

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



**IN THE MATTER OF THE  
APPLICATION FOR ISSUANCE  
OF A CERTIFICATE OF  
PUBLIC CONVENIENCE AND  
NECESSITY(CPCN)**

**ERC CASE NO. 2016-043MC**

**TARLAC ELECTRIC INC.  
(TEI),**

**Applicant.**

X ----- X

**D O C K E T E D**  
Date: JUN 26 2018  
By: [Signature]

**DECISION**

On 22 December 2016, Tarlac Electric Inc. (TEI) filed an *Application* dated 20 December 2016 (*Application*) for issuance of a Certificate of Public Convenience and Necessity (CPCN).

TEI alleged the following in its *Application*:

1. Applicant TARLAC ELECTRIC INC. (TEI for short) is a corporation duly organized and existing under Philippine law, with principal office address at Mabini Street, Tarlac City; franchised under Republic Act No. 10795 to construct, own and operate an electric distribution system in Tarlac City, Province of Tarlac; represented herein by its General Manager, Vitus M. Romero.
2. On 10 May 2016, Republic Act No. 10795 (RA 10795) was enacted into law. This Act extended for a period of twenty-five (25) years the term of the franchise granted to Tarlac Electric Inc. to construct, operate and maintain an electric light, heat and power system in the City of Tarlac, Province of Tarlac.
3. Section 22 of RA 10795 provided that the Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation. RA 10795 was published on 03 October 2016 at the Daily Tribune and the Malaya Business Insight. Thus, RA 10795 took effect on 18 October 2016.
4. TEI is now applying before this Honorable Commission for the issuance of a Certificate of Public Convenience and Necessity (CPCN) and submits that it has the technical and financial capability to construct, own, operate and maintain

an electric distribution system in Tarlac City, Province of Tarlac.

5. In support of this application, TEI submits the following documents:

<b>Description of Documents</b>	<b>Annex</b>
<b>GENERAL DOCUMENTS</b>	
Copy of Republic Act No. 10795	1.a
Affidavit of Publication of RA 10795	1.a.1
List of Key Management Officials (2016 GIS)	1.b
SEC Certificate of Incorporation	1.c.1
Articles of Incorporation and By-Laws	1.c.2 to 1.d.2
<b>SERVICE AREA MAP</b>	
Map Showing the Boundary of Service Area	1.e
Total Number of Energized Barangays	1.f
<b>UTILITY PRACTICES AND PROCEDURES</b>	
Statement of Standard Practices and Procedures	1.g
Statement of Effective Tariff	1.h
<b>TECHNICAL INFORMATION</b>	
List of Names and Addresses of Personnel Responsible for the Design, Installation, Maintenance and Repair of Equipment for the Distribution System	2.a
Updated Information for the Power Supply for the Service Area indicating the Contracted Capacity and Energy	2.b
Copy of Existing Single Line Diagram of the Distribution System Drawn to Adequate Scale on the Map of the Franchise Area to be Supplied with Electricity, Showing the- a. Location of Substations, Poles, Distribution Transformers and Lines indicating Substation Name and Capacity; b. Designation of Feeders or Circuits; c. Type of Poles Used; d. Voltage Level in Kilovolt (kV) per Feeder or Circuit; e. Length of Each Feeder in Circuit-Kilometers; f. Size of Distribution Transformers; and g. Number of Customers Connected to Each Feeder or Circuit in Electronic Format or Hard Copy	2.c
Statement Confirming that the Existing Distribution System Meets the Technical Requirements of the Philippine Grid Code and Philippine Distribution Code	2.d
Description of any new Negotiations with Telephone or Cable Television Utilities on the Joint Use of Pole Lines	2.e
<b>FINANCIAL INFORMATION</b>	
Copy of Most Recent Year's Audited Balance Sheet and Income Statement	3.a & 3.b
Copy of Appropriate Pages of TEI's Annual Report Submitted to the Commission	

PRAYER

PREMISES CONSIDERED, it is respectfully prayed for that the Honorable Commission issue a Decision granting the issuance of a Certificate of Public Convenience and Necessity (CPCN) in favor of TEI.

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

Finding the said *Application* sufficient in substance, the Commission issued an *Order* and a *Notice of Public Hearing*, both dated 27 March 2017, setting the case for determination of jurisdictional requirements, expository presentation, Pre-trial Conference and presentation of evidence on 04 May 2017.

On 26 April 2017, Applicant TEI filed a *Motion to Reset Hearing* (Motion) praying that the hearing scheduled on 04 May 2017 be reset to a later date due to a conflict of schedule of TEI's Counsel in ERC Case No. 2015-005 RM, which was also set for hearing on the same day with the instant *Application*.

Finding the said *Motion* in order, the same was granted. Thus, on 15 May 2017, the Commission issued another *Order* and *Notice of Public Hearing* resetting the hearing on 05 June 2017.

On 01 June 2017, TEI filed its *Pre-Trial Brief* of even date.

During the 05 June 2017 initial hearing, only TEI appeared. There was no intervenor or oppositor who appeared nor was there any intervention or opposition that was filed.

At the said hearing, Applicant presented its proof of compliance with the notice and publication requirements, which were duly marked as Exhibits "A" to "D"<sup>1</sup>. Finding the said submissions substantially compliant with the *Order* dated 15 May 2017, the Commission declared that it acquired jurisdiction over the instant case.

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<sup>1</sup> Exhibit "A" Affidavit of Publication issued by The Malaya Business Insight and a complete copy of the May 22 issue of The Malaya Business Insight; Exhibit "B" Certificates of Posting issued by the Offices of the a. Governor of Tarlac Province, b. Mayor of Tarlac City, c. Provincial Council of Tarlac, and d. City Council of Tarlac; Exhibit "C" Affidavit of publication, Certificate of Radio Broadcast; Exhibit "D" Proof of receipt of the Order and Notice of Public Hearing by OSG, COA, House Committee of Energy and Senate Committee on Energy.

Thereafter, the Expository Presentation of the application was discussed under oath by Engr. Alvin T. Mercado and Ms. Floriza Forlales.

Upon the termination of the Expository Presentation, the Commission proceeded with the Pre-trial Conference. The Commission adopted the issues and stipulation of facts as stated in TEI's *Pre-trial Brief*.

During the evidentiary presentation, TEI presented its witness, Mr. Vitus M. Romero (Mr. Romero), General Manager of TEI, who testified in support of the Application. In the course of his direct examination, Mr. Romero identified various documents, which were duly marked as exhibits. After the direct examination, the Commission propounded questions to the witness. By the end of the hearing, the Commission directed TEI to submit its *Formal Offer of Evidence*, as well as additional documents to aid in the evaluation of the instant case.

On 05 July 2017, TEI filed its *Formal Offer of Evidence with Compliance* of even date.

Having found the exhibits contained in Applicant's *Formal Offer of Evidence with Compliance* relevant and material in the evaluation of this case, the Commission hereby admits the same.

## **ISSUE**

The issue for the Commission's resolution is whether or not TEI is entitled for the issuance of its CPCN.

## **THE COMMISSION'S RULING**

The Commission approves the instant *Application* and grants the issuance of CPCN to TEI.

## **DISCUSSION**

TEI is a corporation which was originally registered as Tarlac Enterprises Incorporated on October 08, 1963, which name was changed to Tarlac Electric Incorporated per Amended Articles of Incorporation, which was approved on March 15, 1995. It has a term

of fifty (50) years, which was extended for another fifty (50) years from and after October 08, 2013 per Amended Articles of Incorporation, which was approved on October 13, 2011. To date, no Amended Articles of Incorporation dissolving the corporation has been filed with SEC. TEI is a 100% Filipino owned stock corporation.

On 12 March 2008, the Commission issued Resolution No. 05, Series of 2008 entitled "*A Resolution Adopting the Rules to Govern the Issuance of Certificate of Public Convenience and Necessity (CPCN) to Entities Engaged in the Transmission and Distribution of Electricity*". This Rule seeks to establish procedures, standards and criteria for the issuance of a CPCN to entities engaged in the transmission and distribution of electricity. The said CPCN shall be valid only for the term of the entity's franchise. The application for the renewal of said CPCN shall be filed one (1) year before its expiration. The existing CPCN of TEI was valid until June 24, 2017 or twenty five (25) years from June 4, 1992. This validity was provided in the *Decision* under ERB Case No. 92-150 (*In the Matter of the Application for a Certificate of Public Convenience and Necessity Predicated on Republic Act No. 7606 with Provisional Authority*) issued by the Energy Regulatory Board (ERB), the predecessor of the ERC. Based on the abovementioned provision, TEI should have filed the application for renewal on or before June 4, 2016. It is only on December 22, 2016 that TEI filed an application for renewal of CPCN.

On 10 May 2016, Republic Act No. 10795 (RA 10795) was enacted into law. This Act extended for a period of twenty-five (25) years the term of the franchise granted to Tarlac Electric Inc. to construct, operate and maintain an electric light, heat and power system in the City of Tarlac, Province of Tarlac.

Section 22 of RA No. 10795 provides that it shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation. RA 10795 was published on 03 October 2016 in the Daily Tribune and the Malaya Business Insight. Thus, RA No. 10795 took effect on 18 October 2016.

Sec. 43 (p) of Republic Act No. 9136 mandated the ERC to act on applications for modifications of certificates of public convenience and/or necessity, licenses or permits of franchised electric utilities in accordance with law and revoke, review and modify such certificates, licenses or permits in appropriate cases of violations of the Philippine Grid Code, Philippine Distribution Code and other rules and regulations issued by the ERC in accordance with law.

Sec. 2 (Qualifications) of the *“Rules to Govern the Issuance of Certificate of Public Convenience and Necessity (CPCN) to Entities Engaged in the Transmission and Distribution of Electricity”* provides that only those applicants that possess the following qualifications shall be issued a CPCN:

- (a) Filipino citizenship or corporations, co-partnerships, associations or joint-stock companies constituted and organized under the laws of the Philippines: *Provided*, that sixty (60) per centum of the stock or paid up capital of any such corporation, co-partnership, association or joint stock company must belong entirely to citizens of the Philippines;
- (b) Technical capability;
- (c) Financial capability; and
- (d) Franchise for operating and maintaining a transmission or distribution system issued by the Congress of the Philippines, or the ERC pursuant to Section 8 of the Act.

#### **A. TECHNICAL CAPABILITY**

TEI is a privately owned distribution utility servicing the city of Tarlac. It operates at three voltage levels namely: subtransmission voltage at 69 kV, primary distribution voltage at 13.8 kV, and secondary distribution voltage at 230V/460V. It has contracted power from GN Power and Tarlac Power Corporation (TPC), which is being transmitted through the National Grid Corporation of the Philippines (NGCP) - Concepcion. TEI has 2-NGCP metering points; one is within NGCP-Concepcion premise and the other is in Luisita Industrial Park (LIP) Substation. TEI subtransmission system has a total circuit length of 48.54 kilometers.

From the 69 kV subtransmission voltage, power is transformed to 13.8 kV primary voltage through TEI's five (5) substations namely: Maliwalo SS with 10 MVA power transformer, Panganiban SS with 25 MVA, San Rafael SS with 28 MVA, Tarlac Power Corporation (TPC) SS with 20MVA and Luisita Industrial Park (LIP) SS with 30 MVA and 33 MVA power transformers. All five substations are being monitored at TEI Main Supervisory Control and Data Acquisition (SCADA) Center. With the primary lines distributed throughout the franchise area, various number of distribution transformers are strategically located to lower down the voltage to 230 volts in the

secondary lines. Total circuit length for primary lines is 384.58 kilometers while 651.05 kilometers for secondary lines.

In 2016, various embedded generating power plants were connected to TEI 13.8kV distribution system. Among these generating plants are (1) Asian Carbon Neutral Power Corp, a 2 MW biomass generating plant located at Barangay Armenia; (2) 5.88 MWp Solar Power Plant of NV Vogt Philippines at Barangay Dalayap and; (3) 7.1 MWp Solar Power Plant at Barangay Armenia.

The performance of TEI based on its system efficiency and reliability are discussed as follows:

**a) System Loss**

Shown in the table below is TEI's annual historical system loss performance from 2012 to 2016. The past five (5) years performance indicates that TEI is consistently below the cap of 8.5%.

<b>Year</b>	<b>Total System Loss</b>	<b>Technical Loss</b>	<b>Non-Technical Loss</b>
<b>2012</b>	7.56%	6.14%	1.42%
<b>2013</b>	7.08%	5.79%	1.29%
<b>2014</b>	6.80%	5.48%	1.32%
<b>2015</b>	6.40%	5.22%	1.18%
<b>2016</b>	5.82%	5.15%	0.67%

This is a manifestation of efficiency indicating its technical capability to continue operating the electric light, heat and power system in its franchise area. It can be concluded that TEI is one of the most efficient electric distribution utility in the country in terms of managing distribution system losses.

**b) System Reliability**

TEI's reliability performance indices used in its entire distribution network are the System Average Interruption Frequency Index (SAIFI), planned System Average Interruption Duration Index SAIDI, and Customer Average Interruption Duration Index (CAIDI). These indices are required as reliability indicators in the Philippine Distribution Code (PDC) and the Performance Incentive Scheme (PIS) under the Rules for Setting Distribution Wheeling Rates (RDWR). The SAIFI indicates the average number of sustained interruptions

experienced per end-user in the measurement area over the measurement period. The planned SAIDI indicates the average duration of sustained interruptions per end-user over the measurement period, for planned interruptions (measured in minutes). The CAIDI indicates the average time required per sustained interruption to restore service to the end-user (measured in minutes).

**Reliability Performance of TEI (2012-2016)**

<b>INDICES</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
SAIFI	21.82	12.43	15.24	24.27	14.07
Planned SAIDI	1,901.81	654.25	936.16	710.12	1,021.13
CAIDI	128.47	94.19	50.09	101.01	69.25

Shown in the table above are TEI's historical reliability performances from 2012 to 2016. The past five (5) years performance indicates that annual SAIFI is ranging from 12 times to 24 times.

As regards the planned SAIDI, the past five (5) years performance indicates significant decrease from year 2012 of 1,901.81 minutes (or equivalent to 31.7 hours) going down to 1,021.13 minutes (equivalent to 17 hours) in 2016. For planning purposes, the maximum duration of interruption was set at 45 hours per customer - year. For CAIDI, TEI's annual performance in 2012 is 128.47 minutes (or 2 hours) and slightly went down in 2016 to 69.25 minutes (or 1.15 hours).

TEI's target in the PIS under the PBR for SAIFI, planned SAIDI and CAIDI is 20.04 times; 1,098.09 minutes (equivalent to 18 hours); 101.69 (equivalent to 1.69 hours), respectively. On the average, TEI is below its target for the said reliability indices. The annual report and other technical information provided by TEI shows that it has the managerial capability and technical expertise and resources to adequately and reliably serve the present and future electrical power needs of its customers.

**B. FINANCIAL CAPABILITY**

The audited financial statements for the year 2014 to 2016 show that TEI earned a net profit of PhP164 million despite a decrease in



2015 of PhP152 million from PhP159 million in 2014. Total operating revenues increases from PhP2.4 billion in 2014 to PhP2.68 billion in 2016. This was due to sales growth and increase in purchased power cost.

Shown in the table below is TEI's historical financial performance for the three (3) year-period, to wit:

**I. Financial Performance Indicators**

<b>PARTICULARS</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total Assets	1,321,695,626.00	1,475,307,132.00	1,629,637,023.00
Total Liabilities	842,034,136.00	872,324,694.00	920,596,626.00
Stockholders' Equity	479,661,490.00	602,982,438.00	709,040,397.00
Quick Assets	462,250,291.00	488,949,133.00	512,852,657.35
Total Current Assets	559,961,297.00	637,050,649.00	643,353,454.35
Total Current Liabilities	543,214,845.00	634,365,075.00	644,426,561.00
Net Sales	2,369,703,149.11	2,548,474,877.31	2,653,824,711.83
Operating Income	327,237,146.00	448,176,716.00	503,155,827.00
Operating Revenue	2,398,037,308.00	2,576,941,484.00	2,682,209,264.00
Net Income	158,964,168.00	151,837,282.00	164,853,832.00

**II. Financial Ratios**

<b>PARTICULARS</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Current Ratio	1.0308	1.0042	0.9983
Debt Ratio	0.6371	0.5913	0.5649
Debt -to-Equity Ratio	1.7555	1.4467	1.2984
Sales-to-Assets Ratio	1.7929	1.7274	1.6285
Return on Assets	0.1203	0.1029	0.1012
Return on Equity	0.3314	0.2518	0.2325

The current ratio is a liquidity ratio that measures a company's ability to pay short and long-term obligations. Compared to year 2014, TEI's liquidity slightly went down by 3% in 2015 and 2016. A 1.03:1 ratio in year 2014 will mean no difficulty in the company's settlement of its short and long term obligations. TEI's 0.99:1 ratio in 2016 has minimal effect in short and long term obligations.

Debt ratio is a solvency ratio that measures a firm's total liabilities as a percentage of its total assets. In a sense, the debt ratio shows a company's ability to pay off its liabilities with its assets. In terms of financing, TEI's debt ratio slightly decreased as compared to year 2014 by 7% in year 2015 and 11% in year 2016. Simply, this could

be construed as an inclination of the company towards non-financial leverage.

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. The return on assets (ROA) of TEI as compared to year 2014 slightly decreases to 14% in year 2015 and to 16% in year 2016. This shows the minimal profit that TEI incurred. The audited financial statement provided by TEI shows that it has the financial capability to adequately and reliably serve the present and future electrical power needs of its customers.

## **C. OTHER RELATED MATTER**

### **1. Tariffs and Rates**

On December 8, 2008, the Commission issued Resolution No. 20, Series of 2008, entitled "*Resolution Modifying the Rules for Setting Distribution Wheeling Rates for Privately-Owned Distribution Utilities Entering Performance Based Regulation*" which amended Resolution No. 54, Series of 2006, entitled "*Rules for Setting Distribution Wheeling Rates (RDWR) for Privately- Owned Distribution Utilities Wheeling Rates Entering Performance Based Regulation (Second and Later Entry Points)*" wherein an entrant to the PBR will be given an Annual Revenue Requirement (ARR) which will be used to derive the Maximum Average Price (MAP). Thereafter, said MAP shall then be allocated by the distribution utility in setting the rate schedule for its distribution, supply and metering charges for each customer class or segment.

Being an entrant to the *Third Entry Point (Group C)* to the PBR rate-setting methodology adopted by the *Commission* pursuant to Section 43(f) of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 or the EPIRA, on June 19, 2009, TEI filed an application (docketed as ERC Case No. 2009-044 RC) for approval of its ARR and Performance Incentive Scheme (PIS) covering the Second Regulatory Period from July 1, 2010 to June 30, 2014 in accordance with the provisions of the RDWR. Thereafter, the *Commission* issued the *Final Determination* in the aforesaid case, as contained in the *Decision* dated March 8, 2010.

In compliance with the requirements under the RDWR and the Final Determination for the conversion of the approved MAP into a distribution rate structure, TEI applies annually for approval of the translation into distribution rates of different customer classes of its approved MAP for the First to Fourth Regulatory Year (RY2011 to RY2014) of the Second Regulatory Period. The conversion was effected in accordance with the Uniform Filing Requirements (UFR), the relevant sections of the RDWR, as amended and the methodology described in Article V of the Distribution Services and Open Access Rules (DSOAR). TEI used in its calculations the information contained in the Final Determination dated March 8, 2010.

The last approved tariff of TEI is embodied in the ERC Decision dated 5 August 2013 in *ERC Case no. 2013-071 (In the Matter of the Application for Approval of: a) the Recalculated Maximum Average Price (MAP) for Regulatory Year 2014; b) the Translation into Distribution Rates of Different Customer Classes for the Fourth Regulatory Year of the ERC-Approved Annual Revenue Requirement for Tarlac Electric, Incorporated (TEI) under, the Performance Based Regulation (PBR) for the Regulatory Period 2011- 2014; and c) the Relaxation of Side Constraints*. Said tariff contained, among other information, the distribution, supply and metering charges for the provision of regulated distribution services to customers and its applicable adjustments and the manner on which such charges and adjustments shall be applied to the customers. Other existing charges such as connection and reconnection fees shall also be applied.

## **2. Supervision and Regulation Fees**

As provided for in Section 40 (e) of Commonwealth Act No. 146, as amended, Section 44 of R.A. No. 9136 and Section 2, Article IV of ERC's Resolution No. 05, Series of 2008 entitled "*A Resolution Adopting the Rules to Govern the Issuance of Certificate of Public Convenience and Necessity (CPCN) to Entities Engaged in the Transmission and Distribution of Electricity*", all DUs and Transmission Companies are required to pay supervision and regulation fees as a reimbursement of the expenses incurred by the ERC in the supervision and/or in the regulation or fixing of their rates. The said fees should be paid on or before September 30<sup>th</sup> of each year computed based on PhP1.00 for each one hundred pesos or fraction thereof, of the capital stock subscribed or paid.

TEI should comply in the payment of SRF annually representing the supervision and regulation fee. As per record of the *Commission*, TEI paid its SRF annually. On September 13, 2017, TEI paid a total amount of *Two Million Five Hundred Forty Four Pesos* (Php2,000,544.00), representing the Supervision and Regulation Fee (SRF) for the year 2016.

A perusal of the evidence presented herein disclosed that the approval of the renewal of TEI's CPCN is in accordance with Section 43 (p) of Republic Act No. 9136 and the "*Rules to Govern the Issuance of Certificate of Public Convenience and Necessity (CPCN) to Entities Engaged in the Transmission and Distribution of Electricity*" and will redound to the benefit of its consumers in terms of continuous, reliable and efficient power supply as mandated by Republic Act No. 9136, of the Electric Power Industry Reform Act of 2001 (Section 2. Declaration of Policy – (b) "*to ensure the quality, reliability, security and affordability of the supply of electric power*").

**WHEREFORE**, the foregoing premises considered, the application filed by Tarlac Electric Inc. (TEI) for the issuance of its Certificate of Public Convenience and Necessity (CPCN), is hereby **APPROVED**, to coincide with the validity of the term of its franchise, and subject to the following conditions:

1. TEI shall adopt the tariff approved by the Commission;
2. It shall pay the Supervision and Regulation Fees (SRF) on or before September 30<sup>th</sup> of each year; and

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3. It shall comply with the existing rules, regulations and issuances approved by the Commission.

**SO ORDERED.**

Pasig City, 27 November 2017.



**ALFREDO J. NON**  
*OIC, Chairman and CEO*



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



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



**GERONIMO D. STA. ANA**  
*Commissioner*



LS: MLMG/LSP/APV



ROS: REM/LLG/FBQ

**ERC CASE NO. 2016-043 MC**  
**DECISION/27 NOVEMBER 2017**  
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**COPY FURNISHED:**

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Tarlac City, Province of Tarlac
5. Office of the Governor  
Province of Tarlac
6. Local Government Unit (LGU) legislative body  
Province of Tarlac
7. Office of the Solicitor General  
134 Amorsolo Street, Legaspi Village, Makati City
8. Commission on Audit  
Commonwealth Avenue, Quezon City
9. Senate Committee on Energy  
GSIS Bldg. Roxas Blvd., Pasay City
10. House Committee on Energy  
Batasan Hills, Quezon City
11. Philippine Chamber of Commerce and Industry (PCCI)  
3<sup>rd</sup> Floor, Chamber and Industry Plaza (CIP), 1030 Campus Avenue corner Park Avenue,  
McKinley Town Center, Fort Bonifacio, Taguig City
12. Regulatory Operations Service  
Energy Regulatory Commission  
17th Floor, Pacific Center, San Miguel Avenue, Pasig City



Certificate No. CPCN-2017-01

# CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

**THIS IS TO CERTIFY** that, pursuant to the power and authority conferred upon it by Republic Act No. 9136, the **ENERGY REGULATORY COMMISSION** after having duly considered the application filed in ERC Case No. 2016-043 MC for the issuance of **Certificate of Public Convenience and Necessity** to construct, operate and maintain an electric light, heat and power system in the City of Tarlac, Province of Tarlac and the evidence submitted in support thereof, has rendered a decision on November 27, 2017, declaring that the operation by the applicant of the business described therein will promote public interest in a proper and suitable manner.

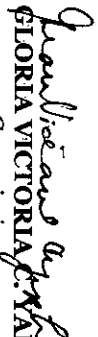
**WHEREFORE**, the **COMMISSION** hereby issues to

## TARLAC ELECTRIC INC.

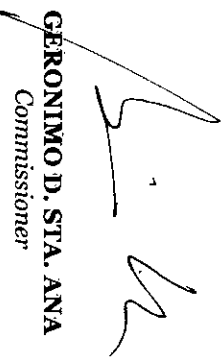
this **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY** which shall be valid for a period of 25 years from October 18, 2016 to October 18, 2041, subject to the rules and regulations issued by the Commission in accordance with law.


Given at Pasig City, Philippines, this 27<sup>th</sup> day of November 2017.

  
ALFREDO J. NON  
Commissioner

  
FLORIA VICTORIA YAP-TARUC  
Commissioner

  
JOSEFINA PATRICIA MAGPALE-ASIRIT  
Commissioner

  
GERONIMO D. STA. ANA  
Commissioner

Attested by:   
MARIA COLAZON C. GINES  
OIC-Executive Director III