


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

**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF THE 17<sup>TH</sup>  
GENERATION RATE  
ADJUSTMENT MECHANISM  
(17<sup>TH</sup> GRAM) WITH PRAYER  
FOR PROVISIONAL  
AUTHORITY**

18 AUG -6  
8/3/223  
Received by  
**ERC Case No. 2018-014 RC**

**NATIONAL POWER  
CORPORATION (NPC),  
Applicant.**

X-----X

**DOCKETED**  
Date: **AUG 03 2018**  
By: 

**ORDER**

On 22 March 2018, the National Power Corporation (NPC) filed an *Application* dated 09 March 2018 (Application), seeking for the approval of the 17<sup>th</sup> Generation Rate Adjustment Mechanism (GRAM), with prayer for provisional authority.

In its *Application*, NPC alleged the following:

1. NPC is a government-owned and controlled corporation, created and existing under and by virtue of Republic Act No. 6395, as amended, (the NPC Charter) with principal office address at NPC-Office Building Complex (NPC-OBC), corner Quezon Avenue and BIR Road, East Triangle, Diliman, Quezon City.
2. Pursuant to Section 70 of R.A. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001, NPC through its Small Power Utilities Group (SPUG), with the same principal office address stated above, is responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system.
3. In the performance of its missionary electrification function, NPC through SPUG incurs additional operating costs as a result of the fluctuation of fuel prices used in power generation. As such, NPC is allowed to recover through the



Generation Rate Adjustment Mechanism (GRAM) the cost incurred in the operation that is beyond the approved rate.

- 4. In the Order dated 24 February 2003, this Honorable Commission issued and adopted the Implementing Rules for the Generation Rate Adjustment Mechanism (GRAM) providing for, among others, the mechanisms for the recovery/(refund) of the deferred fuel costs and purchased power costs.
- 5. This application is being filed consistent with the said GRAM Implementing Rules vis-à-vis\_Section 4(e) Rule 3 of the Implementing Rules and Regulations (IRR), as amended, of Republic Act (RA) 9136 (Electric Power Industry Reform Act or EPIRA) dated June 8, 2001.
- 6. The Application covers the billing period from January to December 2016. Applicant has fully complied with the GRAM’s monthly reportorial requirements in support of the calculated allowable costs covering the billing period, as evidenced by the submitted reports/compliances duly received by this Honorable Commission and hereto attached as **Annex “A” and Series.**
- 7. Under this application, NPC through its SPUG operation, has incurred a total actual fuel costs during the afore-said test period as follows:

**Table 1. Total Actual Fuel Costs, in PhP**

|                    | Actual Fuel<br>Costs, PhP |
|--------------------|---------------------------|
| LUZON              | 1,460,438,985             |
| VISAYAS            | 190,814,697               |
| MINDANAO           | 1,010,876,391             |
| <b>PHILIPPINES</b> | <b>2,662,130,073</b>      |

- 8. The costs of fuel consumed without generation were not subjected to ERC - approved Heat Rate Cap as the fuel was used during start-up operations. Said costs are included in the Allowable Fuel Costs calculated together with the costs for the fuel consumed with generation that were subjected to ERC - approved Heat Rate cap for Luzon, Visayas and Mindanao. The said Allowable Fuel Costs are provided, as follows:

**Table 2. Allowable Fuel Costs, in PhP**

|         | Allowable Fuel<br>Costs, PhP |
|---------|------------------------------|
| LUZON   | 1,460,343,072                |
| VISAYAS | 190,814,697                  |



|             |               |
|-------------|---------------|
| MINDANAO    | 999,882,763   |
| PHILIPPINES | 2,651,040,532 |

9. The Applicant has accounted the corresponding fuel costs recovered through the Subsidized Approved Generation Rate (SAGR) using the breakdown in the unbundled SAGR approval by the Honorable Commission under ERC Case No. 2002-01 as follows:

Table 3. Fuel Recovery under SAGR, in PhP

|             | Fuel Recovery under the SAGR |               |
|-------------|------------------------------|---------------|
|             | (PhP/kWh)                    | Amount        |
| LUZON       | 2.0282                       | 499,456,625   |
| VISAYAS     | 3.8942                       | 86,756,390    |
| MINDANAO    | 3.2787                       | 520,903,820   |
| PHILIPPINES |                              | 1,107,116,835 |

10. As authorized under the Implementing Rules of the GRAM, the following carrying interest charges were utilized by the Applicant:

Table 4. Allowable Carrying Charge Interest Rates

| Test/Billing Mos. | Prevailing 91-day T-Bill Rate <sup>1/</sup> | Authorized Allowance <sup>2/</sup> | Allowable Rate |
|-------------------|---|------------------------------------|----------------|
| January           | 1.684                                       | 3.000                              | 4.684          |
| February          | 1.513                                       | 3.000                              | 4.513          |
| March             | 1.469                                       | 3.000                              | 4.469          |
| April             | 1.551                                       | 3.000                              | 4.551          |
| May               | 1.674                                       | 3.000                              | 4.674          |
| June              | 1.588                                       | 3.000                              | 4.588          |
| July              | 1.447                                       | 3.000                              | 4.447          |
| August            | 1.479                                       | 3.000                              | 4.479          |
| September         | 1.321                                       | 3.000                              | 4.321          |
| October           | 1.281                                       | 3.000                              | 4.281          |
| November          | 1.484                                       | 3.000                              | 4.484          |
| December          | 1.555                                       | 3.000                              | 4.555          |

1/ Source: Bangko Sentral ng Pilipinas  
([www.bsp.gov.ph/statistics/sdds/tbillsdds.htm](http://www.bsp.gov.ph/statistics/sdds/tbillsdds.htm))

2/ As authorized in the GRAM Implementing Rules

11. The table below shows the calculated deferred fuel costs and the corresponding DAA for Luzon, Visayas and Mindanao under the subject 17<sup>th</sup> GRAM Application covering the test period January to December 2016 and the corresponding proposed rates in P/kWh calculated for recovery for a period of two (2) years:

Table 5. Seventeenth (17<sup>th</sup>) GRAM DAA Summary

|  | LUZON       | VISAYAS     | MINDANAO    | PHILIPPINES   |
|--|-------------|-------------|-------------|---------------|
| Principal                                  | 960,886,447 | 104,058,307 | 478,978,943 | 1,543,923,697 |
| Carrying Charge                            | 22,042,765  | 2,401,295   | 10,644,975  | 35,089,036    |
| TOTAL, PhP                                 | 982,929,212 | 106,459,602 | 489,623,918 | 1,579,012,733 |
| Two (2) Years Projected Energy Sales (MWh) | 950,311     | 132,922     | 496,498     | 1,579,731     |



|                                  |                |        |        |        |
|----------------------------------|----------------|--------|--------|--------|
| 17 <sup>th</sup><br>DAA, PhP/kWh | GRAM<br>1.0343 | 0.8009 | 0.9862 | 0.9995 |
|----------------------------------|----------------|--------|--------|--------|

12. The Applicant proposes to recover the above calculated DAA within two (2) years to mitigate the impact thereof to customers in the missionary areas.
13. In support of the proposed 17<sup>th</sup> GRAM DAA, Applicant respectfully submits the following documents annexed herewith to form part of this Application:

List of Plants  
Summary of DAA  
Summary of Net Generation, kWh  
91-day Treasury Bill Rates  
Actual Energy Sales, kWh  
Projected Energy Sales, Mwh

Annex "B" & series  
Annex "C" & series  
Annex "D" & series  
Annex "E"  
Annex "F" & series  
Annex "G"

14. The proposed 17<sup>th</sup> GRAM DAA Application was approved for filing by the National Power Board on 28 February 2018, a certified copy of the Secretary's Certificate is attached hereto as **Annex "H"** and made an integral part hereof
15. With due respect, the proposed GRAM DAA adjustment, once approved, should be implemented or applied on top of the SAGR in both NPC-SPUG and delegated NPC-SPUG areas, or upon entry of NPPs thereof to levelize the rates in the said areas and consistent with ERC letter dated 05 March 2012 issued to NPC during the implementation of the 4<sup>th</sup> to 6<sup>th</sup> GRAM and ICERA DAA, copy of which is attached as **Annex "I" & Series** hereof.
16. The proposed 17<sup>th</sup> GRAM DAA is fair and reasonable as it is computed in line with the GRAM rules as approved by the Honorable Commission.

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR  
PROVISIONAL AUTHORITY**

17. The proposed deferred accounting adjustment will reflect the recent costs authorized under the GRAM rules/mechanism and NPC would increase the revenue commensurate with its cost and ultimately reduce the burden of the UC-ME on all electricity end-users.
18. Since these expenses were already incurred in the year 2016, immediate recovery of the needed adjustment through a provisional authority would help alleviate the operational funding of applicant, without prejudice on the authority of the Honorable Commission to approve the recovery of this adjustment as part of the True Cost Generation Rate (TCGR).
19. Pursuant to Rule 15, Section 3 of the Commission's Rules of Practice and Procedure, the Honorable Commission has the authority to grant a provisional authority pending final approval of the instant petition, it states, as follows:



*“Section 3. Action and Motion. – Motions for provisional authority or interim relief may be acted upon with or without hearing. The Commission shall act on the motion on the basis of the allegations of the application or petition and supporting documents and other evidences that applicant or petitioner has submitted and the comments or oppositions filed by any interested person, if there be any.”*  
(Emphasis supplied)

20. Based on the foregoing justifications, NPC deems it proper to respectfully request the Honorable Commission for the issuance of a provisional authority pending the hearing on the merits and the final approval of the proposed GRAM DAA as well as the corresponding rate for CY 2016.

**PRAYER**

**WHEREFORE**, premises considered, it is most respectfully prayed that this Honorable Commission issues an Order:

1. Approving the recovery of the proposed Deferred Accounting Adjustments covering the test period from January to December 2016 for the deferred fuel costs in the amount of **PhP 1,579,012,733** recoverable for a period of two (2) years through the imposition of the following proposed rates in P/kWh:

| LUZON  | VISAYAS | MINDANAO | PHILIPPINES<br>(Average) |
|--------|---------|----------|--------------------------|
| 1.0343 | 0.8009  | 0.9862   | 0.9995                   |

2. Imposing/charging the GRAM directly to consumers in NPC-SPUG areas as per applicable GRAM rules, subject to the discretion of the Honorable Commission in line with ERC Resolution No. 21.
3. Allowing the continued collection of the GRAM adjustments even with the entry of private sector players in a specific NPC-SPUG area.
4. Approving the implementation of the proposed rates on top of the existing Subsidized Approved Generation Rates (SAGR) of NPC-SPUG and SAGR of Delegated NPC-SPUG areas where NPPs operate for the purpose of determining the level of subsidy.
5. Granting NPC a Provisional Authority for the implementation of the proposed rates and DAAs for the immediate recovery of deferred GRAM adjustments within the above proposed two (2) years recovery period.



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

Finding the said *Application* to be sufficient in form with the required fees having been paid, the same is hereby set for initial hearing on the following dates and venues:

| Date and Time  | Venue  | Particulars   |
|--|--|---|
| <b>21 September 2018<br/>(Friday) at two<br/>o'clock in the<br/>afternoon (2:00<br/>P.M.)</b>  | ERC Hearing Room,<br>15th Floor, Pacific<br>Center Building, San<br>Miguel Avenue,<br>Pasig City | Jurisdictional and<br>Expository<br>Presentation      |
| <b>28 September 2018<br/>(Friday) at nine<br/>o'clock in the<br/>morning (9:00<br/>A.M.)</b>   | ERC Visayas Field<br>Office, St. Mary's<br>Drive, Banilad, Cebu<br>City                          | Expository<br>Presentation                            |
| <b>03 October 2018<br/>(Wednesday) at<br/>nine o'clock in the<br/>morning (9:00<br/>A.M.)</b>  | ERC Mindanao Field<br>Office, Mintrade<br>Bldg., Monteverde<br>Ave.cor Sales St.,<br>Davao City  | Expository<br>Presentation                            |
| <b>10 October 2018<br/>(Wednesday) at two<br/>o'clock in the<br/>afternoon (2:00<br/>P.M.)</b> | ERC Hearing Room,<br>15th Floor, Pacific<br>Center Building, San<br>Miguel Avenue,<br>Pasig City | Pre-Trial<br>Conference and<br>Evidentiary<br>Hearing |

Accordingly, NPC 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, the City/Municipal Mayors and their Local Government Unit (LGU) legislative bodies within covered by the franchise area of the distribution utilities where the National Power Corporation Small Power Utilities Group



(NPC-SPUG) principally operates, for the appropriate posting thereof on their respective bulletin boards;

- 3) Inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon the consumers within the affected franchise areas, by any other means available and appropriate;
- 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 *Application*, and its attachments all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicant 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 Manager of the newspapers where the said Notice of Public Hearing were 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 Governor and LGU legislative bodies or their duly authorized representatives bearing the seals of their offices.
- 3) The evidence of the means employed by Applicant to inform of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, the consumers within the affected watershed areas;
- 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 the copies of the *Application* and its attachments by all those making requests therefor, if any, and:
- 6) Such other proofs of compliance with the requirements of the Commission.

Applicant and all interested parties are directed 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, to be attached to the Pre-trial Brief.

Failure of Applicant 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 said date of cancellation.

*(This space is left intentionally blank.)*



NPC must also be prepared to make an Expository Presentation of its *Application*, aided by whatever communication medium they 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 *Application* is all about and the reasons and justifications being cited in support thereof.

**SO ORDERED.**

Pasig City, 02 August 2018.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

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

21

  
LS:JTB/LSP/APV





**ERC CASE NO. 2018-014 RC**  
**ORDER/ 02 August 2018**  
**PAGE 10 of 33**

---

Copy furnished:

1. Atty. Melchor P. Ridulme, Atty. Delfin L. Buenafe II,  
Atty. May Rose C. Pintor, and Atty. Bienvenido L. Mabulac II  
*Counsels for National Power Corporation*  
Office of the General Counsel  
National Power Corporation  
BIR Road cor. Quezon Avenue, Diliman, Quezon City
2. National Power Corporation  
*Applicant*  
BIR Road cor. Quezon Avenue, Diliman, Quezon City
3. Office of the Solicitor General  
134 Amorsolo Street, Legaspi Village  
Makati City
4. Commission on Audit  
Commonwealth Avenue  
Quezon City
5. Senate Committee on Energy  
GSIS Building, Roxas Boulevard  
Pasay City
6. House Committee on Energy  
Batasan Hills  
Quezon City
7. The Administrator  
National Electrification Administration (NEA)  
Quezon Avenue, Quezon City
8. The General Manager  
Philippine Rural Electric Cooperative Association (PHILRECA)  
4th Floor, Casman Building  
372 Quezon Avenue, Quezon City
9. All Distribution Utilities
10. Office of the Mayor  
Quezon City
11. Office of the LGU legislative body  
Quezon City
12. Office of the Governor  
Province of Batanes
13. Office of the LGU legislative body  
Province of Batanes
14. Office of the Mayor  
Basco, Batanes
15. Office of the LGU legislative body  
Basco, Batanes
16. Office of the Mayor  
Itbayat, Batanes
17. Office of the LGU legislative body  
Itbayat, Batanes
18. Office of the Mayor  
Sabtang, Batanes



19. Office of the LGU legislative body  
Sabtang, Batanes
20. Office of the Mayor  
Mahatao, Batanes
21. Office of the LGU legislative body  
Mahatao, Batanes
22. Office of the Mayor  
Ivana, Batanes
23. Office of the LGU legislative body  
Ivana, Batanes
24. Office of the Mayor  
Uyugan, Batanes
25. Office of the LGU legislative body  
Uyugan, Batanes
26. Office of the Governor  
Province of Ilocos Sur
27. Office of the LGU legislative body  
Province of Ilocos Sur
28. Office of the Governor  
Province of Ilocos Norte
29. Office of the LGU legislative body  
Province of Ilocos Norte
30. Office of the Governor  
Province of Cagayan
31. Office of the LGU legislative body  
Province of Cagayan
32. Office of the Mayor  
Calayan, Cagayan
33. Office of the LGU legislative body  
Calayan, Cagayan
34. Office of the Governor  
Province of Isabela
35. Office of the LGU legislative body  
Province of Isabela
36. Office of the Mayor  
Palanan, Isabela
37. Office of the LGU legislative body  
Palanan, Isabela
38. Office of the Mayor  
Maconacon, Isabela
39. Office of the LGU legislative body  
Maconacon, Isabela
40. Office of the Mayor  
Dinapigue, Isabela



41. Office of the LGU legislative body  
Dinapigue, Isabela
42. Office of the Governor  
Province of Nueva Vizcaya
43. Office of the LGU legislative body  
Province of Nueva Vizcaya
44. Office of the Governor  
Province of Abra
45. Office of the LGU legislative body  
Province of Abra
46. Office of the Governor  
Province of Benguet
47. Office of the LGU legislative body  
Province of Benguet
48. Office of the Governor  
Province of Ifugao
49. Office of the LGU legislative body  
Province of Ifugao
50. Office of the Governor  
Province of Kalinga Apayao
51. Office of the LGU legislative body  
Province of Kalinga Apayao
52. Office of the Mayor  
Kabugao, Kalinga Apayao
53. Office of the LGU legislative body  
Kabugao, Kalinga Apayao
54. Office of the Mayor  
Lubuagan, Kalinga Apayao
55. Office of the LGU legislative body  
Lubuagan, Kalinga Apayao
56. Office of the Governor  
Mountain Province
57. Office of the LGU legislative body  
Mountain Province
58. Office of the Governor  
Province of Aurora
59. Office of the LGU legislative body  
Province of Aurora
60. Office of the Mayor  
Casiguran, Aurora
61. Office of the LGU legislative body  
Casiguran, Aurora
62. Office of the Mayor  
Dingalan, Aurora



63. Office of the LGU legislative body  
Dingalan, Aurora
64. Office of the Mayor  
Dilasag, Aurora
65. Office of the LGU legislative body  
Dilasag, Aurora
66. Office of the Mayor  
Dinalungan, Aurora
67. Office of the LGU legislative body  
Dinalungan, Aurora
68. Office of the Mayor  
Dipaculao, Aurora
69. Office of the LGU legislative body  
Dipaculao, Aurora
70. Office of the Governor  
Province of Tarlac
71. Office of the LGU legislative body  
Province of Tarlac
72. Office of the Governor  
Province of Nueva Ecija
73. Office of the LGU legislative body  
Province of Nueva Ecija
74. Office of the Governor  
Province of Pampanga
75. Office of the LGU legislative body  
Province of Pampanga
76. Office of the Governor  
Province of Bataan
77. Office of the LGU legislative body  
Province of Bataan
78. Office of the Governor  
Province of Zambales
79. Office of the LGU legislative body  
Province of Zambales
80. Office of the Governor  
Province of Bulacan
81. Office of the LGU legislative body  
Province of Bulacan
82. Office of the Governor  
Province of Laguna
83. Office of the LGU legislative body  
Province of Laguna
84. Office of the Governor  
Province of Batangas



85. Office of the LGU legislative body  
Province of Batangas
86. Office of the Mayor  
Tingloy, Batangas
87. Office of the LGU legislative body  
Tingloy, Batangas
88. Office of the Governor  
Province of Quezon
89. Office of the LGU legislative body  
Province of Quezon
90. Office of the Mayor  
Jomalig, Quezon
91. Office of the LGU legislative body  
Jomalig, Quezon
92. Office of the Mayor  
Patnanungan, Quezon
93. Office of the LGU legislative body  
Patnanungan, Quezon
94. Office of the Mayor  
Polilio, Quezon
95. Office of the LGU legislative body  
Polilio, Quezon
96. Office of the Governor  
Province of Occidental Mindoro
97. Office of the LGU legislative body  
Province of Occidental Mindoro
98. Office of the Mayor  
Lubang, Occidental Mindoro
99. Office of the LGU legislative body  
Lubang, Occidental Mindoro
100. Office of the Mayor  
Mamburao, Occidental Mindoro
101. Office of the LGU legislative body  
Mamburao, Occidental Mindoro
102. Office of the Mayor  
Paluan, Occidental Mindoro
103. Office of the LGU legislative body  
Paluan, Occidental Mindoro
104. Office of the Mayor  
San Jose, Occidental Mindoro
105. Office of the LGU legislative body  
San Jose, Occidental Mindoro
106. Office of the Mayor  
Abra de Ilog, Occidental Mindoro

107. Office of the LGU legislative body  
Abra de Ilog, Occidental Mindoro
108. Office of the Mayor  
Calintaan, Occidental Mindoro
109. Office of the LGU legislative body  
Calintaan, Occidental Mindoro
110. Office of the Mayor  
Looc, Occidental Mindoro
111. Office of the LGU legislative body  
Looc, Occidental Mindoro
112. Office of the Mayor  
Magsaysay, Occidental Mindoro
113. Office of the LGU legislative body  
Magsaysay, Occidental Mindoro
114. Office of the Mayor  
Rizal, Occidental Mindoro
115. Office of the LGU legislative body  
Rizal, Occidental Mindoro
116. Office of the Mayor  
Sablayan, Occidental Mindoro
117. Office of the LGU legislative body  
Sablayan, Occidental Mindoro
118. Office of the Mayor  
Sta. Cruz, Occidental Mindoro
119. Office of the LGU legislative body  
Sta. Cruz, Occidental Mindoro
120. Office of the Governor  
Province of Oriental Mindoro
121. Office of the LGU legislative body  
Province of Oriental Mindoro
122. Office of the Mayor  
Calapan, Oriental Mindoro
123. Office of the LGU legislative body  
Calapan, Oriental Mindoro
124. Office of the Mayor  
Baco, Oriental Mindoro
125. Office of the LGU legislative body  
Baco, Oriental Mindoro
126. Office of the Mayor  
San Teodoro, Oriental Mindoro
127. Office of the LGU legislative body  
San Teodoro, Oriental Mindoro
128. Office of the Mayor  
Puerto Galera, Oriental Mindoro



129. Office of the LGU legislative body  
Puerto Galera, Oriental Mindoro
130. Office of the Mayor  
Naujan, Oriental Mindoro
131. Office of the LGU legislative body  
Naujan, Oriental Mindoro
132. Office of the Mayor  
Victoria, Oriental Mindoro
133. Office of the LGU legislative body  
Victoria, Oriental Mindoro
134. Office of the Mayor  
Socorro, Oriental Mindoro
135. Office of the LGU legislative body  
Socorro, Oriental Mindoro
136. Office of the Mayor  
Pola, Oriental Mindoro
137. Office of the LGU legislative body  
Pola, Oriental Mindoro
138. Office of the Mayor  
Pinamalayan, Oriental Mindoro
139. Office of the LGU legislative body  
Pinamalayan, Oriental Mindoro
140. Office of the Mayor  
Gloria, Oriental Mindoro
141. Office of the LGU legislative body  
Gloria, Oriental Mindoro
142. Office of the Mayor  
Bansud, Oriental Mindoro
143. Office of the LGU legislative body  
Bansud, Oriental Mindoro
144. Office of the Mayor  
Bongabong, Oriental Mindoro
145. Office of the LGU legislative body  
Bongabong, Oriental Mindoro
146. Office of the Mayor  
Roxas City, Oriental Mindoro
147. Office of the LGU legislative body  
Roxas City, Oriental Mindoro
148. Office of the Mayor  
Mansalay, Oriental Mindoro
149. Office of the LGU legislative body  
Mansalay, Oriental Mindoro
150. Office of the Mayor  
Bulalacao, Oriental Mindoro

151. Office of the LGU legislative body  
Bulalacao, Oriental Mindoro
152. Office of the Governor  
Province of Marinduque
153. Office of the LGU legislative body  
Province of Marinduque
154. Office of the Mayor  
Boac, Marinduque
155. Office of the LGU legislative body  
Boac, Marinduque
156. Office of the Mayor  
Mogpog, Marinduque
157. Office of the LGU legislative body  
Mogpog, Marinduque
158. Office of the Mayor  
Santa Cruz, Marinduque
159. Office of the LGU legislative body  
Santa Cruz, Marinduque
160. Office of the Mayor  
Torrijos, Marinduque
161. Office of the LGU legislative body  
Torrijos, Marinduque
162. Office of the Mayor  
Buenavista, Marinduque
163. Office of the LGU legislative body  
Buenavista, Marinduque
164. Office of the Mayor  
Gasán, Marinduque
165. Office of the LGU legislative body  
Gasán, Marinduque
166. Office of the Governor  
Province of Romblon
167. Office of the LGU legislative body  
Province of Romblon
168. Office of the Mayor  
Banton, Romblon
169. Office of the LGU legislative body  
Banton, Romblon
170. Office of the Mayor  
Concepcion, Romblon
171. Office of the LGU legislative body  
Concepcion, Romblon
172. Office of the Mayor  
Corcuera, Romblon



173. Office of the LGU legislative body  
Corcuera, Romblon
174. Office of the Mayor  
Odiongan, Romblon
175. Office of the LGU legislative body  
Odiongan, Romblon
176. Office of the Mayor  
Romblon, Romblon
177. Office of the LGU legislative body  
Romblon, Romblon
178. Office of the Mayor  
San Fernando, Romblon
179. Office of the LGU legislative body  
San Fernando, Romblon
180. Office of the Mayor  
San Jose, Romblon
181. Office of the LGU legislative body  
San Jose, Romblon
182. Office of the Mayor  
Alcantara, Romblon
183. Office of the LGU legislative body  
Alcantara, Romblon
184. Office of the Mayor  
Calatraya, Romblon
185. Office of the LGU legislative body  
Calatraya, Romblon
186. Office of the Mayor  
Ferrol, Romblon
187. Office of the LGU legislative body  
Ferrol, Romblon
188. Office of the Mayor  
Looc, Romblon
189. Office of the LGU legislative body  
Looc, Romblon
190. Office of the Mayor  
San Agustin, Romblon
191. Office of the LGU legislative body  
San Agustin, Romblon
192. Office of the Mayor  
San Andres, Romblon
193. Office of the LGU legislative body  
San Andres, Romblon
194. Office of the Mayor  
Santa Fe, Romblon

195. Office of the LGU legislative body  
Santa Fe, Romblon
196. Office of the Mayor  
Sta. Maria, Romblon
197. Office of the LGU legislative body  
Sta. Maria, Romblon
198. Office of the Mayor  
Magdiwang, Romblon
199. Office of the LGU legislative body  
Magdiwang, Romblon
200. Office of the Mayor  
Cadidiocan, Romblon
201. Office of the LGU legislative body  
Cadidiocan, Romblon
202. Office of the Governor  
Province of Palawan
203. Office of the LGU legislative body  
Province of Palawan
204. Office of the Mayor  
Puerto Prinsesa, Palawan
205. Office of the LGU legislative body  
Puerto Prinsesa, Palawan
206. Office of the Mayor  
Agutaya, Palawan
207. Office of the LGU legislative body  
Agutaya, Palawan
208. Office of the Mayor  
Araceli, Palwan
209. Office of the LGU legislative body  
Araceli, Palwan
210. Office of the Mayor  
Balabac, Palwan
211. Office of the LGU legislative body  
Balabac, Palwan
212. Office of the Mayor  
Busuanga, Palawan
213. Office of the LGU legislative body  
Busuanga, Palawan
214. Office of the Mayor  
Coron, Palawan
215. Office of the LGU legislative body  
Coron, Palawan
216. Office of the Mayor  
Cagayancillo, Palawan



- 217. Office of the LGU legislative body  
Cagayancillo, Palawan
- 218. Office of the Mayor  
Culion, Palawan
- 219. Office of the LGU legislative body  
Culion, Palawan
- 220. Office of the Mayor  
Cuyo, Palawan
- 221. Office of the LGU legislative body  
Cuyo, Palawan
- 222. Office of the Mayor  
El Nido, Palawan
- 223. Office of the LGU legislative body  
El Nido, Palawan
- 224. Office of the Mayor  
Linapacan, Palawan
- 225. Office of the LGU legislative body  
Linapacan, Palawan
- 226. Office of the Mayor  
Magsaysay, Palawan
- 227. Office of the LGU legislative body  
Magsaysay, Palawan
- 228. Office of the Mayor  
Narra, Palawan
- 229. Office of the LGU legislative body  
Narra, Palawan
- 230. Office of the Mayor  
Rizal, Palawan
- 231. Office of the LGU legislative body  
Rizal, Palawan
- 232. Office of the Mayor  
Roxas, Palawan
- 233. Office of the LGU legislative body  
Roxas, Palawan
- 234. Office of the Mayor  
San Vicente, Palawan
- 235. Office of the LGU legislative body  
San Vicente, Palawan
- 236. Office of the Mayor  
Taytay, Palawan
- 237. Office of the LGU legislative body  
Taytay, Palawan
- 238. Office of the Mayor  
Aborlan, Palawan

- 239. Office of the LGU legislative body  
Aborlan, Palawan
- 240. Office of the Mayor  
Brooke's Point, Palawan
- 241. Office of the LGU legislative body  
Brooke's Point, Palawan
- 242. Office of the Mayor  
Española, Palawan
- 243. Office of the LGU legislative body  
Española, Palawan
- 244. Office of the Mayor  
Quezon, Palawan
- 245. Office of the LGU legislative body  
Quezon, Palawan
- 246. Office of the Mayor  
Bataraza, Palawan
- 247. Office of the LGU legislative body  
Bataraza, Palawan
- 248. Office of the Mayor  
Dumaran, Palawan
- 249. Office of the LGU legislative body  
Dumaran, Palawan
- 250. Office of the Governor  
Province of Camarines Sur
- 251. Office of the LGU legislative body  
Province of Camarines Sur
- 252. Office of the Mayor  
Caramoan, Camarines Sur
- 253. Office of the LGU legislative body  
Caramoan, Camarines Sur
- 254. Office of the Mayor  
Garchitorena, Camarines Sur
- 255. Office of the LGU legislative body  
Garchitorena, Camarines Sur
- 256. Office of the Mayor  
Sagnay, Camarines Sur
- 257. Office of the LGU legislative body  
Sagnay, Camarines Sur
- 258. Office of the Governor  
Province of Camarines Norte
- 259. Office of the LGU legislative body  
Province of Camarines Norte
- 260. Office of the Governor  
Province of Catanduanes



- 261. Office of the LGU legislative body  
Province of Catanduanes
- 262. Office of the Mayor  
Bato, Catanduanes
- 263. Office of the LGU legislative body  
Bato, Catanduanes
- 264. Office of the Mayor  
Caramoran, Catanduanes
- 265. Office of the LGU legislative body  
Caramoran, Catanduanes
- 266. Office of the Mayor  
Viga, Catanduanes
- 267. Office of the LGU legislative body  
Viga, Catanduanes
- 268. Office of the Mayor  
Pandan, Catanduanes
- 269. Office of the LGU legislative body  
Pandan, Catanduanes
- 270. Office of the Mayor  
Bagamonac, Catanduanes
- 271. Office of the LGU legislative body  
Bagamonac, Catanduanes
- 272. Office of the Mayor  
Panganiban, Catanduanes
- 273. Office of the LGU legislative body  
Panganiban, Catanduanes
- 274. Office of the Mayor  
Gigmoto, Catanduanes
- 275. Office of the LGU legislative body  
Gigmoto, Catanduanes
- 276. Office of the Mayor  
San Miguel, Catanduanes
- 277. Office of the LGU legislative body  
San Miguel, Catanduanes
- 278. Office of the Mayor  
San Andres, Catanduanes
- 279. Office of the LGU legislative body  
San Andres, Catanduanes
- 280. Office of the Mayor  
Virac, Catanduanes
- 281. Office of the LGU legislative body  
Virac, Catanduanes
- 282. Office of the Mayor  
Baras, Catanduanes

- 283. Office of the LGU legislative body  
Baras, Catanduanes
- 284. Office of the Governor  
Province of Albay
- 285. Office of the LGU legislative body  
Province of Albay
- 286. Office of the Mayor  
Rapu-Rapu, Albay
- 287. Office of the LGU legislative body  
Rapu-Rapu, Albay
- 288. Office of the Governor  
Province of Sorsogon
- 289. Office of the LGU legislative body  
Province of Sorsogon
- 290. Office of the Governor  
Province of Sorsogon
- 291. Office of the LGU legislative body  
Province of Sorsogon
- 292. Office of the Mayor  
Masbate City, Masbate
- 293. Office of the LGU legislative body  
Masbate City, Masbate
- 294. Office of the Mayor  
Aroroy, Masbate
- 295. Office of the LGU legislative body  
Aroroy, Masbate
- 296. Office of the Mayor  
Baleno, Masbate
- 297. Office of the LGU legislative body  
Baleno, Masbate
- 298. Office of the Mayor  
Balud, Masbate
- 299. Office of the LGU legislative body  
Balud, Masbate
- 300. Office of the Mayor  
Batuan, Masbate
- 301. Office of the LGU legislative body  
Batuan, Masbate
- 302. Office of the Mayor  
Cataingan, Masbate
- 303. Office of the LGU legislative body  
Cataingan, Masbate
- 304. Office of the Mayor  
Cawayan, Masbate



- 305. Office of the LGU legislative body  
Cawayan, Masbate
- 306. Office of the Mayor  
Dimasalang, Masbate
- 307. Office of the LGU legislative body  
Dimasalang, Masbate
- 308. Office of the Mayor  
Esperanza, Masbate
- 309. Office of the LGU legislative body  
Esperanza, Masbate
- 310. Office of the Mayor  
Mandaon, Masbate
- 311. Office of the LGU legislative body  
Mandaon, Masbate
- 312. Office of the Mayor  
Milagros, Masbate
- 313. Office of the LGU legislative body  
Milagros, Masbate
- 314. Office of the Mayor  
Mobo, Masbate
- 315. Office of the LGU legislative body  
Mobo, Masbate
- 316. Office of the Mayor  
Monreal, Masbate
- 317. Office of the LGU legislative body  
Monreal, Masbate
- 318. Office of the Mayor  
Palanas, Masbate
- 319. Office of the LGU legislative body  
Palanas, Masbate
- 320. Office of the Mayor  
Pio V. Corpuz, Masbate
- 321. Office of the LGU legislative body  
Pio V. Corpuz, Masbate
- 322. Office of the Mayor  
Placer, Masbate
- 323. Office of the LGU legislative body  
Placer, Masbate
- 324. Office of the Mayor  
San Fernando, Masbate
- 325. Office of the LGU legislative body  
San Fernando, Masbate
- 326. Office of the Mayor  
San Jacinto, Masbate

- 327. Office of the LGU legislative body  
San Jacinto, Masbate
- 328. Office of the Mayor  
San Pascual, Masbate
- 329. Office of the LGU legislative body  
San Pascual, Masbate
- 330. Office of the Mayor  
Uson, Masbate
- 331. Office of the LGU legislative body  
Uson, Masbate
- 332. Office of the Governor  
Province of Aklan
- 333. Office of the LGU legislative body  
Province of Aklan
- 334. Office of the Governor  
Province of Antique
- 335. Office of the LGU legislative body  
Province of Antique
- 336. Office of the Mayor  
Caluya, Antique
- 337. Office of the LGU legislative body  
Caluya, Antique
- 338. Office of the Mayor  
Culasi, Antique
- 339. Office of the LGU legislative body  
Culasi, Antique
- 340. Office of the Governor  
Province of Capiz
- 341. Office of the LGU legislative body  
Province of Capiz
- 342. Office of the Governor  
Province of Guimaras
- 343. Office of the LGU legislative body  
Province of Guimaras
- 344. Office of the Mayor  
Nueva Valencia, Guimaras
- 345. Office of the LGU legislative body  
Nueva Valencia, Guimaras
- 346. Office of the Governor  
Province of Iloilo
- 347. Office of the LGU legislative body  
Province of Iloilo
- 348. Office of the Mayor  
Carles, Iloilo



- 349. Office of the LGU legislative body  
Carles, Iloilo
- 350. Office of the Governor  
Province of Bacolod
- 351. Office of the LGU legislative body  
Province of Bacolod
- 352. Office of the Governor  
Province of Negros Occidental
- 353. Office of the LGU legislative body  
Province of Negros Occidental
- 354. Office of the Governor  
Province of Negros Oriental
- 355. Office of the LGU legislative body  
Province of Negros Oriental
- 356. Office of the Governor  
Province of Cebu
- 357. Office of the LGU legislative body  
Province of Cebu
- 358. Office of the Mayor  
Bantayn, Cebu
- 359. Office of the LGU legislative body  
Bantayn, Cebu
- 360. Office of the Mayor  
Pilar, Cebu
- 361. Office of the LGU legislative body  
Pilar, Cebu
- 362. Office of the Mayor  
Poro, Cebu
- 363. Office of the LGU legislative body  
Poro, Cebu
- 364. Office of the Mayor  
Santa Fe, Cebu
- 365. Office of the LGU legislative body  
Santa Fe, Cebu
- 366. Office of the Governor  
Province of Siquijor
- 367. Office of the LGU legislative body  
Province of Siquijor
- 368. Office of the Mayor  
Larena, Siquijor
- 369. Office of the LGU legislative body  
Larena, Siquijor
- 370. Office of the Mayor  
Lazi, Siquijor

- 371. Office of the LGU legislative body  
Lazi, Siquijor
- 372. Office of the Mayor  
Siquijor, Siquijor
- 373. Office of the LGU legislative body  
Siquijor, Siquijor
- 374. Office of the Governor  
Province of Biliran
- 375. Office of the LGU legislative body  
Province of Biliran
- 376. Office of the Mayor  
Maripipi, Biliran
- 377. Office of the LGU legislative body  
Maripipi, Biliran
- 378. Office of the Governor  
Province of Leyte
- 379. Office of the LGU legislative body  
Province of Leyte
- 380. Office of the Mayor  
Limasawa, Southern Leyte
- 381. Office of the LGU legislative body  
Limasawa, Southern Leyte
- 382. Office of the Governor  
Province of Samar
- 383. Office of the LGU legislative body  
Province of Samar
- 384. Office of the Mayor  
Almagro, Samar
- 385. Office of the LGU legislative body  
Almagro, Samar
- 386. Office of the Mayor  
Santo Niño, Samar
- 387. Office of the LGU legislative body  
Santo Niño, Samar
- 388. Office of the Mayor  
Tagapul-an, Samar
- 389. Office of the LGU legislative body  
Tagapul-an, Samar
- 390. Office of the Mayor  
Zumarraga, Samar
- 391. Office of the LGU legislative body  
Zumarraga, Samar
- 392. Office of the Mayor  
Biri, Northern Samar



- 393. Office of the LGU legislative body  
Biri, Northern Samar
- 394. Office of the Mayor  
Capul, Northern Samar
- 395. Office of the LGU legislative body  
Capul, Northern Samar
- 396. Office of the Mayor  
San Antonio, Northern Samar
- 397. Office of the LGU legislative body  
San Antonio, Northern Samar
- 398. Office of the Mayor  
San Vicente, Northern Samar
- 399. Office of the LGU legislative body  
San Vicente, Northern Samar
- 400. Office of the Governor  
Province of Bohol
- 401. Office of the LGU legislative body  
Province of Bohol
- 402. Office of the Mayor  
Baclayon, Bohol
- 403. Office of the LGU legislative body  
Baclayon, Bohol
- 404. Office of the Mayor  
Calape, Bohol
- 405. Office of the LGU legislative body  
Calape, Bohol
- 406. Office of the Mayor  
Inabanga, Bohol
- 407. Office of the LGU legislative body  
Inabanga, Bohol
- 408. Office of the Mayor  
Loon, Bohol
- 409. Office of the LGU legislative body  
Loon, Bohol
- 410. Office of the Mayor  
Panglao, Bohol
- 411. Office of the LGU legislative body  
Panglao, Bohol
- 412. Office of the Mayor  
Tubigon, Bohol
- 413. Office of the LGU legislative body  
Tubigon, Bohol
- 414. Office of the Governor  
Province of Zamboanga del Norte

- 415. Office of the LGU legislative body  
Province of Zamboanga del Norte
- 416. Office of the Governor  
Province of Zamboanga del Sur
- 417. Office of the LGU legislative body  
Province of Zamboanga del Sur
- 418. Office of the Mayor  
Zamboanga City, Zamboanga del Sur
- 419. Office of the LGU legislative body  
Zamboanga City, Zamboanga del Sur
- 420. Office of the Governor  
Province of Davao Oriental
- 421. Office of the LGU legislative body  
Province of Davao Oriental
- 422. Office of the Governor  
Province of Davao del Sur
- 423. Office of the LGU legislative body  
Province of Davao del Sur
- 424. Office of the Mayor  
Jose Abad Santos, Davao del Sur
- 425. Office of the LGU legislative body  
Jose Abad Santos, Davao del Sur
- 426. Office of the Mayor  
Sarangani, Davao del Sur
- 427. Office of the LGU legislative body  
Sarangani, Davao del Sur
- 428. Office of the Governor  
Province of Davao del Norte
- 429. Office of the LGU legislative body  
Province of Davao del Norte
- 430. Office of the Mayor  
Samal City, Davao del Norte
- 431. Office of the LGU legislative body  
Samal City, Davao del Norte
- 432. Office of the Governor  
Province of Misamis Occidental
- 433. Office of the LGU legislative body  
Province of Misamis Occidental
- 434. Office of the Governor  
Province of Misamis Oriental
- 435. Office of the LGU legislative body  
Province of Misamis Oriental
- 436. Office of the Governor  
Province of Bukidnon



- 437. Office of the LGU legislative body  
Province of Bukidnon
- 438. Office of the Governor  
Province of Lanao del Norte
- 439. Office of the LGU legislative body  
Province of Lanao del Norte
- 440. Office of the Governor  
Province of Lanao del Sur
- 441. Office of the LGU legislative body  
Province of Lanao del Sur
- 442. Office of the Governor  
Province of South Cotabato
- 443. Office of the LGU legislative body  
Province of South Cotabato
- 444. Office of the Governor  
Province of Sultan Kudarat
- 445. Office of the LGU legislative body  
Province of Sultan Kudarat
- 446. Office of the Mayor  
Kalamansig, Sultan Kudarat
- 447. Office of the LGU legislative body  
Kalamansig, Sultan Kudarat
- 448. Office of the Mayor  
Lebak, Sultan Kudarat
- 449. Office of the LGU legislative body  
Lebak, Sultan Kudarat
- 450. Office of the Mayor  
Palimbang, Sultan Kudarat
- 451. Office of the LGU legislative body  
Palimbang, Sultan Kudarat
- 452. Office of the Mayor  
Sen. Ninoy Aquino, Sultan Kudarat
- 453. Office of the LGU legislative body  
Sen. Ninoy Aquino, Sultan Kudarat
- 454. Office of the Governor  
Province of Basilan
- 455. Office of the LGU legislative body  
Province of Basilan
- 456. Office of the Mayor  
Isabela City, Basilan
- 457. Office of the LGU legislative body  
Isabela City, Basilan
- 458. Office of the Governor  
Province of Sulu

- 459. Office of the LGU legislative body  
Province of Sulu
- 460. Office of the Mayor  
Jolo, Sulu
- 461. Office of the LGU legislative body  
Jolo, Sulu
- 462. Office of the Mayor  
Luuk, Sulu
- 463. Office of the LGU legislative body  
Luuk, Sulu
- 464. Office of the Mayor  
Siasi, Sulu
- 465. Office of the LGU legislative body  
Siasi, Sulu
- 466. Office of the Mayor  
Bangulngi, Sulu
- 467. Office of the LGU legislative body  
Bangulngi, Sulu
- 468. Office of the Mayor  
Hadji Panglima Tahil, Sulu
- 469. Office of the LGU legislative body  
Hadji Panglima Tahil, Sulu
- 470. Office of the Mayor  
Lugus, Sulu
- 471. Office of the LGU legislative body  
Lugus, Sulu
- 472. Office of the Mayor  
Pangutaran, Sulu
- 473. Office of the LGU legislative body  
Pangutaran, Sulu
- 474. Office of the Mayor  
Pata, Sulu
- 475. Office of the LGU legislative body  
Pata, Sulu
- 476. Office of the Mayor  
Tapul, Sulu
- 477. Office of the LGU legislative body  
Tapul, Sulu
- 478. Office of the Governor  
Province of Tawi-Tawi
- 479. Office of the LGU legislative body  
Province of Tawi-Tawi
- 480. Office of the Mayor  
Bongao, Tawi-Tawi



- 481. Office of the LGU legislative body  
Bongao, Tawi-Tawi
- 482. Office of the Mayor  
Mapun, Tawi-Tawi
- 483. Office of the LGU legislative body  
Mapun, Tawi-Tawi
- 484. Office of the Mayor  
Panglima Sugala, Tawi-Tawi
- 485. Office of the LGU legislative body  
Panglima Sugala, Tawi-Tawi
- 486. Office of the Mayor  
Simunul, Tawi-Tawi
- 487. Office of the LGU legislative body  
Simunul, Tawi-Tawi
- 488. Office of the Mayor  
Sitangkai, Tawi-Tawi
- 489. Office of the LGU legislative body  
Sitangkai, Tawi-Tawi
- 490. Office of the Mayor  
Tandubas, Tawi-Tawi
- 491. Office of the LGU legislative body  
Tandubas, Tawi-Tawi
- 492. Office of the Mayor  
Sapa-Sapa, Tawi-Tawi
- 493. Office of the LGU legislative body  
Sapa-Sapa, Tawi-Tawi
- 494. Office of the Mayor  
South Ubian, Tawi-Tawi
- 495. Office of the LGU legislative body  
South Ubian, Tawi-Tawi
- 496. Office of the Governor  
Province of Dinagat Island
- 497. Office of the LGU legislative body  
Province of Dinagat Island
- 498. Office of the Mayor  
San Jose, Dinagat Island
- 499. Office of the LGU legislative body  
San Jose, Dinagat Island
- 500. Office of the Mayor  
Loreto, Dinagat Island
- 501. Office of the LGU legislative body  
Loreto, Dinagat Island
- 502. Office of the Governor  
Province of Agusan del Norte

- 503. Office of the LGU legislative body  
Province of Agusan del Norte
- 504. Office of the Governor  
Province of Agusan del Sur
- 505. Office of the LGU legislative body  
Province of Agusan del Sur
- 506. Office of the Governor  
Province of Surigao del Norte
- 507. Office of the LGU legislative body  
Province of Surigao del Norte
- 508. Office of the Mayor  
Surigao City, Surigao del Norte
- 509. Office of the LGU legislative body  
Surigao City, Surigao del Norte
- 510. Office of the Governor  
Province of Surigao del Sur
- 511. Office of the LGU legislative body  
Province of Surigao del Sur
- 512. Regulatory Operations Service  
17<sup>th</sup> Floor Pacific Center, San Miguel Avenue, Pasig City




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

**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF THE 17<sup>TH</sup>  
GENERATION RATE  
ADJUSTMENT MECHANISM  
(17<sup>TH</sup> GRAM) WITH PRAYER  
FOR PROVISIONAL  
AUTHORITY**

**ERC CASE NO. 2018-014 RC**

**NATIONAL POWER  
CORPORATION (NPC),  
Applicant.**  
X-----X

**DOCKETED**  
Date: **AUG 03 2018**  
By: 

**NOTICE OF PUBLIC HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 22 March 2018, the National Power Corporation (NPC) filed an *Application* dated 09 March 2018 (Application), seeking for the approval of the 17<sup>th</sup> Generation Rate Adjustment Mechanism (GRAM), with prayer for provisional authority.

In the *Application*, NPC alleged the following:

1. NPC is a government-owned and controlled corporation, created and existing under and by virtue of Republic Act No. 6395, as amended, (the NPC Charter) with principal office address at NPC-Office Building Complex (NPC-OBC), corner Quezon Avenue and BIR Road, East Triangle, Diliman, Quezon City.
2. Pursuant to Section 70 of R.A. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001, NPC through its Small Power Utilities Group (SPUG), with the same principal office address stated above, is responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system.

- 3. In the performance of its missionary electrification function, NPC through SPUG incurs additional operating costs as a result of the fluctuation of fuel prices used in power generation. As such, NPC is allowed to recover through the Generation Rate Adjustment Mechanism (GRAM) the cost incurred in the operation that is beyond the approved rate.
- 4. In the Order dated 24 February 2003, this Honorable Commission issued and adopted the Implementing Rules for the Generation Rate Adjustment Mechanism (GRAM) providing for, among others, the mechanisms for the recovery/(refund) of the deferred fuel costs and purchased power costs.
- 5. This application is being filed consistent with the said GRAM Implementing Rules vis-à-vis Section 4(e) Rule 3 of the Implementing Rules and Regulations (IRR), as amended, of Republic Act (RA) 9136 (Electric Power Industry Reform Act or EPIRA) dated June 8, 2001.
- 6. The Application covers the billing period from January to December 2016. Applicant has fully complied with the GRAM's monthly reportorial requirements in support of the calculated allowable costs covering the billing period, as evidenced by the submitted reports/compliances duly received by this Honorable Commission and hereto attached as **Annex "A" and Series.**
- 7. Under this application, NPC through its SPUG operation, has incurred a total actual fuel costs during the afore-said test period as follows:

**Table 1. Total Actual Fuel Costs, in PhP**

|                    | <b>Actual Fuel<br/>Costs, PhP</b> |
|--------------------|-----------------------------------|
| LUZON              | 1,460,438,985                     |
| VISAYAS            | 190,814,697                       |
| MINDANAO           | 1,010,876,391                     |
| <b>PHILIPPINES</b> | <b>2,662,130,073</b>              |

- 8. The costs of fuel consumed without generation were not subjected to ERC - approved Heat Rate Cap as the fuel was used during start-up operations. Said costs are included in the Allowable Fuel Costs calculated together with the costs for the fuel consumed with generation that were subjected to ERC - approved Heat Rate cap for Luzon, Visayas and Mindanao. The said Allowable Fuel Costs are provided, as follows:

**Table 2. Allowable Fuel Costs, in PhP**

|       | <b>Allowable Fuel<br/>Costs, PhP</b> |
|-------|--------------------------------------|
| LUZON | 1,460,343,072                        |



**ERC CASE NO. 2018-014 RC**  
**NOTICE OF PUBLIC HEARING/02 August 2018**  
**PAGE 3 OF 7**

|                    |                      |
|--------------------|----------------------|
| VISAYAS            | 190,814,697          |
| MINDANAO           | 999,882,763          |
| <b>PHILIPPINES</b> | <b>2,651,040,532</b> |

9. The Applicant has accounted the corresponding fuel costs recovered through the Subsidized Approved Generation Rate (SAGR) using the breakdown in the unbundled SAGR approval by the Honorable Commission under ERC Case No. 2002-01 as follows:

**Table 3. Fuel Recovery under SAGR, in PhP**

|                    | Fuel Recovery under the SAGR |                      |
|--------------------|------------------------------|----------------------|
|                    | (PhP/kWh)                    | Amount               |
| LUZON              | 2.0282                       | 499,456,625          |
| VISAYAS            | 3.8942                       | 86,756,390           |
| MINDANAO           | 3.2787                       | 520,903,820          |
| <b>PHILIPPINES</b> |                              | <b>1,107,116,835</b> |

10. As authorized under the Implementing Rules of the GRAM, the following carrying interest charges were utilized by the Applicant:

**Table 4. Allowable Carrying Charge Interest Rates**

| Test/Billing Mos. | Prevailing 91-day T-Bill Rate <sup>1/</sup> | Authorized Allowance <sup>2/</sup> | Allowable Rate |
|-------------------|---|------------------------------------|----------------|
| January           | 1.684                                       | 3.000                              | 4.684          |
| February          | 1.513                                       | 3.000                              | 4.513          |
| March             | 1.469                                       | 3.000                              | 4.469          |
| April             | 1.551                                       | 3.000                              | 4.551          |
| May               | 1.674                                       | 3.000                              | 4.674          |
| June              | 1.588                                       | 3.000                              | 4.588          |
| July              | 1.447                                       | 3.000                              | 4.447          |
| August            | 1.479                                       | 3.000                              | 4.479          |
| September         | 1.321                                       | 3.000                              | 4.321          |
| October           | 1.281                                       | 3.000                              | 4.281          |
| November          | 1.484                                       | 3.000                              | 4.484          |
| December          | 1.555                                       | 3.000                              | 4.555          |

1/ Source: *Bangko Sentral ng Pilipinas*  
([www.bsp.gov.ph/statistics/sdds/tbillsdds.htm](http://www.bsp.gov.ph/statistics/sdds/tbillsdds.htm))

2/ As authorized in the GRAM Implementing Rules

11. The table below shows the calculated deferred fuel costs and the corresponding DAA for Luzon, Visayas and Mindanao under the subject 17<sup>th</sup> GRAM Application covering the test period January to December 2016 and the corresponding proposed rates in P/kWh calculated for recovery for a period of two (2) years:

**Table 5. Seventeenth (17<sup>th</sup>) GRAM DAA Summary**

|                   | LUZON              | VISAYAS            | MINDANAO           | PHILIPPINES          |
|-------------------|--------------------|--------------------|--------------------|----------------------|
| Principal         | 960,886,447        | 104,058,307        | 478,978,943        | 1,543,923,697        |
| Carrying Charge   | 22,042,765         | 2,401,295          | 10,644,975         | 35,089,036           |
| <b>TOTAL, PhP</b> | <b>982,929,212</b> | <b>106,459,602</b> | <b>489,623,918</b> | <b>1,579,012,733</b> |



**ERC CASE NO. 2018-014 RC**  
**NOTICE OF PUBLIC HEARING/02 August 2018**  
**PAGE 4 OF 7**

---

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Two (2) Years<br>Projected<br>Energy Sales<br>(MWh) | 950,311       | 132,922       | 496,498       | 1,579,731     |
| <b>17<sup>th</sup> GRAM<br/>DAA,<br/>PhP/kWh</b>    | <b>1.0343</b> | <b>0.8009</b> | <b>0.9862</b> | <b>0.9995</b> |

12. The Applicant proposes to recover the above calculated DAA within two (2) years to mitigate the impact thereof to customers in the missionary areas.
13. In support of the proposed 17<sup>th</sup> GRAM DAA, Applicant respectfully submits the following documents annexed herewith to form part of this Application:

|                                |                               |
|--------------------------------|-------------------------------|
| List of Plants                 | <b>Annex "B" &amp; series</b> |
| Summary of DAA                 | <b>Annex "C" &amp; series</b> |
| Summary of Net Generation, kWh | <b>Annex "D" &amp; series</b> |
| 91-day Treasury Bill Rates     | <b>Annex "E"</b>              |
| Actual Energy Sales, kWh       | <b>Annex "F" &amp; series</b> |
| Projected Energy Sales, Mwh    | <b>Annex "G"</b>              |

14. The proposed 17<sup>th</sup> GRAM DAA Application was approved for filing by the National Power Board on 28 February 2018, a certified copy of the Secretary's Certificate is attached hereto as **Annex "H"** and made an integral part hereof
15. With due respect, the proposed GRAM DAA adjustment, once approved, should be implemented or applied on top of the SAGR in both NPC-SPUG and delegated NPC-SPUG areas, or upon entry of NPPs thereof to levelize the rates in the said areas and consistent with ERC letter dated 05 March 2012 issued to NPC during the implementation of the 4<sup>th</sup> to 6<sup>th</sup> GRAM and ICERA DAA, copy of which is attached as **Annex "I" & Series** hereof.
16. The proposed 17<sup>th</sup> GRAM DAA is fair and reasonable as it is computed in line with the GRAM rules as approved by the Honorable Commission.

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR  
PROVISIONAL AUTHORITY**

17. The proposed deferred accounting adjustment will reflect the recent costs authorized under the GRAM rules/mechanism and NPC would increase the revenue commensurate with its cost and ultimately reduce the burden of the UC-ME on all electricity end-users.
18. Since these expenses were already incurred in the year 2016, immediate recovery of the needed adjustment through a provisional authority would help alleviate the operational funding of applicant, without prejudice on the authority of the Honorable Commission to approve the recovery of this adjustment as part of the True Cost Generation Rate (TCGR).



19. Pursuant to Rule 15, Section 3 of the Commission’s Rules of Practice and Procedure, the Honorable Commission has the authority to grant a provisional authority pending final approval of the instant petition, it states, as follows:

*“Section 3. Action and Motion. – Motions for provisional authority or interim relief may be acted upon with or without hearing. The Commission shall act on the motion on the basis of the allegations of the application or petition and supporting documents and other evidences that applicant or petitioner has submitted and the comments or oppositions filed by any interested person, if there be any.”*  
(Emphasis supplied)

20. Based on the foregoing justifications, NPC deems it proper to respectfully request the Honorable Commission for the issuance of a provisional authority pending the hearing on the merits and the final approval of the proposed GRAM DAA as well as the corresponding rate for CY 2016.

**PRAYER**

**WHEREFORE**, premises considered, it is most respectfully prayed that this Honorable Commission issues an Order:

1. Approving the recovery of the proposed Deferred Accounting Adjustments covering the test period from January to December 2016 for the deferred fuel costs in the amount of **PhP 1,579,012,733** recoverable for a period of two (2) years through the imposition of the following proposed rates in P/kWh:

| LUZON  | VISAYAS | MINDANAO | PHILIPPINES<br>(Average) |
|--------|---------|----------|--------------------------|
| 1.0343 | 0.8009  | 0.9862   | 0.9995                   |

2. Imposing/charging the GRAM directly to consumers in NPC-SPUG areas as per applicable GRAM rules, subject to the discretion of the Honorable Commission in line with ERC Resolution No. 21.
3. Allowing the continued collection of the GRAM adjustments even with the entry of private sector players in a specific NPC-SPUG area.
4. Approving the implementation of the proposed rates on top of the existing Subsidized Approved Generation Rates (SAGR) of NPC-SPUG and SAGR of Delegated NPC-SPUG areas where NPPs operate for the purpose of determining the level of subsidy.
5. Granting NPC a Provisional Authority for the implementation of the proposed rates and DAAs for the immediate recovery of deferred GRAM



**ERC CASE NO. 2018-014 RC**  
**NOTICE OF PUBLIC HEARING/02 August 2018**  
**PAGE 6 OF 7**

---

adjustments within the above proposed two (2) years recovery period.

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

The Commission has set the *Application* for hearing on the following dates and venues:

| <b>Date and Time</b>   | <b>Venue</b>   | <b>Particulars</b>                                    |
|--|--|---|
| <b>21 September 2018<br/>(Friday) at two<br/>o'clock in the<br/>afternoon (2:00<br/>P.M.)</b>  | ERC Hearing Room,<br>15th Floor, Pacific<br>Center Building, San<br>Miguel Avenue, Pasig<br>City | Jurisdictional and<br>Expository<br>Presentation      |
| <b>28 September 2018<br/>(Friday) at nine<br/>o'clock in the<br/>morning (9:00<br/>A.M.)</b>   | ERC Visayas Field<br>Office, St. Mary's<br>Drive, Banilad, Cebu<br>City                          | Expository<br>Presentation                            |
| <b>03 October 2018<br/>(Wednesday) at<br/>nine o'clock in the<br/>morning (9:00<br/>A.M.)</b>  | ERC Mindanao Field<br>Office, Mintrade<br>Bldg., Monteverde<br>Ave.cor Sales St.,<br>Davao City  | Expository<br>Presentation                            |
| <b>10 October 2018<br/>(Wednesday) at two<br/>o'clock in the<br/>afternoon (2:00<br/>P.M.)</b> | ERC Hearing Room,<br>15th Floor, Pacific<br>Center Building, San<br>Miguel Avenue, Pasig<br>City | Pre-Trial<br>Conference and<br>Evidentiary<br>Hearing |

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 ERC 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 Petitioner rests its case, subject to the requirements under Rule 9 of the 2006 ERC 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.

Pasig City, 02 August 2018.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**AGNES VST DEVANADERA**  
Chairperson and CEO

21

  
LS, JTB/LSP/APV

