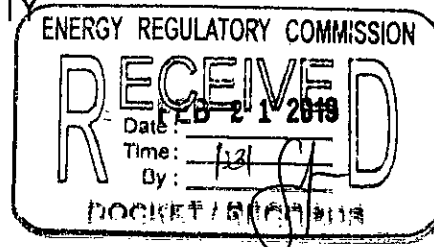


REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE, PASIG CITY

IN THE MATTER OF THE APPLICATION
FOR APPROVAL OF ITS CAPITAL
EXPENDITURE PROGRAM FOR
REGULATORY YEAR (RY) 2019



ERC Case No. 2019-013RC

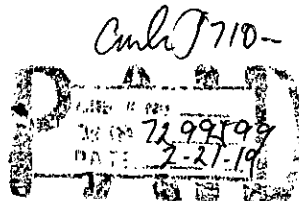
ANGELES ELECTRIC CORP. (AEC),
Applicant.

X-----X

CAPEX APPLICATION FOR RY 2019

APPLICANT AEC, thru counsel, respectfully submits its pre-trial brief as follows:

1. Applicant AEC is a Distribution Utility (DU) duly organized and existing under Philippine law, with principal office address at Don Juan Nepomuceno corner Doña Teresa Street, Nepo Mart Complex, Angeles City; franchised under Republic Act No. 9381 to distribute electricity in Angeles City, Pampanga; represented here by its President, Geromin T. Nepomuceno, Jr.
2. AEC belongs to the Fourth Entry Group under the Rules for Setting Distribution Wheeling Rates (RDWR). AEC entered the RDWR during the Second Regulatory Period (2nd RP) from October 1, 2011 to September 30, 2015.
3. AEC was supposed to enter into its 3rd RP from October 1, 2015 to September 30, 2019 but the Commission suspended the implementation of the RDWR. Thus, AEC was prevented from filing its Regulatory Reset Application for the 3rd RP.
4. Ordinarily, AEC's Capital Expenditure (CAPEX) Program is incorporated as part of its Regulatory Reset Application. Considering the suspension of the RDWR, AEC was likewise prevented from filing its CAPEX Program for the 3rd RP.
5. To enable AEC to continue providing a safe, adequate, continuous and reliable service, AEC is applying for approval the following CAPEX program for the Regulatory Year (RY) 2019:



(Signature)

ANGELES ELECTRIC CORPORATION
Proposed Capital Expenditure Projects for RY 2019
SUMMARY

Network Capex

	Description	Estimated Cost
A.1	Reconductoring of EPZA and Dau 13.8 kV Feeder Lines from 336.4 MCM ACSR to 556.5 MCM ACSR and Rerouting of Dau Feeder to Cater to the Projected Future Load of the Pampanga Economic Zone and the inevitable widening of Pulung Cacutud Bridge	6,876,975.06
A.2	Milenyo Substation Relocation and Uprating from 35 MVA to 50 MVA	163,077,768.45
A.3	Reconductoring of 13.8 kV Backbone Feeder Line Sections from #4/0 AWG ACSR to 336.4 MCM TACSR	31,121,641.61
Sub-Total		201,076,385.12

Other Network Capex

	Description	Estimated Cost
B.1	Procurement of Pole-Mounted Type Distribution Transformers of Various Capacities to Cater to Load Growth	28,317,655.46
B.2	Procurement of Overhead Conductors and Devices	23,929,046.61
B.3	Procurement of Poles, Towers and Fixtures	19,174,670.02
B.4	Purchase of Kilowatthour Meters and its accessories (e.g. instrument transformers, Meter Base, Conduit, Padlock Seal)	12,210,699.20
Sub-Total		83,632,071.29

Non-Network Capex

	Description	Estimated Cost
C.1	Procurement of Information Technology Equipment	3,872,369.92
C.2	Upgrading of SCADA Operator Workstation, Database Migration and WebServer SCADA Reports	989,000.00
C.3	Acquisition of Additional Programs and Software and Global Navigation Satellite System (GNSS) Equipment in connection with the Geographic Information System (GIS)	6,857,142.86
Sub-Total		11,718,512.78

Grand Total	296,426,969.19
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6. AEC appropriated enough funds from its retained earnings to finance the foregoing CAPEX Program for RY 2019.
7. In view of the resulting benefits that the customers of AEC will derive from the proposed RY 2019 CAPEX Program, AEC respectfully submits that the building block components, particularly the return of capital and return on capital associated therewith, from the time it is put in service and considered used and

useful, be considered as a deferred amount to be included in AEC's 3rd or 4th RP reset calculations.

8. AEC attaches and submits the following documents in support of this application:

I. Summary

II. Forecasts

III. Network CAPEX 2019

A.1. Detailed Project Discussion of Reconductoring of EPZA and Dau 13.8 kV Feeder Lines from 36.4 MCM ACSR to 556.5 MCM ACSR and Rerouting of Dau Feeder to Cater to the Projected Future Load of the Pampanga Economic Zone and the inevitable widening of Pulung Cacutud Bridge

- a. Technical Analysis
- b. Economic Analysis
- c. Gantt Chart Schedule

A.2. Detailed Project Discussion of Milenyo Substation Relocation and Upgrading from 35 MVA to 50 MVA

- a. Technical Analysis
- b. Economic Analysis
- c. Gantt Chart Schedule

A.3. Detailed Project Discussion of Reconductoring of 13.8 kV Backbone Feeder Line Sections from #4/0 AWG ACSR to 336.4 MCM TACSR

- a. Technical Analysis
- b. Economic Analysis
- c. Gantt Chart Schedule
- d. Reliability Indices Simulations

IV. Other Network CAPEX 2019

B.1. Detailed Project Discussion of Procurement of Pole-Mounted Type Distribution Transformers of Various Capacities to Cater to Load Growth

- a. Economic and Technical Analysis

B.2. Detailed Project Discussion of Procurement of Overhead Conductors and Devices

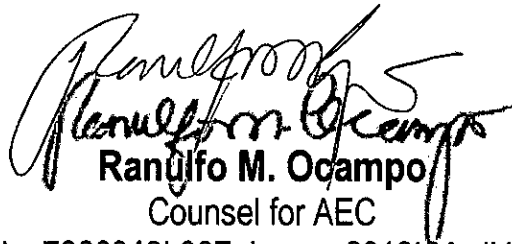
- a. Historical and Forecast Conductor Purchases
- B.3. Detailed Project Discussion of Procurement of Poles, Towers and Fixtures
 - a. Historical and Forecast Pole Purchases
- B.4. Detailed Project Discussion of Purchase of Kilowatthour Meters and Accessories
- V. Non-Network CAPEX 2019
 - C.1. Detailed Project Discussion of Procurement of Information Technology Equipment
 - a. Quotation for Additional Server
 - b. Quotation for Network Storage
 - c. Quotation for VMWare License
 - d. Cost Estimate for Server Room
 - C.2. Detailed Project Discussion of Upgrading of SCADA Operator Workstation, Database Migration and WebServer SCADA Reports
 - a. Quotation
 - C.3. Detailed Project Discussion of Acquisition of Additional Programs and Software and Global Navigation Satellite System (GNSS) Equipment in connection with the Geographic Information System (GIS)
 - a. Quotations
- VI. Affidavit of AEC Planning Engineer, Allan M. Santillan.

PRAYER

WHEREFORE, premises considered, AEC respectfully prays that the Honorable Commission approve AEC's proposed Capital Expenditure Program for Regulatory Year 2019 with the estimated total project cost of **Php296,426,969.19**.

AEC also prays for such other relief or remedy as may be just and equitable under the circumstances.

RESPECTFULLY SUBMITTED this 6th day of February 2019 at Pasig City.


Ranulfo M. Ocampo
Counsel for AEC

PTR No. 7866349 | 06 February 2019 | Marikina City
IBP Lifetime No. 1025756 | 18 January 2016 | RSM
IBP Roll No. 33872 | MCLE Compliance No. V-0018148
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REPUBLIC OF THE PHILIPPINES)
CITY OF ANGELES) S.S.

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **GEROMIN T. NEPOMUCENO**, of legal age, with office address at Juan Nepomuceno Avenue corner Teresa Avenue, Nepo Mart Complex, Angeles City, depose and state under oath that-

1. I am the President of Angeles Electric Corporation (AEC), and have been authorized by AEC to verify and certify under oath the foregoing AEC application for approval of its proposed Capital Expenditure (CAPEX) Program for Regulatory Year (RY) 2019 with an estimated total project cost of Php296,426,969.19.
2. In behalf of AEC, I caused the preparation of the foregoing application; read and understood the allegations contained therein insofar as AEC is concerned; and all the facts stated therein are true and correct based on my own knowledge and the authentic records of AEC made available to me in the ordinary course of business.
3. AEC has not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; that to the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency, which involve issues that may somehow be related to this Complaint for consignation of sum due; and that, if I should learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or any other tribunal or agency, I undertake to promptly inform this Honorable Commission within five (5) days from receipt of such knowledge of such fact.


GEROMIN T. NEPOMUCENO
Affiant

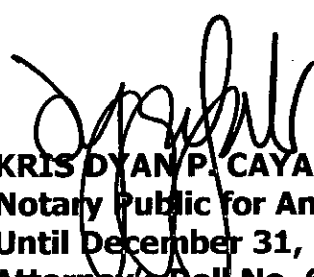
SUBSCRIBED AND SWORN to before me this FEB 08 2019, affiant exhibited to me her Community Tax Certificate No. 27390007 issued on January 14, 2019 at Angeles City and Passport No. P0731315A, issued at DFA Angeles and valid until October 23, 2021.

Doc. No. 303;

Page No. 50;

Book No. XVIII;

Series of 2019.


KRIS DYAN P. CAYABYAB
Notary Public for Angeles City
Until December 31, 2020
Attorney's Roll No. 61559
PTR No. 1283409/01.03.19/AC
IBP No. 0677671/01.10.19/CSF
Commission No. 2018-
1251-B Miranda St., A.C.