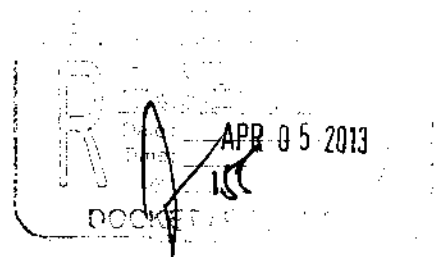


REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE, PASIG CITY

IN THE MATTER OF THE
PETITION FOR THE AMENDMENT
OF ERC RESOLUTION NO. 16 OR
THE "RESOLUTION ADOPTING
AMENDED RULES ON THE
DEFINITION AND BOUNDARIES
OF CONNECTION ASSETS FOR
CUSTOMERS OF TRANSMISSION
PROVIDERS"



ERC CASE NO. 2012-006RM

PHILIPPINE INDEPENDENT
POWER PRODUCERS
ASSOCIATION, INC. (PIPPA),
Petitioner.

x-----x

COMMENT
[on the Proposed Amendments
to ERC Res. No. 16, Series of 2011]

Therma South, Inc. ("TSI"), by counsel, respectfully states:

1. On March 11, 2013, this Honorable Commission issued a *Notice of Proposed Rule Making* (the "Notice") in connection with a *Petition to Initiate Rule-Making* (the "Petition") filed by the Philippine Independent Power Producers Association, Inc. ("PIPPA") on July 11, 2012.

2. The Notice stated that "[a]ll interested parties may submit their respective comments on the proposed amendments [of PIPPA] ERC Resolution No. 16, Series of 2011 *** on or before April 5, 2013"¹ and that "[p]arties who have filed their written comments on or before the prescribed period shall be given priority during the [April 17,

¹ Notice, p. 22.

2013] public consultation.”² Copies of PIPPA’s proposed amendments were made available to all interested parties; these proposed amendments were also described in pp. 19 to 21 of the Notice.

3. TSI is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Binugao, Toril District, Davao City.

4. TSI is an interested party because it is a generation company and therefore stands to be affected by any resolution on the Petition.

5. TSI concurs with PIPPA’s proposed amendments to ERC Resolution 16, as contained in PIPPA’s Compliance filed on November 26, 2012 (the “Compliance”), for the reasons stated therein and the rest of the reasons stated in the Petition.

6. In particular, TSI concurs with the following amendments to ERC Resolution 16 proposed by PIPPA in its Compliance:

a. *The replacement of the current Diagram 4 of ERC Resolution 16 with the proposed Diagrams 4-A and 4-B attached to PIPPA’s Compliance -- to make the diagrams consistent with Section 4.2 of Annex A of ERC Resolution 16, which provides that “Connection Assets for Generation Customers of Transmission Provider include those assets from the last Single Mechanical Connection of a User System or Equipment of a Generator, at its Connection Point, to the last Single Mechanical Connection which is not shared with another Generator within the Grid”.*³

Thus, it is respectfully submitted that, as proposed by PIPPA -- and consistent with Section 4.2 of Annex A of ERC Resolution 16 -- (i) Diagram 4-A should indicate that a connection asset becomes a transmission asset if it is shared by a Generation Company with another

² *Id.*

³ *Emphasis and underscoring supplied.*

Generation Company; while (ii) Diagram 4-B should indicate that a connection asset remains a connection asset of a Generation Company/Generation Customer even if that asset is shared by that Generation Company/Generation Customer with a Load Customer.

For the avoidance of doubt, copies of PIPPA's proposed Diagrams 4-A and 4-B are attached as **Annexes A and B**, respectively.

b. *The revision of the definition of "Connection Assets" in Section 2.0 of Annex A of ERC Resolution 16 -- for the avoidance of doubt as to its meaning.*

Thus, it is respectfully submitted that, as proposed by PIPPA, the definition of "Connection Assets" in Section 2.0 of Annex A of Resolution 16 should be amended to read as follows (the proposed amendment is underscored):

Connection Assets (CA): Those assets that are put in place primarily to connect a Customer/s to the Grid and used for purposes of Transmission Connection Services for the conveyance of electricity which if taken out of the System, will only affect the Customer connected to it and will have minimal effect on the Grid, or other connected Customers. For the avoidance of doubt, Connection Assets exclude a User System or Equipment or other Facilities owned by a Customer such as a Load Customer or a Generator, which User System or Equipment or other Facilities shall remain owned by such Customer.

c. *The inclusion of the definitions of "Generator", "Distribution Utility" and "Load Customer" in Section 2.0 of Annex A of Resolution 16 -- to minimize the need to refer to another ERC issuance for the meaning of these terms.*

Thus, it is respectfully submitted that, as proposed by PIPPA, the following definitions of "Generator", "Distribution Utility" and "Load Customer" should be inserted in Section 2.0 of Annex A of ERC Resolution 16:

Generator: Has the same meaning as Generation Company under the Philippine Grid Code, which is a person or entity authorized by the ERC to operate a facility used in the generation of electricity.

Distribution Utility: Has the same meaning given to this in the Philippine Grid Code, which is an Electric Cooperative, private corporation, government-owned utility, or existing local government unit that has an exclusive franchise to operate a Distribution System.

Load Customer: A Distribution Utility or other End User that receives electricity through the Grid.

Respectfully submitted.

Makati City for Pasig City, April 5, 2013.

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DIME LABASTILLA DE LEON & ...

RECEIVED
By: Elano Comite G. Calor
Date: 05 APR 2013

Mr. Ernesto B. Pantangco
President
Philippine Independent Power Producers Association, Inc.
Ground Floor, Benpres Building
Exchange Road cor. Meralco Avenue
Ortigas Center, Pasig City

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Senate Committee on Audit
GSIS Building, Roxas Boulevard, Pasay City 1300

OCPO # 031225

House of Representatives Committee on Energy
Batasan Hills, Quezon City 1126

OCPO # 031226

Philippine Chamber of Commerce and Industry
3rd Floor, ECC Building, 355 Sen. Gil Puyat Avenue
Makati City

OCPO # 031227

EXPLANATION

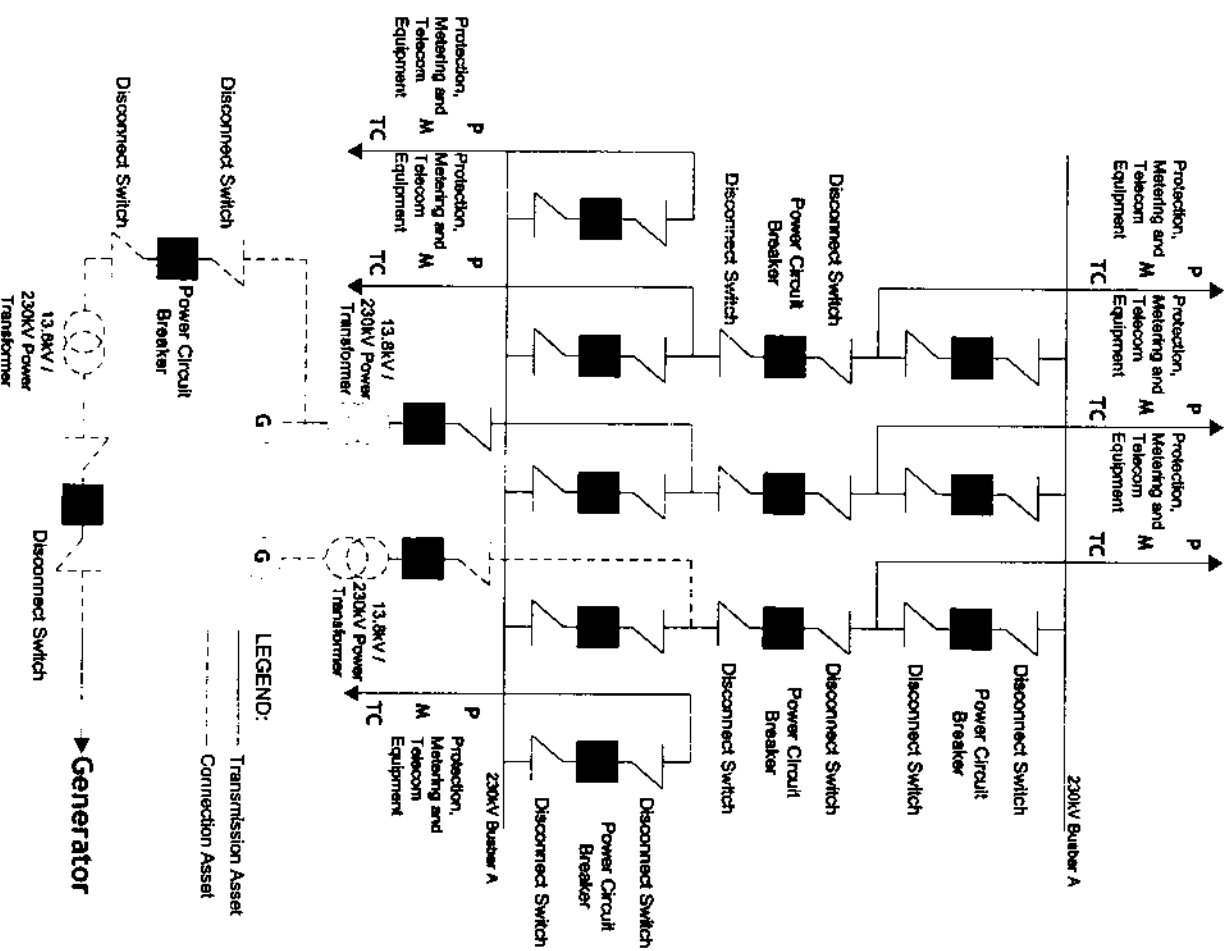
Due to the distances involved, the number of recipients and lack of adequate messengerial services, this Comment shall be served on the other interested parties by registered mail, except for the copy meant for PIPPA, which shall be served on its counsel by hand.



VLADI MIGUEL S. LAZARO

Diagram 4-A: Asset Boundary for Switchyards using the 1 1/2 Circuit Breaker scheme for Generation Customers (where there is sharing with another Generator)

ANNEX A



**Diagram 4-B: Asset Boundary for Switchyards using the 1 1/2 Circuit
Breaker scheme for Generation Customers
(where there is sharing with a Load Customer)**

ANNEX B

