

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



**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF
EMERGENCY CAPITAL
EXPENDITURE PROJECT
FOR CALENDAR YEAR 2017
WITH PRAYER FOR
PROVISIONAL AUTHORITY**

ERC CASE NO. 2018-003 RC

**MACTAN ELECTRIC
COMPANY, INC. (MECO),**

Applicant.

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D O C K E T E D
Date: APR 17 2018
By: W

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 18 January 2018, Mactan Electric Company, Inc. (MECO) filed an Application dated 07 December 2017 for the approval of its emergency capital expenditure project for calendar year 2017, with prayer for provisional authority.

Applicant MECO alleged the following in its *Application*:

1. MECO is a corporation duly organized and existing under Philippine laws, with principal address at MECO Building, Sangi Road, Pajo, Lapu-Lapu City. It has franchise and Certificate of Public Convenience and Necessity as a distribution utility to operate the electric light and power distribution service in Lapu-Lapu City and in the Municipality of Cordova.
2. Pursuant to ERC Resolution No. 26, Series of 2009 (Amended Rules for the Approval of Regulated Entities' Capital Projects), MECO files this application for an emergency capital expenditure (CAPEX) project to be implemented this calendar year 2017 in order to rectify an overloaded sub-transmission line.
3. The project affects the NGCP/TRANSCO GIS-Feeder #1, which has a total length of 2.682 km consisting of a 1.457 km of 795 MCM wire size owned by MECO and a 1.225 km of 336 MCM

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owned by TRANSCO or the National Transmission Corporation. A segment of 336 MCM is overloaded and the project will rectify the said overloaded segment *en route* to the EAUC sub-transmission line in order to avoid further MLD (Manual Load Dropping) instructions from NGCP or the National Grid Corporation of the Philippines.

4. The said overloading and the corresponding MLD instructions cause frequent power service interruptions to the extreme inconvenience and prejudice of consumers which prompted MECO to implement this emergency project pursuant to Resolution No. 26, Series of 2009 or the *Resolution Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects*.
5. The project has a Cost Estimate of **Php6,627,767.67** to be sourced from MECO's internally generated funds.
6. The project has an Estimated Rate Impact of **Php0.015483/kWh**.
7. Other details of the project appear in **Annex A** hereof, which provide the following information: (a) Project Details; (b) Project Classification; (c) Project Need; (d) Project Cost Estimate (with breakdown); (e) Qualitative Performance Measures; (f) Quantitative Performance Measures; (g) the three options that were considered to address the overloading (with photos); (h) Analysis and Conclusion of the Project; and (i) some of the Demand Control Imminent Warnings issued by NGCP.
8. The project will help MECO provide continuous, reliable, and efficient power supply to its consumers.
9. Pursuant to Rule 20 of the ERC Rules of Practice and Procedure, MECO submits the Judicial Affidavit of Engr. Gilbert A. Pagobo (**Annex B**) in support of its motion for a Provisional Authority to immediately implement the project.
10. The issuance of a Provisional Authority is justified considering the extreme urgency to immediately address the said overloading and frequent power service interruptions.

RELIEF

MECO prays that the Honorable Commission (a) APPROVE the emergency CAPEX project, (b) ISSUE a Provisional Authority to immediately implement the project pending final resolution of this application, (c) GRANT final authority to MECO to implement, construct, own, and operate the project, and (d) GRANT MECO other equitable relief.

Finding the said *Application* to be sufficient in substance, with the required fees having been paid, the same is hereby set for determination of compliance with the jurisdictional requirements,

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expository presentation, Pre-trial Conference, and presentation of evidence on **31 May 2018 (Thursday) at two o'clock in the afternoon (2:00 P.M.), at MECO Building, Sangi Road, Pajo, Lapu-Lapu City, Cebu.**

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* 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 **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 04th day of April 2018 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal


LS: MCC/ARG/GLS/APV

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