

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City



**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF THE  
CONTRACTS FOR THE  
SUPPLY OF ELECTRIC  
ENERGY IN THE VISAYAS  
GRID WITH DON ORESTES  
ROMUALDEZ ELECTRIC  
COOPERATIVE, INC.  
(DORELCO), EASTERN  
SAMAR ELECTRIC  
COOPERATIVE, INC.  
(ESAMELCO), NORTHERN  
SAMAR ELECTRIC  
COOPERATIVE, INC.  
(NORSAMELCO), SAMAR II  
ELECTRIC COOPERATIVE,  
INC. (SAMELCO II), WITH  
PRAYER FOR ISSUANCE OF  
PROVISIONAL AUTHORITY**

**ERC CASE NO. 2021-081 RC**

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

**Promulgated:**  
October 25, 2021

X-----X

**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 30 September 2021, Power Sector Assets And Liabilities Management Corporation (PSALM) filed an *Application* dated 10 August 2021 (Application), seeking the Commission's approval of the Contracts for the Supply of Electric Energy (CSEE) in the Visayas grid with Don Orestes Romualdez Electric Cooperative, Inc. (DORELCO), Eastern Samar Electric Cooperative, Inc. (ESAMELCO), Northern Samar Electric Cooperative,

**ERC CASE NO. 2021-081 RC**  
**NOTICE OF VIRTUAL HEARING/13 October 2021**  
**Page 2 of 16**

---

Inc. (NORSAMELCO), and Samar II Electric Cooperative, Inc. (SAMELCO II), with prayer for issuance of provisional authority.

The pertinent allegations of the *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 Don Orestes Romualdez Electric Cooperative, Inc. (“DORELCO”),<sup>1</sup> Eastern Samar Electric Cooperative (“ESAMELCO”),<sup>2</sup> Northern Samar Electric Cooperative, Inc. (“NORSAMELCO”),<sup>3</sup> and Samar II Electric Cooperative, Inc. (“SAMELCO II”),<sup>4</sup> 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

---

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

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

<sup>3</sup> Hereinafter referred to as “PSALM-NORSAMELCO CSEE”.

<sup>4</sup> Hereinafter referred to as “PSALM-SAMELCO II CSEE”.

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.
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.

*(This space is intentionally left blank)*

**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 I”);
  - Bohol II Electric Cooperative, Inc. (“BOHECO II”);
  - Don Orestes Romualdez Electric Cooperative;
  - Eastern Samar Electric Cooperative Inc.;
  - Leyte II Electric Cooperative, Inc. (“LEYECO II”);
  - Leyte IV Electric Cooperative, Inc. (“LEYECO IV”);
  - Northern Samar Electric Cooperative Inc.;
  - Samar I Electric Cooperative, Inc. (“SAMELCO I”);
  - Samar II Electric Cooperative, Inc.; 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
  - 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 GNPowder Dinginin Ltd., Co. with which the DUs had power supply contracts.

**ERC CASE NO. 2020-014 RC**

20. PSALM filed a similar application docketed as ERC Case No. 2020-014 RC for the approval of the 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

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.

**ERC Case No. 2020-030 RC**

24. On 04 September 2020, PSALM filed an application docketed as ERC Case No. 2020-030 RC for approval of several duly executed and negotiated LOAs in the Visayas Grid with the following DUs:
- BILECO
  - BOHECO I;
  - BOHECO II;
  - DORELCO;
  - ESAMELCO;
  - LEYECO II;
  - LEYECO IV;
  - NORSAMELCO;
  - SAMELCO I;
  - SAMELCO II; and
  - SOLECO.

25. These CSEEs had a duration of 26 December 2019 to 25 December 2020.
26. The requests for extension were necessary due to the delay in the commercial operations of the 1336 MW (2 x 668) Coal-Fired Power Plant located in Dinginin, Mariveles, Bataan owned by GNPowder Dinginin Ltd., Co. (GNPD) with which the DUs had power supply contracts.
27. This application is pending resolution before this Honorable Commission.

**PSALM’s CSEEs with DORELCO, ESAMELCO, NORSAMELCO, and SAMELCO II**

28. 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 DORELCO, ESAMELCO, NORSAMELCO, and SAMELCO II, respectively, hereto attached as **Annexes “B”** to **“E”** respectively.
29. 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 DORELCO, ESAMELCO, NORSAMELCO, and SAMELCO II**

30. The table below shows the Contract Duration of the CSEEs with DORELCO, ESAMELCO, NORSAMELCO, and SAMELCO II, respectively:

<b>CSEE</b>	<b>Contract Duration</b>
PSALM-DORELCO CSEE	26 December 2020 to 25 December 2021
PSALM-ESAMELCO CSEE	26 December 2020 to 25 December 2021
PSALM-NORSAMELCO CSEE	26 December 2020 to 25 December 2021
PSALM-SAMELCO II CSEE	26 February 2021 to 25 December 2021 <sup>5</sup>

*(This space is intentionally left blank.)*

---

<sup>5</sup> The board resolution approving the PSALM-SAMELCO II CSEE provides that the contract duration of the PSALM-SAMELCO II CSEE is from 26 December 2020 to 25 December 2021, but the CSEE was made effective only on 26 February 2021.

31. The CSEE for **DORELCO**<sup>6</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, either Party shall have the right to terminate this Contract.

---

<sup>6</sup> See Annex "B" hereof.

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.

**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 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.

(iv) **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).

(v) **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.

(vi) **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.

**(vii) SERVICE INTERRUPTION ADJUSTMENT**

- 6.3 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 taking into account the ratio of the number of hours that electric service was interrupted to the total number of hours in the billing period. The adjusted Contract Energy shall be used in the calculation of Minimum Charge.
- 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.
- 6.5 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, the Contract Energy not taken due to CUSTOMER's fault or negligence or other causes affecting CUSTOMER's ability to take or consume electricity shall not entitle CUSTOMER to interruption adjustment.

**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.

**(viii) 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.

**(ix) 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.

6.12 Disputed bills shall be paid by CUSTOMER without deductions or offsets and PSALM shall evaluate the claim and adjust the billings in accordance with its findings. Disputed billing shall not be an excuse or ground for CUSTOMER to delay payment of succeeding billings or to unilaterally deduct any amount there from.

**(x) 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>7</sup>

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

9.20 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.<sup>8</sup>

---

<sup>7</sup> Please see the detailed list of terms and conditions under 6.17.1 to 6.17.10 of the PSALM-DORELCO CSEE, Annex "B".

<sup>8</sup> Please see the other provisions on Deduction Due to Force Majeure under 9.6 to 9.8 of the PSALM-DORELCO CSEE, Annex "B".

(xii) **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.

(xiii) **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.

32. The CSEE for **ESAMELCO**<sup>9</sup> subject of this Application contains the same provisions as above and the only substantial differences consist of (i) those found in Annex I of the PSALM- ESAMELCO CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) those found in Annex II on PSALM's Delivery Point/s (which reflects the list of customer's delivery points).
33. The CSEE for **NORSAMELCO**<sup>10</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-NORSAMELCO CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (ii) those found in Annex II on PSALM's Delivery Point/s (which reflects the list of customer's delivery points).
34. The CSEE for **SAMELCO II**<sup>11</sup> subject of this Application contains the same provisions as above and the only substantial differences consist of (i) those found in Section 5.2 on the Form and Time of Posting of the Security Deposit; (ii) those found in Annex 1 of the PSALM-SAMELCO II CSEE (which reflects the Contracted Energy and the corresponding equivalent demand); and (iii) those found in Annex II on PSALM's Delivery Point/s (which reflects the location and delivery voltage).
35. A summary of the Contracted Energy, Equivalent Demand, and Load Factor of the CSEEs subject of this Application is attached hereto as Annexes "F" and series.
36. Further, in compliance with Section 2, Rule 6 (Pre-Filing Requirements) of this Honorable Commission's Resolution

---

<sup>9</sup> See Annex "C" hereof.

<sup>10</sup> See Annex "D" hereof.

<sup>11</sup> See Annex "E" hereof.

No. 01, Series of 2021,<sup>12</sup> 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 "G" and series). The Application (excluding Annexes) was also published in a newspaper of general circulation (Annex "H").

**PSALM is exempted from joining the mandatory Competitive Selection Process in the procurement of power supply.**

37. 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 "I"), this Honorable Commission said that PSALM need not participate in the CSP due to the nature of its operations.
38. 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.

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

39. 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.
40. A grant of Provisional Authority ("PA") to execute the CSEEs subject of this Application will ultimately redound to the benefit of end consumers
41. Attached as Annex "J" 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.
42. 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.
43. 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

---

<sup>12</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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 DORELCO, ESAMELCO, NORSAMELCO, and SAMELCO II. It is likewise prayed that a **PROVISIONAL AUTHORITY 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.

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>13</sup> dated 24 September 2020 and Resolution No. 1, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>14</sup>

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>26 November 2021</b> (Friday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>09 December 2021</b> (Thursday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams</b>	Pre-trial Conference and presentation of evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, 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 Commission shall give priority to the stakeholders who have duly submitted their respective

---

<sup>13</sup> Entitled: *A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission;*

<sup>14</sup> Entitled: *A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.*

comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the Application on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru

[legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 13<sup>th</sup> day of October 2021 in Pasig City.



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



LS: EDR/MCC/MCCG

