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

**IN THE MATTER OF THE  
TRUE-UP ADJUSTMENT OF  
THE NATIONAL POWER  
CORPORATION'S  
STRANDED DEBTS  
PORTION OF THE  
UNIVERSAL CHARGE FOR  
THE LUZON, VISAYAS AND  
MINDANAO GRIDS FOR  
CALENDAR YEAR 2016,  
WITH PRAYER FOR THE  
ISSUANCE OF  
PROVISIONAL AUTHORITY  
(PA)**

**ERC CASE NO. 2017-069 RC**

**POWER SECTOR ASSETS  
AND LIABILITIES  
MANAGEMENT  
CORPORATION (PSALM),  
*Petitioner.***

**D O C K E T E D**  
Date: JUL 13 2018  
By: W

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**ORDER**

On 31 July 2017, a *Petition* dated 27 July 2017 was filed by petitioner Power Sector Assets and Liabilities Management Corporation (PSALM), seeking the Commission's approval of the True-Up Adjustment of the National Power Corporation's (NPC) Stranded Debts Portion of the Universal Charge (UC) for the Luzon, Visayas, and Mindanao Grids for calendar year 2016, with prayer for the issuance of provisional authority.

PSALM alleged the following in its *Petition*:

**I.**

**NATURE OF PETITION**

1. This *Petition* for True-Up Adjustment of the National Power Corporation's (hereinafter, "NPC") Stranded Debts Portion of the Universal Charge for Calendar Year 2016 to be collected from

all end-users of electricity is being filed pursuant to Republic Act No. 9136 or the "Electric Power Industry Reform Act of 2001" (hereinafter, "**EPIRA**"), its Implementing Rules and Regulations (hereinafter, "**EPIRA-IRR**") and the Amended Rules for Recovery of NPC Stranded Contract Costs and Stranded Debts Portion of the Universal Charge (hereinafter, "**Amended Rules for Recovery**"), as adopted by the Energy Regulatory Commission (hereinafter, "**ERC**") in its Resolution No. 02-2011 dated 7 February 2011.

## **II.**

### **TIMELINESS OF PETITION**

2. Article VIII of said Amended Rules for Recovery provides that true-up adjustment shall be done on an annual basis to be initiated by PSALM through submission to the ERC on or before the 15<sup>th</sup> day of March of every year of a detailed Variance Analysis Report (hereinafter, "**VAR**"), certified by an Independent Third Party auditor, as well as relevant documents to support true-up adjustment as part of the VAR. The VAR shall be the basis by which the ERC will approve inclusion of any under recovery in the current year's level of NPC Stranded Debts (hereinafter, "**SD**") availment of the Universal Charge (hereinafter, "**UC**") or mandate a reimbursement due to over recovery by way of reduction in the current year's level of NPC Stranded Debts Portion of the Universal Charge (hereinafter, "**UC-SD**").

3. In a letter dated 13 February 2017, PSALM requested from the ERC for an extension for the filing of the true-up adjustment for the UC-SD for 2016, from 15 March 2017 to 31 July 2017, on the ground that the 15 March original deadline is no longer feasible considering that the Calendar Year (CY) 2016 certified financial statements of PSALM, which include the financial performance of its Independent Power Producer (hereinafter, "**IPP**") plants and owned generating plants under an Operation and Maintenance Agreement (hereinafter, "**OMA**") with NPC, and which financial statements serve as basis in calculating the SD, has yet to be approved by the PSALM Board. Further, data contained in the said financial statements need to be analyzed and processed to identify and properly classify the components that are eligible for recovery under SD.

4. In its letter-reply dated 16 May 2017, the ERC granted PSALM's request and directed it to file the UC-SD true-up adjustment petition for CY 2016 on or before 31 July 2017.

Attached as Annexes "**A**" and "**B**" are PSALM's letter dated 13 February 2017 and the ERC's letter-reply dated 16 May 2017, respectively.

5. Hence, this Petition for True-Up Adjustment is filed on time.

**III.**

**PETITIONER**

6. Petitioner PSALM is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 3<sup>rd</sup> Floor, National Transmission Corporation (hereinafter, “**TransCo**”) Building, Power Center, Quezon Avenue corner BIR Road, Diliman, Quezon City.

7. The principal mandate of PSALM is to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate and other disposable assets, and IPP contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optimal manner (Sec. 50, EPIRA). To attain its objectives, PSALM shall, among others, **[i] calculate the amount of the stranded debts and stranded contract costs of NPC which shall form the basis for ERC in the determination of the universal charge** (emphasis supplied) and [ii] liquidate the NPC stranded contract costs, utilizing the proceeds from sales and other property contributed to it, including the proceeds from the universal charge (Sec. 51, EPIRA).

8. It is PSALM’s responsibility to calculate the amount of the SD of NPC that can be recovered through the UC, subject to review and approval by the ERC.<sup>1</sup> The recovery of NPC SD through the UC shall be uniform to all the end-users.<sup>2</sup>

9. PSALM is likewise responsible for initiating true-up adjustments through the submission of the VAR certified by an Independent Third Party Auditor as well as the calculation and collation of supporting documents for UC-SD<sup>3</sup>.

**IV.**

**ANTECEDENTS**

10. On 07 February 2011, the ERC approved and adopted the Amended Rules for Recovery which, among others, established the procedure and manner in which PSALM shall file its petitions for availment from the UC with respect to NPC Stranded Contract Costs (hereinafter, “**SCC**”) and SD recovery, and defined the parameters in calculating said SCC and SD.

11. On 28 June 2011, PSALM filed its Petition for the recovery of NPC’s SD portion of the UC as of 31 December 2010, docketed under ERC Case No. 2011-092 RC, seeking the ERC’s approval to charge and collect a UC-SD amounting to PhP65,019.05 Million which translates to a UC-SD charge of PhP0.0313/kWh.

12. On 28 January 2013, the ERC rendered its decision in the said case (hereinafter, “**ERC Decision**”), disapproving the

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<sup>1</sup> Article V, Amended Rules for Recovery

<sup>2</sup> Section 1, Article V, Amended Rules for Recovery

<sup>3</sup> Article VIII, Amended Rules for Recovery

petition of PSALM for the recovery of NPC's SD portion of the UC and setting the recoverable SD to zero (0) "*since the allowable SD for CY 2011 can be fully covered and paid from the proceeds of NPC's operation. This is without prejudice to the filing of annual true-up adjustments for the recovery of succeeding SD.*"

13. The Amended Rules for Recovery provides that true-up adjustment shall be done on an annual basis to be initiated by PSALM through submission to the ERC on or before the 15<sup>th</sup> day of March of every year of a detailed VAR certified by an Independent Third Party auditor as well as the relevant documents to support true-up adjustments as part of the VAR.

14. In a letter dated 13 February 2017, PSALM requested for an extension of the deadline to file the true-up adjustment of the NPC's SD portion of the UC for CY 2016 from 15 March 2017 to 31 July 2017, considering that the CY 2016 certified financial statements of PSALM has yet to be approved by the PSALM Board. This is aside from the unavailability of the VAR, which required to be certified by an Independent Third Party auditor, that would be used to support the true-up adjustment.

15. The ERC, in its letter-reply dated 16 May 2017, granted PSALM's request and directed PSALM to file the UC-SD true-up adjustment petition for CY 2016 on or before 31 July 2017.

**V.**

**VARIANCE ANALYSIS REPORT TO SUPPORT  
THE UC-SD TRUE-UP ADJUSTMENT**

16. SD of NPC refers to "*any unpaid financial obligations which have not been liquidated by the proceeds from the sales and privatization of NPC assets*". The NPC SD shall be equivalent to the Gross Debt Service (hereinafter, "**GDS**")<sup>4</sup>, net of the calculated projected Privatization Proceeds<sup>5</sup> (hereinafter, "**PP**"), projected cash flow from NPC's operations<sup>6</sup> (hereinafter, "**PO**") and National Government absorption<sup>7</sup> shown in the formula below:

$$UCSDR = \left\{ \frac{GDS - PP - NGA}{\sum_{i=5+1}^n Projected Energy Sales_{2i}} \right\} - \left\{ \frac{PO}{Projected Sales_i} \right\}$$

where:

**UCSDR** = UC-SD rate base, in PhP/kWh

**GDS** = Gross Debt Service

**PP** = Privatization Proceeds

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<sup>4</sup> Article V, Section 2

<sup>5</sup> Article V, Section 4

<sup>6</sup> Ibid

<sup>7</sup> Article V, Section 5

- NGA** = National Government Absorption
- PO** = One-year projected net proceeds from operations of NPC and TransCo
- B** = Base year, i.e. 2010
- n** = Number of years of recovery
- t** = Filing year, i.e. B+1

17. Under Section 3, Article VIII of the Amended Rules for Recovery, the VAR to be submitted by PSALM to the ERC shall contain at the minimum the following:

- a. Quantity Variance (hereinafter, “**QV**”), which refers to the difference between the billing determinant used pursuant to the ERC Decision and the Actual kWh sales to end-users;
- b. Cost Variance (hereinafter, “**CV**”), which refers to the difference in the estimated costs considered in establishing the approved level of stranded debts and actual costs incurred covering GDS, PP and PO; and
- c. The over/under recovery for the stranded debts shall be equivalent to the sum of CV and QV translated in absolute peso amount (QV multiplied by the PhP/kWh stranded debt approved by the ERC).

**VI.**

**FINANCIAL OBLIGATIONS SERVICED IN CY 2016**

18. PSALM’s total financial obligations serviced/paid in CY 2016 consist of i) regular debt maturities of NPC, NPC-Small Power Utilities Group (hereinafter, “**NPC-SPUG**”), PSALM, and TransCo due for the said year, and ii) Built-Operate-Transfer (hereinafter, “**BOT**”) lease obligations pertaining to eligible and ineligible IPP contracts due for the said year.

19. For CY 2016, total debts and BOT lease obligations serviced, are summarized in the table below:

TOTAL FINANCIAL OBLIGATIONS	AMOUNT (In PhP)
i) NPC's outstanding financial obligations as of effectivity of EPIRA	36,839,243,840.52
- Debts	10,464,781,108.17
- Lease Obligation of all IPPs	26,374,462,732.35

ii) New loans contracted by NPC after the effectivity of EPIRA	32,761,178,633.62
iii) Loans incurred by PSALM in behalf of NPC	16,370,660,495.53
<b>Total Financial Obligations Serviced/Paid for CY 2016</b>	<b>85,971,082,969.67</b>

**Table 1: Summary of Financial Obligations Serviced in CY 2016**

Attached hereto are the schedules of Financial Obligations Serviced in CY 2016 consisting of Actual Debt Service for the period ended 31 December 2016 and Lease Obligations paid in 2016 as **Annexes "C" and "D"**, respectively.

**VII.**

**GROSS DEBT SERVICE (GDS)**

**Recoverable Financial Obligations**

20. Pursuant to Section 2, Article V of the Amended Rules for Recovery, the financial obligations that shall be included as part of the GDS for purposes of the SD true-up calculations are as follows:

- i) NPC's outstanding financial obligations as of the effectivity of the EPIRA;
- ii) New loans contracted by NPC after the effectivity of the EPIRA;
- iii) Loans incurred by PSALM in behalf of the NPC; and
- iv) Loans contracted by TransCo prior to its privatization.

21. On the other hand, the financial obligations that shall be excluded for purposes of the SD true-up calculations are as follows:

- i) Capacity fees and debt service related to eligible IPP contracts;
- ii) All other loans incurred by PSALM; and
- iii) All loans pertaining to NPC-SPUG.

22. Consistent with the ERC Decision on the recovery of UC-SD, Capacity Fees/Lease Obligations of IPP contracts not eligible for recovery under SCC (Lease obligations of ineligible IPPs) shall be included as part of GDS under NPC's outstanding financial obligations as of the effectivity of the EPIRA.

**Allowable GDS**

23. Out of the total financial obligations serviced by PSALM, the SD share in debt service or the allowable GDS was calculated by applying to each component of debt service (principal repayment, interest, guarantee fee, and other charges) the percentage share utilization of SD in the loan proceeds. The

percentage share utilization of SD is based on the extent of loan proceeds that was utilized for generation/transmission/other power assets and ineligible IPPs which are all eligible for recovery under SD (SD Percentage).

24. The allowable GDS also includes the capacity fees/lease obligations for ineligible IPP contracts namely San Roque, Bakun, Ilijan, Kalayaan 3 and 4, and Mindanao Coal/STEAG. In other words, allowable GDS excludes capacity fees/lease obligations of IPP contracts for Sual and Pagbilao Coal plants which are eligible for recovery under SCC.

25. Out of the PhP85,971.08 Million total financial obligations serviced in CY 2016, actual Allowable GDS amounts to PhP58,597.96 Million, as shown below:

<b>GROSS DEBT SERVICE</b>	<b>AMOUNT (In PhP)</b>
i) NPC's outstanding financial obligations as of effectivity of EPIRA	18,909,886,567.16
- Debts	10,256,480,163.78
- Lease Obligation of non-eligible IPPs	8,653,406,403.39
ii) New loans contracted by NPC after effectivity of EPIRA	27,712,653,058.54
iii) Loans incurred by PSALM in behalf of NPC	11,975,419,263.07
<b>Allowable GDS for CY 2016</b>	<b>58,597,958,888.77</b>

**Table 2: Summary of Allowable GDS for CY 2016**

26. The total allowable GDS of PhP58,597.96 Million was further reduced by PhP775.38 Million, representing principal repayment portion of Loans for Refinancing (namely Land Bank of the Philippines (hereinafter, "LBP") 75Bn Syndicated Term Loan, Republic of the Philippines (hereinafter, "ROP") Relending Facility and ROP Relent-\$500M Onshore Dollar Bond) that were used to service debt maturities included in the CYs 2011 and 2012 GDS and SD calculations.

27. Hence, the allowable GDS net of the abovementioned repayment portion of Loans for Refinancing amounts to PhP57,822.58 Million, as shown below:

<b>NET GROSS DEBT SERVICE</b>	<b>AMOUNT (in PhP)</b>
Allowable GDS	58,597,958,888.77
LESS: Principal Repayment Portion of New Loans for Refinancing	775,378,584.12
<b>Actual Allowable GDS Net of Principal Repayment Portion of New Loans for Refinancing (Total GDS)</b>	<b>57,822,580,304.65</b>

**Table 3: Summary of Total GDS for CY 2016**

The details of Total GDS are attached hereto as **Annex “E”** and the schedule of Lease Obligations of Ineligible IPP Plants paid in 2016 is attached as **Annex “E-1”**.

**VIII.**

**PRIVATIZATION PROCEEDS (PP)**

28. Consistent with the EPIRA and the UC-SD formula, the PP shall be used to reduce the allowable GDS. The actual cash inflows from privatization include the following:

- i) Proceeds from the sale of assets or equity in the privatized entities;
- ii) Proceeds from the privatization of non-eligible IPP contracts; and
- iii) Proceeds from the concession of operations of the transmission system.

29. Guided by the considerations on PP in the ERC Decision, the detailed PP for CY 2016 is shown below:

<b>PRIVATIZATION PROCEEDS</b>	<b>AMOUNT (In PhP)</b>
Proceeds from sale of Power Barge (PB) 104	195,437,499.10
IPP Administrator Monthly Payment	11,551,079,106.39
Interest on TransCo’s Concession Agreement	3,551,982,122.08
Other Privatization-related Proceeds	11,713,643.75
<b>TOTAL PRIVATIZATION PROCEEDS</b>	<b>15,310,212,371.32</b>

**Table 4: Details of Privatization Proceeds for CY 2016**



The privatization proceeds are net of the Value-Added Tax (hereinafter, "VAT"), consistent with Bureau of Internal Revenue (hereinafter, "BIR") Revenue Memorandum Circular No. 11-2012 which states, among others, that:

"x x x Considering that the sale of electricity is now subject to VAT, the real properties sold by PSALM are regarded as real properties *used in the trade or business*. While it is clear under the Tax Code of 1997 that such sale is not subject to income tax, there is no provision under the same Code that exempts it from VAT nor subject it to VAT at zero rate. X x x"

"x x x Moreover, gross receipts of PSALM from the lease of NPC transferred assets and other assets are deemed in the ordinary course of trade or business, hence, subject to VAT under the Tax Code of 1997."

And considering that the IPP Administration Agreement between PSALM and the IPP Administrator provides that, "In the event that the Monthly Payments are determined with finality to be subject to value added tax, all applicable value added tax on such payments shall be for the account of PSALM...", for purposes of SD calculations, the IPP Administrator Monthly Payment received by PSALM was reduced by the VAT shouldered by PSALM.

30. The details of the privatization proceeds for CY 2016 are as follows:

- a. Proceeds from the privatization of Power Barge 104 amounting to PhP195.44 Million, which were remitted in 2016 to PSALM in full by the winning bidder, SPC Power Corporation;
- b. The IPP administrator monthly payments amounting to PhP11,551.08 Million represent the privatization proceeds from the three (3) IPP Administrators, namely, Vivant Sta. Clara Northern Renewable Generation Corp., Strategic Power Development Corporation (SPDC), and South Premiere Power Corporation (SPPC), net of VAT shouldered by PSALM;
- c. Interest on TransCo's Concession Agreement amounting to PhP3,551.98 Million represents the semi-annual interest payments made by the National Grid Corporation of the Philippines (NGCP) on the balance of the concession fee under the Concession Agreement; and
- d. Proceeds from other privatization-related activities amounting to PhP11.71 Million consist of: i) Administrative Fee for Sub-Lease of Lot to St. Raphael Power Generation Corporation (SRPGC) & DMCI Power Corporation (DPC), ii) forfeiture of performance bond of Cebu Diesel Power Plant 2, iii)

optioned assets under land lease agreement for Panay and Bohol Diesel Power Plants, and iv) sales of unserviceable assets, junk and scrap materials from Visayas and Mindanao plants.

Attached hereto as **Annex “F”** is the Schedule of Actual Privatization Proceeds (for SD Recovery) based on **Annexes “F-1”** and **“F-2”**, which are the Actual Privatization Proceeds and VAT on Privatization Proceeds, respectively.

**IX.**

**PROCEEDS FROM NPC OPERATIONS (PO)**

31. Consistent with the ERC Amended Rules for Recovery and ERC Decision on the UC-SD recovery, the PO shall be used to reduce the allowable GDS. Below are the details of the actual PO of the remaining generating assets and ineligible IPP contracts for CY 2016 that were considered in the SD true-up calculations:

<b>PROCEEDS FROM NPC OPERATIONS</b>	<b>AMOUNT (In PhP)</b>
<b>REVENUES</b>	
Net Utility Revenue (NUR)	21,295,212,175.40
Generation Payment Billings	25,029,111,254.99
Net, Other Income/(Expense)	(431,161,825.19)
<b>Total Revenues</b>	<b>45,893,161,605.20</b>
<b>COSTS</b>	
Fuel	19,679,300,302.19
Purchased Power Cost (PPC)	13,847,214,052.28
Energy Purchased from PEMC	60,903,874.91
Pumping Cost	2,601,920,197.75
Other OPEX	1,833,635,281.00
<b>Total Costs</b>	<b>38,022,973,708.13</b>
<b>NET CASH FLOW / PO</b>	<b>7,870,187,897.07</b>

**Table 5: Summary of Proceeds from NPC Operations for CY 2016**

The detailed PO for CY 2016 is attached hereto as **Annex “G”**.

32. The components of the PO for CY 2016 are as follows:

- a. Net Utility Revenues (hereinafter, "**NUR**") refer to the revenues generated from the provision by the remaining generating assets and ineligible IPP plants of energy and ancillary service to customers and the spot market, as well as from the implementation of the monthly automatic cost recovery mechanism (hereinafter, "**ACRM**"). These exclude revenue deduction items such as Prompt Payment Discount and Mandatory Rate Reduction<sup>8</sup>. These revenues were based on the Operating Results, Cash Flow or the Results of Operation (hereinafter, "**ROO**") for CY 2016 broken down into Ineligible and Eligible Plants per Grid, attached hereto as **Annex "G-1"**.

In addition to the revenues reflected in the ROO, the revenues from monthly foreign exchange adjustments (hereinafter, "**FxA**") for ineligible plants recovered through the ACRM, were added to the NUR. The Total FxA Revenue per Grid was allocated using the Transition Supply Contract (hereinafter, "**TSC**") energy sales of these ineligible plants as provided in the ROO. Attached hereto as **Annex "G-2"** is the Schedule of Foreign Exchange Adjustment Revenue broken down into ineligible and Eligible Plants while **Annex "G-3"** is the Schedule of Total Foreign Exchange Adjustment Recovery per Grid.

- b. Generation Payments represent billings made to IPP Administrators of ineligible IPP plants, namely Bakun, San Roque, Ilijan and Mt. Apo. Attached as **Annex "G-4"** and **Annex "G-5"** are the Summary of IPPA Billings – Generation Payments and VAT on Mt. Apo Monthly Payments, respectively.

It is worthy to note that Generation payments of Ilijan in the amount of PhP19,772.30 Million include unpaid bills by South Premiere Power Corporation (**SPPC**), the Ilijan IPP Administrator, amounting to PhP661.67 Million. Further, it also includes the Monthly Payments received from FDC Misamis Power Corporation as the Administrator of Mt. Apo 1 and 2 IPP, net of VAT shouldered by PSALM.

- c. Net Other Income consists of other income less other expenses not directly attributable to the operations of existing power plants. This is based on the CY 2016 ROO.
- d. Costs include fuel, purchased power costs (hereinafter, "**PPC**"), energy purchased from Philippine Electricity Market Corporation (hereinafter, "**PEMC**"), pumping

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<sup>8</sup> In accordance with Decision on ERC Case No. 2011-091 RC dated 28 January 2013

costs and other plant operating expenses (Other hereinafter, "OPEX"). Other OPEX includes NPC's Operation and Maintenance Agreement (hereinafter, "OMA") costs, station use, share in national wealth, Energy Regulation (hereinafter, "ER") 1-94, real property taxes, insurance and technical and administrative expenses. For PSALM's remaining generating assets and ineligible IPP plants, the cost components are based on the CY 2016 ROO. On the other hand, cost components for IPP plants under IPP Administration Agreements (hereinafter, "IPPAA") were based on the CY 2016 Schedules of Fixed and Variable Costs of Ineligible Plants under IPPAA, attached hereto as Annexes "G-6" and "G-7", respectively.

**X.**

**NPC's STRANDED DEBTS**

33. The NPC Stranded Debts shall be equivalent to the Total GDS net of the calculated PP and PO. The calculated Stranded Debts for CY 2016 amounts to PhP34,642.18 Million as shown below.

<b>STRANDED DEBTS</b>	<b>Amount (In PhP)</b>
GDS	57,822,580,304.65
Less: PP	15,310,212,371.32
PO	7,870,187,897.07
<b>SD</b>	<b>34,642,180,036.26</b>

**Table 6: UC-SD for CY 2016**

The calculated SD for CY 2016 in the amount of PhP34,642.18 Million will increase by PhP661.67 Million or a resulting SD of PhP35,303.85 Million if the CY 2016 unpaid Generation Payment bills due from SPPC, the Ilijan IPPA, are deducted from total revenue from generation payment billings.

**XI.**

**COST VARIANCE**

34. As mentioned above, CV refers to the difference in the:

- i) Estimated costs covering GDS, PP and PO considered by the ERC in establishing the approved level of stranded debts; and

ii) Actual costs covering GDS, PP and PO.

35. In arriving at the CV, the two (2) items mentioned above need to be established. Since there is no approved level of SD when the ERC set the recoverable SD to zero, it follows that the value of estimated cost shall also be zero. As such, actual costs (GDS less PP and PO) for the year 2016 will necessarily be equivalent to the CV for 2016, amounting to **PhP34,642.18 Million** as summarized below:

<b>Particulars</b>	<b>CY 2016 Actual (In PhP)</b>	<b>SD Approved for Recovery</b>	<b>Cost Variance (In PhP)</b>
Gross Debt Service	57,822,580,304.65	0	57,822,580,304.65
Less: Privatization Proceeds	15,310,212,371.32	0	15,310,212,371.32
Proceeds from Operation	7,870,187,897.07	0	7,870,187,897.07
<b>SD</b>	<b>34,642,180,036.26</b>	<b>0</b>	<b>34,642,180,036.26</b>

**Table 7: Cost Variance for CY 2016**

**XII.**

**QUANTITY VARIANCE**

36. QV, as stated earlier, refers to the difference between the billing determinant used pursuant to the ERC Decision and the Actual kWh sales to end-users. This will be the QV in kWh sales.

37. To determine the QV in absolute amount, QV is multiplied by the PhP/kWh SD approved by the ERC. Since the ERC set the recoverable SD in PhP/kWh to zero, QV in absolute amount will also be zero regardless of the QV in kWh sales that will be computed.

**XIII.**

**TRUE-UP ADJUSTMENT**

38. In accordance with the ERC Amended Rules for Recovery, the True-up Adjustment for CY 2016 representing the sum of CV and the peso value of the QV amounted to PhP34,642.18 Million, as shown below:

<b>Particulars</b>	<b>Amount (In PhP)</b>
Cost Variance	34,642,180,036.26
Add: Quantity Variance	0.00
<b>True-up Adjustment</b>	<b>34,642,180,036.26</b>

**Table 8: True-up Adjustment for CY 2016**

39. A copy of the CY 2016 VAR to support the above True-up Adjustments, certified by the Commission on Audit, the Third Party Auditor is attached hereto as **Annex "H"**.

40. The equivalent rate of the CY 2016 UC-SD True-up Adjustment is PhP0.0407/kWh, calculated by dividing PhP34,642,180,036.26 by the projected energy sales from January 2018 to June 2026, based on the 2015-2030 Department of Energy Power Development Plan, with details as follows:

<b>UC-SD True-Up Adjustment for CY 2016 (in PhP)</b>	<b>Energy Sales Forecast (GWh)</b>	<b>UC-SD Rate (PhP/kWh)</b>
<b>34,642,180,036.26</b>	<b>851,549.00</b>	<b>0.0407</b>

**Table 9: UC-SD True-up Adjustment and Rate for CY 2016**

A copy of the Electricity Sales Forecast, PDP (2015-2030) as sourced from the DOE is hereto attached as **Annex "I"**.

**XIV.**

**ACTUAL OUTSTANDING DEBT SERVICE**

**AS OF 31 DECEMBER 2016**

41. Pursuant to Section 3, Article V of the ERC Amended Rules, PSALM shall include in the petition for cost recovery under the UC for Stranded Debts, the actual outstanding Debt Service as of the current year to account for any adjustment on the Debt Service for reasons, such as, but not limited to, PSALM's refinancing of existing debts. Such recalculated Debt Service shall be used in the true-up computation as provided under Article VIII of the Amended Rules.

42. Shown below is the actual outstanding GDS as of 31 December 2011 to 2016 as compared with the outstanding GDS as of 31 December 2010, which was considered by the ERC in its Decision dated 28 January 2013 under ERC Case No. 2011-092.

Particulars	As of 31 December						
	2010 (PhP Bn)	2011 (PhP Bn)	2012 (PhP Bn)	2013 (PhP Bn)	2014 (PhP Bn)	2015 (PhP Bn)	2016 (PhP Bn)
NPC's outstanding financial obligations as of effectivity of EPIRA (including Lease Obligations of non-eligible IPPs)	254.60	224.95	188.54	173.04	140.88	126.74	113.94
New loans contracted by NPC after the effectivity of EPIRA	84.20	55.88	38.52	37.20	32.61	29.00	1.63
) Loans incurred by PSALM in behalf of NPC	201.12	260.67	311.41	268.36	260.49	242.57	236.71
<b>Outstanding GDS</b>	<b>539.92</b>	<b>541.49</b>	<b>538.47</b>	<b>478.60</b>	<b>433.98</b>	<b>398.31</b>	<b>352.29</b>

(Note: Difference of .01 is due to rounding off)

**Table 9: Outstanding GDS as of 31 December 2010, 2011, 2012, 2013, 2014, 2015 and 2016**

The details of the Actual Outstanding GDS as of 31 December 2016 is hereto attached as **Annex "J"**, based on the Inventory of Financial Obligations (Principal), attached as **Annex "J-1"** and Inventory of Financial Obligations (Interest, Guarantee Fee and Other Charges) as of 31 December 2016, attached as **Annex "J-2"**, and Lease Obligations as of 31 December 2016.

43. In compliance with Section 4(e) of Rule 3 of the EPIRA-IRR and ERC Resolution No. 38-2006, a copy of the instant Petition (including Annexes) was furnished the Sangguniang Panlungsod of Quezon City. A copy of the Affidavit of Service is hereto attached as **Annex "K"**. The Petition (excluding Annexes) was also published in a newspaper of general circulation. A copy of the Affidavit of Publication is hereto attached as **Annex "L"**.

#### XV.

#### ALLEGATIONS IN SUPPORT FOR THE ISSUANCE OF PROVISIONAL AUTHORITY

44. The petition covers the true-up adjustments for the UC-SD for CY 2016. The aggregate amount if collected would lessen additional loans to be incurred by PSALM in behalf of the NPC. Provisional approval of this UC-SD will also keep PSALM from resorting to refinancing to service its maturing debt and lease obligations, thus reducing, if not totally eliminating, additional borrowing costs so as not to increase the UC burden.

45. Pursuant to ERC rules of practice and procedures, the Honorable Commission may exercise its discretion by granting provisional authority or interim relief prior to a final decision.

46. In support of the prayer for the issuance of Provisional Authority, the Affidavit of Ms. Luisa A. Esteban establishing certain facts and circumstances that would justify the Honorable Commission's exercise of discretion by granting provisional authority or interim relief prior to a final decision is attached hereto and made an integral part hereof as **Annex "M"**.

47. It is understood that the interim relief sought by Petitioner PSALM that may be granted by Commission, shall be subject to adjustments and other conditions that the Commission may impose after hearing and final determination of the Honorable Commission.

**PRAYER**

**WHEREFORE**, premises considered, Petitioner respectfully prays of this Honorable Commission that, after due notice and hearing:

1. The calculated aggregate True-Up Adjustment/Under Recovery for the National Power Corporation Stranded Debts Portion of the Universal Charge for CY 2016 amounting to **PhP34,642,180,036.26**, with an equivalent rate of PhP 0.0407/kWh based on an eight and one half (8½) years recovery period, be **APPROVED**.
2. Provisional Authority allowing PSALM to charge and collect the computed UC-SD True-up Rate or such amount determined by the Honorable Commission be **GRANTED**; and
3. Submission of the following documents be deemed in **FULL COMPLIANCE** to the directive of ERC Resolution No. 02, Series of 2011:
  - a.) Inventory of Financial Obligations (Principal) as of 31 December 2016 (**Annex "J-1"**);
  - b.) Inventory of Financial Obligations (Interest, Guarantee Fee and Other Charges) as of 31 December 2016 (**Annex "J-2"**);
  - c.) Outstanding Lease Obligations of Eligible and Ineligible IPPs as of 31 December 2016 (**Annex "D"**);



- d.) Details of Outstanding GDS as of 31 December 2016 (**Annex “J”**); and
- e.) Outstanding Lease Obligations of Ineligible IPP Plants as of 31 December 2016 (**Annex “E-1”**).

Other reliefs just and equitable are likewise prayed for.

Finding the said *Petition* 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, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and venues:

<b>Date and Time</b>	<b>Venue</b>	<b>Particulars</b>
<b>LUZON</b>		
<b>17 August 2018 (Friday)</b> at ten o'clock in the morning (10:00 A.M.)	ERC Hearing Room, 15 <sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue	Jurisdictional and Expository Presentation
<b>VISAYAS</b>		
<b>30 August 2018 (Thursday)</b> at ten o'clock in the morning (10:00 A.M.)	ERC Visayas Field Office (VFO), St. Mary's Drive, Banilad, Cebu City	Expository Presentation
<b>MINDANAO</b>		
<b>5 September 2018 (Wednesday)</b> at two o'clock in the afternoon (2:00 P.M.)	ERC Mindanao Field Office (MFO), Mezzanine Floor, Mintrade Building, Monteverde Avenue cor. Sales Street, Davao City	Expository Presentation
<b>LUZON</b>		
<b>14 September 2018 (Friday)</b> at ten o'clock in the morning (10:00 A.M.)	ERC Hearing Room, 15 <sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue	Pre-trial Conference and Evidentiary Hearing

Accordingly, PSALM is hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at its own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this Order and the attached Notice of Public Hearing the Offices of the Provincial Governors, and the affected Distribution Utilities for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform of the consumers within the affected areas, by any other means available and appropriate, of the filing of the *Petition*, its reason therefor, and of the scheduled hearing thereon;
- 4) Furnish with copies of this Order and the attached Notice of Public Hearing, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish with copies of the *Petition* and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Petitioner must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing, consisting of certifications issued to that effect, signed by the aforementioned Governors, General Managers of the

Distribution Utilities or their duly authorized representatives, bearing the seals of their offices;

- 3) The evidence of other means employed by Petitioner to inform the consumers within the affected areas filing of the *Petition*, its reasons therefor, and of the scheduled hearing thereon;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Petition* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Petitioner and all interested parties are also required to submit, at least five (5) days before the date of initial hearing and Pre-trial Conference, their respective Pre-trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Failure of Petitioner to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

PSALM must also be prepared to make an expository presentation of the instant *Petition*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of

the consumers and other concerned parties, what the *Petition* is all about and the reasons and justifications being cited in support thereof.


**SO ORDERED.**

Pasig City, 3 July 2018.



FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO* 

  
LS/SLAN/ARC/GLS/APV

COPY FURNISHED:

1. ATTYS. CECILIO B. GELLADA, JR., GEOFFRY DL. MASANCAY, MARIA ILYN C. GERONIMO-ALBITO, LALAINA MAE C. PARLADE  
*Counsel for Applicant PSALM*  
PSALM Power Sector Assets and Liabilities Management Corporation (PSALM)  
7th Floor, Bankmer Building, 6756 Ayala Avenue, Makati City
2. THE OFFICE OF THE SOLICITOR GENERAL (OSG)  
134 Amorsolo Street, Legaspi Village Makati City
3. THE COMMISSION ON AUDIT (COA)  
Commonwealth Avenue Quezon City 1121
4. THE SENATE COMMITTEE ON ENERGY  
GSIS Building, Roxas Boulevard Pasay City 1307
5. THE HOUSE COMMITTEE ON ENERGY  
Batasan Hills, Quezon City 1126
6. OFFICE OF THE PRESIDENT OF PCCI  
Philippine Chamber of Commerce and Industry (PCCI)  
3rd Floor, Chamber and Industry Plaza (CIP) 1030  
Campus Avenue corner Park Avenue McKinley Town Center,  
Fort Bonifacio, Taguig City
7. CAGAYAN I ELECTRIC COOPERATIVE, INC. (CAGELCO I)  
32 Taft St., Tuguegarao, Cagayan
8. CAGAYAN II ELECTRIC COOPERATIVE, INC. (CAGELCO II)  
Aparri, Cagayan Valley
9. ISABELA I ELECTRIC COOPERATIVE, INC. (ISELCO I)  
Alicia, Isabela
10. ISABELA II ELECTRIC COOPERATIVE, INC. (ISELCO II)  
Ilagan City, Isabela
11. NUEVA VIZCAYA ELECTRIC COOPERATIVE, INC. (NUVELCO)  
Gabut, Dupax del Sur, Nueva Vizcaya
12. QUIRINO ELECTRIC COOPERATIVE, INC. (QUIRELCO)  
Diffun, Quirino

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 21 OF 29**

---

13. ABRA ELECTRIC COOPERATIVE, INC. (ABRECO)  
Calaba, Bangued, Abra
14. BENGUET ELECTRIC COOPERATIVE, INC. (BENECO)  
South Drive, Baguio City
15. IFUGAO ELECTRIC COOPERATIVE, INC. (IFELCO)  
Lagawe, Ifugao
16. KALINGA APAYAO ELECTRIC COOPERATIVE, INC. (KAELCO)  
Bulanao, Tabuk, Kalinga Apayao
17. MOUNTAIN PROVINCE ELECTRIC COOPERATIVE, INC. (MOPRECO)  
Poblacion, Bontoc, Mt. Province
18. ILOCOS NORTE ELECTRIC COOPERATIVE, INC. (INEC)  
Dingras, Ilocos Norte
19. ILOCOS SUR ELECTRIC COOPERATIVE, INC. (ISECO)  
Bigbiga, Santiago, Ilocos Sur
20. LA UNION ELECTRIC COOPERATIVE, INC. (LUELCO)  
Aringay, La Union
21. PANGASINAN I ELECTRIC COOPERATIVE, INC. (PANELCO I)  
San Jose, Bani, Pangasinan
22. CENTRAL PANGASINAN ELECTRIC COOPERATIVE, INC. (CENPELCO)  
Padilla St., San Carlos City, Pangasinan
23. PANGASINAN III ELECTRIC COOPERATIVE, INC. (PANELCO III)  
Nancayasan, Urdaneta City, Pangasinan
24. AURORA ELECTRIC COOPERATIVE, INC. (AURELCO)  
Reserva, Baler, Aurora
25. ZAMBALES I ELECTRIC COOPERATIVE, INC. (ZAMECO I)  
San Vicente, Palauig, Zambales
26. ZAMBALES II ELECTRIC COOPERATIVE, INC. (ZAMECO II)  
Magsaysay, Castillejos, Zambales
27. TARLAC I ELECTRIC COOPERATIVE, INC. (TARELCO I)  
Amacalan, Gerona, Tarlac
28. TARLAC II ELECTRIC COOPERATIVE, INC. (TARELCO II)  
San Nicolas, Concepcion, Tarlac
29. NUEVA ECIJA I ELECTRIC COOPERATIVE, INC. (NEECO I)  
Malapit, San Isidro, Nueva Ecija
30. NUEVA ECIJA II- AREA 1 ELECTRIC COOPERATIVE, INC. (NEECO II- AREA I)  
Calipahan, Talavera, Nueva Ecija
31. NUEVA ECIJA II- AREA 2 ELECTRIC COOPERATIVE, INC. (NEECO II- AREA II)  
San Leonardo, Nueva Ecija
32. SAN JOSE CITY ELECTRIC COOPERATIVE, INC. (SAJELCO)  
San Jose City, Nueva Ecija
33. PAMPANGA RURAL ELECTRIC COOPERATIVE, INC. (PRESCO)  
Anao, Mexico, Pampanga
34. PAMPANGA I ELECTRIC COOPERATIVE, INC. (PELCO I)  
Sto. Domingo, Mexico, Pampanga
35. PAMPANGA II ELECTRIC COOPERATIVE, INC. (PELCO II)  
San Roque, Guagua, Pampanga

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 22 OF 29**

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36. PAMPANGA III ELECTRIC COOPERATIVE, INC. (PELCO III)  
San Vicente, Apalit, Pampanga
37. PENINSULA ELECTRIC COOPERATIVE, INC. (PENELCO)  
Tuyo, Balanga City, Bataan
38. FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO)  
Lewin, Lumban, Laguna
39. BATANGAS I ELECTRIC COOPERATIVE, INC. (BATELEC I)  
Calaca, Batangas
40. BATANGAS II ELECTRIC COOPERATIVE, INC. (BATELEC II)  
Antipolo del Norte, Lipa, Batangas
41. QUEZON I ELECTRIC COOPERATIVE, INC. (QUEZELCO I)  
Poctol, Pitogo, Quezon
42. QUEZON II ELECTRIC COOPERATIVE, INC. (QUEZELCO II)  
Gumian, Infanta, Quezon
43. CAMARINES NORTE ELECTRIC COOPERATIVE, INC. (CANORECO)  
Daet, Camarines Norte
44. CAMARINES SUR I ELECTRIC COOPERATIVE, INC. (CASURECO I)  
Puro Batia, Libmanan, Camarines Sur
45. CAMARINES SUR II ELECTRIC COOPERATIVE, INC. (CASURECO II)  
Del Rosario, Naga City, Camarines Sur
46. CAMARINES SUR III ELECTRIC COOPERATIVE, INC. (CASURECO III)  
San Isidro, Iriga City
47. CAMARINES SUR IV ELECTRIC COOPERATIVE, INC. (CASURECO IV)  
Talojongon, Tigaon, Camarines Sur
48. ALBAY ELECTRIC COOPERATIVE, INC. (ALECO)  
Vinzons St., Albay, Legazpi
49. SORSOGON I ELECTRIC COOPERATIVE, INC. (SORECO I)  
Gulang-gulang, Irosin, Sorsogon
50. SORSOGON II ELECTRIC COOPERATIVE, INC. (SORECO II)  
Monreal St., Sorsogon City, Sorsogon
51. MANILA ELECTRIC COMPANY (MERALCO)  
Lopez Center, Ortigas Center, Brgy. Ugong, Pasig City
52. IBAAN ELECTRIC AND ENGINEERING CORPORATION (IEEC)  
Poblacion Ibaan, Batangas
53. TARLAC ELECTRIC, INC. (TEI)  
Mabini St., Tarlac City
54. SAN FERNANDO LIGHT AND POWER COMPANY, INC. (SFELAPCO)  
San Fernando, Pampanga
55. DAGUPAN ELECTRIC CORPORATION (DECORP)  
Dagupan, Pangasinan
56. CABANATUAN ELECTRIC CORPORATION (CELCOR)  
Maharlika Highway, Bitas, Cabanatuan City
57. OLONGAPO ELECTRIC DISTRIBUTION COMPANY, INC. (OEDC)  
East Bajac, Olongapo City
58. ANGELES ELECTRIC CORPORATION (AEC)  
Angeles, Pampanga

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 23 OF 29**

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59. LA UNION ELECTRIC COMPANY, INC. (LUECO)  
San Fernando, La Union
60. ALBAY POWER AND ENERGY CORPORATION (APEC)  
Albay, Legazpi
61. CLARK ELECTRIC DISTRIBUTION CORPORATION (CEDC)  
Clark Freeport, Mabalacat, Pampanga
62. AKLAN ELECTRIC COOPERATIVE, INC. (AKELCO)  
Lezo, Aklan
63. ANTIQUE ELECTRIC COOPERATIVE, INC. (ANTECO)  
San Jose de Buenavista, Antique
64. CAPIZ ELECTRIC COOPERATIVE, INC. (CAPELCO)  
Timpas, Panitan, Capiz
65. ILOILO I ELECTRIC COOPERATIVE, INC. (ILECO I)  
Tigbauan, Iloilo
66. ILOILO II ELECTRIC COOPERATIVE, INC. (ILECO II)  
Cau-ayan, Pototan, Iloilo
67. ILOILO III ELECTRIC COOPERATIVE, INC. (ILECO III)  
Preciosa, Sara, Iloilo
68. GUIMARAS ELECTRIC COOPERATIVE, INC. (GUIMELCO)  
San Miguel, Jordan, Guimaras Island
69. NORTHERN NEGROS ELECTRIC COOPERATIVE, INC. (NONECO)  
Tortosa, Manapla, Negros Occidental
70. CENTRAL NEGROS ELECTRIC COOPERATIVE, INC. (CENECO)  
Mabini St., Bacolod City
71. NEGROS OCCIDENTAL ELECTRIC COOPERATIVE, INC. (NOCECO)  
Kabankalan City, Negros Occidental
72. NEGROS ORIENTAL I ELECTRIC COOPERATIVE, INC. (NORECO I)  
Bindoy, Negros Oriental
73. NEGROS ORIENTAL II ELECTRIC COOPERATIVE, INC. (NORECO II)  
Real St., Dumaguete City
74. CEBU I ELECTRIC COOPERATIVE, INC. (CEBECO I)  
Bitoon, Dumanjug, Cebu
75. CEBU II ELECTRIC COOPERATIVE, INC. (CEBECO II)  
Malingin, Bogo, Cebu
76. CEBU III ELECTRIC COOPERATIVE, INC. (CEBECO III)  
Luray II, Toledo City, Cebu
77. BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I)  
Tubigon, Bohol
78. BOHOL II ELECTRIC COOPERATIVE, INC. (BOHECO II)  
Jagna, Bohol
79. DON ORESTES ROMUALDEZ ELECTRIC COOPERATIVE, INC. (DORELCO)  
San Roque, Tolosa, Leyte
80. LEYTE II ELECTRIC COOPERATIVE, INC. (LEYECO II)  
Sagkahan, Tacloban City
81. LEYTE III ELECTRIC COOPERATIVE, INC. (LEYECO III)  
Tunga, Leyte

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 24 OF 29**

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82. LEYTE IV ELECTRIC COOPERATIVE, INC. (LEYECO IV)  
Hilongos, Leyte
83. LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V)  
Brgy. San Pablo, Ormoc City
84. SOUTHERN LEYTE ELECTRIC COOPERATIVE, INC. (SOLECO)  
Maasin, Southern Leyte
85. BILIRAN ELECTRIC COOPERATIVE, INC. (BILECO)  
Caray-caray, Naval, Biliran
86. NORTHERN SAMAR ELECTRIC COOPERATIVE, INC. (NORSAMELCO)  
Brgy. Magsaysay, Bobon, Northern Samar
87. SAMAR I ELECTRIC COOPERATIVE, INC. (SAMELCO I)  
Brgy. Carayman, Calbayog City
88. SAMAR II ELECTRIC COOPERATIVE, INC. (SAMELCO II)  
Catbalogan, Samar
89. EASTERN SAMAR ELECTRIC COOPERATIVE, INC. (ESAMELCO)  
Cobong, Borongan, Eastern Samar
90. BOHOL LIGHT COMPANY, INC. (BLCI)  
R. Enerio St., Tagbilaran City, Bohol
91. MACTAN ELECTRIC COMPANY (MECO)  
Sangi, Lapu-lapu City, Cebu
92. VISAYAN ELECTRIC COMPANY, INC. (VECO)  
J. Panis St., Banilad, Cebu City
93. AGUSAN DEL NORTE ELECTRIC COOPERATIVE, INC. (ANEKO)  
Km. 2 J.C. Aquino Avenue, Butuan City
94. AGUSAN DEL SUR ELECTRIC COOPERATIVE, INC. (ASELCO)  
San Isidro, San Francisco, Agusan del Sur
95. BUKIDNON SECOND ELECTRIC COOPERATIVE, INC. (BUSECO)  
Manolo Fortich, Bukidnon
96. CAMIGUIN ELECTRIC COOPERATIVE, INC. (CAMELCO)  
Pandán, Mambajao, Camiguin
97. COTABATO ELECTRIC COOPERATIVE, INC. (COTELCO)  
Manubuan, Matalam, Cotabato
98. COTABATO LIGHT AND POWER COMPANY (CLPC)  
Sinsuat Avenue, Cotabato City
99. CAGAYAN ELECTRIC POWER AND LIGHT COMPANY, INC. (CEPALCO)  
33 T. Chavez St, Cagayan de Oro, Misamis Oriental
100. DAVAO DEL SUR ELECTRIC COOPERATIVE, INC. (DASURECO)  
Digos, Davao del Sur
101. DAVAO ORIENTAL ELECTRIC COOPERATIVE, INC. (DORECO)  
Mati, Davao Oriental
102. DAVAO LIGHT AND POWER COMPANY, INC. (DLPC)  
163-165 C. Bangoy Sr. St., Davao City
103. FIRST BUKIDNON ELECTRIC COOPERATIVE, INC. (FIBECO)  
Anahawon, Maramag, Bukidnon
104. ILIGAN LIGHT AND POWER, INC. (ILPI)  
Bro. Jeffrey Road, Pala-o, Iligan City, Lanao del Norte



**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 25 OF 29**

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105. LANA DEL NORTE ELECTRIC COOPERATIVE, INC. (LANECO)  
Poblacion Tubod, Lanao del Norte
106. LANA DEL SUR ELECTRIC COOPERATIVE, INC. (LASURECO)  
Marawi City, Lanao del Sur
107. MAGUINDANAO ELECTRIC COOPERATIVE, INC. (MAGELCO)  
Awang, Dinaig, Maguindanao
108. MISAMIS OCCIDENTAL I ELECTRIC COOPERATIVE, INC. (MOELCI I)  
Magcamiguing, Calamba, Misamis Occidental
109. MISAMIS OCCIDENTAL II ELECTRIC COOPERATIVE, INC. (MOELCI II)  
Circumferential Road, Bitoon, Ozamiz City
110. MISAMIS ORIENTAL I RURAL ELECTRIC SERVICE COOPERATIVE, INC.  
(MORESCO I)  
Iligan Rd, Laguindingan, Misamis Oriental
111. MISAMIS ORIENTAL II ELECTRIC COOPERATIVE, INC. (MORESCO II)  
Medina, Misamis Oriental, Mindanao
112. SIARGAO ISLAND ELECTRIC COOPERATIVE, INC. (SIARELCO)  
Catabaan, Oapa, Surigao del Norte
113. SOUTH COTABATO I ELECTRIC COOPERATIVE, INC. (SOCOTECO I)  
Matulas, City of Koronadal, South Cotabato
114. SOUTH COTABATO II ELECTRIC COOPERATIVE, INC. (SOCOTECO II)  
Jose Catolico Sr. Ave, General Santos City, 9500 South Cotabato
115. SULTAN KUDARAT ELECTRIC COOPERATIVE, INC. (SUKELCO)  
National Highway, Tacurong City, Sultan Kudarat
116. SURIGAO DEL NORTE ELECTRIC COOPERATIVE, INC. (SURNECO)  
Surigao City, Surigao del Norte
117. SURIGAO DEL SUR I ELECTRIC COOPERATIVE, INC. (SURSECO I)  
San Fernando, Bislig City, Surigao del Sur
118. SURIGAO DEL SUR II ELECTRIC COOPERATIVE, INC. (SURSECO II)  
Tandag City, Surigao del Sur
119. ZAMBOANGA DEL NORTE ELECTRIC COOPERATIVE, INC. (ZANECO)  
General Luna Street, Central Barangay, Dipolog City
120. ZAMBOANGA DEL SUR I ELECTRIC COOPERATIVE, INC. (ZAMSURECO I)  
Pagadian City, Zamboanga del Sur
121. ZAMBOANGA DEL SUR II ELECTRIC COOPERATIVE, INC. (ZAMSURECO II)  
Pangi, Ipil, Zamboanga
122. ZAMBOANGA CITY ELECTRIC COOPERATIVE, INC. (ZAMCELCO)  
Barangay Putik, Zamboanga City
123. LUBANG ELECTRIC COOPERATIVE, INC. (LUBELCO)  
Tilik, Lubang, Occidental Mindoro
124. OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC. (OMEKO)  
M.H. Del Pilar Street cor. Quirino Street, National Road, Occidental Mindoro
125. ORIENTAL MINDORO ELECTRIC COOPERATIVE, INC. (ORMECO)  
Western Nautical Highway, Calapan, Oriental Mindoro
126. MARINDUQUE ELECTRIC COOPERATIVE, INC. (MARELCO)  
Marinduque Circumferential Road, Boac City, Marinduque
127. TABLAS ISLAND ELECTRIC COOPERATIVE, INC. (TIELCO)  
Brgy. Ligaya, Odiongan, Romblon

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 26 OF 29**

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128. ROMBLON ELECTRIC COOPERATIVE, INC. (ROMELCO)  
Capaclan, Romblon, Romblon
129. BUSUANGA ISLAND ELECTRIC COOPERATIVE, INC. (BISELCO)  
Poblacion, Coron, Palawan
130. PALAWAN ELECTRIC COOPERATIVE, INC. (PALECO)  
Puerto Princesa City, Palawan
131. TAWI-TAWI ELECTRIC COOPERATIVE, INC. (TAWELCO)  
Bongao, Tawi-Tawi
132. SIASI ELECTRIC COOPERATIVE, INC. (SIASELCO)  
Poblacion, Siasi, Sulu
133. SULU ELECTRIC COOPERATIVE, INC. (SULECO)  
Busbus, Jolo, Sulu
134. BASILAN ELECTRIC COOPERATIVE, INC. (BASELCO)  
Isabela, Basilan
135. CAGAYAN DE SULU ELECTRIC COOPERATIVE, INC. (CASELCO)  
Mapun, Tawi-tawi
136. FIRST CATANDUANES ELECTRIC COOPERATIVE. INC. (FICELCO)  
Bato, Catanduanes
137. MASBATE ELECTRIC COOPERATIVE, INC. (MASELCO)  
Masbate, Masbate
138. TICA0 ISLAND ELECTRIC COOPERATIVE, INC. (TISELCO)  
San Jacinto, Masbate
139. BANTAYAN ISLAND ELECTRIC COOPERATIVE, INC. (BANELCO)  
Bantigue, Bantayan, Cebu
140. PROVINCE OF SIQUIJOR ELECTRIC COOPERATIVE, INC. (PROSIELCO)  
Nonoc, Larena, Siquijor Island
141. CAMOTES ELECTRIC COOPERATIVE, INC. (CELCO)  
Por0, Camotes Island
142. BATANES ELECTRIC COOPERATIVE, INC. (BATANELCO)  
Basco, Batanes
143. DINAGAT ISLAND ELECTRIC COOPERATIVE, INC. (DIELCO)  
San Jose, Dinagat Island
144. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Nueva Viscaya
145. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Quirino
146. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Abra
147. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Cagayan
148. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Isabela
149. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Nueva Viscaya
150. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Quirino

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 27 OF 29**

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151. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Abra
152. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Benguet
153. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Ifugao
154. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Kalinga-Apayao
155. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Mountain Province
156. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Ilocos Norte
157. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Ilocos Sur
158. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of La Union
159. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Pangasinan
160. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Aurora
161. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Zambales
162. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Tarlac
163. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Nueva Ecija
164. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Pampanga
165. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Bataan
166. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Laguna
167. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Batangas
168. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Quezon
169. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Occidental Mindoro
170. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Oriental Mindoro
171. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Marinduque
172. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Catanduanes
173. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Masbate

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 28 OF 29**

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174. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Camarines Norte
175. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Camarines Sur
176. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Albay
177. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Sorsogon
178. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Rizal
179. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Bulacan
180. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Cavite
181. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Aklan
182. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Antique
183. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Capiz
184. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Iloilo
185. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Guimaras
186. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Negros Occidental
187. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Negros Oriental
188. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Cebu
189. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Bohol
190. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Leyte
191. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Biliran
192. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Samar
193. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Surigao del Norte
194. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Surigao del Sur
195. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Misamis Occidental
196. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Bukidnon

**ERC CASE NO. 2017-069 RC**  
**ORDER/3 JULY 2018**  
**PAGE 29 OF 29**

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197. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Lanao del Norte
198. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Lanao del Sur
199. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Maguindanao
200. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Davao del Norte
201. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Davao Oriental
202. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Davao del Sur
203. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of South Cotabato
204. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of North Cotabato
205. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Camiguin
206. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Misamis Oriental
207. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Agusan del Sur
208. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Sultan Kudarat
209. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Zamboanga del Norte
210. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Zamboanga del Sur
211. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Agusan del Norte
212. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Romblon
213. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Palawan
214. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Tawi-tawi
215. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Sulu
216. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Basilan
217. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Siquijor
218. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Batanes
219. OFFICE OF THE PROVINCIAL GOVERNOR  
Province of Dinagat Island
220. REGULATORY OPERATIONS SERVICE (ROS)  
17<sup>th</sup> Floor, Pacific Center Bldg., San Miguel Ave., Pasig City