

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



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF ACMAC
SWITCHING STATION –
PROTECTION AND
METERING AND LINES
(PILMICO FOODS CORP. 69
KV OUTGOING LINES)
CAPITAL EXPENDITURE
(CAPEX) PROJECT AND ITS
CORRESPONDING
CHARGES**

ERC CASE NO. 2018-118 RC

**ILIGAN LIGHT & POWER,
INC. (ILPI),
Applicant.**

Promulgated:
FEB 19 2019

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NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 17 December 2018, the Iligan Light & Power, Inc. (ILPI) filed an *Application* dated 28 November 2018, seeking for the approval of its Acmac Switching Station – Protection and Metering and Lines (PILMICO Foods Corp. 69 kV Outgoing Lines) Capital Expenditure (CAPEX) Project and its corresponding charges.

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

1. ILPI is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Bro. Jeffrey Road, Pala-o, Iligan City where it may be served with summons and other legal processes;
2. It is the holder of an exclusive franchise issued by the Congress of the Philippines to operate electric light and power distribution service in the City of Iligan, Province of Lanao del Norte;

3. Pursuant to Commission’s Resolution No. 17, Series of 2011 entitled, “Resolution Adopting the Investor Owned Electric Distribution Utility Planning Manual,” Resolution No. 26, Series of 2009 entitled, “Resolution Amending the Rules for Approval of Regulated Entities’ Capital Expenditure Projects,” Resolution No. 20, Series of 2008 entitled, “Resolution Modifying the Rules for Setting Distribution Wheeling Rates for Privately Owned Distribution Utilities Entering Performance Based Regulation (RDWR),” Resolution No. 13, Series of 2006 entitled, “Guidelines to Govern the Submission, Evaluation and Approval of Electric Distribution Capital Projects,” and other applicable laws and rules, this Application is submitted and filed for the consideration and approval of this Honorable Commission;
4. Under the Honorable Commission’s *Performance-Based Regulation (PBR)*, ILPI is part of the Second Entry Point Group B that entered the PBR regime on April 1, 2009;
5. Inasmuch as the Honorable Commission has yet to issue the relevant rules for the reset process (*Third Regulatory Period covering April 1, 2013 to March 31, 2017*) for the subsequent filing of ILPI’s reset application and considering that for purposes of recovering the capital costs of the project through power rates, the same shall require the evaluation and approval of the Honorable Commission. Thus, Applicant caused the preparation, submission and filing of this Application for the approval of ILPI’s *Acmac Switching Station – Protection and Metering and Lines (PILMICO Foods Corp. 69 kV Outgoing Lines) Capital Expenditure (CAPEX) Project and corresponding charges and effectivity to PILMICO Foods Corp.*, summarized hereunder, as follows:

Project Title	Acmac Switching Station – Protection and Metering and Lines (PILMICO Foods Corporation 69 kV Outgoing Lines) CAPEX Project
Project Cost	PhP 12,647,408.95, VAT Inclusive PhP 11,292,329.42, VAT Exclusive
Applicable Charges and its Effectivity	Distribution Charge: PhP 149,577.23 per month Metering Charge: PhP 8,853.17 per month Effectivity: December 6, 2015 and onwards
Project Duration	RY 2017

6. THE CAPEX PROJECT

The CAPEX Project aims to reroute the source of the newly acquired Kiwalan-Pilmico Foods Corporation (PFC) 69 kV lines/assets from the NGCP Grid to ILPI’s Acmac Switching Station in order to avoid operational problems and instability issues. The project will include a 0.95 km. of the 69 kV line extension and installation of new metering and protection facility for PFC.

ERC CASE NO. 2018-118 RC
NOTICE OF PUBLIC HEARING/ 12 February 2019
PAGE 3 OF 5

The CAPEX Project and its justifications are discussed in detail in ILPI's CAPEX Information Summary (CIS) together with all the necessary supporting data;

7. COMPLIANCE WITH DOCUMENTARY REQUIREMENTS

Finally, in order to facilitate the evaluation of the Application and in compliance with *Rule 20-C of the Commission's Rules of Practice and Procedure*, the following supporting documents are herein attached and made as an integral part of this Application:

Annex	Title of Document
"A"	The Capital Expenditure (CAPEX) Information Summary
"B"	ILPI's 2017 Distribution Development Plan (DDP)
"C"	The Estimated Project Cost
"D"	Charges applicable to PILMICO Foods Corp.
"E"	The Economic Analysis
"F"	The Single Line Diagram
"G"	Secretary's Certificate approving the implementation of the CAPEX project and the filing of an application for its approval before the Honorable Commission
"H"	Sworn Statement of ILPI's authorized representative that an application for approval from concerned government agencies/offices that may have interest in the proposed project has been filed or shall be filed, if applicable.

8. The *Acmac Switching Station – Protection and Metering and Lines (PILMICO Foods Corporation 69 kV Outgoing Lines) CAPEX Project* will ensure ILPI's continuous compliance with the standards set under the Philippine Distribution Code (PDC) and the Philippine Grid Code (PGC).

P R A Y E R

WHEREFORE, premises considered, ILIGAN LIGHT & POWER, INC., (ILPI) most respectfully prays that, after due notice and hearing, the following be APPROVED:

1. *Acmac Switching Station - Protection and Metering and Lines (PILMICO Foods Corporation 69 kV Outgoing Lines) Capital Expenditure (CAPEX) Project;*
2. *Corresponding Charges applicable to PILMICO Foods Corporation; and*
3. *Effectivity of the aforementioned Charges.*

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

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on **28 March 2019 (Thursday), at ten o'clock in the morning (10:00 A.M.), at ILPI's Principal Office located at Bro. Jeffrey Road, Pala-o, Iligan City, Lanao Del Norte.**

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and 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.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 ERC 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 and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

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ERC CASE NO. 2018-118 RC
NOTICE OF PUBLIC HEARING/ 12 February 2019
PAGE 5 OF 5

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same, prior to the date of the initial hearing. ILPI is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

WITNESS, the Honorable Chairperson and CEO, **AGNES VST DEVANADERA**, and the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, and **PAUL CHRISTIAN M. CERVANTES**, Energy Regulatory Commission, this 12th day of February 2019 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal Service



LS: LED/ARG/GLO
