

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF ITS CAPITAL
EXPENDITURE PROGRAM
FOR REGULATORY YEAR
(RY) 2020**

ERC CASE NO. 2019-091 RC

**ANGELES ELECTRIC
CORPORATION (AEC),
Applicant.**
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Promulgated:
JAN 08 2020

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 13 December 2019, the Angeles Electric Corporation (AEC) filed an *Application* dated 26 November 2019 seeking the Commission's approval of its Capital Expenditure (CAPEX) Program for Regulatory Year 2020.

In the said *Application*, AEC alleged the following, among others:

1. Applicant AEC is a Distribution Utility (DU) duly organized and existing under Philippine law, with principal office address at Don Juan Nepomuceno corner Doña Teresa Street, Nepo Mart Complex, Angeles City; franchised under Republic Act No. 9381 to distribute electricity in Angeles City, Pampanga; represented here by its President, Geromin T. Nepomuceno.
2. AEC belongs to the Fourth Entry Group under the Rules for Setting Distribution Wheeling Rates (RDWR). AEC entered the RDWR during the Second Regulatory Period (2nd RP) from October 1, 2011 to September 30, 2015.
3. AEC was supposed to enter into its 3rd RP from October 1, 2015 to September 30, 2019 but the Commission suspended

the implementation of the RDWR. Thus, AEC was prevented from filing its Regulatory Reset Application for the 3rd RP.

4. Ordinarily, AEC's Capital Expenditure (CAPEX) Program is incorporated as part of its Regulatory Reset Application. Considering the suspension of the RDWR, AEC was likewise prevented from filing its CAPEX Program for the 3rd RP.
5. To enable AEC to continue providing a safe, adequate, continuous and reliable service, AEC is applying for approval the following CAPEX program for the Regulatory Year (RY) 2020:

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ERC CASE NO. 2019-091 RC
NOTICE OF PUBLIC HEARING/20 DECEMBER 2019
PAGE 3 OF 6

Network Projects

	Project Code	Title	Type	Project Cost		
				2020	2021	2022
A.1	2020SS0100	69 kV Manuali Switching Substation	Capacity	55,812,220.00	103,895,000.00	116,119,600.00
A.2	2020RC0100	Reconductoring of 13.8 kV Backbone Feeder Lines	Capacity	9,798,532.51		
Sub-Total				65,610,752.51	103,895,000.00	116,119,600.00

Other Network Projects

B.1	2020DT0100	Procurement of Pole-Mounted Distribution Transformers	Capacity	24,088,283.98		
B.2	2020LA0200	Procurement of Overhead Conductors and Devices	Capacity	25,626,605.55		
B.3	2020LA0100	Procurement of Poles, Towers and Fixtures	Capacity	22,258,631.01		
B.4	2020ME0100	Purchase of Kilowatt hour Meters and its accessories (c.g. instrument transformers) for load growth, for reserve as replacement for defective meters & replacement of old single phase meter	Capacity	28,840,570.98	15,162,200.00	
Sub-Total				100,814,091.52	15,162,200.00	0.00

Non-Network Projects

C.1	2020IT0100	Procurement of Information Technology Equipment	Non-Network	6,528,739.00		
C.2	2020SC0100	Provision of SCADA Backup Control Center at Pampang Substation	Non-Network	3,909,000.00		
C.3	2020SS0200	Procurement of Substation Testing Equipment	Non-Network	4,829,579.00		
C.4	2020BS0100	Office Structures and Improvements	Non-Network	2,543,050.14		
Sub-Total				17,810,368.14	0.00	0.00

Grand Total	419,412,012.17
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6. AEC will source funds from its Depreciation Fund and its retained earnings to finance its proposed CAPEX Program for RY 2020.

ERC CASE NO. 2019-091 RC
NOTICE OF PUBLIC HEARING/20 DECEMBER 2019
PAGE 4 OF 6

7. AEC submits the content of application prepared in accordance with ERC templates and the following documents in support of this application:

Annex	Description
A.1.1	Economic Analysis
A.1.2	Forecasted Reliability Indices for Alternative Project 2
A.1.3	Gantt Chart Schedules
A.1.4	O&M Simulations
A.2.1	Technical Analysis
A.2.2	Economic Analysis
A.2.3	Reliability Indices Simulations
A.2.4	Gantt Chart
B.1.1	Technical and Economic Analysis
B.2.1	AVIDA ALDEA Grove Estates and DCCD
C.1.1	Quotation for Additional Server
C.1.2	Quotation for Firewall
C.1.3	Quotation for Digital Printer
C.2.1	Quotation – SCADA Project
C.3.1	Quotation – Substation Testing Equipment
C.4.1	Quotation – Facilities Renovation, Ortigas Office
C.4.2	Quotation – Air-Conditioning Units
C.4.3	Quotation – Chairs
C.4.4	Quotation – CS Manager’s Office

8. The Judicial Affidavit of Engr. Allan M. Santillan, AEC Planning and Regulatory Affairs Engineer is also attached in support of this application.

PRAYER

WHEREFORE, AEC respectfully prays for the approval of its proposed Capital Expenditure Program for Regulatory Year 2020 with the estimated total project cost of **Php 419,412,012.17**.

AEC also prays for such other relief or remedy as may be just and equitable under the circumstances.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on **13 February 2020 (Thursday) at ten o’clock in the morning (10:00 A.M.) at AEC’s Principal Office at Don Juan Nepomuceno corner Doña Teresa Street, Nepo Mart Complex, Angeles City.**

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006

ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and 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.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 ERC 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 and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

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WITNESS, the Honorable Chairperson and CEO **AGNES VST DEVANADERA**, and the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, and **PAUL CHRISTIAN M. CERVANTES**, Energy Regulatory Commission, this 20th day of December 2019 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal

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LS: RCP/LSP/GTO 