

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

PSALM CORP.	
OFFICE OF THE GENERAL COUNSEL	
RECEIVED	
BY: <u> RMD </u>	
DATE: <u> MAR 28 2011 </u>	
TIME: <u> 5PM </u>	
CONTROL NO. <u> 11-0716 </u>	

IN THE MATTER OF THE
APPLICATION FOR THE APPROVAL
OF THE CONTRACT FOR THE SUPPLY
OF ELECTRIC ENERGY (CSEE) AND
LETTERS OF AGREEMENT (LOA)
ENTERED INTO WITH THE
DISTRIBUTION UTILITIES (DUs)
LOCATED IN THE MINDANAO GRID,
WITH PRAYER FOR THE ISSUANCE OF
PROVISIONAL AUTHORITY

ERC CASE NO. 2011- 038 RC

POWER SECTOR ASSETS AND
LIABILITIES MANAGEMENT
CORPORATION (PSALM),

Applicant.

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DOCKETED
Date: MAR 28 2011
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on March 15, 2011, the Power Sector Assets and Liabilities Management Corporation (PSALM) filed an application for the approval of the Letters of Agreement (LOAs) entered into with two (2) Distribution Utilities (DUs) located in the Mindanao Grid, with prayer for the issuance of provisional authority.

In the said application, PSALM alleged, among others, the following:

1. It filed the instant application for the approval of the terms and conditions of the LOAs it entered into with two (2) DUs pursuant to Section 67 of Republic Act No. 9136 (R.A.9136);
2. On July 7, 2005, the Commission issued Resolution No. 08, Series of 2005 approving and adopting the template for the Transition Supply Contract (TSC). On August 9, 2005, said template for the TSC was later amended by the Commission in its Resolution No. 15, Series of 2005;
3. On various dates, the National Power Corporation (NPC) filed applications for the approval of the CSEE/TSC for the Mindanao Grid, which were correspondingly approved on October 19, 2006. On April 8, 2009, NPC

- filed another set of TSCs which were approved by the Commission on August 3, 2009;
4. It is a government-owned and controlled corporation created by virtue of R.A. 9136, with principal office address at 7/F Bankmer Building, 6756 Ayala Avenue, Makati City;
 5. Pursuant to Sec. 49 of R.A. 9136 and the consequent assignment on May 11, 2009 of all Power Supply Contracts (PSCs) of NPC to it, NPC assigned and transferred to it all of its rights and obligations in, to, and under its CSEE and other similarly or substantially equivalent PSCs with NPC's power customers;
 6. On and from May 11, 2009, the PSCs are deemed amended as follows: (i) all references to NPC in the supply contracts shall be treated as references to it; (ii) it shall be deemed the SUPPLIER under the PSCs; and (iii) the rights and obligations of the Parties shall be governed by and construed in accordance with the PSCs, as amended by the LOA dated May 11, 2009. Thus, it filed the instant application;
 7. The LOAs are executed between parties in case of changes in the provisions of the CSEE other than the terms and conditions appearing in the template for the TSC as approved by the Commission in its Resolution No. 08, Series of 2005. These changes include duration of the CSEE/TSC and monthly contracted energy. Pursuant to Section 67 of R.A. 9136 and in compliance to the Commission's Order dated December 1, 2010 in ERC Case No. 2010 – 079, the LOAs it executed with the DUs in the Mindanao Grid are hereby submitted for the Commission's approval:
 - 7.1 Lanao del Sur Electric Cooperative, Inc. (LASURECO); and
 - 7.2 Zamboanga City Electric Cooperative, Inc. (ZAMCELCO).
 8. The said LOAs extended the duration of the DUs' respective CSEEs to December 25, 2011. The Total Contracted Energies of the above power customers for 2011 decreased from Original Total Contracted Energies. The other terms and conditions of the abovementioned Mindanao customers' CSEE/TSC as approved by the Commission on October 19, 2006 and August 3, 2009 remain applicable and have not been changed by these subsequent LOAs being submitted;
 9. In compliance with Section 4(e) of Rule 3 of the Implementing Rules and Regulations (IRR) of R.A. 9136 and the Commission's Resolution No. 38, Series of 2006 and in support of the instant application for the approval of the LOAs, a copy of the said application (including annexes) was furnished to the Sangguniang Panlungsod of Makati City. The application (excluding annexes) was also published in a newspaper of general circulation; and
 10. It prays that the duly negotiated LOAs with various DUs in the Mindanao Grid be approved and that a provisional authority be issued authorizing it to implement the subject LOAs and CSEEs with the concerned DUs in the Mindanao Grid.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on the following dates and venues:

DATE	TIME	VENUE	PARTICULARS
April 15, 2011 (Friday)	Nine o'clock in the morning (9:00 A.M)	ERC Mindanao Field Office, Mintrade Building, Monteverde Avenue cor. Sales Street, Davao City	Jurisdictional Hearing, Expository Presentation, Pre- Trial Conference and Evidentiary Hearing
May 10, 2011 (Tuesday)	Ten o' clock in the morning (10:00 A.M.)	ERC Hearing Room, 15th Floor, Pacific Center Bldg., San Miguel Avenue, Pasig City	Continuation of Evidentiary Hearing, if necessary

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 applicant concludes the presentation of its 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 applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is 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, **ALEJANDRO Z. BARIN**, **MARIA TERESA A. R. CASTAÑEDA**, and **JOSE C. REYES**, Energy Regulatory Commission, this 21st day of March 2011 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III


Rfm/njs