

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



**IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF CAPITAL EXPENDITURE
PROJECTS FOR CALENDAR
YEAR 2015**

ERC CASE NO. 2015-153 RC

**DAVAO LIGHT AND POWER
COMPANY, INC. (DLPC),
Applicant.**

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D O C K E T E D
Date: FEB 04 2016
By: W

ORDER

On 12 August 2015, the Davao Light and Power Company, Inc. (DLPC) filed an application for the approval of its capital expenditure projects for calendar year 2015.

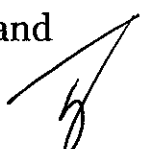
In the said application, DLPC alleged, among others, the following:

1. DLPC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Aboitiz Corporate Center, Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City. It is the grantee of a legislative franchise under Republic Act No. 8960 to operate the electric light and power distribution system in the Cities of Davao and Panabo, and in the Municipalities of Carmen, Sto. Tomas and Braulio Dujali, all in the Province of Davao del Norte (Franchise Area). DLPC may be served with orders and other processes of the Commission through its counsel;
2. In accordance with Resolution No. 26, Series of 2009 of the Commission, otherwise known as the "Amended Rules for the Approval of Regulated Entities' Capital Expenditure Projects", DLPC hereby applies for the authority of the Commission to implement the construction, ownership and

operation of the following Capital Expenditure Projects (CAPEX) which will be implemented for Calendar Year 2015, summarized and enumerated as follows:

Project Name	Project Cost (PhP)
Acquisition of Land	72,000,000
Buildings and Improvements	147,642,106
Substation Projects	99,101,650
Upgrading of Distribution Lines	373,257,089
IT Hardware and Management Tools	14,669,131
Meter Data Management	15,567,818
Mobile Apps	173,784
Project Aguila	3,495,698
Project Hyperion	7,215,000
Single Sign-On	3,120,000
WAM Phase 2 Consultancy	274,560
Residual Capex	243,210,329
TOTAL	979,727,165

3. The justifications for DLPC's CAPEX for Calendar Year 2015 are discussed in detail in Annex "A", including sub-annexes, in support of DLPC's application and containing the following:
 - a. Major Project Description and Justification;
 - b. Project Cost Estimates;
 - c. Technical Analysis;
 - d. Economic Analysis;
 - e. Project Schedule; and
 - f. DLPC Distribution Development Plan;
4. The total cost of the proposed CAPEX for Calendar Year 2015 is estimated at **PhP979,727,165.00** to be funded from long term loans to be secured by DLPC;
5. The construction, ownership and operation of the above CAPEX for RY 2014 and RY 2015 has been approved by the Board of Directors of DLPC as evidenced by the Secretary's Certificate attached to the application as Annex "B" thereof;
6. The foregoing CAPEX for Calendar Year 2015 are indispensable for the systematic and economic expansion and rehabilitation of DLPC's distribution facilities and ensuring compliance with safety, performance and



regulatory requirements. It will ultimately benefit customers in terms of continuous, reliable and efficient power supply; and

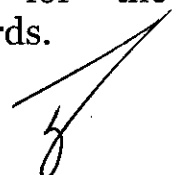
7. It prays that the Commission:
 1. Approve the Capital Expenditure Projects for Calendar Year 2015 listed in paragraph 2 of DLPC's Application; and
 2. Grant DLPC the authority to implement, construct, own and operate said Capital Expenditure Projects.

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 **March 8, 2016 (Tuesday) at eleven o'clock in the morning (11:00 A.M.) at the ERC Mindanao Field Office, Mezzanine Floor, Mintrade Building, Monteverde corner Sales Streets, Davao City**

DLPC is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, twice (2x) for two (2) successive weeks in two (2) newspapers of general circulation in the Philippines, with the date of the last publication to be made not later than ten (10) days before the date of the scheduled 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 Governors of the Provinces of Cebu and Davao del Norte and the Mayors of the Cities/Municipalities within DLPC's franchise area for the appropriate posting thereof on their respective bulletin boards.



DLPC 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.

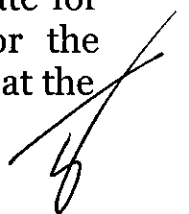
On the date of the initial hearing, DLPC must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the afore-mentioned Governors and Mayors or their duly authorized representatives, bearing the seals of their offices, and the affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing were published together with the complete issues of the said newspapers, and such other proofs of compliance with the requirements of the Commission.

DLPC 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 DLPC 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.

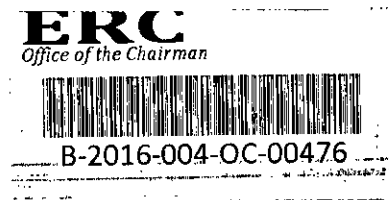
As part of the pre-trial conference, DLPC must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the



application is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, 25 January 2016.



FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSE VICENTE B. SALAZAR
Chairman

Copy Furnished:

- 1. Attys. Katrina M. Platon, Paul B. Soriño and Lew Carlo C. Lopez**
Counsels for Applicant
16th Floor, NAC Tower
32nd St., Bonifacio Global, Taguig City
- 2. Davao Light and Power Company, Inc. (DLPC)**
Aboitiz Corporate Center
Gov. Manuel A. Cuenco Avenue
Kasambagan, Cebu City
- 3. Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
- 4. Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila
- 5. Senate Committee on Energy**
GSIS bldg., Roxas Blvd., Pasay City
Metro Manila
- 6. House Committee on Energy**
Batasan Hills, Quezon City, Metro Manila
- 7. Office of the City Mayor**
Davao City, Davao del Norte
- 8. Office of the City Mayor**
Panabo City, Davao del Norte
- 9. Office of the Municipal Mayor**
Municipality of Carmen, Davao del Norte
- 10. Office of the Municipal Mayor**
Municipality of Sto. Tomas, Davao del Norte
- 11. Office of the Municipal Mayor**
Municipality of Braulio Dujali, Davao del Norte
- 12. Office of the Provincial Governor**
Province of Cebu
- 13. Office of the Provincial Governor**
Province of Davao del Norte

