

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. 2010-074 MC

**LANAO DEL NORTE
ELECTRIC COOPERATIVE,
INC. (LANECO),**

Applicant.

X-----X

Promulgated:

June 29, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 30 November 2010, Lanao del Norte Electric Cooperative, Inc. (LANECO) filed an *Application* dated 22 November 2010 (Application), seeking the Commission's approval of its lease contracts pursuant to the Commission-issued Resolution No. 18, Series of 2010.

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

1. LANEKO 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 Sagadan, Tubod, Lanao del Norte, where it may be served with summons and other legal processes, represented in this instance by its General Manager, Engr. Resnol C. Torres, per Board Resolution hereto attached and made integral part hereof as Annex A;
2. Applicant is the exclusive franchise holder issued by the National Electrification Commission (NEC) to operate electric light and power distribution services in all the municipalities of the Province of Lanao del Norte, namely Bacolod, Baroy, Kapatagan, Kauswagan, Kolambugan, Lala, Linamon, Maigo,

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Magsaysay, Matungao, Munai, Salvador, Sapad, Tankal, Tubod and Sultan Naga Dimaporo;

3. On July 18, 2010, this 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. Likewise, pursuant thereto, the Honorable Commission adopted 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 LANECO's RAB or non-RAB properties. However, LANECO has existing lease contracts with third parties involving its RAB properties, as follows:

| RAB PROPERTY | LESSEE | TERM OF CONTRACT |
|---|---|---|
| All poles to be jointly used by the contracting parties | Joel G. Buhisan | One (1) year starting September 17, 2001 with automatic yearly renewal unless sooner terminated |
| All poles to be jointly used by the contracting parties | Sapad Cablevision, Inc. | One (1) year starting July 13, 1999 with automatic yearly renewal unless sooner terminated |
| All poles to be jointly used by the contracting parties | Phil. Science High School | One (1) year starting 2007 with automatic yearly renewal unless sooner terminated |
| All poles to be jointly used by the contracting parties | Telecommunication Management and Services, Inc. | One (1) year starting September 2, 1992 with automatic yearly renewal unless sooner terminated |

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| | | |
|---|---------------------------------|---|
| All poles to be jointly used by the contracting parties | Green Valley Cable Vision, Inc. | One (1) year starting January 15, 1995 with automatic yearly renewal unless sooner terminated |
| All poles to be jointly used by the contracting parties | Maranao Telephone Company | One (1) year starting October 12, 1998 with automatic yearly renewal unless sooner terminated |

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 B to G, 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, LANECO is hereby submitting the above Joint Pole Agreements and Lease Contracts for the approval of the Honorable Commission;
8. LANECO further undertakes to file similar applications in the future for approval of the 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 Joint Pole Agreements and 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* was compliant with the Commission-issued Resolution No. 18, Series of 2010 and Resolution No. 25, Series of 2010.

On 03 November 2020, the Commission issued another *Order* dated 06 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*.

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Consequently, on 15 November 2020, 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 2020¹ dated 24 September 2020:

| Date and Time | Platform | Activity |
|--|-----------------|---|
| 04 August 2021 (Wednesday) at two o'clock in the afternoon (2:00 P.M.) | Microsoft Teams | Determination of compliance with jurisdictional requirements and Expository presentation |
| 11 August 2021 (Wednesday) at two o'clock in the afternoon (2:00 P.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, copy furnish the Legal Service through 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.

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, copy furnish the Legal Service through 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

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

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, copy furnish the Legal Service through 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.

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Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The 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 **CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 2nd day of June 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO


LS: BJV/MCCG

