

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF CAPITAL
EXPENDITURE (CAPEX)
PROJECTS, WITH
PRAYER FOR
PROVISIONAL
AUTHORITY,**

ERC CASE NO. 2017- 047RC

**ALBAY ELECTRIC
COOPERATIVE, INC.
(ALECO) AND ITS
CONCESSIONAIRE ALBAY
POWER AND ENERGY
CORPORATION (APEC),
Applicants.**

D O C K E T E D
Date: SEP 28 2017
By: [Signature]

X-----X

ORDER

On 26 May 2017, Albay Electric Cooperative , Inc. (ALECO) and Albay Power Energy Corporation (APEC) filed an *Application* dated 5 April 2017 (Application) for approval of its Capital Expenditure Projects.

ALECO and APEC alleged the following in their *Application*:

1. Applicant ALECO is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal address at W. Vinzons St., Old Albay District, Legazpi City, Albay. It is represented in this Application by Ian Ll. Macasinag, Vice-Chairman of the ALECO Board of Directors, by virtue of ALECO Interim Board (IBOD) Resolution No. 21 Series of 2017, a copy of which is attached hereto as Annex "A".

2. ALECO holds an exclusive franchise issued by the National Electrification Administration (NEA), to operate an electric light and power distribution service in the Cities of Legazpi, Ligao and Tabaco, the Municipalities of Daraga, Camalig, Manito, Rapu-rapu, Tiwi, Malinao, Malilipot, Bacacay, Sto. Domingo, Libon, Polangui, Guinobatan, Oas, Jovellar and Pio Duran, all in the province of Albay (the "ALECO Franchise Area").

3. Applicant APEC is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at W. Vinzons St., Old Albay District, Legazpi City, Albay. APEC is represented in this Application by its General Manager MS. ELENITA D. GO. A copy of the Secretary's Certificate is attached as Annex "B". APEC is the Concessionaire for the operations and maintenance of the distribution business of ALECO, under a Concession Agreement signed and executed by and between SMC Global Power Holdings Corp. ("SMC Global") and ALECO on October 29, 2013. Effective January 02, 2014 SMC Global assigned all its rights and obligations under the Concession Agreement to APEC. APEC thereafter formally assumed the operations and management of the ALECO Franchise Area on February 26, 2014.

4. In accordance with ERC Resolution No. 26 Series of 2009 ("Amended Rules for the Approval of Regulated Entities Capital Expenditure Projects"), applicants hereby seek the approval and authority from the Honorable Commission to implement the construction, ownership and operation of the following Capital Expenditure (CAPEX) Projects, summarized and enumerated as follows:

A. NETWORK PROJECTS

A.1. Substation

Proj. No.	Project Description	Project Type	Project Cost (Php)
1	Upgrading of Tabaco substation from 10/12.5 MVA to 20/25 MVA	Capacity	10,331,675
2	Modification and Upgrading of Washington substation from 20 MVA to 40 MVA	Capacity	70,000,000
3	Modification and Upgrading of Bitano substation from 25 MVA to 40 MVA	Capacity	77,945,535
4	Upgrading of Malinao substation from 5 MVA to 10 MVA	Capacity	21,288,000
5	Upgrading of Ligao substation from 15 MVA to 20 MVA	Capacity	26,913,900
6	Upgrading of Polangui substation from 10 MVA to 20 MVA	Capacity	31,445,900
7	Installation of New 30/32.5 MVA substation in Matagbac, Tabaco	Capacity	52,189,070
8	Tapping into the 10/12.5 MVA substation in	Capacity	1,400,000

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	Misericordia, Sto. Domingo)		
9	Installation of a New 10/12.5 MVA Substation in Salvacion, Sto. Domingo	Capacity	31,644,400
10	Installation of New 10/12.5 MVA substation in Tabon-tabon, Daraga	Capacity	44,846,261
11	Installation of a New 10/12.5 MVA substation in Camalig, Albay	Capacity	26,625,600
	Sub-total (substation)		394,630,341

A.2 Distribution Lines

	Project Description	Project Type	Project Cost
12	Installation of line recloser at Brgy. Naga, Tiwi, Albay	Reliability	477,393
13	Installation of line recloser at Brgy. Salvacion, Sto. Domingo, Albay	Reliability	559,805
14	Installation of line recloser at Brgy. San Vicente, Sto. Domingo, Albay	Reliability	628,815
15	Installation of line recloser at Brgy. Bantayan, Tabaco City	Reliability	477,393
16	Installation of line recloser at Taysan, Legazpi City	Reliability	477,393
17	Installation of line recloser at Cabaongan, Manito, Albay	Reliability	477,393
18	Installation of line recloser at Brgy. Salvacion, Daraga, Albay	Reliability	840,500
19	Installation of line recloser at Brgy. Baligang, Camalig, Albay	Reliability	463,488
20	Installation of line recloser at Brgy. San Joaquin, Legazpi City	Reliability	648,500
21	Installation of line recloser at Brgy. Buyuan, Legazpi City	Reliability	477,393
22	Installation of line recloser at Brgy. Quitago, Guinobatan, Albay	Reliability	463,488
23	Installation of line recloser at Brgy. Pistola, Oas, Albay	Reliability	477,393
24	Installation of line recloser at Brgy. Palpas, Ligao City	Reliability	648,500
25	Installation of line recloser at Brgy. Bonbon, Libon, Albay	Reliability	667,955
26	Installation of line recloser at Brgy. Sugcad, Polangui, Albay	Reliability	477,393
27	Mitigation of Power Failure through Vegetation Management	Reliability	8,333,148
28	Installation of Line Capacitors	Power Quality	4,269,906
29	Uprating of Primary Line – Sta. Misericordia Feeder 1 & 2: 4/0 & 1/0 ACSR to 2 Double Circuit 333 6 ACSR	Capacity	15,226,073
30	Uprating of Primary Line – Ligao Feeder 2: #3/0 ACSR to Double Circuit 333.6 ACSR	Capacity	10,716,674

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31	Uprating of Primary Line – Polangui Feeder 1: #3/o ACSR to Duple Circuit 333.6 ACSR	Capacity	10,199,067
32	Uprating of Primary Line – Polangui Feeder 2: #3/o ACSR to Double Circuit 333.6 ACSR	Capacity	10,294,954
33	Uprating of Primary Line – Bitano Feeder 2: #4/o ACSR to Double Circuit 333.6 ACSR	Capacity	5,064,550
34	Uprating of Primary Line – Bitano Feeder 4: #4/o ACSR to Double Circuit 333.6 ACSR	Capacity	14,695,571
35	Uprating of Primary Line – Tabaco Feeder 3: #4/o ACSR to Double Circuit 333.6 ACSR	Capacity	21,001,033
36	Uprating of Primary Line – Washington Feeder 1: #4/o ACSR to Double Circuit 333.6 ACSR	Capacity	2,676,592
37	Uprating of Primary Line – Washington Feeder 2: #4/o ACSR to Double Circuit 333.6 ACSR	Capacity	7,708,378
38	Uprating of Primary Line – Washington Feeder 3: #4/o ACSR to Double Circuit 333.6 ACSR	Capacity	7,402,754
39	Construction of 2 Double Circuit Line 336.4 ACSR for the proposed new location of Tabaco substation	Capacity	9,940,313
40	Conversion of Jovellar line from Single Phase to Three Phase Line, #2/o ACSR	Power Quality	13,421,840
41	Conversion of Manito Line Single Phase Line to Three Phase Line #3/o ACSR	Power Quality	39,618,220
42	Installation of AVR at Brgys. Allang and Malama at Ligao City	Power Quality	7,380,000
43	Installation of AVR at Brgy. Burabod, Libon, Albay	Power Quality	3,690,000
44	Installation of AVR at Brgys. Taysan and Imalnod of Legazpi City and Cabacongan, Manito, Albay	Power Quality	3,690,000
45	Installation of AVR at Brgy. Quibongbongan, Guinobatan, Albay	Power Quality	3,690,000
	Sub-total (Distribution Lines)		207,281,875

A.3 Other Network Projects

	Project Description	Project Type	Project Cost
46	KWHR Meters (New Connections)	Other Network	236,699,754
47	Service Drop (New Connections)	Other Network	41,366,758
48	Secondary Line	Other Network	16,919,872
49	Distribution Transformers	Other Network	202,697,652
50	Change Meter and Clustering	Systems Loss	459,318,230

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51	Buffer Stock	Other Network	69,686,121
	Sub-total (Other Network Projects)		1,026,648

B. NON-NETWORK PROJECTS

	Project Description	Project Type	Project Cost
52	Information Communication Equipment	Non-Network	19,152,990
53	Office Furniture & Equipment	Non-Network	9,275,302
54	Construction of Meter Lab – Legazpi Branch	Non-Network	630,000
55	Construction of Multi-purpose Building at Ligao	Non-Network	3,840,000
56	Construction of TSD Building, Meter Lab and Transformer Testing Area (Ligao)	Non-Network	4,800,000
57	Construction of Multi-purpose Building (Legazpi)	Non-Network	20,350,000
58	Construction of TSD and Warehouse Building (Matagbac, Tabaco)	Non-Network	6,760,000
59	Construction of Warehouse (Legazpi Br. Office)	Non-Network	4,320,000
60	Construction of Payment Center and Frontline Services at Ligao	Non-Network	4,800,000
61	Acquisition of Vehicles and Boom Truck	Non-Network	66,391,950
62	Acquisition of Software for Technical Analysis and Database Creation	Non-Network	2,883,600
63	Enterprise Asset Management for asset lifecycle and maintenance management software	Non-Network	30,000,000
64	Replacement of APEC Legacy/Defective PABX Communication System with iPBX Communication System	Non-Network	1,200,000
65	Acquisition of Integrated Accounting, Warehousing and Collection system	Non-Network	4,500,000
66	Acquisition of billing mobile invoice printer and mobile device	Non-Network	4,100,000
67	Acquisition of Tools and Equipment	Non-Network	13,760,196
68	Customer Mapping and Database Development	Non-Network	13,732,000
	Sub-total (Non-Network Projects)		213,675,057

C. FORCE MAJEURE

	Project Description	Project Type	Project Cost
69	Restoration Projects (Typhoon Glenda)	Safety	87,800,048

D. EMERGENCY

	Project Description	Project Type	Project Cost
70	Replacement of Busted 20 MVA Wagner Power Transformer in Bitano substation	Capacity	20,603,982
71	Replacement of Busted 5 MVA IEEC Power Transformer in Washington Substation	Capacity	10,500,000
Total Emergency CAPEX			31,103,983

SUMMARY OF PROJECTS

Category	2014	2015	2016	2017	2018	2019	2020	TOTAL COST
Substation	10,331,675	147,945,535	-	236,353,131	-	-	-	394,630,341
Distribution Line	-	-	3,624,281	160,349,374	43,308,220	-	-	207,281,875
Other Network	86,895,417	67,548,989	61,002,969	203,115,528	211,164,838	195,282,844	201,637,803	1,026,648,387
Non-Network	825,080	4,169,082	2,883,600	95,644,086	77,815,000	29,159,190	-	210,496,038
Force Majeure	-	-	-	-	-	-	-	-
Emergency	31,103,982	-	-	-	-	-	-	31,103,982
Total	129,156,154	219,663,606	67,510,850	695,462,119	332,288,058	224,442,034	201,637,803	1,870,160,623

5. The above CAPEX projects are implemented over a period from 2014 to 2020, and are intended to improve the safety and reliability of the power system, power quality and system efficiency. The details and justifications for each of the proposed CAPEX projects are discussed in Annex "C" and its supporting documents.
6. The total cost of the project is PhP 1,870,160,623.00 The project will be initially funded through advances from APEC's parent company, SMC Global, and payable at an interest equivalent to the prevailing Philippine Dealing System ("PDS") rate. Amortizations shall be taken from the cooperative's Reinvestment Fund for Sustainable Capital Expenditures ("RFSC") after the approval of the CAPEX. All assets acquired by APEC shall be transferred to ALECO in good condition at the end of the Concession Period.
7. Implementation of the project is expected to have an indicative rate impact of PhPo.6095/kWh for a total of PhPo.8273/kWh over the period of its implementation. The Table below shows the details of the said rate impact for seven (7) years:

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PARTICULAR	2014	2015	2016	2017	2018	2019	2020	TOTAL
Energy Sales Forecast, kWh	255,034,963	285,078,867	317,735,133	323,315,855	335,549,032	347,864,319	360,174,729	2,224,752,898
Approve RFSC Rate. Php/kWh	0.2178	0.2178	0.2178	0.2178	0.2178	0.2178	0.2178	0.2178
CASH INFLOW								
Current year RFSC Collection, Php	21,129,957	45,623,176	72,018,176	70,418,193	73,082,579	75,764,849	78,446,056	484,551,181
Current year RFSC Collection-From Arrears, Php				19,005,087	19,005,087			38,010,175
50% income on leased properties, Php	2,128,300	2,168,509	2,276,934	2,390,781	2,510,320	2,635,836	2,767,628	16,878,309
Government Subsidy, Php				31,644,400				31,644,400
Total Cash Inflows	23,258,257	47,791,685	74,295,111	123,458,462	94,597,987	78,400,685	81,213,684	523,015,870
Cash available for disbursement, Php	23,258,257	47,791,685	74,295,111	123,458,462	94,597,987	78,400,685	81,213,684	523,015,870
CASH OUTFLOW								
Applied CAPEX Requirement, Php	129,278,831	219,893,844	67,510,850	697,065,423	333,025,058	224,927,834	201,637,803	1,873,339,642
ERC permit fees, Php	969,591	1,649,204	506,331	5,227,991	2,497,688	1,686,959	1,512,284	14,050,047
Total Cash Outflows	130,248,422	221,543,047	68,017,182	702,293,413	335,522,746	226,614,792	203,150,086	1,887,389,689
Cash Balance, End. Php, excess/(shortfall)	(106,990,165)	(173,751,362)	6,277,929	(578,834,951)	(240,924,759)	(148,214,108)	(121,936,402)	(1,364,373,818)
Indicative RFSC	0.4195	0.6095	(0.0198)	1.7903	0.7180	0.4261	0.3385	0.6133
Existing Rate	0.2178	0.2178	0.2178	0.2178	0.2178	0.2178	0.2178	0.2178
Total RFSC Rate	0.6373	0.8273	0.1980	2.0081	0.9358	0.6439	0.5563	0.8311

8. In compliance with ERC Resolution No. 26, Series of 2009, information on the proposed capital projects were widely disseminated through the posting of notices in conspicuous places in the cities of Legazpi, Tabaco and Ligao, and in the municipalities of Daraga, Camalig, Manito, Rapu-rapu, Tiwi, Malinao, Malilipot, Bacacay, Sto. Domingo, Libon, Polangui, Guinobatan, Oas, Jovellar and Pio Duran. The notices posted in the aforementioned areas contained the following information:

- a. The proposed projects;
- b. The reasons/justifications for the projects;
- c. The source of funds for the projects; and
- d. The indicative rate impact of the said projects

The notices were posted by Pat C. Gutierrez, Public Information Consultant of APEC tasked to undertake the information dissemination, and who certified that such notices were posted. A copy of the Notice and the Certification issued by (name) are attached as Annexes "D" and "D-1"

9. In September 2009 the Honorable Commission promulgated the Rules for Setting Electric Cooperatives' Wheeling Rates (RSEC-WR). Albay Electric Cooperative, Inc. (ALECO) was categorized in Group "F" with an approved Operating Revenue Requirement of PhP/kWho.9900 and a Members' Contribution for Capital Expenditure (MCC) of PhP/kWho.2178.

10. Accordingly, on November 5, 2009 ALECO filed ERC Case No. 2009-106 RC ["In the Matter of the Application for Approval of an Adjustment in Rates under the Rules for Setting Electric Cooperatives' Wheeling Rates (RSEC-WR), with Prayer for Provisional Authority"]. In its Order dated January 11, 2010, the Honorable Commission provisionally authorized ALECO to implement the Revised Rate Schedule and the MCC of PhP/kWho.2178 (which is the current Reinvestment Fund for Sustainable CAPEX or "RFSC") beginning January 2010.
11. Thereafter, ALECO filed ERC Case No. 2010-147 RC ("In the Matter of the Application for Approval of Capital Expenditure Program for the Years 2010 to 2014 with Prayer for Provisional Authority"), but was subsequently withdrawn upon motion of the applicant. Therefore since the implementation of the MCC/RFSC in 2010 there is no approved capital expenditure program of ALECO, either under ERC Resolution No. 13 Series of 2006 or under ERC Resolution No. 26 Series of 2009.
12. Under the circumstances, ALECO could not implement big ticket CAPEX projects such as the replacement or upgrading of its ageing substation transformers and other distribution facilities, with the result that:
 - a. On May 28, 2014 the old 20 MVA Wagner transformer at the Bitano substation in Legazpi City broke down, causing power interruptions in Legazpi City, Manito and a portion of Sto. Domingo municipalities. The transformer was 25 years old and loaded at 83.15% prior to the incident. APEC had to replace it in order to restore power to the service areas.
 - b. In July 2014 the province was hit by typhoon Glenda, severely damaging the distribution system which resulted in a power black-out in the province. APEC had to rehabilitate and repair the distribution system to restore power.
 - c. In September 2014 the 5 MVA transformer of the Washington substation was busted, with a load of 3.26 MVA, resulting in power interruptions in the 40 barangays of Daraga and portions of Legazpi City. The transformer was 37 years old with a loading of 76.14%. APEC had to replace it in order to restore power to the service areas.

- d. The existing Tabaco substation with 5/6.25 MVA transformers have been operating under critical conditions since 2014, and load curtailment is being implemented during peak hours. It was 39 years old as of 2014 with a loading of 95.10%. APEC had to upgrade the substations to prevent load curtailment and ensure continuous supply.
 - e. One of the transformers in Ligao substation is the 38-year old 5 MVA Hanyung transformer, with a loading of 56.24%.
 - f. There is an immediate need to upgrade the Malinao, Ligao and Polangui substation, and to install new substations in Sto. Domingo, Daraga and Camalig to prevent the sudden and unexpected overloading and breaking down of the transformers, which will result in the interruption of power supply to the areas served by the substations.
13. There being no ERC-approved CAPEX plan, the collected RFSC could not be utilized. In order to ensure the continuous supply of power within the province of Albay SMC Global, APEC's parent company has allowed APEC to advance the cost of the CAPEX projects for CY 2014, 2015 and 2016 from its general fund, to be subsequently amortized from the collections under the RFSC after the approval of the CAPEX subject of this Application by the ERC and by the member-consumers.
14. Applicant therefore prays for the urgent approval of the Application and the authority to implement the CAPEX. An early approval will enable APEC to proceed with the urgent network projects to ensure continuous and reliable power supply to the customers in the ALECO franchise area, as well as allow APEC to amortize the advances from the general fund for the 2014, 2015 and 2016 CAPEX. Further, APEC can no longer continue to advance the project cost from the general fund as this will seriously affect APEC's compliance with its obligations under the Concession Agreement.

**PRE-FILING AND
OTHER DOCUMENTARY REQUIREMENTS**

20. Finally, in compliance with the pre-filing and other documentary requirements for the instant Application, APEC is likewise submitting herewith the following documents, which are being made integral parts hereof, to wit:

Annex	Nature of Document
A	ALECO IBOD Resolution authorizing the filing of the instant Application
B	APEC Board Resolution approving the proposed CAPEX projects and authorizing its General Manager to cause the filing of this Application and to sign and execute all the necessary documents
C and sub-markings	Capital Expenditure Projects and supporting annexes
D	Notice of the CAPEX
D-1	Certification of Pat C. Gutierrez as proof of information dissemination
PRE-FILING REQUIREMENTS	
E	Publication of the Application in a newspaper of general circulation within Albay or where APEC principally operates, with Affidavit of Publication
F	Affidavit of Publication
G	Proof of service of the Application to the Secretary of the Sangguniang Panlalawigan of the Province of Albay
H	Proof of Service of the Application to the Office of the Governor of Albay
I	Proof of service of the Application to the Secretary of the Sangguniang Panglungsod of Legaspi City
J	Proof of service of the Application to the Mayor of Legaspi City
K	Proof of service of the Application to the Secretary of the Sangguniang Panglungsod of Tabaco City
L	Proof of service of the Application to the Mayor of Tabaco City
M	Proof of service of the Application to the Secretary of the Sangguniang Panglungsod of Ligao City
N	Proof of service of the Application to the Mayor of Ligao City
O	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Daraga
P	Proof of service of copies of the Application to the Mayor of Daraga

Q	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Camalig
R	Proof of service of copies of the Application to the Mayor of Camalig
S	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Manito
T	Proof of service of copies of the Application to the Mayor of Manito
U	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Rapu-rapu
V	Proof of service of copies of the Application to the Mayor of Rapu-rapu
W	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Tiwi
X	Proof of service of copies of the Application to the Mayor of Tiwi
Y	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Malinao
Z	Proof of service of copies of the Application to the Mayor of Malinao
AA	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Malilipot
BB	Proof of service of copies of the Application to the Mayor of Malilipot
CC	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Bacacay
DD	Proof of service of copies of the Application to the Mayor of Bacacay
EE	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Sto. Domingo
FF	Proof of service of copies of the Application to the Mayor of Sto. Domingo

GG	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Libon
HH	Proof of service of copies of the Application to the Mayor of Libon
II	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Polangui
JJ	Proof of service of copies of the Application to the Mayor of Polangui
KK	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Guinobatan
LL	Proof of service of copies of the Application to the Mayor of Guinobatan
MM	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Oas
NN	Proof of service of copies of the Application to the Mayor of Oas
OO	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Jovellar
PP	Proof of service of copies of the Application to the Mayor of Jovellar
QQ	Proof of service of copies of the Application to the Secretary of the Sangguniang Bayan of Pio Duran
RR	Proof of service of copies of the Application to the Mayor of Pio Duran

PRAYER

WHEREFORE, premises considered, Applicants most respectfully prays that:

1. After due notice and hearing, the Honorable Commission find the proposed Capital Expenditure (CAPEX) Projects subject of this Application to be just and reasonable and render a Decision **APPROVING** the same pursuant to ERC Resolution No. 26, Series of 2009 as amended; and

2. Allow/authorize the Applicants to recover from the members-consumers its expenditure/costs incurred in the implementation of the CAPEX projects pursuant to the Rules for Setting Electric Cooperatives' Wheeling Rate as amended.

Applicant prays for other just and equitable relief.

On 18 July 2017, the Commission issued an Order with Notice of Public Hearing setting the said *Application* for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on 24 August 2017.

During the scheduled hearing on 24 August 2017, the Commission determined that Applicants failed to comply with the jurisdictional requirements of the Commission, pursuant to the Order dated 18 July 2017, particularly the ten-day prior publication of the Notice of Public Hearing.

Now, therefore, another hearing is hereby set for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **19 October 2017 (Thursday) at nine o'clock in the morning (9:00 A.M.), at ALECO's principal office at W. Vinzons St., Old Albay District, Legazpi City, Albay.**

Accordingly, ALECO and APEC are hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governors, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected franchise area, by any other means available and appropriate;
- 4) Furnish with copies of this Order and the attached Notice of Public Hearing, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire to send their duly authorized representatives at the scheduled hearing; and

- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicants must submit to the Commission their written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by Applicants to inform of the filing of the *Application*, its reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Applicants and all interested parties are also required to submit, at least five (5) days before the date of initial hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Failure of Applicants to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

ALECO and APEC must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the *Application* is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 15 September 2017.

FOR AND BY AUTHORITY
OF THE COMMISSION:



ALFREDO J. NON
OIC, Chairman and CEO

11. Office of the Sangguniang Panglungsod
City of Legazpi
Province of Albay
12. Office of the Municipal Mayor
Municipality of Tiwi, Albay
13. Office of the Sangguniang Bayan
Municipality of Tiwi, Albay
14. Office of the Municipal Mayor
Municipality of Malinao, Albay
15. Office of the Sangguniang Bayan
Municipality of Malinao, Albay
16. Office of the Municipal Mayor
Municipality of Malilipot, Albay
17. Office of the Sangguniang Bayan
Municipality of Malilipot, Albay
18. Office of the Municipal Mayor
Municipality of Bacacay, Albay
19. Office of the Sangguniang Bayan
Municipality of Bacacay, Albay
20. Office of the Municipal Mayor
Municipality of Sto. Domingo, Albay
21. Office of the Sangguniang Bayan
Municipality of Sto. Domingo, Albay
22. Office of the Municipal Mayor
Municipality of Daraga, Albay
23. Office of the Sangguniang Bayan
Municipality of Daraga, Albay
24. Office of the Municipal Mayor
Municipality of Camalig, Albay
25. Office of the Sangguniang Bayan
Municipality of Camalig, Albay
26. Office of the Municipal Mayor
Municipality of Rapu-Rapu, Albay
27. Office of the Sangguniang Bayan
Municipality of Rapu-Rapu, Albay
28. Office of the Municipal Mayor
Municipality of Manito, Albay

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6. **Office of the City Mayor**
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City of Ligao
Province of Albay
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Province of Albay
10. **Office of the City Mayor**
City of Legazpi
Province of Albay

29. Office of the Sangguniang Bayan
Municipality of Manito, Albay
30. Office of the Municipal Mayor
Municipality of Guinobatan, Albay
31. Office of the Sangguniang Bayan
Municipality of Guinobatan, Albay
32. Office of the Municipal Mayor
Municipality of Libon, Albay
33. Office of the Sangguniang Bayan
Municipality of Libon, Albay
34. Office of the Municipal Mayor
Municipality of Jovellar, Albay
35. Office of the Sangguniang Bayan
Municipality of Jovellar, Albay
36. Office of the Municipal Mayor
Municipality of Polangui, Albay
37. Office of the Sangguniang Bayan
Municipality of Polangui, Albay
38. Office of the Municipal Mayor
Municipality of Pio Duran, Albay
39. Office of the Sangguniang Bayan
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