

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 AKLAN  
ELECTRIC COOPERATIVE,  
INC. AND BOHOL LIGHT  
COMPANY, INC., WITH  
PRAYER FOR ISSUANCE OF  
PROVISIONAL AUTHORITY**

**ERC CASE NO. 2021-089 RC**

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

**Promulgated:**  
November 26, 2021

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**ORDER**

On 05 November 2021, Power Sector Assets and Liabilities Management Corporation (PSALM) filed an *Application*, seeking for the Commission’s approval of its Contract for the Supply of Electric Energy (CSEE) in the Visayas Grid with Aklan Electric Cooperative, Inc. (AKELCO) and Bohol Light Company, Inc. (BLCI), with prayer for issuance of 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 Aklan Electric Cooperative, Inc. (“AKELCO”)<sup>1</sup> and Bohol Light Company, Inc. (“BLCI”),<sup>2</sup>

<sup>1</sup> Hereinafter referred to as the “PSALM-AKELCO CSEE”.

<sup>2</sup> Hereinafter referred to as the “PSALM-BLCI CSEE”.

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 via an Assignment Letter 11 May 2009 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”).

The Assignment Letter dated 11 May 2009 is hereto attached as Annex “A”.

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 Assignment. Thus, this instant application by PSALM.

Thus, this instant application by PSALM.

5. The subject CSEE was 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 subsequently amended by this Honorable Commission in its Resolution No. 15, Series of 2005.
6. In ERC Resolution No. 33, Series of 2006,<sup>3</sup> the ERC clarified that the Transition Supply Contract (“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, 2013 and 2014 for the Approval of the terms and conditions of CSEEs effective 26 December 2011 to 25 December 2012, 26

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<sup>3</sup> Resolution Clarifying the Purpose of the Adoption of the TSC Template.

December 2012 to 25 December 2013, and 26 December 2013 to 25 December 2014, respectively.

8. By reason of the public bidding to privatize the rights to the contracted energy<sup>4</sup> 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, Inc. ("LEYECO V").
11. The foregoing CSEEs were executed based on the template approved by this Honorable Commission under Resolution No.08, 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 consists 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.

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<sup>4</sup> By virtue of the EPIRA, the assets transferred to PSALM included the rights of the NPC to the contracted energy under the Purchase Power Agreement (PPA) with Energy Development Corp. (EDC). The contract term of the PPA between NPC and EDC expires on 25 July 2021 for "Leyte A" and 25 July 2022 for "Leyte B."

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 I Electric Cooperative, Inc. (“BOHECO I”);
  - Bohol II Electric Cooperative, Inc. (“BOHECO II”);
  - Don Orestes Romualdez Electric Cooperative, Inc. (“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 the 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 before 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 GNPowder Dinginin Ltd., Co. with which the DUs had power supply contracts.

ERC CASE NO. 2020-014 RC

20. On 06 July 2020, 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 AKELCO with a contract duration from 26 February 2020 to 25 November 2020.
21. Said CSEE was executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005. Likewise, the CSEE incorporated 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 in 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 AKELCO and BLCI

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 AKELCO and BLCI, respectively.

The CSEEs duly negotiated with AKELCO and BLCI are hereto attached as Annexes "B" and "C", 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 AKELCO and BLCI

26. The table below shows the Contract Duration of the PSALM-AKELCO and PSALM-BLCI CSEEs:

CSEE	Contract Duration
PSALM-AKELCO CSEE	26 November 2020 to 25 November 2021
PSALM-BLCI CSEE	26 May 2020 to 25 May 2021

27. The CSEE for AKELCO<sup>5</sup> 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 CUSTOMER 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 CUSTOMER 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 CUSTOMER Ninety (90) 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 CUSTOMER'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 assignee shall, by written instrument, assume the rights and obligations of PSALM to CUSTOMER. When a CUSTOMER has been assigned by the 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 CUSTOMER within six (6) months from the actual transfer of the CUSTOMER to the SGC. If the CUSTOMER and the SGC fail to reach an agreement,

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<sup>5</sup> See Annex "B" hereof.

either Party shall have the right to terminate this Contract.

4.9 CUSTOMER 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. CUSTOMER 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. CUSTOMER has submitted necessary proof that the buyer, assignee or transferee has no outstanding obligation to PSALM, and undertakes to assume the obligations of CUSTOMER and to pay for the additional expenses necessary or incidental to the transfer.
- c. Assignment of CUSTOMER 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 average contracted energy indicated in Annex I of the CSEE and shall become valid and effective 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" issue 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 CUSTOMER 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 CUSTOMER shall replace the Security Deposit not later than thirty (30) days thereafter. PSALM reserves the right to continue supply of electric energy to the extent of Security Deposit of the CUSTOMER.

(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 CUSTOMER 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 CUSTOMER including interest earned, subject to deductions for any amounts owed by CUSTOMER 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 CUSTOMER's hourly energy consumption which 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 7.1 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 Independent Electricity Market Operator of the Philippines (IEMOP).

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

(vii) MINIMUM CHARGES

6.2 CUSTOMER 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 CUSTOMER 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 the PSALM, even if CUSTOMER 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.

(ix) MAINTENANCE SERVICE ADJUSTMENT

6.6 CUSTOMER 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, CUSTOMER 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 Should there be any dispute on bills, any such dispute would be considered as waived unless CUSTOMER questions the same in writing within sixty (60) days from CUSTOMER's receipt thereof. On a "best-efforts basis", PSALM commits to resolve such disputed bills within a period of sixty (60) days upon PSALM's receipt of said disputed bills' complete supporting documents, from the date of filing of the claim.

(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 CUSTOMER 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 highest non-prime lending rate of PSALM's depository banks for every quarter ending March, June, September and December of each year. Interest on overdue accounts shall be computed based on a 360-day year.

6.17 A restructuring agreement of the overdue account shall be executed by the CUSTOMER, with the following salient terms and conditions...<sup>6</sup>

(xiii) DEDUCTION DUE TO FORCE MAJEURE

9.6 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. CUSTOMER shall not be entitled to interruption adjustment for such period, unless interruptions exceed seventy-two (72) hours and the CUSTOMER failed to fully take or consume its Contract Energy.

(xiv) CONTRACT TERMINATION

9.11 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

9.20 This Agreement shall be executed in counterparts and shall be effective when at least one counterpart shall have been executed by one of the parties herein, and each set of counterparts shall constitute one single and binding agreement.

9.21 This Agreement, upon signature of the Parties, shall be filed immediately with the ERC for approval.

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<sup>6</sup> Please see the detailed list of terms and conditions under 6.17.1 to 6.17.12 of the PSALM-AKELCO CSEE.

28. The CSEE for BLCI<sup>7</sup> 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-BLCI CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); (ii) Section 4.8 (Assignability), 6.10 (Prompt Payment Discount), 6.11 (Disputed Bills), and 6.17 (Overdue Account), and (iii) the amendment of Section 3.1 on CONTRACT DURATION.
29. A summary of the Contracted Energy, Equivalent Demand, and Load Factor of the CSEEs subject of this Application is attached hereto as Annexes “D” and “D-1”.
30. Further, in compliance with Section 2, Rule 6 (Pre-Filing Requirements) of this Honorable Commission’s Resolution No. 01, Series of 2021,<sup>8</sup> and in support of the instant Application for the CSEE’s 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 “E” and series). The Application (excluding Annexes) was also published in a newspaper of general circulation (Annex “F”).

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

31. 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 “G”), this Honorable Commission said that PSALM need not participate in the CSP due to the nature of its operations.
32. Also, this Honorable Commission recognized PSALM’s exemption from joining the mandatory CSP in its decision approving the application for the approval of the CSEEs and LOAs with the DUs under ERC Case No. 2016-186 RC.

ALLEGATIONS IN SUPPORT FOR THE ISSUANCE OF PROVISIONAL AUTHORITY

33. 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 on 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.

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<sup>7</sup> See Annex “C” hereof.

<sup>8</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

34. A grant of Provisional Authority (“PA”) to execute the CSEEs subject of this Application will ultimately redound to the benefit of end consumers [.]
35. Attached as Annex “H” 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.
36. 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.
37. It is understood that the PA or Interim Relief sought by 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 AKELCO and BLCI. 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<sup>9</sup> dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)<sup>10</sup>:

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<sup>9</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission”.

<sup>10</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>20 January 2022</b> (Thursday) at two o'clock in the afternoon (2:00 P.M.)	<b>Microsoft Teams</b>	Determination of compliance with jurisdictional requirements, and Expository Presentation
<b>27 January 2022</b> (Thursday) at two o'clock in the afternoon (2:00 P.M.)	<b>Microsoft Teams</b>	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* 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 virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* AKELCO and BLCI, the Offices of the Provincial Governors, Mayors, and their respective Local Government Unit (LGU) legislative bodies of the areas, wherein the principal office of PSALM, AKELCO and BLCI are located, for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected area, by any other means available and appropriate, of the filing of the *Application*, its 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 *Application* and its attachments, all those making requests therefor, subject to the resolution of the pending prayer for confidential treatment, if any, and reimbursement of reasonable photocopying costs.<sup>11</sup>

Within five (5) calendar days prior to the date of the virtual hearings, PSALM must submit to the Commission via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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 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 Provincial Governor, City and Municipal Mayors, and their 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 within the affected area 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, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

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<sup>11</sup> For the e-mail address of the applicant, please see page 17.

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 Provincial Governor, City and Municipal Mayors and their 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](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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; 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](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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 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 its 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, PSALM, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru [legal.virtualhearings@erc.ph](mailto: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 November 2021.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*



  
LS: MVM/ LSP/MCCG



**ERC CASE NO. 2021-089 RC**  
**ORDER/17 NOVEMBER 2021**  
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