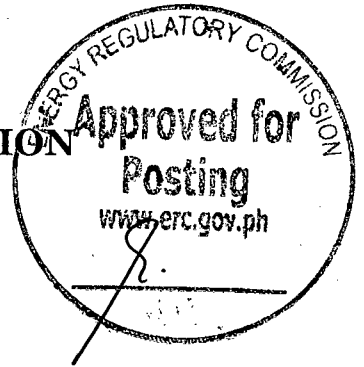


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE POWER
SUPPLY AGREEMENT
BETWEEN COTABATO
LIGHT AND POWER
COMPANY AND SOUTHERN
PHILIPPINES POWER
CORPORATION, WITH
PRAYER FOR PROVISIONAL
AUTHORITY AND
CONFIDENTIAL
TREATMENT OF
INFORMATION,**

ERC CASE NO. 2016-069 RC

**COTABATO LIGHT AND
POWER COMPANY, AND
SOUTHERN PHILIPPINES
POWER CORPORATION,
Applicants.**

X-----X

D O C K E T E D
Date: **JAN 04 2017**
By: *[Signature]*

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 28 April 2016, Cotabato Light and Power Company (CLPC) and Southern Philippines Power Corporation (SPPC) filed a *Joint Application for Approval of Power Sales Agreement with Motion for Confidential Treatment of Information (Joint Application)* seeking the Commission's approval of the Power Supply Agreement (PSA) entered into by both parties on 07 April 2016.

CLPC and SPPC alleged the following in their *Joint Application*:

Applicants

1. CLPC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Sinsuat Avenue, Cotabato City. CLPC is a duly

authorized distribution utility of electric power to the end-users in the City of Cotabato and portions of the Municipalities of Sultan Kudarat and Datu Odin Sinsuat, all in the province of Maguindanao ("CLPC Franchise Area") pursuant to its franchise under Republic Act No. 10637.

2. SPPC is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at the 4th Floor Alphaland Southgate Tower, corner EDSA and Chino Roces Extension, Makati City.
3. Applicants may be served with notices, orders and other processes of the Honorable Commission through their respective undersigned counsels.

Statement of Facts

4. Based on the demand and supply outlook of CLPC for the remaining months of 2016 up to 2020, CLPC sees a deficit between its current supply portfolio and its current and projected demand requirements. This deficit is projected at an average of 6.2 MW, with a projected peak deficit of 8 MW by 2020.
5. A major contributing factor to this deficit is the El Niño phenomenon that is adversely affecting Mindanao, resulting in the reduction in the capacity allocation to CLPC by its hydroelectric power plant suppliers such as NPC/PSALM.¹ From December 26, 2015 to April 12, 2016, NPC/PSALM, on the average, allocated only about 7.77 MW per month from a maximum contracted capacity of 15.68 MW, or the average equivalent energy of 8,472 MWh per month from the maximum contracted energy of 11,664 MWh in the month of February for the said period.
6. Moreover, CLPC's firm supply contract for 2 megawatts of capacity with one of its suppliers will expire on April 28, 2016.
7. Thus, to augment its supply requirements, CLPC sought separate competitive offers from any peak load generation source and base load generation source from prospective suppliers. For the peak load generation source requirement, only one bid was received for each of the two competitive biddings conducted by CLPC, resulting in a failed bid. Thus, CLPC entered into direct negotiations with SPPC.
8. Accordingly, CLPC and SPPC entered into a Power Sales Agreement (PSA) for the supply of five megawatts (5 MW) for two (2) years from the Commencement Date, as defined in the PSA. The term may be extended for an additional one (1) year period.

¹ NPC stands for National Power Corporation. PSALM stands for Power Sector Assets and Liabilities Management Corporation.

9. Section 45 (b) of Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001, provides that distribution utilities may enter into bilateral power supply contracts subject to review by the ERC. In connection with this, ERC Resolution No. 2, Series of 2015, provides that the distribution utilities and generation companies jointly file with the Honorable Commission their respective power supply agreements.
10. Thus the instant Application.

Overview of the 55 MW² SPPC Power Station

11. The Generation Facilities. SPPC shall supply power under the PSA from its 55 MW bunker C-fired diesel power generating plant located in Alabel, Sarangani Province (the "Power Station"). A brief description of the technical characteristics of the Power Station is attached hereto as Annex "N."
12. The specific fuel oil consumption ("SFOC") of the Power Station shall not be greater than 0.2464 kg/kWh at site condition of 32 deg. C ambient temperature. The SFOC is based on a bunker C fuel oil density of 0.9855 kilogram/liter. A copy of a certification on the Power Station's specific fuel oil consumption rate is attached hereto as Annex "O."
13. Project Cost and Operating Expenses. A summary of the costs of the project and its supporting documents are attached as Annexes "P" and series. A detailed breakdown of the projected operating expenses is attached hereto as Annex "Q"
14. Project Finance; Weighted Average Cost of Capital ("WACC"). The project is being funded through loans and equity. A computation of the WACC indicating the debt-equity ratio, and the interest cost is attached hereto as Annex "R."
15. Fuel Supply. In order to ensure the supply of fuel for the operations of the Power Station, SPPC is currently in the process of selecting a fuel supplier. A copy of a document on the fuel procurement process is attached hereto as Annex "S."
 - 15.1. It must be stressed that, in accordance with the relevant policy of this Honorable Commission, SPPC shall derive no revenue whatsoever from the fuel supply.
16. Environmental Compliance Certificate. The Department of Environment and Natural Resources has issued the necessary Environmental Compliance Certificates ("ECC") covering the Power Station. A copy of the ECC is attached hereto as Annex "T."
17. DOE Accreditation. The Department of Energy has accredited the Power Station as a Block Power Production Facility under the Implementing Rules and Regulations of Executive Order

No. 215. A copy of the pertinent certificate of accreditation is attached hereto as Annex "U."

18. Certificate of Compliance. This Honorable Commission has issued the necessary Certificate of Compliance for the Plant. A copy of the said certification is attached hereto as Annex "V."

Salient Terms and Conditions of the PSA

19. Salient Terms and Conditions. The PSA contains the following salient features and conditions:

- 19.1. Term. The PSA shall be effective from the Effective Date until two (2) years from Commencement Date ("Term") or unless otherwise earlier terminated or extended in accordance with the terms of the Agreement.

The PSA may be extended for an additional one (1) year period after the end of the original Term, at the option of the Buyer and under the same terms and conditions of the PSA.³

- 19.2. Contracted Capacity. The Contracted Capacity is five megawatts (5 MW) as may be increased or reduced in accordance with the PSA.⁴

- 19.3. Adjustments to Contracted Capacity and Dispatchable Energy. At any time during the Term of the PSA, the Parties may agree to permanently increase or decrease the Contracted Capacity and Dispatchable Energy. Any additional Contracted Capacity and Dispatchable Energy agreed by the Parties shall be paid for by the Buyer at the same rates specified in Schedule B (*Payments to the Seller*).⁵

- 19.4. Allowed Outages. The PSA provides for an Allowed Outage not exceeding 6,570 MWh in the relevant Contract Year, or the proportionate number of hours if a Contract Year is less than 12 months.⁶

- 19.5. Replacement Capacity and Energy. During any period of Outage within the Allowed Outage and subject to the availability of Replacement Capacity and Energy from the System, the Seller shall use its best efforts to deliver Replacement Capacity and Energy to the Buyer. If Replacement Capacity and Energy is requested by the Buyer, the Replacement Capacity and Energy Cost of the Replacement Capacity and Energy delivered by the Seller to the Buyer shall be a full pass-through cost to the Buyer.⁷ The cost of transmission line losses and congestion from

³ See Section 3.2, PSA.

⁴ Section 1.1 (Definitions), PSA.

⁵ Par. 3, Section 4.1, PSA.

⁶ See Definitions, Section 1.1 of the PSA.

⁷ See Section 6.6, PSA.

the Receiving Point, or Alternative Receiving Point in the case of Replacement Capacity and Energy, to the Buyer's substation shall be for the account of the Buyer.⁸

19.6. Backup Capacity and Energy. During any Forced Outage,⁹ the Seller shall have the obligation to deliver Backup Capacity and Backup Energy to the Buyer.¹⁰

19.7. Monthly Payments.¹¹ Commencing on the Commencement Date and continuing throughout the Term, the Buyer shall pay to the Seller an amount (the "Monthly Payment") calculated in accordance with the formula set out in Schedule B (*Payments to the Seller*). Subject to Section 6.3 (*Settlement*), billings shall be based on the Contracted Capacity and monthly energy delivered to the Buyer at the Receiving Point or Alternative Receiving Point and in accordance with the provisions of Schedule F (*Measurement and Recording of Electricity*).

All Ancillary Service charges, taxes, fees, imposts and other similar charges shall also be included in the monthly billing.

The Monthly Payment in respect of a Billing Month shall include Replacement Capacity and Energy Costs and Backup Capacity Costs and Backup Energy Costs to the extent applicable.

The Monthly Payment shall be subject to further adjustments if there are new taxes, fees, imposts and similar charges, or any increase in existing taxes, fees, imposts and charges.

19.8. Schedule B (Payments to the Seller) of the PSA is reproduced below:

SCHEDULE B

PAYMENTS TO THE SELLER

The Buyer shall make the following payments to the Seller in accordance with the provisions of this Agreement:

1. Monthly Payments

The Monthly Payments shall be paid to the Seller on a monthly basis in accordance with the following formula:

⁸ See paragraph 3, Section 5.5, PSA.

⁹ "Forced Outage" means, after the Commencement Date, any Outage in excess of the Allowed Outage, whether due to unplanned partial or total plant shutdown, for reasons other than Force Majeure.

¹⁰ Par. 1, Section 6.7, PSA.

¹¹ Section 7.2 of the PSA.

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 6 OF 16

$$\text{Monthly Payments} = CRF + FOMF + VOMF + AFC + SC + RCEC + BCEC + \text{Taxes}$$

Where:

CRF = Capital Recovery Fees

FOMF = Fixed Operation and Maintenance Fee

VOMF = Variable Operation and Maintenance Fee

AFC = Actual Fuel Cost

SC = Start-Up Costs

RCEC = Replacement Capacity and Energy Costs

BCEC = Back-up Capacity and Energy Costs

Taxes = Value-Added Tax as collected from CLPC's customers and other applicable taxes, if any, net of any withholding tax, as applicable.

1.1 Capital Recovery Fee (CRF)

CRF shall be computed as follows:

$$CRF = CRFR \times CC \times F$$

Where:

CRFR = Capital Recovery Fee Rate of
PHP250.18/kw/month

CC = Contracted Capacity

F = Outage Factor as derived using the following formula to be used.

Where:

$$F = \frac{\text{Monthly Actual Energy Delivered}}{TMED}$$

Where:

TMED = Theoretical Maximum Energy Delivered being the Contracted Capacity multiplied by the hours in the relevant month, less any adjustments made for Allowed Outage, limitation due to Buyer's dispatch order, and allowable start-up time due to period of non-generation due to a Buyer dispatch order, and any other hours as a

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 7 OF 16

consequence of Buyer's failure to perform any of its obligations

F = 1 if the foregoing formula results in F being greater than 1

A summation of the ED & TMED for a given Contract Year shall be made to determine true F during the Contract Year. Such yearly F factor shall be basis for adjustment of the CRF for the Contract Year. The adjustment shall be guided by the following conditions:

If $\Sigma ED = \Sigma TMED, F = 1$

If $\Sigma ED < \Sigma TMED, F < 1$

2. Fixed Operation & Maintenance Fee (FOMF)

The Fixed Operation and Maintenance Fee (FOMF) covers the operating and maintenance costs of the Power Station. It shall be computed according to the following formula:

$$FOMF = \left\{ FOMR \times \left[\left(0.58 \times \frac{CPI_n}{CPI_o} \right) + \left(0.02 \times \frac{WPC_n}{WPC_o} \right) + \left(0.40 \times \frac{EU_n}{EU_o} \times \frac{FPPI_n}{FPPI_o} \right) \right] \right\} \times CC \times F$$

Where:

FOMR = Fixed O&M Fee Rate of PHP 219.00/kw/month

CPI_n = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO for the period of price determination

CPI_o = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO as of December 31, 2013.

WPC_n = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO for the period of price determination

WPC_o = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO for as of December 31, 2013.

EU_n = Euro-Peso Exchange Rate for the period of price determination as published by Bangko Sentral ng Pilipinas

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 8 OF 16

EUo = Euro-Peso Exchange Rate as of December 31, 2013 as published by Bangko Sentral ng Pilipinas

FPPIn = Finland Producers' Price Index for Manufacturing for the period of price determination as published in the International Financial Statistics of IMF

FPPIo = Finland Producers' Price Index for Manufacturing as of December 31, 2013 as published in the International Financial Statistics of IMF

F = Outage Factor as derived using the following formula to be used.

Where:

$$F = \frac{\text{Monthly Actual Energy Delivered}}{TMED}$$

TMED= Theoretical Maximum Energy Delivered being the Contracted Capacity multiplied by the hours in the relevant month, less any adjustments made for Allowed Outage, limitation due to Buyer's dispatch order, and allowable start-up time due to period of non-generation due to a Buyer dispatch order, and any other hours as a consequence of Buyer's failure to perform any of its obligations

F = 1 if the foregoing formula results in F being greater than 1

A summation of the ED & TMED for a given Contract Year shall be made to determine true F during the Contract Year. Such yearly F factor shall be basis for adjustment of the CRF for the Contract Year. The adjustment shall be guided by the following conditions:

$$\text{If } \Sigma ED = \Sigma TMED, F = 1$$

$$\text{If } \Sigma ED < \Sigma TMED, F < 1$$

3. Variable Operation & Maintenance Fee (VOMF)

The Variable Operation and Maintenance Fee (VOMF) covers the cost of the use of, among other items, chemicals, lubricants and spare parts, that are directly related to the generation of the Power Station. It shall be computed according to the following formula:

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 9 OF 16

$$VOMF = \left\{ VOMFR \times \left[\left(0.10 \times \frac{CPI_n}{CPI_o} \right) + \left(0.60 \times \frac{WPC_n}{WPC_o} \right) + \left(0.30 \times \frac{EU_n}{EU_o} \times \frac{FPI_n}{FPI_o} \right) \right] \right\} \times ED$$

Where:

VOM = Variable O&M Fee, in Pesos

VOMFR = Variable O&M Fee Rate of Php 0.18/kWh

ED = kWh delivered during the billing period

CPI_n = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO for the period of price determination

CPI_o = Consumer Price Index for Metropolitan Manila Area (National Capital Region), all items published by NEDA/NSO as of December 31, 2013.

EU_n = Euro-Peso Exchange Rate for the period of price determination as published by Bangko Sentral ng Pilipinas

EU_o = Euro-Peso Exchange Rate as of December 31, 2013 as published by Bangko Sentral ng Pilipinas

FPI_n = Finland Producers' Price Index for Manufacturing for the period of price determination as published in the International Financial Statistics of IMF

FPI_o = Finland Producers' Price Index for Manufacturing as of December 31, 2013 as published in the International Financial Statistics of IMF

WPC_n = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO for the period of price determination

WPC_o = Wholesale Price Index for Mineral Fuels, Lubricants and Related Materials for the Philippines as published by NEDA/NSO as of December 31, 2013.

4. Actual Fuel Cost (AFC)

The Actual Fuel Cost (AFC) is the fee paid to the Seller as payment for the procurement and delivery of the fuel oil (Bunker C) used in the operation of the SPPC Power Station. The Actual Fuel Cost shall be computed as follows:

$$AFC = FC \times EC \times ED$$

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 10 OF 16

Where:

FC = Fuel Cost; The average MOPS price of Bunker C Fuel Oil/Heavy Fuel Oil (HFO) deliveries during the period of price determination in Peso/liter

EC = Efficiency Cap; $\frac{0.2464 \text{ kg/kwh}}{0.9855 \text{ kg/liter}}$

E = Energy Delivered, kwh

5. Start-Up Costs (SC)

The Buyer, on a pro rata basis of the capacity of the Power Station allocated to the Buyer, shall pay the Seller Start-Up Costs for the cost of starting up the SPPC Power Station, or any portion thereof, after a period of shutdown due to any reason attributable to the Buyer. The Start-Up Costs shall be computed based on the prevailing price of diesel fuel at the time of the Start Up and paid in accordance with the following:

Type of Start-Up	Liters of Diesel Fuel per Unit
Cold Start-up (more than 10 hours of shutdown)	600
Warm Start-up (less than 10 hours of shutdown)	300

6. Replacement Capacity and Energy Cost Fee (if applicable)

The Buyer shall pay the Seller Replacement Capacity and Energy Cost in accordance with the invoice provided by the supplier of Replacement Capacity and Energy Cost.

7. Backup Capacity and Backup Energy Costs Fee (if applicable)

The Buyer shall pay the Seller Backup Capacity and Energy Cost equivalent to the Monthly Payment had there been no Forced Outage.

8. Value Added Tax

The relative Value Added Taxes ("VAT") of the above fee payments of 12% shall be computed as follows:

$$VAT = (CRF + FOMF + VOMF + AFC + SC + RCEC + BCEC) \times 0.12$$

This computation notwithstanding, the VAT to be paid by the Buyer to the Seller is as collected by the Buyer from its Customers.

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 11 OF 16

- 19.9. Overdue Charges. Any amounts not paid on or before the Payment Due Date shall earn interest at the 91-day T-Bill Rate plus three percent (3%) *per annum*, from the day after the Payment Due Date until the date upon which such amount was received by the Seller.¹²
- 19.10. Payment Made Prior to Due Date. The Buyer shall be given a one and a half percent (1.5%) prompt payment discount on the payment in full of the applicable Capital Recovery Fees twenty (20) days prior to the relevant Payment Due Date.¹³
20. Financial Model. A copy of SPPC's financial model is attached hereto as Annex "X." The said financial model is subject to a motion for confidential treatment of information as discussed below.

Further, Applicant SPPC respectfully manifests that the said financial model is only for the purpose of illustration and does not reflect the real tariff basis of SPPC.

21. Rate Implication. An analysis was conducted to determine the estimated impact of the implementation of the PSA on CLPC's generation costs, a copy of which is attached as Annex "I" hereof. The following table shows the indicative rate impact:

	Generation Charge		Impact
	Without SPPC	With SPPC	
Total (Php/kWh)	3.7703	3.9585	0.1882

22. In support of the instant application, the following documents are attached as annexes hereof:

Annex	Document
A	1 st Invitation to Submit Proposal for the Supply of Power
B	2 nd Invitation to Submit Proposal for the Supply of Power
C	Offer of Alsons Power Group for SPPC
D	CLPC BAC Evaluation Reports and Letter Request to Negotiate a PSA
E	Secretary's Certificate re Board Resolution on CLPC BAC Evaluation Reports
F	Secretary's Certificate re Board Resolution on the authority of CLPC to enter into the supply agreement and CLPC's authorized signatory
G	Power Sales Agreement
H	CLPC Distribution Development Plan
I	Rate Impact Analysis
J	Contract for the Supply of Electric Energy between CLPC and PSALM
K	Demand Side Management (DSM) Programs of CLPC

¹² See Section 7.4 (a), PSA.

¹³ Section 7.4 (b), PSA.

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 12 OF 16

L	SPPC's Certificate of Incorporation, Articles of Incorporation and By-Laws
M	General Information Sheet of SPPC for the Year 2015
N	Brief description of the technical characteristics of the Power Station
O	Specific Fuel Oil Consumption Certificate of the Power Station
P and series	Project Cost
Q	Detailed Breakdown of the Projected Operating Expenses
R	Computation of the WACC with Debt-Equity Ratio and Interest Cost
S	Fuel Procurement Process
T	Environmental Compliance Certificate issued by the Department of Environment and Natural Resources
U	Certificate of Accreditation issued by the Department of Energy
V	Certificate of Compliance issued by the Energy Regulatory Commission
W	Sample Computation of the Monthly Payments
X	Financial Model
Y	SPPC 2015 Audited Financial Statements

Allegations in Support of
the Motion for Confidential Treatment

23. As mentioned above, the financial model attached hereto as "X" is hereby submitted under a motion to treat information confidential ("Motion").
24. The financial model discloses the basis for the tariff under the PSA. It includes all the formulas and calculations as well as the assumptions and values considered therein.
25. In accordance with Section 1, Rule 4 of this Honorable Commission's Rules of Practice and Procedure ("ERC Rules"), Applicant SPPC respectfully moves that the financial model be treated as confidential information for the following reasons:
- 25.1. The financial model qualifies as a "trade secret" as under existing jurisprudence.
- 25.2. In the case *"Air Philippines Corporation vs. Pennswell Inc,"*¹⁴ the Supreme Court defined "trade secret" as follows:
- "A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having commercial value. A trade

¹⁴ G. R. No. 172835, 13 December 2007.

secret may consist of any formula, pattern, device, or compilation of information that (1) is used in one's business; and (2) gives the employer an opportunity to obtain advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for continuous operation of the business, for example, a machine or formula, but can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights. (*Emphasis supplied*)

26. Also, the financial model was prepared and developed for the exclusive use of SPPC, and is designed for the specific use of the company in its power generation business. Consequently, should the financial model be disclosed to the public, it could easily be copied or used by SPPC's competitors or other entities engaged in the power business for their own benefit, and to the prejudice of SPPC. Thus, the commercial value of the said model will be diminished significantly.
27. Given the foregoing, the financial model qualifies as "confidential information" as defined under Section 2, Rule 4 of the ERC Rules.
28. In accordance with Section 1 (b), Rule 4 of the ERC Rules, an electronic copy of the financial model is contained in one compact disc and submitted in a sealed envelope marked with the word "Confidential."
29. Further, all parties furnished copies of the present Application are not furnished copies of the model subject the present motion.
30. In accordance with Sections 3 and 4, Rule 4 of the ERC Rules, Applicant SPPC reserves the right to use the financial model and its contents as evidence, and respectfully moves for the issuance of a Protective Order.

Allegations in Support of
the Prayer for Provisional Authority

31. The Applicants move for the issuance of a provisional approval of the PSA pending trial on the merits for the following reasons:
 - a. *Mindanao Power Crisis and upcoming May 9, 2016 Presidential Elections.* Due to the continuing power shortage in Mindanao, the area served by CLPC continues to suffer power outages. From December 28, 2015 to April 12, 2016, CLPC was compelled to implement rotational brownouts from 2 to 4 hours as a result of the tight supply. Hence, the PSA with SPPC will greatly aid in narrowing the power supply gap that CLPC requires in order to minimize the power outages in its franchise area. Minimizing power outages due to lack of supply has become especially urgent with the upcoming presidential elections in May 9, 2016.

- b. *Continuing demand growth.* As illustrated in the DDP, CLPC is expecting a growth in the total demand of its end-users. This, coupled with the lack of supply in Mindanao and the continued reduction in the supply allocation by NPC/PSALM will result in a widening of the supply gap, which CLPC may not immediately attend to. This will greatly disadvantage the end-users of CLPC who will then be forced to suffer frequent and prolonged outages.
32. The immediate approval of the PSA will allow CLPC to immediately draw power from an available plant in order to serve the power needs of its customers. Thus, the immediate approval of the PSA will ultimately redound to the benefit of the customers of CLPC in terms of continuous, reliable, efficient and affordable power supply. Attached as Annex "Z" of this Application is the Judicial Affidavit of Mr. Mark Sam P. Banluta, in support of the request for Provisional Authority.

PRAYER

WHEREFORE, in view of all the foregoing, it is most respectfully prayed that this Honorable Commission:

1. ISSUE an Order declaring the financial model attached as Annex "X" as confidential information within the purview of Rule 4 of the ERC Rules, as well as directing that the financial model be treated with confidentiality and be protected from public disclosure;
2. ISSUE the corresponding Protective Order in accordance with Sections 2 and 4 of the said Rule 4;
3. Pending trial on the merits PROVISIONALLY APPROVE, the PSA, including all the rates, fees, charges and tariff adjustment mechanisms set out therein; and
4. After trial on the merits, APPROVE with FINALITY the PSA, including all the rates, fees, charges and tariff adjustment mechanisms set out therein.

Other reliefs just and equitable are likewise prayed for.

The Commission has set the *Joint Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **26 January 2017, Thursday, at nine o'clock in the morning (9:00 A.M.), at ERC's Mindanao Field Office at Mintrade Bldg., Monteverde Ave. corner Sales St., Davao 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 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.

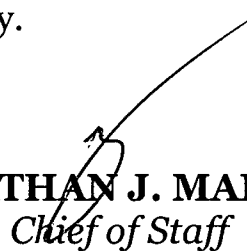
All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicants rest their case, subject to the requirements under Rule 9 of the 2006 Rules of Practice and Procedure. 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 *Joint Application* may request from Applicants that they be furnished with the same, prior to the date of the initial hearing. Applicants are hereby directed to furnish all those making such request with copies of the *Joint Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Joint Application* and other pertinent records filed with the Commission during the standard office hours.

ERC CASE NO. 2016-069 RC
NOTICE OF PUBLIC HEARING/ 28 DECEMBER 2016
PAGE 16 OF 16

WITNESS, the Honorable Chairman **JOSE VICENTE B. SALAZAR** (*On Leave*), and the Honorable Commissioners **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 28th day of December 2016 at Pasig City.


ATTY. NATHAN J. MARASIGAN
Chief of Staff
Office of the Chairman and CEO


LS: IHH/KAR