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

**IN THE MATTER OF THE APPLICATION FOR AUTHORIZATION TO PROVIDE ELECTRICITY SERVICE IN BARANGAY CABAYUGAN, PUERTO PRINCESA CITY, AS QUALIFIED THIRD PARTY (QTP) AND FOR THE ISSUANCE OF THE CORRESPONDING AUTHORITY TO OPERATE (ATO) AND FOR APPROVAL OF THE QTP SERVICE AND SUBSIDY AGREEMENT (QTP-SSA) WITH THE NATIONAL POWER CORPORATION, WITH PRAYER FOR THE ISSUANCE OF PROVISIONAL AUTHORITY,**

**ERC CASE NO. 2015-106 RC**

**SABANG RENEWABLE ENERGY CORPORATION (SREC),**

**Applicant.**



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## ORDER

Before the Commission for resolution is the Motion for Reconsideration (Motion) dated 12 January 2017 filed on 20 January 2017 by Sabang Renewable Energy Corporation (SREC).

## I. FACTUAL ANTECEDENT

On 06 October 2016, the Commission issued the Decision subject of the Motion, the dispositive portion of which reads:

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**WHEREFORE**, the foregoing premises considered, the Application filed by Sabang Renewable Energy Corporation (SREC) for an authority to provide electricity service in Barangay Cabayugan, Puerto Princesa City as Qualified Third Party (QTP) and for the issuance of the corresponding Authority To Operate (ATO) and for approval of the QTP Service and Subsidy Agreement (QTP-SSA) with the National Power Corporation (NPC) is hereby **APPROVED WITH MODIFICATION**, subject to the following conditions:

a. Applicable rates (Full Cost Recovery Rate):

| **CRF (PhP/kWh)** | | |
|---|---|---|
| **Particulars** | **Solar** | **Diesel** |
| Generation | 10.5422 | 4.1202 |
| Power Management | 5.4637 | 2.5866 |
| Distribution | 2.6899 | |
| Total | **18.6958** | **9.3967** |
| **O&M (in PhP/kWh and Subject to adjustment based on the formula under the QTP-SSA)** | | |
| **Particulars** | **Solar** | **Diesel** |
| Generation | 1.9891 | 4.4335 |
| Power Management | 0.9251 | |
| Distribution | 1.0914 | |
| Total | **4.0056** | **6.4500** |
| **Fuel Fee** | Pass-through Cost subject to the actual fuel consumption rate or the approved fuel efficiency cap, whichever is lower | |

b. The total blended monthly FCRR shall be determined based on the actual energy mix of Solar and Diesel;
c. The pass-through fuel cost be subject to the actual fuel consumption rate or the approved efficiency cap shown in the table below, whichever is lower:

| **Particulars** | **Liter/kWh** |
|---|---|
| Diesel Fuel | 0.3027 |
| Lube Oil | 0.00209 |

d. The Subsidized Approved Retail Rate (SARR) to be charged to SREC's end-user:

| **Customer Type** | **SARR (PhP/kWh)** |
|---|---|
| Residential/Public Buildings | 12.00 |
| Commercial Establishments | 15.00 |

e. SREC is allowed to recover the subsidy from the ERC-approved Universal Charge-Missionary Electrification (UC-ME) based on the petition filed by the National Power Corporation-Small Power Utilities Group (NPC-SPUG) and as set forth under the amended Guidelines for the Setting and Approval of Electricity Generation Rates and Subsidies for Missionary Electrification Areas promulgated on 22 August 2011.

Accordingly, NPC-SPUG be directed to pay SREC the difference between the Full Cost Recovery Rate (FCRR) and the SARR;

f. SREC is directed to submit its Audited Financial Statements (AFS) for the first full year of commercial operation and the final Independent Engineer's Report, as soon as they become available. SREC should indicate the asset cost for each of its power plants. The approved rates shall be subjected to the Commission's review upon submission of the said documents which contain the final construction cost of the plant and cost of operation including the actual fuel consumption rate. Accordingly, the rates approved herein shall be adjusted, if warranted;

g. SREC is directed to submit, after seven (7) years, a revised tariff scheme and a proposed revised Subsidized and Approved Retail Rate (SARR); and

h. The approval of the ATO and QSSA is without prejudice to any findings by the Commission in its evaluation of proponent's application for Certificate of Compliance (COC).

On 20 January 2017, SREC filed the instant Motion, with a prayer that the Commission reconsiders the following:

I. Capital Recovery Fee:

1. To modify all CRFs based on cost of equity using a beta ($\beta$) of 1.73.
2. To take into consideration the depreciation in Philippine Peso against US Dollar in re-computing the Capital Recovery Fee.
3. To allocate 77% of Power Management Project Cost to Solar and 23% to Diesel.

II. Operation and Maintenance Fee (O&M)

1. To reinstate the costs which were taken out from the Project Cost (Capital Recovery Fee) into the O&M side and grant the resulting higher O&M fees.
2. To update the interest cost with 6.5% interest rate.

III. Billing Determinant

1. To maintain the Billing as initially proposed by SREC, based on total electricity production.

IV. Fuel Consumption Cap Rate

1. To apply a fuel consumption cap rate based on a load rate of 30%, which translates to a capped fuel consumption of 0.3522 liters/kWh.

V. Two-Tiered Subsidized Approved Retail Rate (SARR)

1. To apply an SARR of PhP 12.00/kWh for commercial establishments and PhP 10.00/kWh for residential consumers and public buildings.

## II. ISSUE

The issue to be resolved is whether the Commission shall grant SREC's Motion for Reconsideration.

## III. COMMISSION'S RULING

The Commission resolves to partially grant the Motion for Reconsideration of SREC.

### A. Capital Recovery Fee (CRF)

#### a.1. Modification of all CRFs based on cost of equity using a beta (β) of 1.73

SREC contends that the risk measure (β) that has to be applied to a Qualified Third Party (QTP) Project shall be different from that used in a Power Supply Agreement (PSA) Project. Although both projects fall under the power industry, there exist variations as to the technology configurations, operating and business models in a QTP Project, which in turn exposes QTP Projects to different and higher risks compared to PSA Projects.

Hence, the abovementioned higher risks have to be compensated with a higher β rate to ensure the QTP Project's commercial viability. This in turn guarantees the reliability and continuity of electricity supply to businesses and households in the QTP Service Area.

Moreover, SREC makes reference to ERC Case No. 2013-223 RC[1], involving the application of Power Source Philippines, Inc. (PSPI) for authority to operate as Qualified Third Party (QTP) in Malapascua Island. The Commission in the said case granted an

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[1] Entitled, In the Matter of the Application for Authorization to Provide Electricity Service In Malapascua Island, Brgy. Logon, Daan Bantayan, Cebu as a Qualified Third Party (QTP) and for Issuance of the Corresponding Authority to Operate (ATO) and for Approval of the QTP Service and Subsidy Agreement (QSSA) with National Power Corporation (NPC), with Prayer for Issuance of a Provisional Authority (PA)

Equity IRR of 16.44% to PSPI as QTP in Malapascua. Thus, the Decision stated:

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> 4.1.3 The Commission's CRF Derivation
>
> The Commission used the Discounted Cash Flow (DCF) model in the determination of tis approved CRF. The project cost input was changed to conform to the approved asset base. Thereafter, it set a rate that will yield an Equity Internal Rate of Return (EIRR) equal to the 16.44% cost of equity and at the same time, will satisfy the Average Debt Service Coverage Ratio and Minimum Debt Service Coverage Account required by the banks to assure the repayment of loan pursuant to the Indicative Terms and Conditions of a Term Loan Facility.

The Commission, however, finds that Applicant failed to substantiate the derivation of the proposed β of 1.73. With the use of Applicant's proposed β of 1.73, the Commission believes that it will yield an Equity IRR of 18.51%, a value that is even higher than that of the first approved QTP in Malapascua with an approved equity IRR (CY 2012 rate) of 16.44%.

**a.2. Depreciation in Philippine Peso vis-à-vis US Dollar in re-computing the CRF**

In its Motion, SREC prays that the Commission takes into consideration the depreciation of the Philippine Peso against the US Dollar in the re-computation of the Capital Recovery Fee.

The Commission adopts the foreign exchange rate assumed by SREC. However, the Commission finds that lacking supporting documents there is no necessity to adjust the project cost in consideration of the change in foreign exchange rate. This is consistent with the determination of the Commission that CRF is a fixed cost; thus, not subject to any indexation, i.e. foreign exchange rate.

The Commission recognizes that the financial information are merely estimates and that at this point there is still no basis for the actual project cost to be calculated. Thus, in its *Decision*, the Commission accorded an opportunity to the Applicant to adjust the rates herein approved, if warranted, upon its submission of the required documents, to wit:

xxx

> f. SREC is directed to submit its Audited Financial Statements (AFS) for the first full year of commercial operation and the final Independent Engineer's Report, as soon as they become available. SREC should indicate the asset cost for each of its power plants. The approved rates shall be subjected to the Commission's review upon submission of the said documents which contain the final construction cost of the plant and cost of operation including the actual fuel consumption rate. Accordingly, the rates approved herein shall be adjusted, if warranted;[2]

xxx

Accordingly, Applicant's prayer to take into account the depreciation in Philippine Peso against the US Dollar shall be taken into consideration upon the submission by the Applicant of the required documents. Moreover, Applicant's prayer to recalculate the CRF to cover any substantial change in the actual cost of SREC due to foreign exchange rate adjustment would be taken into account upon the review by the Commission of the submitted documents.

**a.3. Allocation of 77% of Power Management Project Cost to Solar and 23% to Diesel**

Lastly, SREC moves for the adoption of 77% allocation Power Management Project Cost to solar and 23% Diesel allocation in its attribution methodology.

The Commission calculates the CRF of Power Management Project as a whole, amounting to PhP5.4637/kWh. The ratio of the battery cost is applied to the total power management cost to arrive at applicable rate for the battery only. From there, subtracting such amount from the total rate of Power Management resulted to a rate of PhP2.5866/kWh for Diesel. Therefore, the CRFs for power management are as shown below:

| Power Management | Solar | Diesel |
|---|---|---|
| PhP/kWh | 5.4637 | 2.5866 |

The Commission sees it fit to consider a single rate because Power Management is used to manage the operation of the Hybrid

[2] Item "f" under the conditions for the approval of the instant Application. Decision dated 05 October 2016.

System. As such, if the power plant has not been a hybrid plant at all, but only a single type (either solar or diesel), the power management will not be necessary. Hence, the cost of the Power Management should be treated as a common cost of the power plant and a single rate should be set as its CRF.

## B. Operations and Maintenance Fees (O&M Fees)

### b.1. Reinstatement of Office Furniture and Other Equipment, Working Capital and Government Charges as parts of the O&M Fees

In its *Decision*, the Commission removed the following components from the capitalized Project Cost:

| | |
|---|---|
| Office furniture & other equipment | 459,111 |
| Working capital | 7,500,000 |
| Government charges | 150,000 |
| **Total** | **8,109,111** |

Applicant claims that this project cost restructuring would have resulted in a lower Capital Recovery Fee but higher O&M fees since cost components that are not capitalized are supposed to be expensed. The Applicant likewise claims that the Commission reduced SREC's Capital Recovery Fee on account of the project cost restructuring but maintained the O&M Fees as submitted by SREC.

In the evaluation of the Motion, the Commission finds that the Office Furniture and Other Equipment and Government Charges reasonably fall within the ambit of O&M Fees.

However, consistent with the Commission's determination on Working Capital (WC), the same is still not included in the calculation of the CRF due to its nature of a revolving fund. Inclusion of a "return-on" Working Capital was already provided in the *Decision*.

### b.2. Increase the interest cost with 6.5% interest rate

Insofar as the bank interest rate is concerned, the Applicant seeks the reconsideration by the Commission of the bank interest rate, inclusive of Gross Receipt Tax (GRT) to consequently increase it to 6.5% from 6% as stated in the *Decision*.

The 6% interest rate, inclusive of the GRT, used by the Commission on its *Decision* is based on the estimated rate of the Development Bank of the Philippines (DBP) and Metrobank at 5.25% and 6.129%, both inclusive of GRT, respectively, which Applicant provided the Commission.

The Commission is cognizant that the applicable interest rate is exposed to change. Thus, similar to foreign exchange rate fluctuation, the change in interest rate may be accounted for under the submission of the actual cost as provided in the *Decision*[3].

## C. Billing Determinant and Grid Losses

SREC claims that the billing determinant must be the energy sales plus the allowed grid loss. However, the Commission determined that the billing determinant to be utilized for the whole cooperation period should be SREC's projected energy sales and not energy sales plus allowed grid loss.

Considering that a QTP project like the one undertaken by SREC also includes the distribution of energy, SREC asserts that it should be allowed to pass on the system loss of either 8.5% or 13% as specified in the Commission's Resolution No. 17, Series of 2008.[4]

The Commission, in the evaluation of power plants, used as the billing determinant either the net of loss (which may also include auxiliary power requirement), or the energy sold, to enable the generator to recover its required revenue through its sale.

Under the rules on the systems loss cap, a Distribution Utility (DU) is allowed to charge the system~~s~~ loss incurred due to the transmission of the energy purchased from the generator to the DU (energy billed by the generator vs. energy delivered to customer). This mechanism enables the DU to recover in full or in portion the difference between what it purchased and what it actually sold to the end consumer. Hence, the loss in production of the generator is not

[3] Ibid.
[4] A Resolution Adopting a New System Loss Cap for Distribution Utilities.

equivalent to that of what is lost in the transmission of purchased energy.

On the other hand, in the case of SREC, as QTP, the system loss shall not be charged to the end-user but through the Universal Charge for Missionary Electrification (UC-ME) Subsidy as covered by the Agreement of SREC and the National Power Corporation (NPC) under the QTP Service and Subsidy Agreement (QTP-SSA).

The formula below shows the formula agreed upon by SREC and NPC.

**Schedule 5**

**ME Subsidy Computation**

The UCME subsidy the QTP is entitled to under this Contract shall be computed in accordance with this Schedule.

ME Subsidy = ME Subsidy $_{Solar}$ + ME Subsidy $_{Diesel}$

ME Subsidy $_{Solar}$ = (FCRR $_{Solar}$ – SARR) x Solar Energy Sales + FCRR $_{Solar}$ x Allowable Solar Energy Grid Loss

ME Subsidy $_{Diesel}$ = (FCRR $_{Diesel}$ – SARR) x Diesel Energy Sales + FCRR $_{Diesel}$ x Allowable Diesel Energy Grid Loss

SREC must however note that under the *Decision* issued on this subject case, particularly in the dispositive portion, SREC could only claim as UC-ME Subsidy the difference between the Full Cost Recovery Rate (FCRR) and Subsidized Approved Retail Rate (SARR) multiplied by the energy sales, to wit:

xxx

> e. SREC is allowed to recover the subsidy from the ERC-approved Universal Charge-Missionary Electrification (UC-ME) based on the petition filed by the National Power Corporation-Small Power Utilities Group (NPC-SPUG) and as set forth under the amended Guidelines for the Setting and Approval of Electricity Generation Rates and Subsidies for Missionary Electrification Areas promulgated on August 22, 2011. Accordingly, NPC-SPUG be directed to pay SREC the difference between the Full Cost Recovery Rate (FCRR) and the SARR.[5]

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[5] Item “e” under the conditions for the approval of the instant Application. Decision dated 05 October 2016.

The above provision connotes that only the difference shall be recovered thru the UC-ME. Hence the subsidy formula, consistent with the above should be modified such that only the difference between the approved FCRR and SARR multiplied by the energy sales shall be charged to the UC-ME.

## D. Cap Rates for Diesel Fuel Consumption

SREC claims that it did not propose any cap rate in its Application. The cap rate for diesel fuel is taken directly from the fuel consumption rate used in SREC's financial model. As components included in SREC's proposed FCRR, fuel and lube oil components are computed based on cap rates in the financial model. Hence, these proposed rates had been adopted in the *Decision*.

SREC proposes that the approved fuel cap rate of 0.3027li/kWh be adjusted to 0.3522li/kWh. SREC supported the adjustment with justifications, to wit:

> 1. Average values cannot be used as the cap rate for diesel fuel consumption. The fuel consumption rate in the financial model is an average rate based on the expected average load rate of the generators of 53% for the simulation with the estimated energy load profile. "Average" means that the fuel consumption can be at times higher and lower. Since a cap rate requests SREC to pass through the savings whenever the real fuel consumption is lower and to bear additional cost whenever the fuel consumption is higher than the cap rate, average values cannot be used as the cap rate, because this would take away from the plant operator to use savings of "'good months" to bear the additional cost in "bad months".
>
> 2. "Bad months" in a QTP project depend mainly on the existing load in the service areas that the QTP plant has to follow. SREC highlights that "bad months" in a QTP project do not depend on the plant operator's ability to run the plant efficiently but mainly on the existing load in the service areas that the QTP plant has to follow. This is why for the QTP plant of Malapascua, the fuel cap rate was eventually fixed at a load rate of 40%.
>
> 3. Knowing how the hybrid system operates, SREC did not propose any cap rate in its fuel consumption. The aim of a Hybrid System is to reduce the diesel fuel consumption (and hence the total expenses for diesel fuel); therefore, the chance for the SREC QTP project to encounter periods with very low load rates and therefore high fuel consumption rates is relatively high.

With the foregoing, SREC proposes to apply a fuel consumption cap rate based on the load rate that is lower than that of a full diesel operated QTP. Applicant considers the viable minimum load rate for the hybrid QTP project of 30%, which will translate to a capped fuel consumption of 0.3522 li/kWh, as shown in the Monark's table of heat rate below:

**Monark CAT**

Subject: Heat Rates, 320kW

Performance Parameter Tolerance Factor: Specific fuel consumption at +/- 3%

| GENSET POWER WITH FAN EKW | LOAD RATE % | ENGINE POWER BKW | BRAKE MEAN EFF PRES (BMEP) KPA | BRAKE SPEC FUEL CONSUMPTION (BSFC) G/BKW-HR | Fuel consumption including station service l/kWh |
|---|---|---|---|---|---|
| 320 | 100 | 371 | 1,978 | 196.5 | 0.2825 |
| 288 | 90 | 335 | 1,786 | 196.4 | 0.2836 |
| 256 | 80 | 300 | 1,598 | 196.8 | 0.2857 |
| 240 | 75 | 282 | 1,505 | 197.2 | 0.2874 |
| 224 | 70 | 265 | 1,412 | 197.6 | 0.2898 |
| 192 | 60 | 230 | 1,228 | 199 | 0.2958 |
| *171* | *53.4* | *207.6* | *1,108* | *200.5* | *0.3027* |
| 160 | 50 | 196 | 1,046 | 201.3 | 0.3062 |
| 128 | 40 | 163 | 867 | 204.9 | 0.3227 |
| 96 | 30 | 129 | 688 | 211.2 | 0.3522 |
| 80 | 25 | 112 | 598 | 216.2 | 0.3758 |
| 64 | 20 | 95.1 | 507 | 223.4 | 0.4112 |
| 32 | 10 | 60 | 320 | 252.9 | 0.5984 |

SREC further highlighted that with its proposed Hybrid project, the projected consumption of diesel fuel is decreased by 50% compared to a conventional fuel diesel-powered QTP, which drastically reduces exposure of the UC-ME subsidy to the fluctuations of fuel cost.

Based on the Commission's determination, the pass-through methodology using heat rate cap is designed when the generator set consumes below the cap rate, the savings are effectively passed to the consumer/end-user and not to the operator (cap rate or actual consumption whichever is lower). While if the plant consumes more than above the cap the cost is literally burdened by the plant owner. Hence, there is no balancing between savings and cost, as there is no way that savings can compensate the over consumption as alleged by the Applicant.

Setting the heat rate at around 53% load rate may not be representative of the plant's actual operation. However, setting the cap rate to 30% load rate is also not reasonable. As noted by the Applicant, the usage of the diesel plant is affected by the existing load in the area. Diesel plant operation will also be affected by the production of the solar plant. Thus, if solar production is high, diesel production would be at a lower load rate and vice-versa. Accordingly, diesel production is vulnerable to many factors and may be subject to frequent changes.

Therefore, instead of using the proposed heat rate cap, the Commission finds it proper to utilize the heat rate table contained in the QTP-SSA, as provided for by the manufacturer Monark. The heat rate table shall be utilized in determining the heat rate cap applicable on a monthly basis, based on the average diesel production for each month. With this, the heat rate cap would appropriately reflect the actual consumption. However, it must be noted that the fuel consumption rate is still subject to whichever is lower between the applicable heat rate cap or the actual consumption.

## E. Subsidized Approved Retail Rate (SARR)

SREC adheres with the Commission that the two-tier SARR is appropriate in Sabang. Nevertheless, SREC maintains that the Commission can adopt a single SARR and that the rate should be based on the effective retail rate of the Palawan Electric Cooperative (PALECO), which is the nearest electric cooperative and the generation costs of resorts and hotels in Sabang.

SREC moves that the approved SARR of PhP12.00/kWh for Residential and Public Buildings, and PhP15.00/kWh for Commercial Establishment be changed to PhP10.00/kWh, and PhP12.00/kWh respectively. SREC alleges that considering the current low diesel price, the estimated cost of energy for the businesses in Cabayugan with an owned diesel power generator is between PhP11.5/kWh to PhP12.00/kWh, hence the proposed SARR for commercial establishment. On the other hand, the proposed SARR for residential/public buildings is based on PALECO retail rate.

The SARR of the commercial establishment were arrived at by discounting the estimated cost of business owners in generating their own power, which ranges from PhP18.00/kWh to PhP25.00/kWh. This was further benchmarked to that of the Malapascua's approved rate.

The Commission maintains the approved SARR. It must be noted that while diesel prices has gone down, the cost of owning modular generator sets should also be considered. Although the estimated cost of energy as alleged by Applicant includes fuel and estimated maintenance cost, we could not discount the capital outlay required in owning a generator set. Hence, the true cost is more than what has been alleged.

The following table shows the calculation of the cost of self-generation at the time when the application was filed and at the time the Motion for Reconsideration was filed:

| | **Per Application** | **Per MR** |
|---|---|---|
| Diesel Price(PhP/Liter) | 45 | 27 |
| Diesel Consumption Rate(li/kWh) | 0.33 | 0.33 |
| Maintenance Fee(PhP/kWh) | 3 | 3 |
| **Total Cost (PhP/kWh)[/1]** | **17.85** | **11.91** |

[/1] Sheridan/Daluyon Hotel

The above table was used by SREC in arguing that the SARR should be brought down to a lower rate close to that of the alleged cost. However, the Commission is not inclined to lower the SARR for the following reasons:

1. The above costing only includes variable cost (fuel and maintenance fee) and does not include the capital consideration;

2. It should be noted that thru the QTP customers are assured of a more reliable and efficient supply of electricity, rather than opting to use their own generators;

3. The cost of the QTP includes that of the distribution network, which again, assures of a reliable and efficient electricity supply; and

4. The diesel price is very volatile and changes from time to time. For instance, as of 11 April 2017, the diesel price as per Department of Energy (DOE) oil price monitor is at PhP33.00/liter. Using this value and the preceding computation, the cost of self-generation is now at PhP13.89. Moreover, the landed diesel price supply in the QTP area is higher than that of PhP33.00/liter due to logistics. Thus, contracting with QTP wherein the fee is fixed protects the customers from volatility of diesel prices.

With the above, the Commission denies the proposed change in the SARR and maintains the approved SARR of PhP12.00/kWh and

PhP15.00/kWh for Residential/Public Buildings, and Commercial Customers, respectively.

**WHEREFORE**, the foregoing premises considered, the *Motion for Reconsideration* filed by Sabang Renewable Energy Corporation is hereby **PARTIALLY GRANTED,** and subject to the following conditions:

a. Applicable Rates (Full Cost Recovery Rate)

| **CRF** | | |
|---|---|---|
| **Particulars** | **Solar** | **Diesel** |
| Generation | 10.5614 | 4.1274 |
| Power Management | 5.4849 | 5.4849 |
| Distribution | 2.6996 | 2.6996 |
| Total | **18.7459** | **12.3119** |

| **O&M**[6] | | |
|---|---|---|
| **Particulars** | **Solar** | **Diesel** |
| Generation | 2.1416 | 4.6856 |
| Power Management | 0.9966 | 0.9966 |
| Distribution | 1.1700 | 1.1700 |
| Total | **4.3082** | **6.8522** |

| | |
|---|---|
| **Fuel Fee** | Pass-through Cost subject to the actual fuel consumption rate or the approved fuel efficiency cap, whichever is lower |

b. The pass-through fuel cost be subject to the actual fuel consumption rate or the approved efficiency cap shown in the table below, whichever is lower:

| **Particulars** | **Liter/kWh** |
|---|---|
| Diesel Fuel | Equivalent fuel consumption rate of the actual average monthly load rate based on the manufacturer's data |

c. All other provisions in the *Decision* dated 05 October 2016 not modified by herein Order shall remain in full force and effect.

[6] Subject to adjustment based on the formula under the QTP-SSA.

**SO ORDERED.**

Pasig City, 09 May 2017.

**JOSE VICENTE B. SALAZAR***
*Chairman and CEO*

**ALFREDO J. NON**
*Commissioner*

**GLORIA VICTORIA C. YAP-TARUC**
*Commissioner*

**JOSEFINA PATRICIA A. MAGPALE-ASIRIT**
*Commissioner*

**GERONIMO D. STA. ANA**
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LS: MVM/LSP/APV ROS: AMDB/AJMO/FGBD

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*The Chairman was placed on preventive suspension as per Order of the Office of the President (OP-DC Case No. 17-D-094) dated 02 May 2017 and received on 04 May 2017.

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31. Office of the LGU Legislative Body
    Narra, Palawan

32. Office of the Municipal Mayor
    Quezon, Palawan

33. Office of the LGU Legislative Body
    Quezon, Palawan

34. Office of the Municipal Mayor
    Roxas, Palawan

35. Office of the LGU Legislative Body
    Roxas, Palawan

36. Office of the Municipal Mayor
    San Vicente, Palawan

37. Office of the LGU Legislative Body
    San Vicente, Palawan

38. Office of the Municipal Mayor
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