

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



IN THE MATTER OF THE  
APPLICATION FOR AUTHORITY  
TO DEVELOP, OWN AND  
OPERATE A DEDICATED POINT-  
TO-POINT LIMITED  
TRANSMISSION LINE TO  
CONNECT THE ANDA POWER  
CORPORATION 82 MW  
CIRCULATING FLUIDIZED BED  
COAL-FIRED POWER PLANT TO  
THE 69 KV CLARK LINE 2  
TRANSMISSION LINE OF THE  
NATIONAL GRID  
CORPORATION OF THE  
PHILIPPINES, WITH PRAYER  
FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2015-061 MC

ANDA POWER CORPORATION  
(ANDA),

Applicant.

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DOCKETED  
Date: OCT 05 2015  
By: [Signature]

**ORDER**

On September 18, 2015, the Anda Power Corporation (ANDA) filed an application for authority to develop, own and operate a dedicated point-to-point limited transmission line to connect the Anda Power Corporation 82 MW Circulating Fluidized Bed Coal-Fired Power Plant to the 69 kV Clark Line 2 Transmission Line of the National Grid Corporation of the Philippines (NGCP), with prayer for provisional authority.

In the said application, ANDA alleged, among others, the following:

1. It is a power generation company organized and existing under and by virtue of the laws of the Republic of the

Philippines, with principal office address at TECO Special Economic Zone, Bo. Bundagul, Mabalacat, Pampanga. Copies of ANDA's Certificate of Incorporation, Articles of Incorporation, and latest General Information Sheet are attached to the application as **Annexes "A", "B" and "C"**, respectively;

### THE NATURE OF THE APPLICATION

2. The application is filed pursuant to Section 9(f) of Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" and Section 5, Rule 5 of its Implementing Rules and Regulations (IRR);

### STATEMENT OF FACTS

3. It is engaged in the business of power generation and had completed the construction of a coal-fired power plant located at TECO Special Economic Zone, Barangay Bundagul, Mabalacat, Pampanga. It is a one unit generating facility that has an installed capacity of 82 MW and a dependable capacity of 72 MW. It is projected to have a plant efficiency rate of 89% and an annual capacity of 561,600,000 kWh;
4. Its target customers are not only locators within the economic zone and industrial parks, but also clients from other sectors that are in need of electricity including distribution utilities;
5. In order to dispatch the generated power, it proposes to connect a seven-kilometer dedicated transmission line and related facilities from its 82 MW Circulating Fluidized Bed Coal-Fired Power Plant located in Mabalacat, Pampanga to the Tower 64 of the 69 kV Clark Line 2 transmission line of the National Grid Corporation of the Philippines (NGCP) through the use of the following dedicated point-to-point limited transmission facilities: 7 km 69 kV transmission line which is a 795 ACSR conductor with 100 MVA capacity and Switchyard near the connection point (collectively, the Dedicated Facility). Copies of the Description of the Dedicated Facility and Single Line Diagram are attached to the application as **Annexes "D" and "D-1"**, respectively;

6. The 7 km 69 kV transmission line is an existing facility which was acquired and thereafter refurbished by it to conform with the technical standards to ensure safety, reliability and efficiency in its operations. It also conducted the necessary concreting of the weak bases of the transmission towers and the trimming of the vegetation along the right of way of the line;
7. The Switchyard is a new facility which is required by NGCP for facility protection in case of fault either coming from ANDA or NGCP;
8. The Dedicated Facility which was completed in March 2015, has a total cost amounting to One Hundred Ten Million Two Hundred Thirty-Nine Thousand Sixty-Seven Pesos and Twenty-Two Centavos (PhP110,239,067.22);
9. Prior to its filing of the application, it has considered the construction of a substation switchyard with a 230 kV transformer and 230 kV transmission line in lieu of the proposed project subject of the application. The alternative project has a five-kilometer transmission line that will connect to NGCP's 230 kV Tower near Magalang, Pampanga. It has an estimated project cost of PhP400,417,884.90 which covers construction costs, technical fees of the line facility and the right-of-way, but still excludes fees for permits and licenses, total cost of the lot and other price negotiations with the owner relative to the substation switchyard. However, after a thorough review, it decided not to pursue the alternative project due to high cost;
10. The NGCP had approved the System Impact System (SIS) for the connection of its power plant to the grid and likewise issued a Final Certificate of Approval to Connect, copies of the NGCP approvals are attached to the application as Annexes "E" and "E-1", respectively;
11. The Dedicated Facility is the shortest, most economical and technically viable option to connect its 82 MW Power Plant to the grid;
12. Upon issuance to it by the Commission of the authority to own and operate the Dedicated Facility, it will undertake

the operation, service, and maintenance of the Dedicated Facility Project, involving, among others, periodic inspection of the point to point interconnection facilities, regular assessment of pole and wire conditions and right of way monitoring, through its key and qualified personnel. Copies of the Curriculum Vitae of its operation and maintenance personnel are attached in the application as Annexes "F", "F-1", "F-2", "F-3" and "F-4";

13. It previously applied with the Commission a Certificate of Compliance (COC) for the commencement of its operation;
14. In further support of the application, it submits copies of the following documents:

<b>Annex</b>	<b>Documents</b>
<b>"G"</b>	Sworn Statement of ANDA's Authorized Representative attesting that ANDA has applied and been granted permits for the point to point dedicated transmission line.
<b>"H"</b>	Affidavit of Compliance with the Philippine Grid Code executed by ANDA's authorized representative.
<b>"I"</b>	Secretary's Certificate attesting that the ANDA Board of Directors approved the proposed project.
<b>"J"</b>	Department of Energy Certificate of Endorsement for the ANDA's 82 MW Coal-Fired Power Plant
<b>"K"</b>	Gantt Chart

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR  
PROVISIONAL AUTHORITY**

It respectfully repleads the foregoing statements and further states that:

15. Its 82 MW Coal Fired Power Plant has already been completed and all tests required by the Commission and NGCP have been performed by it;
16. The generated capacity of the power plant will be dispatched to its customers through the Dedicated Facility subject of the application, which will connect the power plant to the grid;
17. A provisional authority is necessary to enable it to utilize the Dedicated Facility in dispatching the generated power from its plant to the grid and eventually to its customers;
18. Angeles Electric Corporation (AEC) and it have agreed that its power plant will start dispatching electricity to AEC through the grid as soon as the necessary permits and approvals are obtained, thus the need for provisional authority;
19. In accordance with this agreement, AEC and ANDA also filed on September 8, 2015 a Joint Motion for Early Resolution in ERC Case No. 2015-017 (Application for Approval of Power Supply Agreement between AEC and ANDA);
20. In further support of the prayer for issuance of provisional authority, a copy of the Affidavit of Merit is attached to the application;

**ALLEGATIONS IN SUPPORT OF THE MOTION FOR  
CONFIDENTIAL TREATMENT OF INFORMATION**

21. Under Rule 4 of the ERC Rules of Practice and Procedure (ERC Rules), the Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential;
22. It is submitting the following documents, which are attached to the application, pursuant to the aforementioned Rule: Conceptual Engineering Designs and Drawing; Summary of the Cost of Dedicated Facility; Computation of

the Net Present Value Computation, Rate Impact and Five Year Projected Financial Ratios; and 2014 Audited Financial Statement marked as **Annexes "N", "O", "P" and "Q"**, respectively.;

23. These documents contain certain proprietary information pertaining to design and drawings, data and calculations involving business operations and financial trade secrets reflecting its investment and business calculations;
24. It moves that **Annexes "N", "O", "P" and "Q"** not be disclosed and be treated as confidential documents in accordance with Rule 4 of the ERC Rules. Accordingly, it hereby submits together with the application, one (1) copy of **Annexes N", "O", "P" and "Q"** in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential"; and
25. It prays that the Commission:
  1. Upon filing of the application, and pending hearing thereon, an Order be issued:
    - a. granting **PROVISIONAL AUTHORITY** to ANDA POWER CORPORATION to develop, own and operate the Dedicated Facility that will connect its 82MW Coal-Fired Power plant to the transmission line of the National Grid Corporation of the Philippines; and
    - b. treating **Annexes N", "O", "P" and "Q"** and the information contained therein as **CONFIDENTIAL**, directing their non-disclosure pursuant to Rule 4 of the ERC Rules, and prescribing the guidelines for the protection thereof; and
  2. After hearing thereon on the merits, a **DECISION** be rendered **APPROVING** the application.

Finding the said application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for initial hearing, expository presentation, pre-trial

conference and evidentiary hearing on **October 28, 2015 (Wednesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

ANDA is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, with the date of the publication to be made not later than ten (10) days before the scheduled date of initial hearing. It is also directed to inform the consumers within its franchise area, by any other means available and appropriate, of the filing of the instant application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the application, this Order and the attached Notice of Public Hearing be furnished 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.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Governor of the Province of Pampanga, Mayor of the Municipality of Mabalacat, Pampanga, Angeles Electric Corporation (AEC) and the Office of the Administrator of TECO Special Economic Zone for the appropriate posting thereof on their respective bulletin boards.

ANDA is hereby directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, ANDA must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governor, Mayor and Administrator or their duly authorized representatives, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published together with the complete issue of the said newspaper, and such other proofs of compliance with the requirements of the Commission.

ANDA and all interested parties are directed 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:

- a) A summary of admitted facts and proposed stipulation of facts;
- b) The issues to be tried or resolved;
- c) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.

Failure of ANDA to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses 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 said date of cancellation.

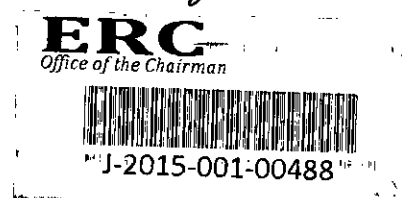
As part of the pre-trial conference, ANDA must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the application is all about and the reasons and justifications being cited in support thereof.

**SO ORDERED.**

Pasig City, September 28, 2015.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**JOSE VICENTE B. SALAZAR**  
Chairman 





**Copy Furnished:**

1. **Attys. Cecilia R. Layug, Rio Q. Balaba and Marcelino C. Arce, IV**  
**LAYUG LAW OFFICE**  
Counsel for Applicant  
Unit 2904, One San Miguel Building  
San Miguel Avenue corner Shaw Boulevard  
Ortigas Center, Pasig City, Metro Manila
  
2. **ANDA POWER CORPORATION (ANDA)**  
TECO Special Economic Zone  
Bo. Bundagul, Mabalacat, Pampanga
  
3. **NATIONAL TRANSMISSION CORPORATION (TRANSCO)**  
TRANSCO Main Building, Quezon Avenue  
corner BIR Road, Diliman, Quezon City
  
4. **NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP)**  
NGCP Building, Quezon Avenue cor. BIR Road  
Diliman, Quezon City, Metro Manila
  
5. **Office of the Solicitor General**  
134 Amorsolo Street, Legaspi Village  
Makati City, Metro Manila
  
6. **Commission on Audit**  
Commonwealth Avenue  
Quezon City, Metro Manila
  
7. **Senate Committee on Energy**  
GSIS Bldg., Roxas Blvd., Pasay City  
Metro Manila
  
8. **House Committee on Energy**  
Batasan Hills, Quirino City, Metro Manila
  
9. **Office of the President-PCCI**  
Philippine Chamber of Commerce and Industry (PCCI)  
3<sup>RD</sup> Floor ECC Building  
Sen. Gil Puyat Avenue, Makati City

- 10. Angeles Electric Corporation(AEC)**  
Don Juan D. Nepomuceno Avenue corner Teresa Avenue  
Nepo Mart Complex  
Angeles City, Pampanga
  
- 11. Office of the Municipal Mayor**  
Mabalacat, Pampanga
  
- 12. Office of the Punong Barangay**  
Barangay Bundagul, Mabalacat, Pampanga
  
- 13. Office of the Provincial Governor**  
Province of Pampanga
  
- 14. Office of the Administrator**  
TECO Special Economic Zone  
Bo. Bundagul, Mabalacat, Pampanga