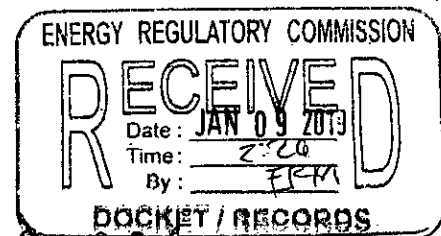


ENERGY REGULATORY COMMISSION  
San Miguel Avenue, Pasig City

IN THE MATTER OF THE  
APPLICATION FOR APPROVAL  
OF REGULATED ENTITIES'  
EMERGENCY CAPITAL  
EXPENDITURE PROJECT,  
WITH AUTHORITY TO SECURE  
LOAN,



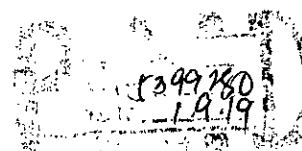
2019-001

ERC Case No. 2018-\_\_\_ RC

FIRST BAY POWER  
CORPORATION (FBPC),  
Applicant.

X-----X

*Carla O. J. 10-*



APPLICATION

First Bay Power Corporation (FBPC), by counsel, and before  
this Honorable Commission most respectfully states:

1. Applicant is a corporation organized and existing under the laws of the Philippines, with main office at Kapitan Ponso Street Extension, Bauan, Batangas, where it may be served with summons and other legal processes, represented in this instance by its President, RAY FLORENCE T. REYES, of legal age, Filipino, married and with office address also at Kapitan Ponso Street Extension, Bauan, Batangas, duly authorized by the Board of Directors as evidence the Secretary's Certificate, hereto attached as **Annex "A"**;
2. Herein applicant was organized primarily to operate as an electric distribution utility and presently operates as such in the Municipality of Bauan, Batangas;
3. On March 21, 2005, a Memorandum of Agreement (MOA) was executed by and between FBPC and the Municipality of Bauan, Batangas, wherein the electricity distribution utility,

- including the 13.8 KV distribution lines, of the Municipality of Bauan, Batangas, under the service name of Bauan Electric Light System, has been leased with option to purchase. The said MOA was confirmed by the Sanggunian Bayan of Bauan, Batangas through Resolution No. 63, Series of 2005;
4. On June 23, 2007, a Deed of Absolute Sale of the distribution facilities of BELS, as appraised by the Commission on Audit (COA), was entered into between FBPC and the Municipality of Bauan, Batangas. The said Deed of Absolute Sale was confirmed by the Sanggunian Bayan of Bauan, Batangas on June 25, 2007 through its Resolution No. 68, Series of 2007. A copy of Resolution No. 68, Series of 2007, of the Office of the Sanggunian Bayan of Bauan, Batangas is hereto attached and duly marked as **Annex "B"**;
  5. Likewise, on the same date of June 25, 2007, Resolution No. 69, Series of 2007, of the Sanggunian Bayan of Bauan, Batangas, was approved confirming the Deed of Condition Sale of 13.8 KV distribution lines of BELS between FBPC and Bauan, Batangas. A copy of Resolution No. 69, Series of 2007, is hereto attached and duly marked as **Annex "B-1"**;
  6. On June 30, 2005, BELS was granted a franchise by the National Electrification Commission (NEC) to operate an electric light, heat and power systems for the purpose of generating and/or distributing electricity for sale within the Municipality of Bauan, Province of Batangas for a period of Twenty (20) years from the expiry date of its CPCN or up to June 30, 2019. Copy of the Certificate of Franchise issued in NEC Case No. 99-03 in favor of BELS is hereto attached and duly marked as **Annex "C"**;
  7. In 2014, FBPC filed before this Honorable Commission an Application for the Approval of Certificate of Public Convenience and Necessity (CPCN), docketed as ERC Case No. 2014-031. The case is now submitted for resolution;
  8. Republic Act No. 10891, An Act Granting the First Bay Power Corp. (FBPC) a Franchise to Construct, Install, Establish, Operated and Maintain a Distribution System for the Conveyance of Electric Power to the End Users in the Municipality of Bauan, Province of Batangas, which originated in the House of Representatives, was passed by

the House of Representatives and Senate on October 9, 2015 and May 23, 2016, respectively;

9. Republic Act No. 10891, took effect on September 2, 2016;

10. The existing capacity of the only substation of the First Bay Power Corporation will violate the standard substation loading of 70% by the year 2019. A major factor for the forecasted demand growth is a big load estimated to be 6 MW and is expected to partially operate in the last quarter of the year 2019. Below is a tabulated load forecast of the existing substation and its yearly loadings:

Substation	FBPC 15MVA	Existing Ss % Loading with the expected Spot Load
Capacity (MVA)	18.75	
Year	Expected Loading (kVA)	
2018	10499	55.99%
2019	14327	76.41%
2020	16168	86.23%
2021	17525	93.46%
2022	17897	95.45%
2023	18288	97.54%
2024	18698	99.72%
2025	19130	102.03%
2026	19585	104.45%
2027	20064	107.01%
2028	20570	109.71%

11. In view of the above issue, FBPC intends to install a 15/18.75MVA substation to address the expected deficiency of the utility. The project is a result of a technical and economic evaluation performed on several project ideas that were formulated during the planning process. Below is the project being propose:

Proposed Project		Project Type	Project Category
No.	Title		
1	Installation of a 15/18.75MVA Substation at Barangay Balayong, Bauan	Capacity	Substation Project

12.The brief Description / Rationale of the Proposed Projects is as follows:

Proposed Projects		Project Description / Rationale
No.	Title	
1	Installation of a 15/18.75MVA Substation at Barangay Balayong, Bauan	The project is intended to address the expected capacity deficiency of the utility brought about by a new big load. It will include the installation of a 15/18.75MVA substation and revision of the distribution system of the utility to best accommodate the increase in demand. Also included is a SCADA system for the new substation.

13.The estimated cost of this emergency capital expenditure project is **One Hundred Eleven Million One Hundred Eighty Eight Thousand Nine Hundred Ninety (P111,188,990.00) Pesos**, which will be funded by a loan from the financial institution/institutions with expected seven (7%) interest rate per annum for a period of ten (10) year years;

14.The Unbundled Project Cost is shown below:

Description	Cost (Php)
69kV Line	1,750,000.00
15/18.75MVA Power Transformer	76,780,900.00
SCADA System	8,150,000.00
Lot (800 m <sup>2</sup> )	2,800,000.00
13.2kV Line	11,600,000.00
Total	101,080,900.00
<b>Project Cost with 10% contingency</b>	<b>111,188,990.00</b>

15.The proposed Emergency Capital Expenditure Project will not have a direct impact on the current rate of FBPC considering that it rate is still bundled;

16. For purposes of and in connection with this application, FBPC hereby attached hereto the following documents, duly marked collectively as **Annex "D"**, in compliance with the requirements pertinent thereto, to wit:

- a) Project Description;
- b) Justifications or Benefits to be delivered;
- c) Estimated Project Costs;
- d) Project Financing Plan; and
- e) Project Schedule;

17. That the above project is consistent with the Distribution Development Plan (DDP), the Philippine Grid Code (PGC), the Philippine Distribution Code (DDP), and other relevant government issuances; and in accordance with ERC Resolution on Capital Expenditure Projects;

18. That in compliance with the pre-filing requirements, FBPC is submitting the following:

- a) Certification from the Sangguniang Bayan of Bauan, Batangas that a copy of the application, with all its annexes and accompanying documents, attesting to the fact that applicant has furnished the said legislative body of the aforesaid application;
- b) Certification from the Sangguniang Panlalawigan of Batangas that it likewise has furnished the said pertinent documents; and
- c) Affidavit of Publication and Newspaper issue containing the published Application in its entirety in a newspaper of general circulation in the Province of Batangas; and

19. That the approval of this Emergency Capital Expenditure Project is needed to maintain efficient, reliable, and safety delivery of power to FBPC's existing and future consumers, and will redound to the benefits of the consuming public within its coverage area.

## PRAYER

**WHEREFORE**, premises considered, applicant First Bay Power Corporation respectfully prays of this Honorable Commission that, after due notice and hearing and consideration, this application be approved.

Other relief, just or equitable, is likewise prayed for.

Cainta, Rizal for Pasig City, December 14, 2018.



**ARNIDO O. INUMERABLE**

Counsel for Applicant FBPC  
405 Elisa Street, U.E. Village, Cainta, Rizal  
PTR No. 5846984, 1-30-18, Q.C.  
IBP No. AR002036, 1-30-18, Q.C.  
Roll of Attorneys No. 28764  
MCLE Compliance No. V-0007400, 4-23-15  
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E Mail: [attyinumerable@yahoo.com.ph](mailto:attyinumerable@yahoo.com.ph)

REPUBLIC OF THE PHILIPPINES)  
)S.S.

**VERIFICATION AND CERTIFICATION  
OF NON-FORUM SHOPPING**

I, RAY FLORENCE T. REYES, of legal age, Filipino, married and with office address at First Bay Power Corporation (FBPC), at Kapitan Ponso Street Extension, Bauan, Batangas, Philippines, after having been duly sworn to in accordance with law, hereby depose and state:


1. That I am the President of FBPC and duly authorized to by the Board of Directors to file or cause the filing of an Application with the Energy Regulatory Commission (ERC) for Approval of Regulated Entities' Emergency Capital Expenditure Projects, with Authority to Secure Loan from a financial institution/institutions, as evidence by the Secretary's Certificate, hereto attached as **Annex "A"**;
2. That I caused the preparation of the foregoing Application;
3. That I have read the foregoing Application and I attest that the allegations therein are true and correct of my personal knowledge and based on authentic records;
4. That I further attest that FBPC has not theretofore commenced any action or filed any claim involving the same issues and parties in any court, tribunal or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein;
5. That if I should hereinafter learn that the same or similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals, or any court, tribunal or quasi-judicial agency, I shall report the said fact within five (5) days from discovery thereof to the Honorable Commission.

**IN WITNESS WHEREOF**, I have set my hand and affixed my signature this 02 day of December, 2018 in BAUAN, BATANGAS.

  
**RAY FLORENCE T. REYES**  
Affiant

**SUBSCRIBED AND SWORN** to before me this 20<sup>th</sup> day of December, 2018 in Bauan, Batangas, Philippines, affiant exhibited to his Passport No. EC3292418, issued in DFA NCR Central, on January 28, 2015 and is valid until January 27, 2020.

Doc. No. ; 343  
Page No. ; 69  
Book No. ; CXX  
Series of 2018.

  
**LOIDA C. CONTI**  
NOTARY PUBLIC UNTIL DECEMBER 31, 2019  
NOTARIAL COMMISSION NO. 2017-52  
ROLL OF ATTORNEYS NO. 32835 IHP NO. 00153  
TR NO. 21351151.1-3-2018, SAN PASCUAL, BATS  
47 KAP. PONS0 ST., BAUAN, BATANGAS