

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



**IN THE MATTER OF THE  
APPLICATION FOR  
APPROVAL OF LEASE  
CONTRACTS PURSUANT TO  
ERC RESOLUTION NO. 18,  
SERIES OF 2010**

**ERC CASE NO. 2010-081 MC**

**IFUGAO ELECTRIC  
COOPERATIVE, INC.  
(IFELCO),**

***Applicant.***

X-----X

**Promulgated:**

June 29, 2021

**NOTICE OF VIRTUAL HEARING**

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 15 December 2010, Ifugao Electric Cooperative, Inc. (IFELCO), filed an *Application* dated 06 December 2010 (Application), seeking the Commission's approval of its authority to enter into lease contracts pursuant to the Commission-issued ERC Resolution No. 18, Series of 2010.

The pertinent allegations of the *Application* are hereunder quoted as follows:

1. IFELCO is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Poblacion East, Lagawe, Ifugao where it may be served with summons and other legal processes, represented in this instance by its General Manager, ENGR. JAIME PE BENITO, JR., per MSEC Resolution attached hereto and made integral part hereof as Annex "A";
2. Herein applicant is the exclusive franchise holder issued by the National Electrification Commission (NEC) to operate an electric light and power services in the cities/municipalities namely Aguinaldo, Asipulo, Alfonso Lista, Banaue, Hingyon,

**ERC CASE NO. 2010-081 MC**  
**NOTICE OF VIRTUAL HEARING/ 22 June 2021**  
**PAGE 2 OF 6**

---

Hungduan, Kiangan, Lagawe, Lamut, Mayoyao and Tinoc of the Province of Ifugao;

3. The Honorable Commission issued Resolution No. 18, Series of 2010, adopting the rules to govern the submission, evaluation and approval of lease of property by distribution utilities and the corresponding guidelines to govern the submission, evaluation and approval of lease of property by distribution utilities;
4. Article II (Applications and Requirements) of the abovementioned Guidelines requires DUs to file applications with the ERC for authority to lease Regulatory Asset Base (RAB) Properties, submitting therewith the Standard Lease Contract that will govern the transactions between the DU as lessor, and the prospective lessee specifying the standards of the DU which the lessee must comply with, the description of the properties to be leased, and the corresponding Board Resolution/Secretary's Certificate approving the lease and the filing of the application;
5. On the other hand, Article III (Transitory Provisions) of the same Guidelines provides that all contracts of the lease on RAB and non-RAB properties executed prior to the effectivity of the guidelines which have not been covered by any application filed before the ERC shall be submitted to the ERC for approval within three (3) months from the effectivity of the guidelines.
6. As of present date, there is no new person or entity that has manifested intent to lease any of IFELCO's RAB or non-RAB properties. However, IFELCO has existing lease contracts with third parties involving its RAB properties, as follows:

**A. POLE RENTAL LEASES**

|   | LESSEE                     | Area Covered    |
|---|----------------------------|-----------------|
| 1 | LMDC CAT-V                 | Lagawe, Ifugao  |
| 2 | UPLAND CABLE CAT-V         | Kiangan, Ifugao |
| 3 | UPLAND CABLE CAT-V         | Lamut, Ifugao   |
| 4 | TAM-AN MULTI PURPOSE CAT-V | Banaue, Ifugao  |
| 5 | DIGITEL                    | Banaue, Ifugao  |
| 6 | DIGITEL                    | Lamut, Ifugao   |
| 7 | INNOVE COMM., INC (GLOBE)  | Banaue, Ifugao  |
| 8 | INNOVE COMM., INC (GLOBE)  | Lagawe, Ifugao  |

Copies of the corresponding Joint Use of Poles Contracts and Contracts for Exclusive Use of Transformer covering the above are attached and made integral parts here of as **Annexes \_\_\_\_ to \_\_\_\_**, respectively;

7. In compliance with the foregoing Resolution No. 18, Series of 2010, and the Guidelines to Govern the Submission,

Evaluation and Approval of Lease of Property by Distribution Utilities, IFELCO is hereby submitting the above lease agreements for the approval of the Honorable Commission;

8. IFELCO further undertakes to file similar applications in the future for approval of corresponding standard lease contracts should any persons or entities offer to lease any of its RAB properties;
9. The terms and conditions of the subject lease agreements are legal, valid, just and reasonable, and would merit the approval of the Honorable Commission.

**PRAYER**

**WHEREFORE**, foregoing premises considered, it is most respectfully prayed of this Honorable Commission that the subject lease contracts be approved accordingly.

Other reliefs, just and equitable in the premises are likewise prayed for.

On 30 June 2011, the Commission issued an *Order* dated 21 June 2011, wherein it ruled that the *Application* is compliant with the Commission-issued Resolution No. 18, Series of 2010 and Resolution No. 25, Series of 2010.

On 24 September 2012, the Commission issued another *Order* dated 17 September 2012, wherein it directed Applicant to submit the summary of its annual income derived from the submitted Lease Contracts for Calendar Years (CYs) 2008 to 2011, within fifteen (15) days upon receipt thereof.

In compliance to the *Order* of the Commission dated 17 September 2012, on 08 October 2012, Applicant filed a *Submission of Annual Income* dated 05 October 2012, with attached documents.

On 01 April 2013, the Commission issued another *Order* dated 14 March 2013, directing Applicant to submit a written explanation on the discrepancies found in the submitted *Submission of Annual Income*, within fifteen (15) days upon receipt of the said *Order*.

However, IFELCO failed to submit the said directives of the Commission. Hence, another *Order* dated 25 September 2013 was issued by the Commission reiterating the directives contained in the *Order* dated 14 March 2013.

Consequently, on 10 October 2013, Applicant filed a *Compliance (with Order dated September 25, 2013)* dated 09 October 2013, with attached documents.

On 03 November 2020, the Commission issued another *Order* dated 05 October 2020 wherein it directed the Applicant to submit a status update of the instant *Application*, within ten (10) days upon receipt of the said *Order*.

In compliance therewith, Applicant filed its *Manifestation (Re: Order dated 06 October 2020)* dated 13 November 2020.

The Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup> dated 24 September 2020:

| <b>Date and Time</b>   | <b>Platform</b> | <b>Activity</b>  |
|--|-----------------|--|
| <b>05 August 2021<br/>(Thursday)</b><br>at nine o'clock in the morning (9:00 A.M.) | Microsoft Teams | Determination of compliance with jurisdictional requirements and Expository presentation |
| <b>12 August 2021<br/>(Thursday)</b><br>at nine o'clock in the morning (9:00 A.M.) | Microsoft Teams | Pre-trial Conference and presentation of evidence  |

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

---

<sup>1</sup> Entitled: *A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.*

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The


**ERC CASE NO. 2010-081 MC**  
**NOTICE OF VIRTUAL HEARING/ 22 June 2021**  
**PAGE 6 OF 6**

---

Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 22<sup>nd</sup> day of June 2021 in Pasig City.

  
**AGNES YST DEVANADERA**  
*Chairperson and CEO*

  
LS: BJVG/MCCG

