

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



**IN THE MATTER OF THE  
APPLICATION FOR APPROVAL  
OF THE AMENDMENT AND  
SUPPLEMENT TO THE ENERGY  
SUPPLY AGREEMENT  
BETWEEN SURIGAO DEL SUR  
II ELECTRIC COOPERATIVE,  
INC. (SURSECO II) AND  
THERMA MARINE, INC. (TMI),  
WITH MOTION FOR  
PROVISIONAL AUTHORITY**

**ERC CASE NO. 2014-142 RC**

**SURIGAO DEL SUR II  
ELECTRIC COOPERATIVE, INC.  
(SURSECO II) AND THERMA  
MARINE, INC. (TMI),**

**Applicants.**

**X-----X**

**DOCKETED**  
Date: NOV 06 2014  
By: *[Signature]*

**ORDER**

On September 23, 2014, Surigao Del Sur II Electric Cooperative, Inc. (SURSECO II) and Therma Marine, Inc. (TMI) filed a joint application for the approval of their Amendment and Supplement to the Energy Supply Agreement, with motion for provisional authority.

In the said joint application, SURSECO II and TMI alleged, among others, the following:

1. SURSECO II is a non-stock, non-profit electric cooperative organized and existing under and by virtue of Presidential Decree No. 269, as amended, otherwise known as the National Electrification Administration Decree, with principal office address at Balilahan, Mabua, Tandag City, Surigao Del Sur. It holds an exclusive

franchise issued by the National Electrification Commission (NEC) to operate an electric light and power distribution service in Tandag City and the Municipalities of Bayabas, Cagwait, Cantilan, Carmen, Carrascal, Cortes, Lanuza, Lianga, Madrid, Marihatag, San Agustin, San Miguel and Tago, all in the Province of Surigao Del Sur (Franchise Area);

2. TMI is a generation company duly organized and existing under the laws of the Republic of the Philippines with principal office address at the Aboitiz Corporate Center, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City. Copies of its Securities and Exchange Commission (SEC) Certificate of Registration, Articles of Incorporation, General Information Sheet (GIS) and Audited Financial Statements (AFS) are attached to the joint application as Annexes "A", "B", "C" and "D", respectively.

- 2.1 TMI owns and operates the 100 MW Power Barge No. 117 (PB 117) in Nasipit, Agusan Del Norte and the 100 MW Power Barge No. 118 (PB 118) in Maco, Compostela Valley, which it acquired from the Power Sector Assets and Liabilities Management Corporation (PSALM) upon their privatization in accordance with Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001 (EPIRA); and

- 2.2 TMI is joining SURSECO II as a co-applicant in the instant joint application in order to assist it in securing approval of the terms and conditions provided in the Energy Supply Agreement (ESA) dated February 4, 2011, as amended by the Amendment to the Energy Supply Agreement dated December 31, 2012 (Amendment to the ESA) and the Supplement to Energy Supply Agreement dated March 24, 2014 (Supplement Agreement), entered into by and between SURSECO II and TMI;

**NATURE OF THE APPLICATION**

3. The instant joint application seeks approval by the Commission of the ESA, as amended by the Amendment to the ESA and the Supplement Agreement, entered into by and between SURSECO II and TMI, pursuant to Rule 20 (B) of the Commission’s Rules of Practice and Procedure (ERC Rules), and other pertinent rules and regulations as directed by the Commission in its Order dated September 30, 2013 in ERC Case No. 2011-076 RC, entitled “In the Matter of the Application for the Approval of the Energy Supply Agreement Between Surigao Del Sur II Electric Cooperative, Inc. (SURSECO II) and Therma Marine, Inc. (TMI), with SURSECO II as applicant and TMI as Intervenor.

Copies of the ESA, Amendment to the ESA and the Supplement Agreement are attached to the joint application as Annexes “E”, “F” and “G”, respectively;

**STATEMENT OF FACTS**

4. On February 4, 2011, SURSECO II entered into an ESA with TMI for the supply of 3 MW<sup>1</sup> for a term of one (1) year from Effective Date, or from September 26, 2011 to September 25, 2012 (Original Term). The ESA was approved by the Commission in a Decision dated November 19, 2012 in ERC Case No. 2011-076 RC, with the following applicable rates:

<b>Cost Component</b>	<b>Approved Rates</b>	
Capacity Fee (PhP/kW/month) <sup>2</sup>	2011	344
	2012	278
	2013	296
Fixed O&M Fee (PhP/kW/month)	239	
Energy Fee (PhP/kWh)	0.14864	
Fuel and Lube Oil Rate	Pass thru cost based on fuel	

<sup>1</sup> This was temporarily increased to 5 MW from April 2012 to June 2012

<sup>2</sup> The Commission further calculated the Capital Recovery Fee (CRF) for the years 2014 (PhP323/k/Wh/month) and 2015 (PhP305/k/Wh/month) in connection with its determination of the Capacity Fee under the ESA (Cf/Decision, page 29)

	consumption rates of 0.2210 liter/kWh or actual, whichever is lower, for Heavy Fuel Oil (HFO) and 0.00313 liter/kWh or actual, whichever is lower, for Lube Oil (LO)
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5. In accordance with the provisions of the ESA, SURSECO II and TMI agreed to a renewal of the terms and conditions of the ESA for an additional period of one (1) year or until September 25, 2013 (Renewal Term). The said renewal is the subject of a Manifestation before the Commission in the same ERC Case No. 2011-076 RC;
  
6. On December 31, 2012, SURSECO II and TMI executed an Amendment to the ESA extending the term of the ESA for an additional period of three (3) years from the expiration of the Renewal Term (Additional Term).
  - 6.1 On June 13, 2013, SURSECO II and TMI filed a "Joint Manifestation with Motion" (Joint Manifestation) in ERC Case No. 2011-076 RC seeking approval to implement the Amendment to the ESA. However, in an Order dated September 30, 2013, the Commission denied the Joint Manifestation stating that the Amendment to the ESA needs to be the subject of another application; and
  
  - 6.2 In a "Joint Manifestation (On the Order dated September 30, 2013)" dated October 16, 2013, SURSECO II and TMI expressed their willingness to file the application for the approval of the Amendment to the ESA;
  
7. On March 24, 2014, SURSECO II and TMI executed the Supplement Agreement stipulating that the rights and obligations of the Parties during the Additional Term shall be under the same terms and conditions of the ESA, subject to the following:

**SALIENT PROVISIONS OF THE ESA AS AMENDED BY THE  
AMENDMENT TO THE ESA AND SUPPLEMENT AGREEMENT**

8. **Additional Term.** The Amendment to the ESA provides that the ESA shall remain in force for an additional period of three (3) years from the expiration of the Renewal Term. The Amendment to the ESA further provides that it may be terminated effective on the date of commercial operation of the coal-fired power plant of Therma South, Inc. (TSI) or, if commercial operation of the said power plant has not yet occurred by the end of the Additional Term, the ESA shall be automatically renewed on a year-to-year basis, unless earlier terminated in accordance with the provisions of the ESA. Upon expiration of the Additional Term, and any extension thereof, the Parties may agree to further extend the term of the Agreement and/or revise the Billing Capacity and/or make such other modifications on the terms and conditions of the Agreement as may be agreed upon by the Parties;

8. **Electricity Fees.** Beginning on the expiration of the Renewal Term, the Electricity Fees shall be computed based on the following values:

		2013	2014	2015	2016	2017	2018
<b>CF</b>	PhP/kW/mo	296	323	305	287	268	250
<b>FOM</b>	PhP/kW/mo	239	314	314	314	314	314
<b>EF</b>	PhP/kWh	0.14864	0.15245	0.15245	0.15245	0.15245	0.15245
<b>HFCR</b>	L/kWh	0.23580	0.23580	0.23580	0.23580	0.23580	0.23580
<b>LOCR</b>	L/kWh	0.00240	0.00240	0.00240	0.00240	0.00240	0.00240

8.1 The formula for FC in Item 2 (Contract Energy Fee Per Month) of Schedule III (Contract Energy Fee) of the ESA shall be deemed amended to read as follows<sup>3</sup>:

$$FC = [CF + (FOM)(IF_f)] BC + \left[ \left( \frac{INS}{12} \right) \left( \frac{BC}{TotalBC} \right) \right]$$

$$INS = INS_y - INS_1$$

<sup>3</sup> Supplement Agreement, Clause 2

Where:

INS<sub>y</sub> = Actual insurance cost for the two barges for the current year

INS<sub>1</sub> = PhP43,035,782.00 for the two barges, representing insurance cost included in the FOM

The CF and FOM for 2013 to 2015 and the EF for 2013 are based on the Decision of the Commission dated November 19, 2012 in ERC Case No. 2011-064 RC while the HFCR and LOCR for 2013 to 2015 are based on the Decisions of even date in ERC Case Nos. 2012-057 RC<sup>4</sup>, 2012-060 RC<sup>5</sup>, 2012-058 RC<sup>6</sup>, 2012-045 RC<sup>7</sup>, 2012-063 RC<sup>8</sup>, 2012-086 RC<sup>9</sup>, 2012-039 RC<sup>10</sup>, 2011-126 RC<sup>11</sup>, 2011-114 RC<sup>12</sup> and 2011-087 RC<sup>13</sup>;

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<sup>4</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Bukidnon Second Electric Cooperative, Inc. (BUSECO) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, BUSECO - Applicant

<sup>5</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Camiguin Electric Cooperative, Inc. (CAMELCO) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, CAMELCO - Applicant

<sup>6</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Cotabato Electric Cooperative, Inc. (COTELCO) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, COTELCO - Applicant

<sup>7</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Misamis Occidental I Electric Cooperative, Inc. (MOELCI I) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, MOELCI I - Applicant

<sup>8</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Misamis Occidental II Electric Cooperative, Inc. (MOELCI II) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, MOELCI II - Applicant

<sup>9</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Sultan Kudarat Electric Cooperative, Inc. (SUKELCO) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, SUKELCO - Applicant

<sup>10</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, ZAMCELCO - Applicant

<sup>11</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Zamboanga Del Sur II Electric Cooperative, Inc. (ZAMSURECO II) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, ZAMSURECO II - Applicant

<sup>12</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Zamboanga Del Sur I Electric Cooperative, Inc. (ZAMSURECO I) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, ZAMSURECO I - Applicant

<sup>13</sup> In the Matter of the Application for Approval of the Energy Supply Agreement (ESA) Between Zamboanga Del Norte Electric Cooperative, Inc. (ZANECO) and Therma Marine, Inc. (TMI), With Prayer for Provisional Authority, ZANECO - Applicant

8.2 Hence, the formula for Contract Energy Fee per Month as provided in the ESA shall be<sup>14</sup>:

$$CEF = FC + VC$$

$$FC = [CF + (FOM)(IF_f)] BC + \left[ \left( \frac{INS}{12} \right) \left( \frac{BC}{TotalBC} \right) \right]$$

$$VC = [(EF)(IF_v) + FLR] ED_m$$

For calendar month  $m = 1, 2, \dots, 12$

Where:

- CEF = Contract Energy Fee in PhP
- EF = Energy Fee (Before Adding the Applicable VAT) for the Billing Period in PhP/kWh
- FC = Fixed Charge per Month in Pesos
- VC = Variable Charge per Month in Pesos
- CF = Capacity Fee in PhP/kW/month for the Current Contract Year
- FOM = Fixed O&M Fee in PhP/kW/month
- IF<sub>f</sub> = Inflation Factor for Fixed O&M Fee
- BC = Billing Capacity in kW or 3,000 kW
- INS =  $INS_y - INS_1$

Where:

$INS_y$  = Actual Insurance Cost for the Two Barges for the Current Year

$INS_1$  = PhP43,035,782.00 for the Two Barges, Representing Insurance Cost Included in the FOM

IF<sub>v</sub> = Inflation Factor for Energy Fee

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<sup>14</sup> ESA, Schedule III, Item 2, as amended by the Clause 2 of the Supplement Agreement

Total BC = Total Billing Capacity for All Energy Supply Agreements Entered into by Supplier which have achieved effectivity date and for the duration of such effectivity, as such terms and conditions are defined under the respective Energy Supply Agreements

FLR = Fuel Oil, Lube Oil and Related Fuel Rate in PhP/kWh

ED<sub>m</sub> = The Sum of the Hourly Volumes of Contract Energy as found in the Schedule of Contract Energy (or as revised by the Parties or by MSO/MSO RCC) for the Billing Period primarily associated with calendar month *m* (for example December 26-January 25 is associated with January) (and adjusted for transmission losses, if any, imputed by the transmission service provider if measured at a meter other than the Generator Metering Point), in kWh

The Fixed Charge (FC) shall be proportionately adjusted if :

- a. The Contract Energy Delivery days in a Billing Period are less the total number of days in the Billing Period (to adjust to first and last Billing Periods of the ESA); and
- b. The non-delivery days (or fraction thereof) in any Billing Period caused by Allowed Downtime described under Section 8 of the ESA.

8.3 Finally, the base indices in Item 3 (Inflation Factor) of Schedule III (Contract Energy Fee) of the ESA shall be deemed to read as follows<sup>15</sup>:

PCPI<sub>b</sub> = Philippine CPI of 126.4 as of June 2011

UCPI<sub>b</sub> = US CPI of 225.722 as of June 2011

ECPI<sub>b</sub> = EURO CPI of 113.10 as of June 2011

JCPI<sub>b</sub> = Japan CPI of 99.9 as of June 2011

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<sup>15</sup> Supplement Agreement, Clause 3



9. **Billing Capacity.** In the event that TMI is required to reduce its installed capacity in order to remain compliant with Section 45 of the EPIRA, TMI shall have the right to reduce the Billing Capacity of SURSECO II to the extent of the reduction required under Section 45 of the EPIRA, provided that, the reduction in the Billing Capacity of SURSECO II shall not exceed its pro rata share in the total Billing Capacity of TMI in relation with other offtakers of TMI<sup>16</sup>;
10. **Contract Energy.** Under the ESA, TMI shall make available, on a monthly basis, the capacity of 3 MW, to be delivered in accordance with the Schedule of Contract Energy of the ESA;
11. **Additional Energy.** TMI may, at its option, make available to SURSECO II such energy in excess of the contracted energy for which it shall be liable to pay the Additional Energy Fee consisting of variable and fixed charges pro-rated for the hours of delivery of the Additional Energy, subject to annual adjustments. The same formula for the Additional Energy Fee Rate under the ESA shall continue to be in effect;
12. **Load Curtailment Adjustment.** For Contract Energy subject of load curtailment, SURSECO II shall pay the Load Curtailment Adjustment in lieu of the Capacity Fee component of the electricity fees. The same formula for the Load Curtailment Adjustment Rate under the ESA shall continue to be in effect;
13. **Replacement Energy.** TMI has the option but not the obligation to source replacement or alternative supply from its own back-up facility and/or any third party to supply all or part of the Contract Energy (and Additional Energy, if applicable);
14. **Security Deposit.** Before the commencement of the second (2<sup>nd</sup>) Contract Year and every Contract Year

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<sup>16</sup> Supplement Agreement, Clause 9

thereafter, SURSECO II shall provide TMI a Renewal Security Deposit in the form of a Standby Letter of Credit in an amount equivalent to the estimated average one month Invoice projected for the next twelve (12) months as agreed by TMI and SURSECO II or, in case of disagreement, in an amount equal to the highest Invoice issued by TMI to SURSECO II in the twelve (12) months immediately preceding such Renewal Term<sup>17</sup>;

15. **Application Costs.** The Supplemental Agreement provides that SURSECO II shall bear the costs of all filing fees, costs of publication, legal fees and similar costs arising from the preparation and filing of the instant joint application;
  
16. The extension of the Contract Term under the Amendment to the ESA and Supplement Agreement and the implementation thereof will redound to the benefit of SURSECO II's consumers which may otherwise be forced to bear the cost of 3 MW purchased from the Interim Mindanao Electricity Market (IMEM). In undertaking the extension of the ESA under the Amendment to the ESA, SURSECO II seeks to comply with its obligation of providing stable and continuous power supply, pursuant to the Department Circular No. DC 2012-03-004 dated March 19, 2012 of the Department of Energy (DOE);

### SUBMISSIONS

17. In support of the instant application and in compliance with Rule 20 (B) of the ERC Rules of Practice and Procedure, it submits the following additional documents:
  - a. Board of Investments (BOI) Certificate of Registration of TMI (Annex "H" of the joint application);
  
  - b. Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural

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<sup>17</sup> ESA, Clause 6.1.2, as amended by Clause 4 of the Supplemental Agreement.

- Resources (DENR) to TMI (Annex "I" of the joint application);
- c. Certification dated March 18, 2014 issued by the National Grid Corporation of the Philippines (NGCP) (Annex "J" of the joint application);
  - d. Certificate of Compliance (COC) issued by the Energy Regulatory Commission (ERC) to TMI (Annex "K" of the joint application);
  - e. Relevant Technical and Economic Characteristics of TMI's Power Barges (Annex "L" of the joint application);
  - f. Sources of Funds/Financial Plans (Annex "M" of the joint application);
  - g. Purchased Power Rate (Annex "N" of the joint application);
  - h. Cash Flow (Annex "O" of the joint application);
  - i. Fuel Procurement Process of TMI (Annex "P" of the joint application);
  - j. Soft copy of the Financial Model (Annex "Q" of the joint application);
  - k. Transmission Service Agreement (TSA) executed between SURSECO II and NGCP (Annex "R" of the joint application);
  - l. Certification from PSALM of the insufficiency of its supply to meet SURSECO II's requirements (Annex "S" of the joint application);
  - m. SURSECO II's Distribution Development Plan (DDP) (Annex "T" of the joint application); and
  - n. Procurement Process of SURSECO II (Annex "U" of the joint application);
18. In further compliance with the requirements of the Commission, they considered several scenarios for the

procurement of its energy requirements. The Rate Impact Simulation based on the said scenarios is attached to the joint application as Annex "V" and may be summarized as follows:

Year	Scenario Without TMI* (PhP/kWh)	Scenario With TMI (PhP/kWh)	Increase/ (Decrease) (PhP/kWh)
2014	15.2883	4.836	(10.452)
2015	11.0579	5.181	(5.876)
2016	11.0579	5.175	(5.883)

\*Assumes that, without TMI, SURSECO II may purchase the 3 MW deficit from the IMEM

### MOTIONS FOR PROVISIONAL AUTHORITY AND NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

19. They move for the issuance of a provisional approval of the ESA, as amended by the Amendment to the ESA and Supplement Agreement, pending trial on the merits thereof, upon the following reasons:
  - a. **Mindanao Power Crisis.** The power shortage in Mindanao has remained a critical problem for SURSECO II which continues to suffer rotating brownouts in the grid. A bilateral agreement, such as the Amendment to the ESA and Supplement Agreement, will significantly aid SURSECO II in minimizing or even eliminating the rotating brownouts in its franchise area which has had a debilitating impact upon the local economy;
  - b. **Insufficiency of NPC/PSALM Supply.** The reduction of the NPC/PSALM CSEE capacity from SURSECO II's portfolio renders imperative a bilateral supply contract to answer for the equivalent capacity, lest SURSECO II be compelled to resort to the unpredictable and expectedly higher prices in the IMEM or worse, be curtailed for insufficient contracted capacity; and
  - c. **Continuing Demand Growth.** As illustrated in its DDP, SURSECO II is expecting a growth in the total

demand of its end-users so that, coupled with reduction of the NPC/PSALM capacity, there is a wide supply gap that urgently needs to be filled. Without the Supplement Agreement, SURSECO II will be incapable of satisfying the electricity requirements of its end-users who must be forced to suffer brownouts resulting from its curtailment;

20. Considering the foregoing, they request the Commission for the provisional approval of the ESA, as amended by the Amendment to the ESA and the Supplement Agreement to enable SURSECO II to draw under the said agreement. This will avoid the power interruptions which have caused irreversible losses upon economic productivity within its franchise area. The Affidavit in support of the prayer for the issuance of Provisional Authority is attached to the joint application as Annex "W";
21. Under Section 13 of the ESA, each Party undertook to keep in strict confidence and not to disclose to any third party any and all Confidential Information of the other Party;
22. Under Rule 4 of the 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. Pursuant to its undertaking, SURSECO II and TMI move that Annexes "D", "M", "N", "O", "P" and "Q" not be disclosed and be treated as confidential documents in accordance with Rule 4 of the ERC Rules and accordingly, not be disclosed to persons other than the officers and staff of the Commission, as necessary. These documents contain certain non-public information, data and calculations involving business operations and financial trade secrets reflecting TMI's investment and business calculations;
23. They submitted one (1) copy of Annexes "D", "M", "N", "O", "P" and "Q" in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential"; and

24. They pray that the Commission:
- a. Issue an Order treating Annexes "D", "M", "N", "O", "P" and "Q" and the information contained therein as confidential, directing their non-disclosure to persons other than the officers and staff of the Commission, pursuant to Rule 4 of the ERC Rules, and prescribing the guidelines for the protection thereof;
  - b. Pending trial on the merits, provisionally approve the ESA, as amended by the Amendment to the ESA and the Supplement Agreement, effective September 26, 2013; and
  - c. After trial on the merits, approve with finality the ESA, as amended by the Amendment to the ESA and Supplement Agreement, including the rates, Security Deposit and Application Costs which shall be for the account of SURSECO II.

Finding the said joint application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for jurisdictional hearing, pre-trial conference, expository presentation and evidentiary hearing on **December 3, 2014 (Wednesday) at nine o' clock in the morning (9:00 A.M.) at SURSECO II's Principal Office, Balilahan, Mabua, Tandag City, Surigao Del Sur.**

SURSECO II and TMI are hereby directed to cause the publication of the attached Notice of Public Hearing, at their 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. They are also directed to inform the consumers within SURSECO II's franchise area, by any other means available and appropriate, of the filing of the instant joint application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the joint 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 Office of the Governor of the Province of Surigao Del Sur and the Mayors of the City and the Municipalities within the franchise area of SURSECO II for appropriate posting thereof on their respective bulletin boards.

SURSECO II and TMI are hereby directed to furnish all those making requests therefor with copies of the joint application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, SURSECO II and TMI must submit to the Commission their 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 aforementioned Governor, 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.

SURSECO II, TMI and all other 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 thereof and proposed markings therefor; 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 SURSECO II and TMI to submit the required Pre-Trial Brief and Judicial Affidavits of their 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, SURSECO II and TMI must also be prepared to make an expository presentation of their joint 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 joint application is all about and the reasons and justifications being cited in support thereof.

**SO ORDERED.**

Pasig City, November 3, 2014.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**ZENAIDA G. CRUZ-DUCUT**  
Chairperson *per*

  
MVA/INJS



Copy Furnished:

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6. House Committee on Energy  
Batasan Hills, Quezon City, Metro Manila
7. Office of the Provincial Governor  
Province of Surigao Del Sur
8. Office of the City Mayor  
Tandag City, Surigao Del Sur
9. Office of the Municipal Mayor  
Bayabas, Surigao Del Sur
10. Office of the City Mayor  
Cagwait, Surigao Del Sur
11. Office of the Municipal Mayor  
Cantilan, Surigao Del Sur
12. Office of the Municipal Mayor  
Carmen, Surigao Del Sur

13. Office of the Municipal Mayor  
Carrascal, Surigao Del Sur
14. Office of the Municipal Mayor  
Cortes, Surigao Del Sur
15. Office of the Municipal Mayor  
Lanuza, Surigao Del Sur
16. Office of the Municipal Mayor  
Liang, Surigao Del Sur
17. Office of the Municipal Mayor  
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18. Office of the Municipal Mayor  
Marihatag, Surigao Del Sur
19. Office of the Municipal Mayor  
San Agustin, Surigao Del Sur
20. Office of the Municipal Mayor  
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