

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

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
IMPLEMENTATION OF
CAPITAL EXPENDITURE
PROGRAM FOR CALENDAR
YEARS 2021-2025 (BATCH 3),
WITH PRAYER FOR THE
ISSUANCE OF PROVISIONAL
AUTHORITY

ERC Case No. 2021-⁰⁶⁵___RC

August 23, 2021

NATIONAL GRID
CORPORATION OF THE
PHILIPPINES,
Applicant.

x-----x

APPLICATION

Applicant **NATIONAL GRID CORPORATION OF THE PHILIPPINES** (NGCP), by counsel, respectfully states that:

The Applicant

1. NGCP is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner B.I.R. Road, Diliman, Quezon City. It is the concessionaire which was granted the rights and obligation to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair, refurbish, and replace the Transmission Assets pursuant to R.A. No. 9136, otherwise known as the "*Electric Power Industry Reform Act of 2001*" (EPIRA).

2. Pursuant to R.A. No. 9511¹, NGCP was granted the franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through a high-voltage backbone system of interconnected transmission lines, substations and related facilities, system operations, and other activities that are necessary to support the safe and reliable operation of the transmission system² and is authorized to charge its customers at the rates approved by the Honorable Commission.

3. This Application is filed pursuant to paragraph (d), Section 9 of the EPIRA, which directs the transmission operator to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in the pursuit of its mandate to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.

4. Notwithstanding the absence of the Final Determination for the 4th and 5th Regulatory Periods, NGCP is mandated to ensure and maintain the quality, reliability, adequacy, security, stability and integrity of the nationwide grid. To perform these tasks, NGCP seeks authority from this Honorable Commission for the immediate implementation of the following capital expenditure projects:

	PROJECT NAME	BRIEF JUSTIFICATION
1.	Luzon Voltage Improvement Project -6	The project aims to address the power quality during peak load and N-1 conditions at various substation in the Luzon Grid; it intends to provide additional reactive power support in the network to maintain the system voltage within $\pm 5\%$ of the nominal voltage during normal and single outage contingencies as prescribed

¹ An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-bone System or Interconnected Transmission Lines, Substations and Related Facilities, and For Other Purposes;

² Id, Section 1;

		<p>under the Philippine Grid Code (PGC).</p> <p>The total estimated project cost is PhP1,359.556 Mn with an implementation period of 38 months.</p>
2.	Pinamucan - Tuy 500kv Transmission Line Project	<p>The project will provide another 500kV transmission corridor to accommodate additional generation capacities in Batangas City Area, which is being promoted as an LNG Terminal Hub. The project will complement the Tuy-Silang 500kV Transmission Line (part of Tuy 500kV Substation Project) and Taguig- Silang 500kV Transmission Line Projects.</p> <p>The total estimated project cost is PhP6,240.803Mn and with an implementation period of 65 months.</p>
3	South Luzon Substation Upgrading Project 2	<p>The project aims to cater the load growth and provide N-1 contingency to various substations in NGCP's South Luzon Region; to ensure reliability and flexibility of operations on the various substations; and to improve power quality.</p> <p>The total estimated project cost is PhP5,775.135Mn with an implementation period of 60 months.</p>

4	Ambuklao-Binga 230kV Transmission Line Upgrading Project	<p>The project aims to address the overloading of Ambuklao-Binga 230kV Transmission Line during N-1 contingency by constructing a new 230kV double circuit line and taking into consideration the maximum dispatch of existing and incoming power plants in Cagayan Valley and Mountain Province Area; it also aims to upgrade the existing line to address its old condition.</p> <p>The total estimated project cost is PhP1,021.217Mn with an implementation period of 130 months.</p>
5	Binga - San Manuel 230kV Transmission Line Project	<p>The project aims to address the overloading of Binga- San Manuel 230kV Transmission Line; to provide N-1 contingency provision during maximum dispatch of power plants in Cagayan and Mountain Province Area; and additional generation capacity from future Renewable Energy Sources.</p> <p>The estimated cost of the project is PhP3,633.129Mn with an implementation period of 129 months.</p>

The *Project Application Documents* of Batch 3 Luzon Projects is hereto attached as **Annex "A"**.

6	Permanent Restoration of Panitan-Nabas 138kV Line affected by Typhoon Ursula	<p>The project will ensure system reliability and integrity of the Panitan-Nabas 138kV Line; minimize exposure to fault along the temporary bypass line for the Panitan-Nabas 138kV Line, hence, will avoid load curtailment; and retrieve the temporary structures used for the bypass line to ensure sufficient availability of temporary structures for future emergencies.</p> <p>The total estimated project cost is PhP316.975Mn and with an implementation period of 17 months.</p>
7	Visayas Voltage Improvement Project 2	<p>The project will address the power quality issues that will be experienced as early as 2021 at various areas in Visayas based on the projected demand; improve the reactive power support in the area; prevent load curtailment; and improve the stability of the Visayas Grid during occurrence of faults.</p> <p>The total estimated project cost is PhP2,265.103Mn with an implementation period of 28 months.</p>

The *Project Application Documents, Batch 3 Visayas Projects* is hereto attached as **Annex "B"**.

8	Malaybalay 138kV Substation Project	<p>The project aims to address the frequent unexpected power interruptions being experienced by customers and stakeholders in the Malaybalay City, Valencia City, and adjacent municipalities; to address the looming under voltage in the area; to mitigate the imminent thermal overloading of Maramag – Malaybalay 69 kV Line; and to improve system reliability by providing a new connection point for BUSECO, FIBECO, and other connected customers.</p> <p>The total estimated project cost is PhP1,936.147Mn with an implementation period of 38 months.</p>
9	Tumaga 138kV Substation Project	<p>The project aims to mitigate the anticipated overloading of the Pitogo - Tumaga-Zamboanga 69kV Line by redirecting the connection of ZAMCELCO's Tumaga and Putik Load End Substations at the new Tumaga 138kV Substation; to help improve voltage profile in ZAMCELCO's franchise area; and to provide a new connection point for ZAMCELCO.</p> <p>The total estimated project cost of the project is PhP2,332.496Mn with an implementation period of 48 months.</p>

10	Sultan Kudarat - Pinarang 69kV Transmission Line Upgrading Project	<p>The project is aimed to improve system reliability to address the rotational power interruption due to opening of a shared power circuit breaker during load shifting, line fault, or preventive maintenance of the Sultan Kudarat-DSA-Tacurong 69kV line.</p> <p>The total estimated project cost is PhP540.807Mn with an implementation period of 24 months.</p>

The *Project Application Documents* of Batch 3 Mindanao projects is hereto attached as **Annex "C"**.

11	Grid Protection Relay Replacement Project (Phase 1, 2 and 3)	<p>The project involves the replacement of protection relays in the Luzon, Visayas and Mindanao Grid to ensure safe, secure and reliable operation of the Grid; The replacement is necessary as there are protection relays found to be defective, obsolete and outdated; There are transmission line and High Voltage equipment with no redundant protections; and There are substations with no Breaker Failure Relays installed.</p> <p>The total estimated project cost is PhP8,893.80Mn with and implementation period of</p>
----	---	--

		72 months. The GPRRP is targeted to be completed in 2025.
--	--	---

The *Project Application Documents* of Grid Protection Relay Replacement Project (Phase 1, 2, and 3) is hereto attached as **Annex “D”**.

Justifications for the Issuance of Provisional Approval

5. To reiterate, NGCP is required under paragraph (d), Section 9 of the EPIRA to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in relation to its authority and responsibility to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.

6. Along with its responsibility for the planning, construction and centralized operation and maintenance of its high voltage transmission facilities, it is indispensable for NGCP to ensure a reliable and high-performance operation of the transmission system. Thus, to avoid disruption of operation and to ensure continuous compliance with NGCP’s mandate under the EPIRA as the transmission operator, it is imperative that the implementation of the proposed CAPEX projects be immediately approved.

7. In order to avoid the disruption of operation and remain in compliance with its mandate under the EPIRA as the transmission operator, it is imperative that the implementation of the proposed CAPEX projects be immediately approved.

8. In support of this application, NGCP submits the Judicial Affidavits of *Engr. Eufemio C. Buluran, Jr.*, *Engr. Michael R. Baylosis*, *Engr. Fernando S. Javier*, and *Engr. Vicente N. Loria* attached as **Annexes “E” to “H”**, respectively.

PRAYER

WHEREFORE, NGCP most respectfully prays this Honorable Commission to:

1. Immediately **ISSUE** an Order provisionally authorizing the implementation of the proposed CAPEX projects covered in this instant Application; and

2. **APPROVE**, after notice and hearing, the proposed CAPEX projects.

NGCP prays for other equitable relief.

Quezon City for Pasig City, 30 July 2021.

OFFICE OF THE GENERAL COUNSEL
NATIONAL GRID CORPORATION OF THE PHILIPPINES
NGCP Building, Quezon Avenue corner
BIR Road, Diliman, Quezon City
Tel. No. 981-2100 (Trunk Line)

By:

LUIS MANUEL U. BUGAYONG

PTR No. 0599223 / 01.04.21 / Quezon City
IBP Lifetime No. 010191 / RSM
MCLE Compliance No. VI-0012003 / 09.07.18
Roll of Attorneys No. 38002
Email address: lubugayong@ngcp.ph



MARK ANTHONY S. ACTUB

PTR No. 0599217 / 01.04.21 / Quezon City
MCLE Compliance No. VI-0011999 / 09.07.18
IBP Lifetime No. 04514 / Misamis Oriental
Roll of Attorneys No. 45707
Email address: msactub@ngcp.ph

LALLY C. ORTILLA-MALLARI

PTR No. 0730184 /01.05.21/ Quezon City
IBP Lifetime No. 08916/Makati City
MCLE Compliance No. VI-0012027/04.14.22
Roll of Attorneys No. 47593
Email address: lomallari@ngcp.ph



RICH L. ALMARIO

PTR No. 0730188 / 01.05.21 / Quezon City
IBP Receipt No. 151112/ 01.14.21 / CalMaNa
MCLE Compliance No. VI-0017839 / 02.14.2019
Roll of Attorneys No. 70079
Email Address: rlalmario@ngcp.ph

Courtesy Copy:

NATIONAL TRANSMISSION CORPORATION

Office of the President
Quezon Avenue cor. BIR Road
Diliman, 1101 Quezon City

NATIONAL TRANSMISSION CORPORATION

Office of the General Counsel
Quezon Avenue cor. BIR Road
Diliman, 1101 Quezon City

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION

24th Floor Vertis North Corporate Center 1
Astra corner Lux Drives, Vertis North
Mindanao Avenue, 1105 Quezon City

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

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

I, **MA. CYNTHIA Y. MANRIQUE**, under oath states that:

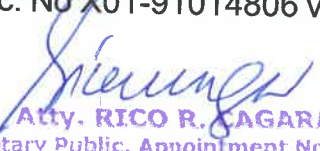
1. I am the Vice President and Head of the Revenue Regulatory Affairs of the National Grid Corporation of the Philippines ("NGCP") with office address at NGCP Head Office, NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City, Philippines; and I am duly authorized to sign the Verification and Certification of Non-Forum Shopping in the above-entitled Application for and in behalf of NGCP as evidenced by the Secretary's Certificate hereto attached as **Annex "A-Verification"**;
2. I have caused the preparation of the foregoing Application;
3. I have read the Application and I attest that the allegations in the foregoing Application are true and correct based on my personal knowledge or based on authentic documents;
4. The foregoing Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
5. The factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;
6. I further attest that NGCP has not filed any other similar Application or action, involving the property subject matter of this Application before any court, tribunal or quasi-judicial agency and, to the best of my knowledge, no such other Application or action is pending therein; and
7. If I should thereafter learn that such similar Application, action or claim has been filed or is pending, I shall report that fact to this Honorable Court within five (5) calendar days therefrom.

IN WITNESS WHEREOF, I have hereunto affixed my signature this ___ of July 2021, in Quezon City, Philippines.


MA. CYNTHIA Y. MANRIQUE
Affiant

SUBSCRIBED AND SWORN to before me this 30 July 2021, in Quezon City, affiant exhibited to me her Philippine Driver's Lic. No X01-91014806 valid until 13 June 2022 issued by the LTO-QC.

Doc. No. 107;
Page No. 23;
Book No. 34;
Series of 2021.


Atty. RICO R. CAGARA
Notary Public, Appointment No. 082
Commission until 31 December 2021
PTR No. 00000000; 01-04-2021; Quezon City
IBF Lic. No. 06600; Bulacan
Roll of Notary's No. 53664
MCLE Compliance No. VI-0012004, valid until 4-14-2022
Unit 305, J. Ross Condominium
44 Matimtiman Street, Teacher's Village East
Diliman, Quezon City



Annex "A"

VERIFICATION

REPUBLIC OF THE PHILIPPINES)
CITY OF QUEZON) S.S.

SECRETARY'S CERTIFICATE

I, **KAREN S. ONG**, Filipino, of legal age, and with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City, after being duly sworn in accordance with law, depose and state:

1. I am the Corporate Secretary of **NATIONAL GRID CORPORATION OF THE PHILIPPINES**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City;

2. The Board of Directors of the Corporation unanimously approved and adopted the following resolutions:

"RESOLVED, that the Corporation names, appoints and authorizes the President and Chief Executive Officer, Chief Administrative Officer, Vice President and Head of the Revenue and Regulatory Affairs, Assistant Vice President and Head of Engineering Construction, Heads of Project Division, General Counsel, Deputy General Counsel, Assistant General Counsel, and Regional Assistant General Counsel to perform the following acts:

1. Represent NGCP in any claim, complaint, petition, application, protest, suit or any case for or against NGCP before any court, prosecutor's office, regulatory body, quasi-judicial or administrative body, agency or office of the government;
2. Execute, sign and obtain any document, including verification and certification of non-forum shopping or any other document which may be required or in connection with the preceding paragraph incorporating thereto the required allegations under the 2019 Amended Rules of Civil Procedure;
3. Represent NGCP during inquest proceedings, preliminary investigation, preliminary conference, pre-trial, mediation, conciliation, arbitration, trial, execution, and all proceedings or actions and/or appoint, name or designate a representative to attend said proceedings, with power and authority to enter into an amicable settlement as approved by NGCP Management or Board of Directors, submit to alternative modes of dispute resolution, and enter into stipulations or submission of facts and documents; and
4. Do and perform on behalf of NGCP any act and deed necessary to be done in the premises.

"RESOLVED, that the Corporation names, appoints and authorizes the General Counsel, Deputy General Counsel, Assistant General Counsel, and Regional Assistant General Counsel to be its true and lawful attorneys-in-fact, to

CERTIFIED TRUE COPY

BY: 

KAREN S. ONG
CORPORATE SECRETARY

appear during preliminary conference, pre-trial, court annexed mediations, and judicial dispute resolution, and such other proceedings, in relation to cases filed by or against NGCP, on such date or dates as may be set by the court and/or agreed upon by the parties, with full and special power and authority to do and perform the following acts:

1. To discuss the possibility of an amicable settlement, negotiate, enter into, conclude, execute, sign, and deliver a compromise agreement, as approved by NGCP Management or Board of Directors;
2. To agree on the submission of the action to alternative modes of dispute resolution;
3. To agree on simplification of the issues;
4. To enter into stipulations or admission of facts and of documents to avoid unnecessary proof;
5. To identify and limit the number of witnesses and set and/or agree to the setting of trial dates;
6. To preliminarily refer issues to a commissioner;
7. To mark evidence, make stipulations, and reserve evidence not available at the pre-trial; and
8. To agree on such matters and do such things as may aid in the prompt disposition of the action.

“RESOLVED, that in case NGCP, as plaintiff, is authorized by the court to serve summons pursuant to the 2019 Amended Rules of Civil Procedure, the General Counsel, Deputy General Counsel, Assistant General Counsel, and Regional Assistant General Counsel are hereby authorized to serve the summons to the defendant/s on behalf of NGCP;

“RESOLVED, FINALLY, that the Corporation gives and grants them full power and authority to do and perform all other acts and things necessary and proper to be done in and about the premises as fully to all intents and purposes as it might or could lawfully do, and hereby ratifying and confirming all that he/she shall lawfully do or cause to be done in its behalf by virtue of these presents.”

3. Based on the above-quoted resolution of the NGCP Board of Directors, Ma. Cynthia Y. Manrique, Vice President & Head of the Revenue and Regulatory Affairs Department, is hereby authorized to sign the verification and certificate of non-forum shopping for an in behalf of the Corporation for the filing of petitions, pleadings, or any other documents which may be required by the Energy Regulatory Commission (ERC);

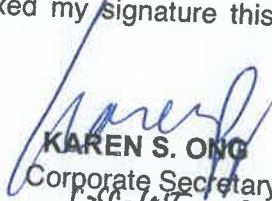
4. Authority to file the following case has been approved, adopted, and ratified by the NGCP Board of Directors: **“In the Matter of the Application for the Approval of the Implementation of Capital Expenditure Program for Calendar Years 2021-2025 (Batch 3), with Prayer for the Issuance of Provisional Approval”**, consisting of the following projects –

- a. Luzon Voltage Improvement Project 6
- b. Pinamucan-Tuy 500kV Transmission Line Project
- c. South Luzon Substation Upgrading Project 2
- d. Ambuklao-Binga 230kV Transmission Line Upgrading Project

- e. Binga-San Manuel 230kV Transmission Line Project
- f. Permanent Restoration of Panitan-Nabas 138kV Line Affected By Typhoon Ursula
- g. Visayas Voltage Improvement Project 2
- h. Malaybalay 138kV Substation Project
- i. Tumaga 138kV Substation Project
- j. Sultan Kudarat-Pinaring 69kV TL Upgrading Project
- k. Grid Protection Relay Replacement Project (Phase 1, 2, and 3)

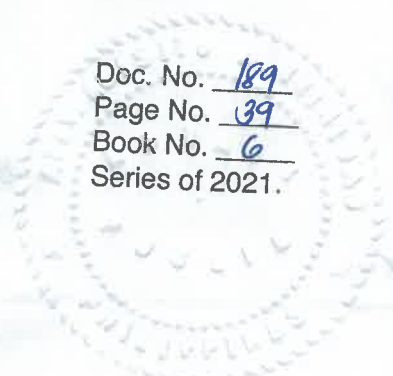
5. The foregoing resolutions are in accordance with the records of the Corporation in my possession and has not been amended, superseded or repealed.


IN WITNESS WHEREOF, I have hereunto affixed my signature this JUL 07 2021 in Quezon City, Metro Manila.


KAREN S. ONG
Corporate Secretary
P.C. - 2021-03

SUBSCRIBED and SWORN to before me, this JUL 07 2021 in Quezon City, Metro Manila, affiant exhibiting to me her Passport No. P4970001B issued on 28 February 2020 in Manila.

Doc. No. 189
Page No. 39
Book No. 6
Series of 2021.




LUISITO A. TRINIDAD
Commission - AM No. NP076 (2020-2021)
Notary for Quezon City until 31 Dec 2021
NGCP Bldg. Quezon Ave cor BIR Road Diliman QC
Roll No. 38451 - 13 May 1993
IBP Lifetime No. 013977 - 08 July 2015
PTR NO. 9344646 - 01-06-2020
MCLE Compliance No. VI-0012042 - 07 September 2018