

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



**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO
IMPLEMENT THE SAN
MIGUEL FOODS, INC.
SWITCHYARD PROJECT,**

ERC CASE NO. 2016 -170 RC

**VISAYAN ELECTRIC
COMPANY, INC. (VECO),
Applicant.**

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D O C K E T E D
Date: **DEC 28 2016**
By: _____

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 15 September 2016, the Visayan Electric Company, Inc. (VECO) filed an *Application* seeking authority to implement the San Miguel Foods, Inc. Switchyard Project (SMFI Project).

VECO alleged the following in the *Application*:

1. VECO is a private corporation existing under the laws of the Republic of the Philippines, with business address at J. Panis Street, Banilad, Cebu City. It is a duly authorized distribution utility of electric power in the cities of Naga, Talisay, Cebu and Mandaue, and in the municipalities of San Fernando, Minglanilla, Consolacion and Lilo-an, Province of Cebu pursuant to its franchise under Republic Act. No. 9339.

2. It may be served with notices and other processes of this Commission through its undersigned counsel at the address indicated below.

3. VECO's 3rd Regulatory Period (3rd RP) covers 1 July 2014 to 30 June 2018. However VECO still has to undergo the reset process and is currently awaiting the final rules to be released by the Honorable Commission to govern the filing of its 3rd RP reset application.

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4. This notwithstanding, Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (“EPIRA”), under Section 23, obligates VECO, as well as other distribution utilities, to provide distribution services and connections to its system for any end-user within its franchise area consistent with the distribution code.

5. In a letter dated 26 October 2015, San Miguel Foods, Inc. (“SMFI”) informed Applicant that it is expanding its business by constructing Feed Mill Plants in the country, one of which is to be located in Barangay Looc, Mandaue, Cebu. SMFI will also install a 5 MVA load end substation within the Feed Mill Plant premises. For this purpose, SMFI requested for a service connection to VECO.

6. SMFI also stated in its letter that it targets the testing and commissioning of all plant equipment by 2017. A copy of the SMFI letter is attached herein as Annex “A”.

7. VECO, pursuant to Section 20 (b) of Commonwealth Act No. 146, as amended, hereby applies for the approval of the Honorable Commission to implement the construction, ownership and operation of the proposed San Miguel Foods, Inc. Switchyard Project (“SMFI Project”).

8. In brief, the SMFI Project involves the construction of a 69 kV switching station with a single bus – single breaker configuration station within the premises of SMFI’s Feed Mill Plant and the stringing of approximately 0.6 circuit-kilometer 795 MCM ACSR double circuit 69kV line that will cut in along the NGCP Mandaue GIS to VECO MRA SS 69kV line segment and terminate at the said switching station.

9. The detailed justification, technical analysis and economic analysis of the SMFI Project are provided in Annexes “B” and “C” hereof.

10. The total cost of the SMFI Project is estimated at PhP 28,486,164.14.

11. The related costs in relation to the proposed SMFI project will not have a direct impact on the current rates of VECO until approved by the Honorable Commission as part of VECO’s Regulatory Asset Base (RAB) in the next applicable Regulatory Period.

12. In sum, it is necessary that the SMFI Project be implemented in order to accommodate the load requirement of SMFI. The SMFI Project will provide the customer with reliable power that will likewise promote productivity on their end.

PRAYER

WHEREFORE, it is respectfully prayed that the Honorable Commission APPROVE the San Miguel Foods Inc., Switchyard Project.

Other relief just and equitable under the premises are likewise prayed for.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **31 January 2017 at ten o'clock in the morning (10:00 A.M.), at the Energy Regulatory Commission Visayas Field Office in St. Mary's Drive, Banilad, Cebu 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 Applicant rests its 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 *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*

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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.

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 22nd day of December 2016 in Pasig City.


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


LS: ARG/PAR