

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



IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF THE POWER SUPPLY
AGREEMENT (PSA) BETWEEN
VISAYAN ELECTRIC
COMPANY, INCORPORATED
(VECO) AND THERMA
VISAYAS, INCORPORATED
(TVI)

ERC CASE NO.2015-006 RC

VISAYAN ELECTRIC
COMPANY, INCORPORATED
(VECO) AND THERMA
VISAYAS, INCORPORATED
(TVI),

Applicants.

x ----- x

DOCKETED
Date: FEB 10 2015
By: *[Signature]*

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on January 14, 2015, Visayan Electric Company, Incorporated (VECO) and Therma Visayas, Incorporated (TVI) filed an application for approval of their Power Supply Agreement (PSA).

In the said application, VECO and TVI alleged, among others, that:

The Applicants

1. VECO 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 J. Panis Street, Banilad, Cebu City. It is a duly authorized distribution utility of the electric light and power

distribution service in the Municipalities of San Fernando, Minglanilla, Consolacion and Lilo-an and the Cities of Naga, Talisay, Cebu and Mandaue, all in the Province of Cebu, (Franchise Area) pursuant to its franchise under Republic Act No. 9339;

2. TVI is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Aboitiz Corporate Center, Gov. Cuenco Ave., Kasambangan Cebu City. It is joining VECO as co-applicant in this case in order to assist the latter in securing approval of the terms and conditions of the PSA entered into by and between them on September 1, 2014;

Statement of Facts

3. VECO anticipates that by 2018, the demand of customers covered under its Franchise Area will grow to as much as 550 MW. This is from the projection that the growth of demand is rapidly rising at an average of five percent (5%) or approximately 50 MW per year;
4. This stems from the forecasted hike in the number of household customers, the expansion of existing businesses in the covered Franchise Area and entry of new industrial customers;
5. With the imminent expiration of several PSAs presently supplying the electricity requirements in the Franchise Area, VECO will be left with a deficiency in its generation requirements, to the detriment of its customers;
6. Considering the foregoing, VECO, exercising due diligence and foresight, to cover the rising demand, has been evaluating its supply options in the near future. In its selection process, it took into account the supply availability, price and capability to match its load requirements. In so doing, it entered into negotiations with TVI which is currently constructing a 2 x 150 MW (net) circulating fluidized bed (CFB) coal-fired plant in Sitio Looc, Barangay Bato, Toledo City, Cebu (the Plant) which is expected to come online in 2017;

7. On September 1, 2014, negotiations between them culminated into the execution of the PSA for the supply of 150 MW for a period of fifteen (15) years. VECO took into account the size, term and cost of the capacity offered by TVI such that it is ensured of the security, reliability and affordability of the supply of its electricity requirements during the term of the PSA;

8. Currently, VECO has faced some difficulty meeting the supply deficit expected to result very soon (on December 25, 2014) from the expiration of its Contract for Supply of Electric Energy (CSEE) with the National Power Corporation. It has had to solicit from, and negotiate with, multiple suppliers, including from Luzon, if only to address the supply following December 25, 2014. However, notwithstanding that it has entered into several contracts with suppliers for the gap resulting from the expiration of the CSEE, these contracts do not address the capacity needed before 2018 when demand in the Franchise Area is expected to have grown. Hence, by entering into the PSA as early as now, it ensures that the electricity requirements of the Franchise Area are timely met by the end of 2017;

Terms of the PSA

9. **Salient Terms.** The PSA contains the following salient terms and conditions:
 - 9.1. **Term.** The PSA has a term commencing from the date of its execution until fifteen (15) years after Operations Effective Date which is the date when the obligation of TVI to deliver, and VECO to receive, Contract Capacity and Contract Energy, shall commence, provided, that, the following conditions are satisfied: a) Commercial Operations Date of Unit 1 of the Plant has occurred; b) receipt by TVI of VECO's Security Deposit; c) receipt by TVI of the final approval of the PSA no later than one (1) year after Effective Date; d) receipt by TVI of the full payment of the Commissioning Energy Charge due from VECO as of date of the latter's receipt of the Commercial Operations Date Notice;

e) receipt by TVI of a copy of the Market Participation Agreement between VECO and the Philippine Electricity Market Corporation (PEMC); and f) the representations and warranties of VECO shall be true and correct in all material respects as of the Operations Effective Date;¹

9.2. **Contract Capacity/Energy.** The energy contracted by VECO under the PSA is equivalent to the energy associated with the Contract Capacity of 150 MW, as set out in the Contract Energy Schedule of the PSA. TVI shall deliver, and VECO shall receive, Contract Energy at the Metering Point which shall be the high-voltage side of the transformer at the Plant.² The ESA provides that during Scheduled and Unscheduled Outages within the Outage Allowance, TVI will not be required to supply replacement capacity and energy. In such scenario, VECO, at its own cost, shall source the replacement capacity and energy from other sources, which may include the Wholesale Electricity Spot Market (WESM). On the other hand, during planned and unplanned outages beyond the allowance, TVI is responsible for providing replacement power at contract rate. Further, in case of Force Majeure affecting TVI, it shall be VECO's obligation to source the replacement capacity and energy from other sources, at no cost to TVI;

9.3. **Adjustments to Contract Capacity/Energy.** VECO may request an increase in the Contract Capacity and/or Contract Energy in respect of a Billing Period by written notice at least thirty (30) days before the intended date of effectivity and subject to TVI's acceptance or refusal. In case of approval, the additional Contract Capacity and/or Contract Energy shall be paid by VECO at the Contract Price, provided, that, the increase in the Contract Capacity and/or the Contract Energy shall not be effective until VECO posts an additional Security Deposit;

¹ Article 5.2, PSA

² Article 7.3, PSA

Any proposed adjustments (increase/decrease) to the Contract Capacity and/or Contract Energy which is intended to apply to the succeeding contract year shall be sent by VECO in writing to TVI no later than sixty (60) days prior to each anniversary of the Operations Effective Date, subject to TVI's approval and to the payment of Contract Price. Notwithstanding, at any time during the Contract Period, VECO may also send a written request to TVI to increase the Contract Capacity and/or Contract Energy, no later than six (6) months prior to the effectivity of the proposed increase, subject to TVI's approval and to the payment of Contract Price;

A decrease in the Contract Capacity shall cause VECO to compensate TVI in the amount of the Buy-Out Charge, computed as follows:

$$BOC = \sum_{r=1}^{RCP} \left[\frac{\left\{ \left\{ CRF * \left[(0.475) + \left(0.525 * \frac{FX_{crf}}{FX_0} \right) \right] \right\} + \left\{ ICRF * \left[(0.61) + \left(0.39 * \frac{FX_{icrf}}{FX_0} \right) \right] \right\} * (CC - RCC) \right.}{\left(1 + \frac{8.75\%}{12} \right)^r} \right]$$

Where:

CC = Contract Capacity in kW, as indicated in Table 1 of Schedule 7.1 of the PSA

RCC = Reduced contract capacity in kW

ICRF = Interconnection Capital Recovery Fee in PhP/kW-month, as indicated in Table 1 of this Schedule, if Customer is liable to pay ICRF_{month} in accordance with Schedule 3.1(b) (General Conditions), item 5a, during the affected buy-out period; otherwise, PhP0/kW-month

RCP = Number of Billing Periods in the remaining Contract Period

FX_0 = Base PhP/USD exchange rate, as indicated in Table of Schedule 7.1 of the PSA

FX_{crf} = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant Engineering, Procurement and Construction (EPC) Contract

FX_{icrf} = the weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant EPC Contract

9.4. **Stages of Supply.** TVI shall supply power to VECO in various stages, as follows:

9.4.1. **Pre-Commercial Operations Date of Unit 1 of the Plant.** VECO shall purchase the proportionate net electrical output of Unit 1 of the Plant, subject to the payment of Commissioning Energy Charge as provided in Schedule 7.1 of the PSA; and

9.4.2. **Upon Commercial Operations Date of Unit 1 of the Plant.** TVI shall supply and deliver Contract Capacity and Contract Energy (whether from the capacity of the Power Plant or the power plants owned or operated by any of its affiliates, WESM, if any, or any other supplier) to VECO during the Billing Periods covered by the PSA;

9.5. **Share in Minimum Load Requirement.** In all intervals, VECO shall nominate no less than the Share in Minimum Load Requirement of 60 MW, subject to the conditions under the PSA in case the aggregate nominated energy of all customers of TVI is less than the Minimum Load Requirement due to

Force Majeure event affecting one or more customers;

- 9.6. **Contract Price.** VECO shall pay the Contract Price which consists of variable and fixed charges, subject to annual adjustments. The Contract Price shall depend on whether the power is delivered before Commercial Operations Date or from Commercial Operations Date of Unit 1 of the Plant. The formula for computing these Monthly Electricity Fees are computed under the PSA based on the following:

A. Beginning on Commercial Operation Date

Monthly Electricity Fees = Fixed Fees_{month} + Variable Fees_{month} + Start up Charges + Taxes and Other Charges

All computations on payments to Supplier shall not be rounded off, except for the final PhP amount, which shall be rounded off to the nearest Philippine centavo. The Monthly Electricity Fees shall be subject to the applicable value-added tax (VAT);

Fixed Fees_{month} = CRF_{month} + FOM_{month}

Variable Fees_{month} = VOM_{month} + Fuel_{month}

a. CRF_{month}

The Customer shall pay the Supplier the Monthly Capital Recovery Fee (CRF_{month}) for the current Billing Period in accordance with the following formula:

$$\text{CRF}_{\text{month}} = \text{CRF} * \left[(0.475) + \left(0.525 * \frac{\text{FX}_{\text{crf}}}{\text{FX}_0} \right) \right] * \text{CC} * \text{Adj}$$

Where:

CC = Contract Capacity in kW, as indicated in Table 1 of Schedule 7.1 of the PSA

CRF = Capital Recovery Fee in PhP/kW-month, as indicated in Table 1 of Schedule 7.1 of the PSA

Adj = Force Majeure adjustment with the following formula:

$$\text{Adj} = \frac{(\text{no. of hours during the current Billing Period}) - \text{FM}}{(\text{no. of hours during the current Billing Period})}$$

Where:

FM = Number of hours of Force Majeure event during the current Billing Period

FX_o = Base PhP/USD exchange rate, as indicated in Table 1 of Schedule 7.1 of the PSA

FX_{crf} = Weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant EPC Contract

b. FOM_{month}

The Customer shall pay the Supplier the Monthly Fixed Operations and Maintenance Fees (FOM_{month}) for the current Billing Period in accordance with the following formula:

$$\text{FOM}_{\text{month}} = \left[\left(0.25 * \text{FOM} * \text{CC} * \frac{\text{USCPI}_m}{\text{USCPI}_o} * \frac{\text{FX}_m}{\text{FX}_o} \right) + \left(0.75 * \text{FOM} * \text{CC} * \frac{\text{RPCPI}_m}{\text{RPCPI}_o} \right) \right] * \text{Adj}$$

Where:

CC = As previously defined

FOM = Fixed Operations and Maintenance Fee in PhP/kW-month, as indicated in Table 1 of this Schedule

FX_o = As previously defined

USCPI_o = Base United States (US) Consumer Price Index (CPI) – All Items (1982-84=100), as indicated in Table 1 of this Schedule

RPCPI_o = Base Philippine CPI for All Income Households in the Philippines – All Items (2006=100), as indicated in Table 1 of this Schedule

FX_m = Average PhP/USD exchange rate of the last three (3) calendar months prior to Billing Period for which the Invoice is being prepared, as published in the Bangko Sentral ng Pilipinas (BSP) website

USCPI_m = US CPI – All Items (1982-84=100) published, as of the current Billing Period for which the Invoice is being prepared

RPCPI_m = Philippine CPI for All Income Households in the Philippines – All Items (2006=100) published as of the current Billing Period for which the Invoice is being prepared

Adj = As previously defined

c. VOM_{month}

The Customer shall pay the Supplier the Monthly Variable Operations and Maintenance Fees (VOM_{month}) for the current Billing Period in accordance with the following formula:

$$\text{VOM}_{\text{month}} = \left[\left(0.25 * \text{VOM} * \frac{\text{USCPI}_m}{\text{USCPI}_o} * \frac{\text{FX}_m}{\text{FX}_o} \right) + \left(0.75 * \text{VOM} * \frac{\text{RPCPI}_m}{\text{RPCPI}_o} \right) \right] * \text{TED}$$

Where:

VOM = Variable Operations and Maintenance Fee in PhP/kWh, as indicated in Table 1 of this Schedule

FX_o = As previously defined

USCPI_o = As previously defined

RPCPI_o = As previously defined

FX_m = As previously defined

USCPI_m = As previously defined

RPCPI_m = As previously defined

TED = Total Energy Delivered to the Customer by the Supplier in kWh during the current Billing Period

d. Fuel_{month}

The Customer shall pay the Supplier the Monthly Fuel Fees (Fuel_{month}) for the current Billing Period in accordance with the following formula:

$$\text{Fuel}_{\text{month}} = \left\{ \left[\frac{(\text{Fuel Costs} + \text{Freight Costs})}{1,000} \right] * \text{CR} * \text{FX}_m \right\} * \text{TED}$$

Where:

$$\text{Fuel Costs} = N_M * \frac{\text{ACV}}{6,300 \text{ kcal/kg}}$$

ACV = Average calorific value, higher heating value, of coal in kcal/kg used in the current Billing Period

Freight Costs = Actual transport costs in USD/MT which include but not limited to port charges, fuel, insurance, wharfage fees, demurrage, excise tax, handling, customs brokerage fees, customs duties, stevedores and arrastre costs, tuggage costs, survey fee, towage, pilotage, light dues, mooring and unmooring, berthing and deberthing, and tonnage dues and sundries on the coal used during the current Billing Period. Freight costs shall include all other existing and future taxes, fees, imposts and other charges that may be imposed on the transport of coal

FX_m = As previously defined

N_m = Average Newcastle Index (USD/MT) of the last three (3) calendar months prior to the Billing Period for which the Invoice is being prepared, as posted by globalCOAL on the website www.globalcoal.com or its successor or, if globalCOAL ceases to report the Newcastle Index, an agreed upon replacement source that reports the Newcastle Index shall be adopted by the Parties

CR = Consumption rate at 0.7 kg/kWh, escalated at one percent (1%) annually

TED = As previously defined

e. Start up Charges

The cost for starting up each unit of the Power Plant after a period of shutdown due to Scheduled or Unscheduled Outages attributable to the Supplier shall be for the account of the Supplier. On the other hand, the costs for each start up of a unit of the Power Plant after a period of shutdown due to any other reason shall be for the account of the Customer and shall be charged in accordance with the following formula:

Cold Start up (*where plant downtime is beyond 8 hours*)

Unit 1

$$\text{Start up Charges} = 143,500 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Unit 2

$$\text{Start up Charges} = 143,500 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Warm Start up (*where plant start up occurs after less than 8 hours of downtime*)

Unit 1

$$\text{Start up Charges} = 107,600 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Unit 2

$$\text{Start up Charges} = 107,600 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Hot Start up (where plant start up occurs after less than 2 hours of downtime)

Unit 1

$$\text{Start up Charges} = 71,800 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Unit 2

$$\text{Start up Charges} = 71,800 \text{ liters} * DO_m * \frac{CC}{TCC}$$

Where:

TED = As previously defined

DO_m = Actual price of diesel oil in PhP/liter, as billed by the supplier of diesel oil applicable for the Billing Period for which the Invoice is being prepared

CC = As previously defined

TCC = Total contracted capacity in kW of the Supplier

In the event that revisions are made on the above indices, including any shift made in the base year and other adjustments to such index made by the relevant authorized entity, its successor-in-interest, there shall be a corresponding change in the base index such that the use of the revised index will yield the equivalent values as the use of the original base index;

In the event that the index: a) becomes unavailable, b) is replaced by a new benchmark rate as determined by the relevant authorized entity, its successor in interest, or c) ceases to exist, or d) in the reasonable determination of either Party, fails to reflect the real costs and forms an integral part of this price mechanism, the Parties shall agree to adopt a new price index;

f. Taxes and Other Charges

In addition to VAT, these include all existing and future taxes, fees and imposts (and any increase or adjustments thereon), real property taxes, local business taxes, transmission charges and other charges imposed on the Power Plant, including the charges indicated in item 5 (a) of Schedule 3.1(b) of the Agreement, in Philippine Pesos;

These also include the Interconnection Capital Recovery Fee (ICRF) which shall be paid in accordance with Schedule 3.1(b) (General Conditions), item 5a. For purposes of the Monthly Interconnection Recovery Fee (ICRF_{month}) for the current Billing Period, the Customer shall pay in accordance with the following formula:

$$\text{ICRF}_{\text{month}} = \text{ICRF} \left[(0.61) + \left(0.39 * \frac{\text{FX}_{\text{icrf}}}{\text{FX}_0} \right) \right] * \text{CC} * \text{Adj}$$

Where:

CC = As previously defined

ICRF = Interconnection Recovery Fee in PhP/kW-month, as indicated in Table 1 of Schedule 7.1, subject to further adjustments based on the actual connection configuration and costs of the Interconnection Facilities. The Parties shall execute a supplemental agreement to reflect the adjusted ICRF (the Supplemental

Agreement). Within thirty (30) days from execution of the Supplemental Agreement, the Parties shall file the corresponding application for approval thereof by the Commission

FX_o = As previously defined

FX_{icrf} = Weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant EPC Contract

Adj = As previously defined

B. Before Commercial Operation Date

Monthly Electricity Fees = Commissioning Charges + Other Taxes and Charges

All computations on payments to Supplier shall not be rounded off, except for the final PhP amount, which shall be rounded off to the nearest Philippine centavo. The Monthly Electricity Fees shall be subject to the applicable VAT;

a. Commissioning Charges

The Customer shall pay the Supplier the Commissioning Charges subject to the applicable VAT for electricity supplied during the period of testing and commissioning of the Power Plant in accordance with the following formula:

$$\text{Commissioning Charges} = \text{VOM}_{\text{month}} + \text{Fuel}_{\text{month}}$$

Where:

VOM_{month} = Computed in accordance with item A.III of this Schedule

$Fuel_{month}$ = Computed in accordance with item A.IV of this Schedule

b. Taxes and Other Charges

Taxes and Other Charges = As previously defined

The agreed amounts relevant to the computation of Contract Price are as follows:

Details	Unit	Amount
CC	kW	150,00
Minimum Load Requirement (40%)	kW	60,000
CRF	Php/kW-month	1,514
ICRF	PhP/kW-month	120
FOM	PhP/kW-month	229
VOM	PhP/kWh	0.2977
FX_0	PhP/USD	47.00
$USCPI_0$		233.049
$RPCPI_0$		136.80

9.7. **Termination Fee.** In the event that the PSA is terminated by TVI on the grounds of: a) failure of VECO to pay the Electricity Fees or any other amounts payable under the PSA; b) failure by VECO to replenish its Security Deposit in full; c) breach by VECO of any of the provisions of the PSA and its failure to cure the breach within a period of thirty (30) days from receipt of the notice of the breach; and d) termination by TVI of the PSA upon the occurrence of any events of default under Article 17.2 of the PSA, VECO shall be liable to pay a termination fee computed using the following formula:

$$TF = \sum_{r=1}^{RCP} \left[\frac{\left\{ \left\{ CRF * \left[(0.475) + \left(0.525 * \frac{FX_{err}}{FX_0} \right) \right] \right\} + \left\{ ICRF * \left[(0.61) + \left(0.39 * \frac{FX_{icrf}}{FX_0} \right) \right] \right\} * CC}{\left(1 + \frac{8.75\%}{12} \right)^r} \right]$$

Where:

- Adj = As previously defined
- CC = Contract Capacity in kW, as indicated in Table 1 of Schedule 7.1 of the PSA
- CRF = Capital Recovery Fee in PhP/kW-month, as indicated in Table 1 of Schedule 7.1 of the PSA
- ICRF = Interconnection Capital Recovery Fee in PhP/kW-month, as indicated in Table 1 of Schedule 7.1, if Customer is liable to pay $ICRF_{month}$ in accordance with Schedule 3.1(b) (General Conditions), item 5a, during the affected termination period; otherwise, PhP0/kW-month
- RCP = Number of Billing Periods in the remaining Contract Period
- FX_0 = Base PhP/USD exchange rate, as indicated in Table 1 of Schedule 7.1 of the PSA
- FX_{crf} = Weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-denominated sums due under the relevant EPC Contract
- FX_{icrf} = Weighted average PhP/USD exchange rate computed based on the actual cost of securing USD for each payment of dollar-

denominated sums due under the relevant EPC Contract

10. **Rate Implication.** An analysis was conducted to determine the impact of the implementation of the PSA on VECO's generation costs, a copy of which is attached to the application. The following table shows the expected rate impact in the event that VECO procures from TVI when the Power Plant commences commercial operation in 2018 vis-à-vis VECO procuring from other sources without TVI:

	Generation Charge		
	Without TVI	With TVI	Impact
Total (Php/kWh)	6.1333	5.4990	(0.63)

* Based on average kWh generation purchases of VECO from April to July 2014

11. In support of the instant application, the following documents are attached as annexes thereof:

Annex	Document
A	PSA
B	Securities and Exchange Commission (SEC) Certificate of Registration of TVI
C	Articles of Incorporation of TVI
D	General Information Sheet (GIS) of TVI
E	Board of Investments (BOI) Certificate of Registration
F	Relevant Technical and Economic Characteristics of the Plant (Indicative)
G	Proposed Fuel Procurement Process
H	Latest Audited Financial Statements (AFS) of TVI
I	Environmental Compliance Certificate (ECC)
J	Sources of Funds/Financial Plans
K	Purchased Power Rate
L	Transmission Service Agreement (TSA) between VECO and the National Transmission Corporation (TRANSCO)
M	VECO's Distribution Development Plan (DDP)
N	Affidavit of Mr. Dennis Verallo on VECO's Procurement Process
O	Rate Impact Analysis
P	Executive Summary of the PSA

12. Pursuant to ERC Resolution No. 16, Series of 2014, TVI shall file the necessary application for a Certificate of Compliance (COC) no later than three (3) months prior to the target date of testing and commissioning of the Plant;

Motion for Confidential Treatment of Information

13. 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 thereto, it is requested that the proposed Fuel Procurement Process (Annex "G"), Sources of Funds/Financial Plans (Annex "J") and Computation of the Purchased Power Rate (Annex "K") be treated as confidential and, accordingly, not be disclosed to persons other than officers and staff of the Commission, as may be necessary in the evaluation of the application;
14. These documents contain certain non-public, proprietary information, data and calculations involving business operations and financial trade secrets reflecting TVI's investment and business calculations. These are not generally available to, or already in the possession of the Commission. These documents bear the mark "Confidential" in each and every page and are placed in a sealed envelope, marked "Confidential"; and

Prayer

15. Thus, they pray that:
 - 15.1. The PSA dated November 6, 2014, including the rates and charges set out in paragraphs 10.2 and 10.6 of the application (herein 9.2 and 9.6), be approved with finality; and

- 15.2. An Order be issued: a) treating **Annexes “G”, “J,”** and **“K”** and the information contained therein as confidential; b) directing their non-disclosure to persons other than the officers and staff of the Commission, pursuant to Rule 4 of the ERC Rules; and c) prescribing the guidelines for the protection thereof.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **March 17, 2015 (Tuesday) at ten o'clock in the morning (10:00 A.M.) at ERC Visayas Field Office, St. Mary's Drive, Banilad, Cebu City.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (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 proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicants conclude the presentation of their evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicants, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicants are hereby directed to furnish all those making such request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, Energy Regulatory Commission, this 2nd day of February, 2015 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III