAPELCO has submitted necessary proof that the buyer, assignee or transferee has no outstanding obligation to PSALM, and undertakes to assume the obligations of CAPELCO and to pay for the additional expenses necessary or incidental to the transfer.
 - c. Assignment of CAPELCO to assignee shall comply with the forms provided in Annex IVa and Annex IVb of this Contract.

(iii) **SECURITY DEPOSIT**

- 5.1 The Security Deposit shall be equivalent to 100% of the estimated average monthly power bill for the duration of this Contract.

(iv) **FORM AND TIME
OF POSTING**

- 5.2 The Security Deposit may be required to be posted upon privatization of the generating asset/s to which this Contract is allocated or assigned as provided for in Section 4.8 hereof if the prospective buyer, assignee, transferee or successor-in-interest so requires. It shall be in the form of cash, cash bond, manager's or cashier's check, bank certified check, irrevocable stand-by letter of credit, performance bond or bank guarantee "callable on demand" issued by a financial institution, or any other forms of security such as but not limited to escrow account to be administered by a bank acceptable to PSALM. In the event the Security Deposit of the CAPELCO becomes nil, the PSALM reserves the right to refuse or discontinue supply of electric energy. In cases of partial depletion of the Security Deposit, the CAPELCO shall replenish the Security Deposit not later than thirty (30) days from the date of its depletion. The PSALM reserves the right to continue supply of electric energy to the extent of Security Deposit of the CAPELCO.

(v) **RELEASE OF SECURITY
DEPOSIT**

- 5.3 The Security Deposit (for the portion that should be settled within the WESM) shall be returned to the CAPELCO within thirty (30) days upon presentation of proof of compliance with the prudential requirements of the WESM. PSALM shall return or release the Security Deposits to CAPELCO including interest earned, subject to deductions for any amounts owed by CAPELCO to PSALM. Security Deposits, except those in the form of letter of credit or performance bond, shall earn interest based on prevailing savings deposit rate of the Land Bank of the Philippines (LBP).

(vi) **BASIC ENERGY CHARGE**

6.1 The Basic Energy Charge (BEC) applied to the CAPELCO's hourly energy consumption shall be the ERC-approved NPC/PSALM's Time of Use (TOU) generation rates, which is attached as Annex III, plus adjustments in the tariff such as, but not limited to Deferred Accounting Adjustments (DAAs) and the Incremental Currency Exchange Rate Adjustments (ICERA), the RA 9136 Mandatory Rate Reduction Adjustments. The basic energy charge to be applied to the contracted energy shall be in accordance with Section 6.1 of this Contract.

Energy consumption higher than the contracted level shall be sourced by the Customer from the Wholesale Electricity Spot Market at the Wholesale Electricity Spot Market rate and paid directly to the Philippine Electricity Market Corporation (PEMC).

6.1.1 The BEC shall be applied to the CAPELCO's hourly energy consumption based on the hourly-nominated energy quantity mentioned in Section 4.1.1.

(vii) **MINIMUM CHARGES**

6.2 CAPELCO shall pay the minimum charge based on the Contract Energy per billing period as indicated in Section 4.1 of this Contract using the basic energy charge if CAPELCO has not fully taken or failed to consume the Contract Energy, subject to deductions and adjustments as expressly provided for in this Contract.

(viii) **SERVICE INTERRUPTION ADJUSTMENT**

6.4 Should the supply of electricity be interrupted or curtailed to a level below the Contract Energy due to the fault or lack of generation capacity of PSALM, even if CAPELCO was at that time unable to take or consume electricity, the Contract Energy shall be adjusted to

actual off-take below contract level for all hours when service was curtailed or interrupted based on declaration of power curtailment issued by the NGCP. (This Section shall only apply if there are Time-Of-Use rates).

(ix) **MAINTENANCE SERVICE ADJUSTMENT**

6.6 CAPELCO may avail of the service adjustment during the scheduled maintenance of its facilities, not to exceed two (2) billing periods in one year. The minimum charge on the energy consumption shall be fifty percent (50%) of the Contract Energy. To be able to avail of this adjustment, CAPELCO must inform PSALM in writing thirty (30) days prior to the commencement of the scheduled maintenance.

(x) **PROMPT PAYMENT DISCOUNT**

6.10 Subject to ERC's approval, the Prompt Payment Discount (PPD) shall be in accordance with the PSALM's credit and collection policies duly approved by the PSALM Board.

(xi) **DISPUTED BILLS**

6.11 Disputed bills shall be questioned in writing by CAPELCO within sixty (60) days from the date of its receipt and PSALM shall act on such disputed bills on a best effort basis and commit to resolve the claim within sixty (60) days from the date of filing of the claim. Failure by CAPELCO to question the power bills on time shall constitute a waiver by CAPELCO of any claim on such bills.

(xii) **OVERDUE ACCOUNT**

6.15 In the event that a power bill remains unpaid within five (5) days after its due date, PSALM has the option to call on or draw against the Security Deposit as provided for under Section 5 (Security Deposit) of this Contract.

6.16 Any power bill or account of CAPELCO not paid on due date shall bear a floating rate of interest computed from the first day after it becomes due and payable, based on the non- prime lending rate for each quarter of the Land Bank of the Philippines or the Philippine National Bank, whichever is higher. Interest on overdue accounts shall be computed based on a 360-day year.

6.17 If the account of the CAPELCO is overdue for more than six (6) months, CAPELCO shall pay an additional penalty of one percent (1%) per month for every additional month of delay beyond six (6) months. Moreover, a restructuring agreement of the overdue account shall be executed by the CAPELCO, with the following salient terms and conditions. . .⁶

(xiii) **DEDUCTION DUE TO FORCE MAJEURE**

8.6 PSALM shall have a maximum of seventy-two (72) hours from the time a force majeure event prevented it from supplying electricity and perform its other obligations under the Contract to resume supply. CAPELCO shall not be entitled to interruption adjustment for such period, unless interruptions exceed seventy-two (72) hours and the CAPELCO failed to fully take or consume its Contract Energy.

(xiv) **CONTRACT TERMINATION**

8.11 Either party will have the right to terminate this Contract upon failure of the other to perform its obligation under this Contract, provided that the party at fault will have to pay all its outstanding account and reimburse the costs incurred by the other party as a result of the termination.

(xv) **EFFECTIVITY**

8.20 This Contract shall take effect on 17 June 2020 shall be filed immediately with the ERC for approval.

⁶ Please see the detailed list of terms and conditions under 6.17.1 to 6.17.10 of the PSALM-CAPELCO CSEE, Annex "B".

28. The CSEE for **CEBECO I**⁷ subject of this Application contains the same provisions as above and the only substantial differences consist of (i) those found in Annex 1 of the PSALM-CEBECO I CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) the amendment of Section 3.1 on CONTRACT DURATION.
29. The CSEE for **GUIMELCO**⁸ subject of this Application contains the same provisions as above and the only substantial differences consist of (i) those found in Annex 1 of the PSALM-GUIMELCO CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) the amendment of Section 3.1 on CONTRACT DURATION.⁹
30. The CSEE for **ILECO II**¹⁰ subject of this Application contains the same provisions as above and the only substantial differences consist of (i) those found in Annex 1 of the PSALM-ILECO II CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) the amendment of Section 3.1 on CONTRACT DURATION.
31. Further, in compliance with Section 2, Rule 6 (Pre-Filing Requirements) of this Honorable Commission's Resolution No. 01, Series of 2021,¹¹ and in support of the instant Application for the CSEEs' approval, a copy of the instant Application (including Annexes) was furnished to the offices of the City Mayor and the Sangguniang Panlungsod of Quezon City (Annexes "F" and series). The Application (excluding Annexes) was also published in a newspaper of general circulation (Annex "G").

PSALM is exempted from joining the mandatory CSP in the procurement of power supply.

32. This Honorable Commission recognized that PSALM is exempted from joining the mandatory Competitive Selection Process ("CSP") in the procurement of power supply. In a letter dated 20 September 2016 (**Annex "H"**), this Honorable Commission said that PSALM need not participate in the CSP due to the nature of its operations.
33. Also, this Honorable Commission recognized PSALM's exemption from joining the mandatory CSP in its decision approving the application for the approval of the LOAs and CSEEs with the DUs under ERC Case No. 2016-186 RC.

⁷ See Annex "C" hereof.

⁸ See Annex "D" hereof.

⁹ There is a typographical error in Section 3.1 of the PSALM-GUIMELCO CSEE. The Contract Duration is for a period of twelve (12) months instead of twenty-two (22) months.

¹⁰ See Annex "E" hereof.

¹¹ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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

34. PSALM acknowledges that the continued operation of the DUs is indispensable to the economic efficiency of the franchise area they service, not to mention the ripple effect of that efficiency to the economic growth of the entire country. In order for these DUs to continue lawfully drawing electricity from the grid, it is imperative that they enter into agreement/s with PSALM as Supplier for the supply of electricity, through a contract of sale for electricity, hence the respective CSEE.
35. A grant of Provisional Authority (“PA”) to execute the CSEEs subject of this Application will ultimately redound to the benefit of end consumers
36. Attached as **Annex “I”** is the Judicial Affidavit of Engr. James Marvin A. Mamaradlo, the Corporate Staff Officer B of the Electricity Trading Department under PSALM’s Privatization and Asset Management Group, attesting to the truth of the above matters.
37. Pursuant to ERC Rules of Practice and Procedure, this Honorable Commission may exercise its discretion by granting a PA or an Interim Relief prior to a final decision.
38. It is understood that the PA or Interim Relief sought by Applicant PSALM, which may be granted by this Honorable Commission, shall be subject to adjustments and other conditions that this Honorable Commission may impose after its hearing and final determination.

PRAYER

WHEREFORE, Applicant PSALM most respectfully prays that this Honorable Commission **APPROVES** the duly negotiated CSEEs with CAPELCO, CEBECO I, GUIMELCO, and ILECO II. It is likewise prayed that a **PA BE ISSUED** authorizing PSALM to implement the subject CSEEs with the concerned electric cooperatives in the Visayas Grid.

Other reliefs just and equitable under the premises are likewise prayed for.

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 2020,¹² dated 24

¹² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

September 2020, and Resolution No. 01, Series of 2021,¹³ dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):

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

RELATIVE THERETO, PSALM is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* twice (2x) in a newspaper of nationwide circulation in the Philippines at its own expense, with the date of 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 Governor, the Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected area of the filing of the *Application*, its reasons therefor, and of the scheduled hearings thereon, by any other means available and appropriate;
- 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 at the scheduled hearings; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if any, and reimbursement of reasonable photocopying costs.¹⁴

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

¹⁴ For the email address of the applicant, please see page 18.

Within five (5) calendar days prior to the date of the virtual hearing, PSALM 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 Editor or Business Manager of the newspaper where the said *Notice of Virtual Hearing* was published, and the complete issue of the said newspaper;
- 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 Governor, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by PSALM to inform the consumers affected of the filing of the *Application*, its 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, 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.

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

PSALM 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.

PSALM 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 PSALM 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.

PSALM 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.

PSALM 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. PSALM 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.

PSALM is further 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, Applicant, including their 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, 02 November 2021.

FOR AND BY AUTHORITY
OF THE COMMISSION:



AGNES YST DEVANADERA
Chairperson and CEO

ERC

Office of the Chairperson



AVSTD-2021-11-510-0118


LS: JMS/CLB/MCCG

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Copy Furnished:

1. Atty. Geoffry DL. Masancay, Atty. Marni Benjamin V. Mamaril, Atty. Maria Ilyn Geronimo-Albito, Atty. Mae C. Parlade
Counsels for PSALM
3rd Floor, National Transmission Corporation(TransCo) Building
Power Center, Quezon Avenue, Corner BIR Road, Diliman, Quezon City
Email address: ldgzamora@psalm.gov.ph/escuyugan@psalm.gov.ph
2. Power Sector Assets and Liabilities Management Corporation (PSALM)
3rd Floor, National Transmission Corporation(TransCo) Building
Power Center, Quezon Avenue, Corner BIR Road, Diliman, Quezon City
Email address: mardelacruz@psalm.gov.ph
3. Capiz Electric Cooperative, INC. (CAPELCO)
Brgy. Timpas, Panitan, Capiz
E-mail Address: jez2cool@yahoo.com
4. Cebu I Electric Cooperative, Inc. (CEBECO I)
Bitoon, Dumanjug, Cebu
Email address: gzcrodia@cebeco1.com.ph
5. Guimaras Electric Cooperative, Inc. (GUIMELCO)
San Miguel, Jordan, Guimaras Island
Email address: guimelco.wco@gmail.com
6. Iloilo II Electric Cooperative, Inc. (ILECO II)
Brgy. Cauayan, Pototan Iloilo
Email address: ileco2trader@yahoo.com / ilecocorplan@gmail.com
7. Office of the Solicitor General
134 Amorsolo Street, Legaspi Village, Makati City, Metro Manila
8. Commission on Audit
Commonwealth Avenue, Quezon City, Metro Manila
9. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City, Metro Manila
10. House Committee on Energy
Batasan Hills
Quezon City, Metro Manila
11. President
Philippine Chamber of Commerce and Industry (PCCI)
McKinley Hill, Fort Bonifacio Taguig
12. Office of the City Mayor
Makati City
13. Office of the LGU Legislative Body
Makati City
14. Office of the City Mayor
Quezon City
15. Office of the LGU Legislative Body
Quezon City
16. Office of the Provincial Governor
Province of Capiz

17. Office of the LGU Legislative Body
Province of Capiz
18. Office of the Mayor
Municipality of Panitan, Capiz
19. Office of the LGU Legislative Body
Municipality of Panitan, Capiz
20. Office of the Provincial Governor
Province of Cebu
21. Office of the LGU Legislative Body
Province of Cebu
22. Office of the City Mayor
Municipality of Dumanjug, Cebu
23. Office of the Sangguniang Panlungsod
Municipality of Dumanjug, Cebu
24. Office of the Provincial Governor
Province of Guimaras
25. Office of the LGU Legislative Body
Province of Guimaras
26. Office of the Mayor
Municipality of Jordan, Guimaras
27. Office of the LGU Legislative Body
Municipality of Jordan, Guimaras
28. Office of the Provincial Governor
Province of Iloilo
29. Office of the LGU Legislative Body
Province of Iloilo
30. Office of the Municipal Mayor
Municipality of Pototan, Iloilo
31. Office of the LGU Legislative Body
Municipality of Pototan Iloilo
32. National Grid Corporation of the Philippines
NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City
33. Regulatory Operations Services
Energy Regulatory Commission
17th Floor Pacific Center Building, San Miguel Avenue,
Ortigas Center, Pasig City