

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



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF ELECTRIC CAPITAL
PROJECT FOR THE RY 2014,
WITH PRAYER FOR
PROVISIONAL AUTHORITY**

ERC CASE NO. 2014-062 RC

**CLARK ELECTRIC
DISTRIBUTION CORPORATION
(CEDC),**

Applicant.

X ----- X

BOOKED
Date: JUL 28 2014
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on May 23, 2014, the Clark Electric Distribution Corporation (CEDC) filed an application for approval of its capital project for the Regulatory Year 2014, with prayer for provisional authority.

In the said application, CEDC alleged, among others, the following:

1. It is part of the Fourth Entry Group (otherwise known as Group D) that entered into the Performance-Based Regulation (PBR) rate setting methodology in October 1, 2011;
2. The Commission approved its Capital Expenditure Program for the entire Second Regulatory Period – October 11, 2011 to September 30, 2015 in its Final Determination dated July 6, 2011 (ERC Case No. 2010-131RC);

3. During the time since the approval of the capital expenditure program, there were several large load locators/customers within its franchise area intending to set up their facilities by year 2014;
4. The new locators/customers as well as the expansion of existing businesses are: a) Taiyo Nippon Sanso Clark, Inc. (TNSCI-INGASCO) Air-Separation Plant which requires 9 MW; b) Medical City Hospital which requires 3.59 MW; c) Midori Hotel which requires 1.40 MW; d) Widus Hotel Expansion which requires 1.09 MW; e) SM BPO buildings which requires a total of 1.75 MW; f) MSK industrial development which requires 3.51 MW; g) SIA Engineering expansion which requires 1 MW; h) load growth of Yokohama Tire Philippines. These additional loads will be on top of the growth of native load of 5.79% in RY 2012-2013 and the expected development of the new areas within the Clark Freeport Zone. The foregoing projects are all in various stages of construction;
5. In order to provide adequate and reliable power supply to these new and expanded facilities, it will need to construct and install a new 100-MVA 230 kV/68 kV Power Transformer at the CDC Substation;
6. Currently, it is being served solely by a 29 km, single-circuit 715.5 MCM 69kV sub-transmission line from National Grid Corporation of the Philippines (NGCP) Mexico Substation, the Mexico-Clark Line 2, which has been in service since 1958. NGCP-Mexico Substation Office (District 6 – Luzon) has imposed a loading limit of 80 MW for the Mexico-Clark Line 2;
7. In 2013, the Mexico-Clark Line2 had already attained peak loading of 58.5 MW at its delivery point metering. Such peak loading translates to a 60.26 MW (based on the April and May NGCP bill –Billing Demand Determinant) at the Mexico Substation, which includes system loss or an equivalent of 75.33% of the 80 MW limit;
8. Without the new 100-MVA 230 kV/68 kV Power Transformer at the CDC Substation to accommodate the load requirements of the foregoing projects as well as future load requirements, the Mexico-Clark Line 2 (its only source of power) will have the following percent loading:

ERC CASE NO. 2014-062 RC

Notice of Public Hearing/July 21, 2014

Page 3 of 6

		2013	2014	2015	2016
Mexico Clark Line 2 (at 80 MW loading limit)	MW Load	58.5	93.19	103.30	114.15
	Percentage Loading	73%	116%	129%	143%

9. It is clear that without the construction of the 100-MVA Power Transformer, there would be an overloading of the 69 kV Mexico-Clark Line 2 which exceeds the 80 MW cap imposed by NGCP-Mexico Substation Office (District 6 – Luzon) by 2014 which would make it impossible to accommodate these large load projects in the Clark Freeport Zone;

10. The construction and development of the 100 MVA Power Transformer will allow it to timely energize these new investor loads. The construction and development will also allow it to fulfill its mandate under Section 23 of Republic Act No. 9136 (R.A. No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 or EPIRA) which provides that “a distribution utility shall have the obligation to provide distribution services and connections to its system for any end-user within its franchise area consistent with the distribution code” as well as its obligation under its franchise Republic Act No. 9209 (R.A. No. 9209) “to provide open and non-discriminatory access to its distribution system and services for any-end-user within its franchise area consistent with R.A. No. 9136;

11. The development and construction of the 100 MVA Power Transformer would involve the installation of the following:
 - i) One (1) bay of 230 kV switchyard bus consisting of two (2) 230 kV breakers and five (5) 230 kV disconnect switches;
 - ii) One (1) 100 MVA three-phase power transformer with OLTC;
 - iii) One (1) 69 kV breaker;
 - iv) Two 69 kV disconnect switches;
 - v) Three (3) voltage transformers;
 - vi) Three (3) control/protection panel;

- vii) Power and control cables;
- viii) Grounding system;
- ix) Extension of the 69 kV line from TNSCI-INGASCO substation to Load Break Switch (approx. 0.9km); and
- x) Site development;

12. Upon completion of the 100 MVA Power Transformer, the loadings are projected to be as follows:

Forecasted Loading with Project

		2013	2014	2015	2016
Mexico Clark Line 2 (at 80 MW loading limit)	MW Load	58.50	46.66	52.89	47.88
	Percentage Loading	73%	58%	66%	60%
New CEDC 100 MVA Power Transformer	MW Load	0	46.53	50.40	66.27
	Percentage Loading	0%	47%	52%	68%

- 13. The estimated cost of the project is One Hundred Eighty Two Million Two Hundred Forty-Nine Thousand Nine Hundred Eighty-Five Pesos (PhP182, 249,985.00);
- 14. The estimated rate impact of the project is approximately PhP0.04/kWh;
- 15. It will apply for the appropriate rate adjustment to its distribution rates in its next Regulatory Period, the Third Regulatory Period (October 1, 2015 – September 30, 2019);
- 16. In support of the instant application, it has submitted the following documents:

Annex/Schedule	Information Provided
A	New CEDC 100 MVA 230 kV-69 kV Power Transformer at CDC Substation – Project Summary and Justification
B	Major Project Information Summary New CEDC 100 MVA 230 kV-69 kV Power Transformer at CDC Substation
C	GANNT Chart of the Project
D	CEDC's Distribution Development Plan (2011-2015)

17. Since the expected loads from the new locators and customers and the expansion of existing facilities will start to come by mid-2014, it will need to commission and energize the project as soon as possible in order to fully and reliably serve the new locators/customers and existing customers;
18. Given the amount of time needed to complete the project and its urgent necessity to its operations, a provisional authority is needed to allow it to immediately proceed with the project so that it can already canvass and order the needed parts and equipment which may take several months;
19. In support of the prayer for the grant of provisional authority, it has attached as Annex "E" the Judicial Affidavit of Engr. Milo R. Pantig, Senior Assistant Vice-President and Head, Distribution Services; and
20. It prays that a provisional authority be granted and after trial on the merits, a final approval of the proposed 100 MVA 230 kV-69 kV Power Transformer at CDC Substation be granted by the Commission.

The Commission has set the instant application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **August 22, 2014 (Friday) at nine-thirty in the morning (9:30 A.M.) at the CEDC's Multi-Purpose Hall, Bldg. N2830, Bayanihan Street, Clark Freeport Zone.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission

giving the docket number and title of the proceeding and stating: (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 proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making such request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **GLORIA VICTORIA C. YAP-TARUC** and **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Energy Regulatory Commission, this 21st day of July, 2014 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III