

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE ELECTRIC SUPPLY CONTRACT (ESC) ENTERED INTO BY AND BETWEEN MACTAN ELECTRIC COMPANY, INC. (MECO) AND SMC CONSOLIDATED POWER CORPORATION (SCPC), WITH MOTION FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF AND CONFIDENTIAL TREATMENT OF INFORMATION

ERC CASE NO. 2021-070 RC

MACTAN ELECTRIC COMPANY, INC. (MECO) AND SMC CONSOLIDATED POWER CORPORATION (SCPC),

Applicants.

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Promulgated:
September 17, 2021

ORDER

On 27 August 2021, Mactan Electric Company, Inc. (MECO) and SMC Consolidated Power Corporation (SCPC) filed a *Joint Application* dated 12 July 2021, seeking the approval of their Electric Supply Contract (ESC), with motion for provisional authority or interim relief and confidential treatment of information.

The pertinent allegations of the *Joint Application* are hereunder quoted as follows:

1. MECO is a private corporation duly organized and existing under the laws of the Philippines, with principal address at MECO Building, Sangi Road, Lapu-Lapu City, Cebu. It has a legislative franchise and Certificate of Public Convenience and Necessity (CPCN) to operate the electric light and power distribution system and service in the City of Lapu-Lapu and in the Municipality of Cordova. MECO is represented by its General Manager and Senior Vice President, Engr. Gilbert A. Pagobo, as shown in the attached Secretary's Certificate dated July 6, 2021.

It may be served with notices and processes at the address of its undersigned counsel.

2. SCPC is a corporation duly organized and existing under the laws of the Philippines, with principal address at Roman Highway, Barangay Lamao, Limay, Bataan, Philippines. It is the owner of a Circulating Fluidized Bed Boiler Coal-fired Power Plant located in Limay, Bataan, and has committed to build the “Mactan Greenfield Plant” in Mactan Island.
3. In view of the anticipated expiration of the Power Sales Contract¹ between MECO and KEPCO SPC Power Corporation (“KSPC”), on December 4, 2017, the former received an unsolicited proposal from the latter for the continuation of the 28MW power supply and for the additional supply [of] 22MW, or a total of 50MW contract capacity for a period of ten (10) years.
4. In compliance with the rules on competitive selection process (“CSP”) of the Energy Regulatory Commission (“ERC”) as per ERC Resolution No. 13, Series of 2015 and ERC Resolution No. 01, Series of 2016, KSPC’s unsolicited proposal was subjected to a *swiss challenge*, where KSPC was given the status of the Original Proponent (“OP”) with the right-to-match the offer of any leading challenger.
5. On October 8 and October 15, 2018, MECO, through its Power Supply Procurement Plan – Bids and Awards Committee (“PSPP-BAC”), published an “Invitation to Submit a Comparative Proposal to Challenge KSPC’s Proposal” in Malaya Business Insight prompting SCPC and Cebu Energy Development Corporation (“CEDC”) to submit their respective proposals.
6. Based on the evaluation of the proposals by the PSPP-BAC, SCPC’s proposal will have the most beneficial impact to the consumers. Resultantly, SCPC was declared as the leading Challenger.
7. The Original Proponent failed to match SCPC’s proposal; hence, SCPC was declared as the winning Challenger.
8. In the meantime, Covid-19 caused a global economic impasse. After an assessment of the adverse effects of the Covid-19 pandemic on the industrial and commercial activities within MECO’s franchise area, MECO expects a significant reduction in its projected power demand insofar as the 50MW contracted capacity is concerned. To resolve this issue, MECO and SCPC have mutually agreed to allow MECO to procure a minimum of 30MW beginning 26 July 2021, and if at any time thereafter, the demand has normalized and recovered, the additional capacity on top of the minimum of 30MW up to 50MW contract capacity, shall be procured by MECO from SCPC.

¹ Approved in ERC Case No. 2011-084 RC and which expired last May 21, 2021.

9. In June 2021, MECO and SCPC executed their Energy Supply Contract (“ESC”), which is the subject of this Application. A copy of the ESC is attached as Annex “A” and its salient features are shown below:

Salient Features of the ESC

Article 2
Term

2.1 Term. This Contract shall be binding between the Parties on the date of signing (“Execution Date”) and shall remain effective for a period of ten (10) years (“Contract Term”) from Supply Effective Date, extendible for another two (2) years, upon mutual agreement, on the same terms and conditions, subject to the applicable laws and issuances. Supply of electric power by the SELLER shall commence on Supply Effective Date, extendible as defined below and shall continue until the end of the Contract Term.

2.2 Supply Effective Date (“SED”). The Supply Effective Date shall be 26 July 2021 at interval 0001 hour subject to the submission of BUYER of all the following requirements at least thirty (30) calendar days prior to SED or such other date as may be agreed upon by the Parties in writing.

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Article 5
Sale and Purchase of Contract Capacity and
Delivered Energy

5.1 Contract Capacity and Delivered Energy

5.1.1 Beginning SED, the SELLER shall make available to the BUYER, and the BUYER shall take or pay on a monthly basis the Delivered Energy up to Contract Capacity and subject to the Minimum Contract Quantity for each Billing Period as specified in Energy Fees stated in Annex II – A and Annex II – B. The Minimum Contract Quantity for each Billing Period as specified in Annex I shall not be changed by either Party except in cases provided for this Contract.

5.1.2 The Contract Capacity and Minimum Contract Quantity shall be delivered by the SELLER at the SELLER’s high voltage side of the transformer of the Plant as provided in Annex III. This will be used for purposes of billing and settlement. Title and risk of loss for the Contract Capacity and Delivered Energy shall be transferred to the BUYER at the high voltage side of the Plant’s transformer.

5.2 Supply

5.2.1 The SELLER shall have no obligation to supply more than the Contract Capacity as provided for in Annex I. The BUYER

acknowledges that it is obligated to take no less than the Contract Capacity at eighty percent (80%) Load Factor (LF) for each Billing Period and shall maintain a minimum hourly energy nomination of eighty percent (80%) of the Contract Capacity for the duration of the Contract Term subject to the Nomination Protocol as contained in Annex I below.

5.2.2 For Delivered Energy, the BUYER shall submit to the SELLER, a month-ahead nomination translated into hourly and daily schedule referred as the BCQ in seven (7) calendar days prior to the start of the next Billing Period, in accordance with the "Nomination Protocol" to be agreed upon by the Parties or prescribed by the Market Operator.

5.2.3 In the event that the capability of the SELLER to deliver capacity or the capability of the BUYER to take the capacity are each affected by the occurrence of an Event of Force Majeure, the provisions of Article 10 (Force Majeure) shall apply.

5.3 Meter registrations at the BUYER's receiving point over and above the BCQ or the nominated quantity shall be deemed purchased by the BUYER from the WESM or other supplier(s).

5.4 Further, the SELLER and/or through its affiliate(s) commits to build "Mactan Greenfield Plant" and endeavors to connect directly to the distribution system of the BUYER by 2024-2025 to supply the BUYER's power requirements. Supply from this power plant will result in savings in transmission and other energy market charges in favor of the BUYER from the commercial operations of the same until the end of the Contract Term. This power plant will utilize High Efficiency Low Emission technology and will not use coal as fuel but should adequately and reliably provide the energy requirements of the BUYER.

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Article 8 Contract Charges and Adjustments

8.1 Generation Charge.

Energy Fees comprising of Capital Recovery Fee, Fixed Operation and Maintenance Fee, Variable Operation and Maintenance Fee and Fuel Fee. The monthly Generation Charge shall be computed based on the formula contained in Annex II – A and Annex II – B;

Prompt Payment Discount on the Capital Recovery Fee shall be based on the table contained in Annex II – C and subject to Article 9.2.2.

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ANNEX I
CONTRACT CAPACITY, MINIMUM CONTRACT QUANTITY
AND NOMINATION PROTOCOL

1. The Contract Capacity for the duration of the Contract shall be as follows:
 - a. Starting 26 July 2021 or SED as provided in Article 2.2, whichever comes later, the initial Contract Capacity shall be 30,000 kW
 - b. At any point up to 25 March 2026, the Contract Capacity may be increased up to 50,000 kW subject to Article [5].
 - c. Starting 26 March 2026 until the end of the Contract Term, the Contract Capacity shall be 50,000 kW.
2. The Minimum Contract Quantity per Billing Period for the duration of the Contract shall be based on the eighty percent (80%) Load Factor of the prevailing Contract Capacity as stated above. The Buyer shall maintain a minimum hourly energy nomination of eighty percent (80%) of the prevailing Contract Capacity.

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ANNEX II-A
SMC CONSOLIDATED POWER CORPORATION (SCPC)
GENERATION CHARGE, ENERGY FEES AND
ADJUSTMENT FORMULA

The BUYER shall pay the SELLER for the Delivered Energy at the following Energy Fees and as adjusted on a monthly basis pursuant to the following formula:

$$\text{GCBP} = \text{DEBP} * (\text{CRFAdj} + \text{FOM} + \text{VOM} + \text{FF})$$

Where:

GCBP - Generation Charge in PhP for the Billing Period

DEBP - Delivered Energy in kWh, for the Billing Period

CRFAdj - Applicable Capital Recovery Fee for the Billing Period calculated as follows:

$$\text{CRFAdj} = \text{CRF base} / \text{LF actual}$$

CRF base = Base Capital Recovery Fee set at PhP1.3333/kWh

LF actual = Buyer's actual load factor for the Billing Period

FOM - Fixed Operation and Maintenance Fee set at zero (PhPo.0000/kWh)

VOM - Variable Operation and Maintenance Fee set at zero (PhPo.0000/kWh)

FF - Fuel Fee set at PhP2.0000/kWh (fixed/non-adjusting)

ANNEX II-B
MACTAN GREENFILED PLANT
GENERATION CHARGE, ENERGY FEES AND ADJUSTMENT
FORMULA

The BUYER shall pay the SELLER for the Delivered Energy at the following Energy Fees and as adjusted on a monthly basis pursuant to the following formula;

$$\text{GCBP} = \text{DEBP} * (\text{CRFAdj} + \text{FOM} + \text{VOM} + \text{FFAdj})$$

Where:

GCBP - Generation Charge in PhP for the Billing Period

DEBP - Delivered Energy in kWh, for the Billing Period

CRFAdj - Current Capital Recovery Fee applicable for the Billing Period calculated as follows:

$$\text{CRF Adj} = \text{CRF base} / \text{LF actual}$$

CRF base = Base Capital Recovery Fee set at PhP1.3333/kWh

LF actual = Buyer's actual load factor for the Billing Period

FOM - Fixed Operation and Maintenance Fee set at PhP 0.3000/kWh (fixed/non-adjusting)

VOM - Variable Operation and Maintenance Fee set at PhP 0.1000/kWh (fixed/non-adjusting)

FF Adj - Current Fuel Fee applicable for the Billing Period calculated as follows:

$$\text{FF Adj} = \text{FF base} * (\text{FO current} / \text{FO base})$$

Where:

FF base = Base Fuel Fee set at PhP2.4000/kWhBtu

FO current = Current landed and processed cost of fuel, including regas and storage in USD/mm

FO base = Base landed cost of fuel set at USD5.00/mmBtu

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10. Based on the rate computation and analysis, the ESC will have a rate impact of (Php1.3428)/kwh reduction in electricity cost as shown below –

Recalculation of May and June 2021 Rates

	May	June	May	June
SCPC				
Demand in KW	if at 30,000 KW		if at 50,000 KW	
Energy in KWH	22,320,000.00	21,600,000.00	37,200,000.00	36,000,000.00
Capacity Recovery Fee	1.3333			
O&M Fee	0.0000			
Fuel Fee (Non-adjusting/Fixed)	2.0000			
Total Rate	3.3333			
Energy	22,320,000.00	21,600,000.00	22,320,000.00	21,600,000.00
Amount	74,399,256.00	71,999,280.00	74,399,256.00	71,999,280.00
NM				
Energy	5,233.71	5,697.11	5,233.71	5,697.11
Amount	20,012.50	22,294.05	20,012.50	22,294.05
50% of NET PPD	532,376.35	556,704.71	598,103.57	568,597.00
PCR	491,922.60	420,914.86	491,922.60	420,914.86
Blended Gen Rate	3.9984	5.0355	3.5039	4.0888
Implemented Blended Gen Rate	5.4231	6.3784	5.4231	6.3784
Rate Impact (Increase / -Decrease)	-1.4247	-1.3428	-1.9192	-2.2895

11. In support of this Application, MECO and SCPC respectfully submit the following documentary requirements:

Annex	Description
B	Amended Articles of Incorporation and By-Laws of MECO
B-1	General Information Sheet (GIS) for the Year 2020 of MECO
B-2	Copy of Republic Act No. 10890 or “An Act Granting the Mactan Electric Company, Inc. (MECO) a Franchise to Construct, Install, Establish, Operate and Maintain a Distribution System for the Conveyance of Electric Power to the End Users in the City of Lapu-Lapu and the Municipality of Cordova, Province of Cebu
B-3	Copy of the Certificate of Public Convenience and Necessity of MECO
C	Explanation re: Non-Applicability of the Transition Supply Contract with National Power Corporation (“NPC”) of MECO
C-1	Distribution Development Plan of MECO
C-2	Graphical Representation of the Supply and Demand Scenario of MECO

D	Details of the CSP Process for MECO
D-1	Invitation to Submit Comparative Proposals to Challenge KSPC's Proposal
D-2	Copy of the Published Invitation dated October 8, 2018 in Malaya Business Insight
D-3	Copy of the Published Invitation dated October 15, 2018 in Malaya Business Insight
D-4	Proposals Received from SCPC and CEDC (<i>confidential</i>)
D-5	Evaluation Report of the PSPP-BAC dated November 19, 2018 (<i>confidential</i>)
D-6	Evaluation Summary of the Challengers' Offer (<i>confidential</i>)
D-7	Rules for the Evaluation of Challenge Bids In Re: Invitation to Submit Comparative Proposals to Challenge KSPC's Proposal
D-8	Letter dated March 8, 2019 re: Notice for Leading Challenger Status on the Invitation to Submit Comparative Proposals to Challenge KSPC's Proposal
D-9	Board Resolution dated January 7, 2019 re: Conduct of CSP through Comparative Proposals
D-10	Notice of Award and/or Notice to Proceed
D-11	Certification of MECO's General Manager re: Conduct of CSP
E	Executive Summary of the ESC
E-1	List of Power Supply Agreements
E-2	Transmission Service Agreement
E-3	Metering Service Agreement
E-4	Details of the ESC
F	Sample Computation of Power Rates and Rate Impact Computation
G	Articles of Incorporation and By Laws of SCPC
H	Securities and Exchange Commission ("SEC") Certificate of SCPC
I	General Information Sheet ("GIS") of SCPC
J	Certificate of SCPC from the Board of Investments ("BOI")
K	Environmental Compliance Certificate ("ECC") issued by the Department of Environment and Natural Resources ("DENR") to the Limay Power Plant
L	Write up on the Shareholders' Agreement of SCPC
M	Corporate Structure of SMC Global Power Holdings Inc. and its Subsidiaries
N	Certificate of Compliance ("COC") issued by the Energy Regulatory Commission ("ERC") to SCPC
O	Certificate of Endorsement ("COE") issued by the Department of Energy ("DOE") to SCPC
P	Affidavit of the Fuel Procurement Process of SCPC
P-1	Write up on the Fuel Procurement Process of SCPC (<i>confidential</i>)
Q	Power Rate Calculations and Financial Model (<i>confidential</i>)
R	Cost Analysis of SCPC
S	Certification on the Non-Applicability of a Renewable Energy Service/Operating Contract and Certification of

	Registration or Certificate of Commerciality by an RE Developer from the Department of Energy (DOE)
T	Decision of the Point-to-Point Case of SCPC docketed as 2016-015 MC
U	Connection Agreement of SCPC
V	Transmission Service Agreement of SCPC
W	Relevant Technical Details of the SCPC Plant
X	Net Heat Rate of SCPC
Y	Latest Audited Financial Statement of SCPC
Z	Write up on the Ancillary Service of SCPC
AA	Write up on the Minimum Energy Off Take of SCPC
BB	Secretary's Certificate of SCPC
CC and series	Proof of Service to the Sanggunians within the franchise area of MECO and Sangguniang Pangbayan of Limay, of copies of the Joint Application (including annexes)
DD and series	Affidavit of Publication and complete issue of the newspapers where the Joint Application was published

Motion for Provisional Authority and Interim Relief
Rule 14 of Resolution No. 1, Series of 2021

12. Applicants respectfully move for provisional authority and interim relief to implement the ESC pending the resolution of this Application on account of the exposure to the volatile prices of the Wholesale Electricity Spot Market (WESM) especially these recent times where such prices are at record high.
13. The necessity to draw power on 26 July 2021 is not only on account of MECO's mandate to provide the least cost of electricity to its consumers, but is also based on the following factual considerations:
 - 13.1. MECO sources its power supply from KSPC at 28MW and CEDC at 15MW, respectively. MECO's current power demand is 68MW at a load factor of 74%. Thus, MECO's market exposure is 25MW at 40% load factor.
 - 13.2. Last May 21, 2021, MECO's contract with KSPC expired. This raised the exposure to WESM prices from 33% to 75% and the average prices for May and June are PhP 8.63/kwh and PhP 7.07/kwh, respectively.
 - 13.3. As shown in this Application and its supporting documents, the price offered in the ESC is fixed at PhP 3.3333/kwh as compared to the current cost of electricity at PhP 7.07/kwh.
14. Therefore, it is to the utmost benefit of the consumers of MECO if it can draw power from SCPC by 26 July 2021.
15. Moreover, considering that Section 3 of Rule 14 provides that the Commission shall hold in abeyance the resolution on the said motion until after the lapse of thirty (30) days from the receipt of the copy of the application by the concerned local legislative offices within the franchise area or from the publication of the

application, whichever comes later, applicants respectfully move for authority to draw power from SCPC at the rate of PhP3.3333/kwh to commence on 26 July 2021 pending the resolution of the motion for the provisional authority.

16. The applicants understand that the provisional authority and interim relief granted by the Commission are subject to adjustments and other conditions if upon final evaluation of the case, the Commission determines that the applicants are not entitled to the full amount of the provisional and interim rate allowed.

Motion for Confidential Treatment of Information
Rule 4 of Resolution No. 1, Series of 2021

17. MECO respectfully moves for confidential treatment of the information contained in Annexes D-4, D-5, and D-6. These documents contain valuable proprietary interest and information relating to the business operations, commercial transactions, and financial standing of other juridical entities. The information sought to be protected does not belong to MECO and any disclosure thereof to a third person may expose MECO to liability.
18. Likewise, SCPC would like to plead for the judicious wisdom of the Honorable Commission to afford Annexes P-1 and Q confidential treatment in the handling and custody thereof.
19. The subject annexes of SCPC is a product of mathematical procedures and information that were used in its dealings with coal/fuel suppliers. The sensitive information and processes therein are the results of the extensive, meticulous and arduous analysis and discussion amongst the responsible personnel of SCPC and which are not publicly available. Given the foregoing, the same must not be disclosed to the public before, during and even after the conclusion of this case.
20. Under the circumstances, these are trade secrets that exclusively belong to SCPC which were afforded by the prevailing jurisprudence² a mantle of protection against unauthorized disclosure to third persons or other participants in the industry which will definitely compromise SCPC's competitiveness.
21. The interests of the consumers of MECO will be sufficiently protected by the review and evaluation of the rates under the ESC by the Honorable Commission, without the need to disclose the contents of Annexes P-1 and Q. The reasonableness and transparency of the prices of electricity is to be assured by the Honorable Commission through its own review and verification of the foregoing documents sought to be afforded confidential treatment in the evaluation and handling thereof. One copy each of the mentioned annexes will be placed in a sealed envelope which will be tagged as "Confidential" coupled with a narrative for that purpose will be submitted as integral parts hereof.

² Air Philippines Corporation vs. Penswell, Inc. G.R. No. 172835, 13 December 2007.

22. Finally and in relation to the foregoing, MECO and SCPC would like to implore the discerning wisdom of the Honorable Commission to include in its issuance relative to this incident the “xxx xxx procedures for handling or returning the confidential information, as may be appropriate, upon the close of the proceedings or at the end of the period provided xxx xxx”³ - - in the ERC Rules of Practice and Procedure.
23. This is guided by the fact that the applicants herein will seek for the return of these sought to be declared confidential annexes after its utilization as evidence in this case and/or at the close of the proceedings hereof, so as to relieve the Honorable Commission of the burden of safekeeping the trade secrets enclosed/embraced in the subject annexes.

RELIEF

APPLICANTS respectfully pray that the Honorable Commission-

1. Before and during the pendency of the proceedings/scheduled hearing(s) and the final resolution/approval of this case, that an Order be issued for the GRANT of:

- (i) an Authority to Draw power from SCPC on 26 July 2021 at the rate of PhP3.3333/kwh as indicated in the ESC pending the issuance of the Provisional Authority or Interim Relief;
- (ii) a Provisional Authority or Interim Relief allowing the Joint Applicants to immediately implement the ESC subject of this case in its entirety;
- (iii) an Order affording Annexes D-4, D-5, and D-6, P-1 and Q, and all the information contained therein confidential treatment in perpetuity, directing their non-disclosure to persons other than the officers and staff of the Honorable Commission, continually protecting the said information from public disclosure by maintaining the same as separate and apart from the records of this case, ensuring that these are not divulged to unauthorized persons, from the time these annexes are received by the Honorable Commission up to the termination of the instant case; and,
- (iv) an Issuance concerning the procedures for handling the confidential information upon the close of the proceedings and its return/delivery to MECO and SCPC.

³ Second letter (d) found on the third set of the alphabetical enumerations under Section 2, Rule 4 (Confidential Information) of the ERC Rules and Practices and Procedure.

2. After due notice and hearing, ISSUE a DECISION approving the instant Joint Application *in toto* which will thereby allow/authorize MECO to charge and collect the fees from its customers reckoned from the commencement of the supply to the latter by SCPC.

3. Other reliefs just and equitable under the circumstances are likewise prayed for.

Finding the said *Joint Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements and expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof pursuant to Resolution No. 09, Series of 2020⁴ dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)⁵:

Date	Platform	Activity
15 October 2021 (Friday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
22 October 2021 (Friday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Pre-trial Conference and presentation of evidence

Accordingly, MECO and SCPC are hereby directed to host the virtual hearings at **MECO's Principal Office located at MECO Building, Sangi Road, Lapu-Lapu City, Cebu**, as the designated venue for the conduct thereof, and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, MECO and SCPC shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, MECO and SCPC are hereby directed to:

⁴ A Resolution Adopting the Guidelines Governing Electronic Applications, Filing and Virtual Hearings Before the Energy Regulatory Commission.

⁵ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at their 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 Virtual Hearing* the Offices of the Provincial Governor, the Mayor, and the Local Government Unit (LGU) legislative body within MECO's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within MECO's franchise area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled virtual hearings thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual 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 and attend the scheduled hearing; and
- 5) Furnish with copies of the *Joint Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, and reimbursement of reasonable photocopying costs.⁶

Within five (5) calendar days prior to the date of the scheduled initial virtual hearing, MECO and SCPC must submit to the Commission via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of their written compliance to the aforementioned jurisdictional requirements by attaching therewith, methodically arranged and duly marked, the following:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of affidavit of the Editors or Business Managers of the newspapers where the said *Notice of Virtual*

⁶ For the e-mail address of the applicant, please see page 17.

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 Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayor and LGU legislative body or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by MECO and SCPC to inform the consumers within the affected franchise area of the filing of the *Joint Application*, its reasons therefor, and of the scheduled hearings thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Joint 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.

Moreover, MECO and SCPC are hereby required to post on their bulletin boards, the scanned copies of the jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Office of the Governor, Mayor, and Local Legislative Bodies, and to submit proof of their posting thereof.

MECO, SCPC and all interested parties are also required to submit to the Commission via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days before the date of the scheduled initial virtual 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 therefor, which should also be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

MECO and SCPC must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

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

MECO and SCPC must also be prepared to make an expository presentation of the instant *Joint Application*, aided by whatever communication medium that 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, the nature of the *Joint Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

MECO and SCPC are hereby directed to file a copy of their Expository Presentation via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days prior to the scheduled virtual hearing. MECO and SCPC shall also be required, upon the request of any stakeholder, to provide an advance copy of their expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

MECO and SCPC are hereby directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of their Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

Finally, MECO and SCPC, including their authorized representative/s and witness/es, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

SO ORDERED.

Pasig City, 08 September 2021.

FOR AND BY AUTHORITY
OF THE COMMISSION:



AGNES VST DEVANADERA
Chairperson and CEO



LS: MVM/LSP/MCCG

ERC

Office of the Chairperson



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Copy Furnished:

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