

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
PASIG CITY

IN THE MATTER OF THE APPLICATION
FOR: (1) CONFIRMATION OF TRUE-UP
CALCULATION OF THE ACTUAL
WEIGHTED AVERAGE TARIFF (AWAT) IN
RELATION TO THE APPROVED AVERAGE
RATE IN THE PREVIOUS REGULATORY
RESET UTILIZED AND IMPLEMENTED
DURING THE LAPSED REGULATORY
PERIOD AND (2) APPROVAL OF
RECOVERY SCHEME FOR THE LAPSED
REGULATORY YEARS, WITH MOTION FOR
PROVISIONAL AUTHORITY,

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC.
(MECO),

Applicant.

X-----X

PRE-TRIAL BRIEF

Applicant MACTAN ELECTRIC COMPANY, INC. (MECO), by counsel,
respectfully states:

Summary of Admitted Facts and
Proposed Stipulation of Facts

1. MECO has not received any opposition or any other pleading from any interested party. Therefore, MECO can only admit facts stated in its Application dated July 19, 2022 and its supporting documents.
2. Accordingly, for the purpose of the pre-trial conference, MECO respectfully moves that the Honorable Commission adopt this Pre-Trial Brief.

Issue

- MECO submits the issue of whether the Commission should approve and confirm MECO's calculations of under-recovery for the lapsed regulatory period from April 1, 2013 to March 31, 2023.

Documentary Exhibits

- MECO will present the attached documents with their proposed markings:

Proof of Publication (Malaya Business Insight)	
A	Affidavit of Publication by the Business Manager/Advertising Director of Malaya Business Insight as proof that the Notice of Virtual Hearing (NVH) was published on November 24 and December 2, 2022
A-1	Copy of Malaya Business Insight dated November 24, 2022
A-2	Page B7
A-3	Copy of Malaya Business Insight dated December 2, 2022
A-4	Page B7
Proof of Publication (Malaya Business Insight)	
B	Affidavit of Publication by the authorized person of The Manila Times as proof that the NVH was published on November 24 and December 2, 2022
B-1	Copy of The Manila Times dated November 24, 2022
B-2	Page B6
B-3	Copy of The Manila Times dated December 2, 2022
B-4	Page B6
Proof of Posting of the Order and NVH dated November 14, 2022 by the Local Government Offices	
C	Certification of Provincial Administrator dated November 25, 2022
C-1	Certification of Office of the Secretary to the Sangguniang Panlalawigan of Cebu dated December 2, 2022

C-2	Certification of Office of the Secretary to the Sangguniang Panlungsod of Lapu-Lapu dated November 24, 2022
C-3	Certification of the Office of the Mayor of Lapu-Lapu dated December 5, 2022
C-4	Certification of Office of the Sangguniang Bayan of Cordova dated November 23, 2022
C-5	Certification of Office of the Mayor of Cordova dated November 23, 2022
Proof of Service to Local Government Offices	
D	Affidavit of Service Re: Compliance with Jurisdictional Requirements executed by Bernardo L. Torrecampo
D-1	Receiving copy of the NVH with official stamp as proof of acknowledgment or receipt
D-2	Receiving copy of the Order with official stamp as proof of acknowledgment or receipt
D-3	Transmittal letter
Other Means to Inform the Consumers	
E	Affidavit of Posting Re: Compliance with Jurisdictional Requirements executed by Jacinta T. Rusiana
Proof of Service to Other Government Offices	
F	Affidavit of Service Re: Compliance with Jurisdictional Requirements executed by Andrea Mikaela B. Legaspi
F-1	Transmittal letter with official stamp as proof of acknowledgment or receipt
Documents in support of the Application	
G	Printout of Expository Presentation
H	Judicial Affidavit of Engr. Juanito O. Tolentino

Witness

- MECO will present as witness its Utility Economics Department Head, Mr. Juanito O. Tolentino, Jr. whose Expository Presentation and Judicial Affidavit are attached to this Pre-trial Brief as Exhibits G and H, respectively.

Reservation

6. MECO reserves the right to propose facts for stipulation, to submit additional issues, and to present other documentary evidence and other witnesses.

RESPECTFULLY SUBMITTED.

Muntinlupa City for Pasig City, December 8, 2022.

For Mactan Electric Company, Inc.

RUBIO-AGUINALDO & ATTORNEYS LAW FIRM

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Madrigal Business Park, Ayala Alabang

1780 Muntinlupa City

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By:

MISHELLE ANNE R. RUBIO-AGUINALDO

PTR No. MCF 4120751; 01.03.22; Muntinlupa City

IBP Lifetime Roll No. 014910; PPLM

Roll of Attorneys No. 65873

MCLE Compliance No. VII-0020499; 14 April 2025

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IN THE MATTER OF THE
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- (1) CONFIRMATION OF
TRUE-UP CALCULATION OF
THE ACTUAL WEIGHTED
AVERAGE TARIFF IN
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WITH MOTION FOR
PROVISIONAL AUTHORITY

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC
COMPANY, INC. (MECO),
Applicant.

Promulgated:
November 14, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 24 October 2022, Mactan Electric Company, Inc. (MECO) filed an Application dated 19 July 2022, seeking the Commission's (1) confirmation of its true-up calculations of the Actual Weighted Average Tariff (AWAT) in relation to the approved average rate in the previous regulatory reset utilized and implemented during the lapsed regulatory period, and (2) approval of the recovery scheme for the lapsed regulatory years, with motion for provisional authority.

The pertinent allegations of the Application are hereunder quoted:

1. MECO is a private distribution utility with legislative franchise and certificate of public convenience² 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 Municipality of Cordova. For this application, MECO is represented by its General Manager and Senior Vice President, Engr. Gilbert A. Pagobo as shown in the attached Secretary's Certificate.
2. Applicant may be served notices and other official documents at its principal office located at MECO Building, Sangi Road, Pajo, Lapu-Lapu and through its counsel, Rubio-Aguinaldo & Attorneys Law Firm, with office address at 802 Prime Land Tower, Market Street, Ayala Alabang, 1780 Muntinlupa City. Official documents may also be transmitted electronically at

Doc. No. 185
Page No. 38
Book No. 243
Series of 2022

Malaya
Business Insight

People's Independent Media, Inc.

652 Sto. Tomas St., Intramuros, Manila
Tel. Nos. 527-1841 • 527-7242

REPUBLIC OF THE PHILIPPINE)
CITY OF MANILA) S.S.

AFFIDAVIT OF PUBLICATION

I, Mitchell M. Encarnado, Filipino of legal age, married and residing at No. 1131 Prudencio St., Sampaloc, Manila after having been duly sworn to in accordance with law, depose and say:

That I am the Business Manager/Advertising Director of Malaya Business Insight, a daily newspaper published, edited and printed in Metro Manila and circulated nationwide, from Monday to Friday with editorial and business offices at 652 Sto. Tomas St., Intramuros, Manila.

That the attached copy of notice of Virtual Hearing from ERC, re: Case No. 2022-077 RC, Mactan Electric Company, Inc. (MECO), - Applicant,

was published in Malaya Business Insight in its issue/s

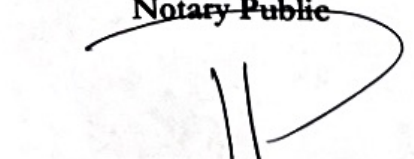
November 24 & December 2, 2022

In witness whereof, I signed this affidavit in Manila Philippines, this 2nd day of December 2022


MITCHELL M. ENCARNADO
Affiant

Subscribed and Sworn to before me this 2nd day of December 2022, in Makati City, Philippines, affiant exhibiting to me his SSS No. 04-0922169-7.

Notary Public


JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19/ Until 12-31-23
Roll NO. 45790/IBP-Lifetime No. 04897/07-03-03
PTR O.R No. 8852510/01-03-22/ Makati City
MCLE No. VI-0016565/ Unit 04-14-23
G/F Fedman Suites, 199 Salcedo St.
Legaspi Village, Makati City

Malaya

Business Insight

ANNEX "A-1"



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BIR field audits to resume

BUSINESS Page A3

More Filipinos borrow but salaries to increase

BUSINESS Page 3

As the world falls down

BY BERNARD KARGANILLA

OPINION Page B4

New 'Avatar' gets rare China release

ENTERTAINMENT Page B6

BY 2030

Digital economy to hit \$150B

BY IRMA ISIP

THE Philippines' digital economy is poised to achieve two years ahead of forecast \$20 billion in gross merchandise value this year but macroeconomic headwinds are to cut the potential GMV to \$35 billion by 2025, lower than the \$40 billion original projections.

The e-Economy SEA Report by Google, Temasek and Bain & Company showed the Philippines' digital economy will hit \$100 billion to \$150 billion by 2030.

This year's GMV is a 22-percent increase from a year ago.

Geia Lopez, industry analytical head of Google Southeast Asia, said growth towards \$100-\$150

billion by 2030 will be driven by electronic commerce fueled by large offline to online consumption shift and large domestic retail.

Lopez also cited the growing penetration of digital services across urban and rural regions as well as the growing local content consumption across homegrown social media platforms with rising number of content creators.

Lopez said the Philippines is also expected to remain a strong user of digital financial services, growing 63 percent year-on-year, the fastest in the region.

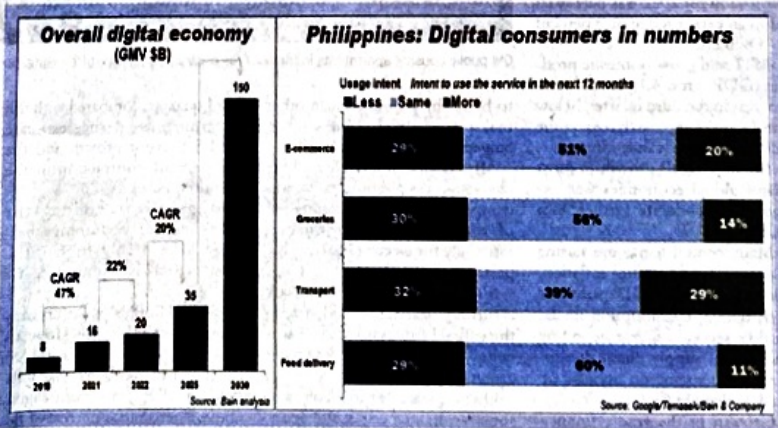
Next to Vietnam, the Philippines is also seen to attract more investors in digital between 2025 and 2030.

Growing at 17 percent from the previous year, e-commerce is expected to reach \$14 billion GMV by 2022 and \$22 billion GMV by 2025, the report said.

Despite the partial resumption of in-store shopping, e-commerce accounted for 70 percent of the overall Philippine digital economy. E-commerce, food delivery and video-on-demand are the top three digital activities of Filipinos showing an adoption rate of 88 percent, 69 percent, and 58 percent respectively among digital urban users.

Transport and food delivery are projected to reach \$1.9 billion GMV in 2022 and continue to grow at 29 percent compounded

See DIGITAL > Page A2



PPP on soft infra pushed

THE private sector is keen to pursue partnerships with the government on projects related to health care, skills development, education

K-12 program so graduates are employable," Mantaring said. "India has the national skills development corporation, which

PH positioned as maritime capital of the world

DOF: P12T debt manageable

BY ASHZEL MACHERO

Sixers turn back Nets, spoil Simmons' return

JOBIAS Harris shook off a minor ankle scare early in the third quarter to score a season-high 24 points as the short-handed Sixers beat the visiting Brooklyn Nets 115-106 on Tuesday night (Wednesday in Manila) in Ben Simmons' return to Philadelphia.

Harris, who had missed the previous two games with a sore left hip, appeared to get injured again when he grabbed his right ankle in

pain in the opening minute of the third after colliding with Kevin Durant under the rim after missing a short jumper. After getting the ankle taped up, Harris scored 18 of his 24 points. He hit 10 of 21 shots as the Sixers shot 43.4 percent and survived allowing 55 percent.

Kyrie Irving led the Nets with 23 points, but Durant finished with 20 — held under 25 for the first time

this season. Nic Claxton added 12 while Simmons collected 11 points and 11 assists while hearing boos throughout the night.

Consecutive putbacks by Paul Reed and De'Anthony Melton opened a 96-87 lead with 8:10 remaining. Harris then made an open 3 for a 99-89 lead when Durant hesitated on a defensive switch a little over a minute later. Three straight hoops by Shake Milton

gave Philadelphia a 111-97 lead with 3:08 left, prompting the Nets to empty their bench.

In other games, it was the Kings 113, Grizzlies 109; Pistons 110, Nuggets 108; and Suns 115, Lakers 105.

Kings 113, Grizzlies 109

De'Aaron Fox continued his hot shooting with a team-high 32 points, Harrison Barnes and Kevin

Huerter aided in a 3-point barrage with four apiece and Sacramento won its seventh straight game, beating host Memphis.

Ja Morant returned from an ankle injury to put up a game-high 34 points for the Grizzlies, who lost for the fourth time in five games. Sabonis led the Kings in rebounds (13) and assists (eight) while adding nine points. Barnes finished with 26 points, Huerter

18, Malik Monk 14 and Chimezie Metu 10.

Down three, Memphis had a chance to tie when Morant was fouled on a 3-point shot attempt with 1.7 seconds remaining. But he misfired on his first try, then intentionally missed his third attempt, after which Fox completed the scoring with two foul shots of his own. — *Field Level Media*

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR:

(1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD; AND
(2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC. (MECO),
Applicant.

Promulgated:
November 14, 2022

NOTICE OF VIRTUAL HEARING

Regulatory Years	(a) Historical DSM Revenue (Lapsed Period: Apr 2012 to June 2022), in PhP	(b) Historical KWH Sales (Lapsed Period: Apr 2012 to June 2022), in KWH	Regulated Business Revenue (RBR), in PhP	(c) 50% of RBR, in PhP
2013	364,167,841.45	341,667,849.11	20,434,389.24	10,217,194.62
2014	378,637,167.17	357,229,312.47	5,051,239.15	2,525,619.58
2015	418,705,944.49	385,789,869.00	24,705,459.97	12,352,729.99
2016	490,485,896.19	430,366,511.00	6,016,591.95	3,008,295.98
2017	529,803,386.32	458,961,902.00	11,799,558.12	5,854,779.06
2018	532,882,981.67	463,234,533.00	8,449,342.91	4,224,671.46
2019	573,333,663.82	506,254,746.00	8,309,525.34	4,154,762.67
2020	680,532,301.19	571,297,788.50	22,330,807.78	11,165,403.89
2021	567,220,217.28	469,351,444.67	20,441,370.19	10,220,685.10
2022	538,512,581.19	457,553,854.79	3,294,203.65	1,645,101.83
2023	155,181,540.14	132,335,351.00	3,398,899.04	1,699,449.52
TOTAL	5,210,102,678.91	4,574,141,581.54	136,137,387.34	68,068,693.67

- To determine any resulting over or under recovery from the previous Regulatory Years or Lapsed Period, MECO's historical DSM revenue (a) was divided by its total historical kWh sales (b). The resulting actual average rate at PhP/kWh shows the Actual Weighted Average Tariff (AWAT) (c) for the Lapsed Period equivalent to PhP1.1390 per kWh. Formula: (a)/(b) = (c)
- Based on the calculation of the AWAT of PhP1.1390/kWh (c), as against the ERC-approved MAP of PhP1.1851/kWh (d), the result yielded a variance of PhPo.0461 per kWh (e) lower than the MAP, which is the approved price cap. Formula: (d)-(c) = (e)
- Since the AWAT is below the price cap, there is a resulting under recovery amounting to PhP210,867,926.91 (f). This amount was computed by multiplying the KWH sales (b) with the variance (e). Formula: (b)*(e) = (f)
- Furthermore, MECO derived the rate on RBR from the 50% RBR requirement of the Revised RDWR vis-a-vis the average energy sales for 5 years thereby generating a PhP/kWh rate of PhPo.0181 per kWh which will be deducted from the tariff of each customer class.

Customer Class	DSM Rate	Recovery Rate	Final Rate
Schedule 4	1.4408	0.0503	1.4911
Schedule 3	1.1914	0.0375	1.2289
Schedule 2	0.9962	0.0307	1.0269
Schedule 1	0.8855	0.0204	0.9059

- GRANT MECO's MOTION AND ISSUE provisional authority to implement the recovery scheme pending final resolution of the instant application, and
- DECLARE all issues in connection with the lapsed period, resolved and terminated;
- GRANT MECO other equitable relief.

The Commission hereby sets the instant Application for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020 and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity
16 December 2022 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements and expository presentation
20 December 2022 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

MECO has been directed to host the virtual hearing at MECO's Principal Office located at MECO Building, Sangl Road, Pajo, 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. MECO shall also guarantee that during the hearing...

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 ROTARY CLUB OF MANILA
 RY 2017-2018

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GSIS, SSS set to release cash gifts, pension next week

BUSINESS Page A3

Asia's factory activity shrinks as global demand slows

WORLD BUSINESS Page A2

Overlap syndrome

BY PHILIP S. CHUA

OPINION Page B4

Hotshots go for No. 2 vs Painters

SPORTS Page B8

AMID RESILIENT ECONOMY

BSP ready to adjust monetary policy settings

THE Philippines central bank has policy flexibility given a resilient economy and stands ready to adjust interest rates to bring inflation back to target, its governor said on Thursday.

"The Southeast Asian nation's sound economy provided the central bank flexibility "to manoeuvre as it acts to bring inflation back to the target," BangkoSentral ng Pilipinas (BSP) Governor Felipe Medalla said in a statement ahead of a Dec. 15 rate setting meeting.

Medalla told Reuters last month the BSP would have to raise rates in step with the US Federal Reserve, whose Chair Jerome Powell on Thursday said it could scale back the pace of its rate hikes "as soon as December".

"The BSP stands ready to adjust its monetary policy settings," Medalla said.

The Philippine economy grew by a stronger-than-expected 7.6 percent in the third quarter, backed by consumer spending.

The BSP, which has increased its benchmark interest rates by a cumulative 300 basis points since May to battle inflation, could hit pause on rate hikes by the first quarter next year barring "no major shocks", its governor said on Tuesday.

The interest rate on the BSP's overnight reverse repurchase facility now stands at 5.0 percent, a half-percentage point lower than the 5.5 percent on December, 2008, at the height of the financial

crisis that stemmed from global banks holding trillions of dollars of worthless investments in sub-prime mortgages.

The interest rates on the overnight deposit and lending facilities now stand at 4.5 percent and 5.5 percent, respectively.

Medalla said their latest baseline forecasts indicate a higher inflation path over the policy horizon, with average inflation breaching the upper end of the 2-4 percent target range in both 2022 and 2023 and

possibly hitting 5.8 percent and 4.3 percent, respectively. The forecast for 2024 has also risen slightly to 3.1 percent.

Inflation climbed 7.7 percent in October, the fastest rise since December 2008, due mainly to the faster price increases of food commodities.

"The Board will continue to take all necessary action to bring inflation back within the target band over the medium term, in keeping with its primary mandate to sus-

tain price and financial stability," Medalla said.

In deciding to raise the policy interest rate anew, Medalla said the Monetary Board noted that core inflation has risen sharply in October, "indicating stronger pass-through of elevated food and energy prices as well as demand-side impulses on inflation."

"At the same time, the risks to the inflation outlook lean strongly

See BSP > Page A2

Kadiwa centers to operate until prices are stable



Manufacturing activity sustains growth in Nov

BY ANGELA LORRAINE CELIS

THE operating conditions of the Philippine manufacturing sector registered sustained growth in November, according to a report released yesterday.

The S&P Global Philippines Manufacturing Purchasing Man-

The report said growth stemmed from greater demand which resulted in quicker expansions in production levels and factory orders.

Buying activity also increased at a faster pace during November.

"The improvement across the sector primarily stemmed from

FROM PAGE B8

HOTSHOTS

99 ripping of TNT six days ago. SMB will be No. 5 in the quarterfinals by virtue of a 6-5 slate and, win or lose, next clashes with fourth-ranked Converge in a best-of-three battle.

Import Devon Scott, June Mar Fajardo, CJ Perez, Vic Manuel, Marcio Lassiter, and Mo Tautua will carry the fight for SMB, which is also expected to have Terrence Romeo back after a long layoff due to a back injury.

turn on the PGT schedule starting next year.

Long regarded as one of local golf's versions of the four Majors, ICTSI and the PGT revived the PH Masters in 2017 after a 17-year wait, with Clyde Mondilla claiming top honors and Jerson Balasabas topping the 2018 edition via playoff over Dutch Guido Van der Valk.

Touring pros hope to see it again on the calendar next year.

VILLAMOR

Gen. Connor Anthony Canlas, the par-72 course and the entire VGC underwent a major facelift to the course and its infrastructure.

"If ICTSI will include the Philippine Masters in its future calendar of events, VGC will be more than glad to support it," said Nolasco, hunting at the success of the recent ICTSI Villamor Match Play as prelude to the Masters re-

turn on the PGT schedule starting next year.

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ARIBADO

president and national team manager Robert Bachmann.

Although short on international exposure due to the COVID-19 pandemic, Bachmann was pleased that Kayod Pilipinas, the national team's moniker, has so far given the country one gold, one silver and one bronze, courtesy of men's singles semifinalist Reymark Begonia, in the country's campaign in the meet.

TIGERS

to 2-0 in the tourney presented by Dumper party-list, Winzer, and Converge and supported by Wcube Solutions Inc., MDC, Unisol, Don Benitos, and Finn Cotton, with PBA and Gilas Pilipinas great Marc Pingris serving as Commissioner.

Veteran guard James Martinez dazzled with 31 points to steer Bicol to an 88-83 win over gritty Cagayan De Oro-PSP.

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2015	418,705,944.49	385,789,869.00	74,708,459.97	37,354,229.99
2016	490,485,086.19	438,364,511.00	6,014,591.95	3,007,295.98
2017	529,803,386.32	458,941,902.00	11,709,558.12	5,854,779.06
2018	532,082,981.67	463,234,533.00	8,449,342.91	4,224,671.46
2019	571,353,603.82	506,254,746.00	8,399,525.34	4,199,762.67
2020	650,552,301.19	571,397,708.50	22,330,807.78	11,165,403.89
2021	547,220,217.28	469,351,664.67	28,448,378.15	14,224,189.08
2022	530,512,381.19	457,553,854.79	3,298,282.65	1,649,141.33
2023	135,141,568.14	132,335,351.00	5,398,899.04	2,699,449.52
TOTAL	5,216,182,678.91	4,574,345,581.56	136,137,387.39	68,068,693.67

- To determine any resulting over or under recovery from the previous Regulatory Years or Lapsed Period, MECO's historical DSM revenue (a) was divided by its total historical kWh sales (b). The resulting actual average rate at PhP/kWh shows the Actual Weighted Average Tariff (AWAT) (c) for the Lapsed Period equivalent to PhP1.1390 per kWh. Formula: (a)/(b) = (c)
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- Since the AWAT is below the price cap, there is a resulting under recovery amounting to PhP210,867,926.91 (f). This amount was computed by multiplying the KWH sales (b) with the variance (e). Formula: (b)*(e) = (f)
- Furthermore, MECO derived the rate on RBR from the 50% RBR requirement of the Revised RDWR vis-a-vis the average energy sales for 5 years thereby generating a PhP/kWh rate of PhPo.0181 per kWh which will be deducted from the tariff of each customer class.

- The approved DSM charges per customer class implemented by MECO pursuant to the Decision dated April 2, 2012 in ERC Case No. 2011-180 RC are as follows:

Customer Class	Description	Approved DSM Rate 2011-180 RC

Customer Class	DSM Rate	Recovery Rate	Final Rate
Schedule 4	1.4408	0.0503	1.4911
Schedule 3	1.1814	0.0373	1.2187
Schedule 2	0.9969	0.0307	1.0276
Schedule 1	0.8855	0.0804	0.9659

- GRANT MECO's MOTION AND ISSUE provisional authority to implement the recovery scheme pending final resolution of the instant application; and
- DECLARE all issues in connection with the lapsed period, resolved and terminated;
- GRANT MECO other equitable relief.

The Commission hereby sets the instant Application for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020 and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure):

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16 December 2022 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements and expository presentation
20 December 2022 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

MECO has been directed to host the virtual hearing at MECO's Principal Office located at MECO Building, Sangi Road, Pajo, 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. MECO shall also guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled initial virtual hearing, via electronic mail (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 comments and/or clarifications to discuss the same and

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA)S.S.

AFFIDAVIT OF PUBLICATION

I, **Ma. Cristina N. Ambas**, of legal age, single, Filipino and a resident of 2767 M. De Los Santos Street, Tambo Paranaque City in the Philippines, after having been duly sworn according to law, do hereby depose and state:

That I am the Finance Manager of **The Manila Times**, a newspaper which is published Online and Printed in English and Edited in Metro Manila, and circulated nationwide daily from Monday to Sunday with postal address at 2/F Sitio Grande, 409 A. Soriano Avenue, Intramuros, Manila

That the attached **IN THE MATTER OF THE APPLICATION FOR: (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZE AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD; AND (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY / ERC CASE NO. 2022-077 RC / MACTAN ELECTRIC COMPANY, INC. (MECO)**

was published in **The Manila Times** newspaper in its issue/s of **NOVEMBER 24 & DECEMBER 02, 2022**

In witness whereof, I signed this Affidavit in Manila, Philippines, this _____ day of _____, 2022

DEC 02 2022



MA. CRISTINA N. AMBAS
Affiant

Subscribe and sworn to before me this 02 day of DEC, 2022 in Manila, Philippines, affiant exhibiting to me her SSS ID No. 03-9456921-5

ATTY ROGELIO J. BOLVAR
NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 2022 _____
Commission No. Actn. Matter No. NP 204 (2021-2022)
R.P. O.R. No. 132134 MD 2021 & RSP O.R. No. 133076 MD 2022
PTR O.R. No. 24632550 103/2022 Roll No. 350520 TIME 122-371-408
NOTE: EXPIRES APRIL 15, 2022 UP TO APRIL 15, 2023 AND FEE OF P. 100.00 PER NO. PP



Diokno: PH debt still 'manageable'

The Manila Times

★★
 Php25.00
 • 3 SECTIONS
 • 20 PAGES
 • VOL. 124 NO. 45

THURSDAY, NOVEMBER 24, 2022

www.manilatimes.net

Trusted since 1898

Defense dept sticks to version of sea incident

THE Department of National Defense (DND) maintained that the Chinese coast guard "rudely took" what is believed to be part of a rocket debris that Philippine naval forces recovered in the waters of Pagasa Island near Palawan.

DND Officer in Charge Jose Faustino Jr. said Monday the department is standing by its version of the incident after Beijing issued a statement denying that its coast guard forcibly took the object being towed by a Philippine naval vessel.

>SticksA8

Academic freedom and face-to-face classes

IT IS A CONTRARY ready fairly well-established that academic freedom is guaranteed in the 1987 Constitution. Section 5(2) of Article XIV of the Constitution states that "Academic freedom shall be enjoyed in all institutions of higher learning."

>ContrerasA5

The irony and incongruity of China's Covid situation

'Retailers must rethink strategy amid inflation'



TECH RETAIL TALK (Clockwise from upper left) Philippine Retailers Association President and Wilcon Depot Chief Operating Officer Rosemarie Bosch-Ong, *The Manila Times* information technology editor Jing Garcia, Bayo Philippines Chief Executive Officer Leo Lagon, and Times night editor Dafort Villaseran during the online forum 'Tech Leveraging: The Future of Retailing,' held on Wednesday, Nov. 23, 2022. TMT SCREENGAB

The Manila Times Online Forum
TECH LEVERAGING: THE FUTURE OF RETAILING

BY ARIC JOHN SY CUA

A RETAIL executive encouraged retailers to re-strategize the way they do business to cope with inflation.

Speaking at *The Manila Times* online forum, "Tech Leveraging: The Future of Retailing," on Wednesday, Philippine Retailers Association President Rosemarie Bosch-Ong said the retail industry must be resilient in the face of rising inflation.

"We always try to re-strategize and rethink the way we do business," Bosch-Ong, who is also Wilcon Depot's chief executive officer, said.

"So, we don't just pass it on to the market because we don't want to erode the

>InflationA8

SUBPOENA ERROR DELAYS

Angkas CEO receives

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR:

- (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD; AND
- (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC. (MECO),

Applicant.

x-----x

Promulgated:
November 14, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 24 October 2022, Mactan Electric Company, Inc. (MECO) filed an Application dated 19 July 2022, seeking the Commission's (1) confirmation of its true-up calculations of the Actual Weighted Average Tariff (AWAT) in relation to the approved average rate in the previous regulatory reset utilized and implemented during the lapsed regulatory period, and (2) approval of the recovery scheme for the lapsed regulatory years, with motion for provisional authority.

The pertinent allegations of the Application are hereunder quoted:

- MECO is a private distribution utility with legislative franchise¹ and certificate of public convenience² 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 Municipality of Cordova. For this application, MECO is represented by its General Manager and Senior Vice President, Engr. Gilbert A. Pagobo as shown in the attached Secretary's Certificate.
- Applicant may be served notices and other official documents at its principal office located at MECO Building, Sangi Road, Pajo, Lapu-Lapu and through its counsel, Rubio Aguinado & Attorneys Law Firm, with office address at 802 Prime Land Tower, Market Street, Ayala Alabang, 1780 Muntinlupa City. Official documents may also be transmitted electronically at applicant's registered e-mail addresses: atty.mish@gmail.com, jullo.gulliano@meconmactan.com, nloytolentino@meconmactan.com
- Under Resolution No. 24, Series of 2007, entitled, "Resolution Adopting a New Grouping for Privately Owned Distribution Utilities Entering Performance-Based Regulation (PBR)" dated October 24, 2007, MECO was grouped under the Second Entry Group (Group B). PBR is the rate-setting methodology adopted by the Commission to fix the distribution wheeling rates of privately-owned DUs.
- As part of Second Entry Group, MECO has already completed its Second Regulatory Reset Process for the Second Regulatory Period (2RP) which covers the period from April 1, 2009 to March 31, 2013.
- A regulatory reset process, under Annex A of Resolution No. 10, Series of 2021, entitled, "Resolution Modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for Privately-Owned Distribution Utilities Entering Performance-Based Regulation (PBR)" dated December 2, 2021 or the Revised RDWR, refers to the actions prior to the start of any Regulatory Period, through which the price control arrangements are established that will apply to a Regulated Entity with regard to the provision of Regulated Distribution Services for the next Regulatory Period. The Revised RDWR also provides for MECO's 3RP which covers the period April 1, 2013 to March 31, 2023, the lapsed period.
- As a price control principle, the Revised RDWR requires that the maximum distribution wheeling rates that a private DU may charge during each Regulatory Year for its distribution system will be set at a Maximum Annual Price cap. Therefore, the maximum average price during the regulatory year must not exceed the Maximum Annual Price cap.

15. Therefore, the proposed DSM charges per customer class are as follows

Customer Class	DSM Rate	Recovery Rate	Final Rate
Schedule 4	1.4408	0.0503	1.4911
Schedule 3	1.1914	0.0375	1.2289
Schedule 2	0.9962	0.0307	1.0269
Schedule 1	0.8855	0.0204	0.9059

MOTION FOR PROVISIONAL AUTHORITY

- Finally, a provisional authority to implement the proposed recovery scheme pending final approval of the Commission will give meaning to the purpose and objective of the true-up mechanism and allow full recovery of investment on regulated assets at an appropriate rate of return which is allowed by R.A. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA). The current economic crisis caused a tremendous shift in global prices - fluctuating fuel prices and surge in the cost of goods, commodities, and raw materials. The immediate recovery will augment MECO's financial constraints. Otherwise, the failure to recover the same at this point in time, or a much-prolonged recovery, may translate into losses that may in turn affect the operational efficiency of the DU.
- In support of this Application, MECO submits the electronic file of the following supporting documents.

Annex	Description
A	Breakdown of the Distribution, Supply and Metering Revenues and Actual Energy Sales (kWh) for the covered period (in excel format).
B	Detailed Computation of the Under Recoveries or the AWAT computation (in excel format).
C	Detailed Computation of the Proposed Refund Rate per Customer Class (in excel format).
D	Detailed Computation of the Proposed Refund Period (forecast energy sales) (in excel format).
E	Summary of the approved Average rate by Rate Schedule or Customer Class with Rate Impact Simulation (in excel format).
F	Document to Support Related Business Revenue
G	Judicial Affidavit of Engr. Juanito O. Tolentino, Jr., Head of MECO's Engineering Department (in docx, pdf, and paper copy) in support of the Motion for Provisional Authority

These documents may be accessed through this link: <https://drive.google.com/drive/folders/1113KPeo4LHk9mGVlXKPAiBQhZG25atb67zusp-shading>

RELIEF

In view of the foregoing, applicant MACTAN ELECTRIC COMPANY INC (MECO) prays that the Honorable Commission:

- CONFIRM MECO's proposed mechanism for the 3rd Regulatory Period of the PBR or the lapsed period consistent with the Revised RDWR,
- CONFIRM MECO's computation of resulting under recovery of Two Hundred Ten Million Eight Hundred Sixty-Seven Thousand Nine Hundred Twenty-Six and 91/100 (PhP210,867,926.91),
- APPROVE MECO's proposed additional rate per customer class under a 5-year period recovery scheme, viz:

Customer Class	DSM Rate	Recovery Rate	Final Rate
Schedule 4	1.4408	0.0503	1.4911
Schedule 3	1.1914	0.0375	1.2289
Schedule 2	0.9962	0.0307	1.0269
Schedule 1	0.8855	0.0204	0.9059

- GRANT MECO's MOTION AND ISSUE provisional authority to implement the recovery scheme pending final resolution of the instant application, and
- DECLARE all issues in connection with the lapsed period, resolved and terminated.
- GRANT MECO other equitable relief.

The Commission hereby sets the instant Application for determination of compliance with the jurisdictional requirements, expository presentation, and evidence on the following date and time:

Republic of the Philippines
PROVINCE OF SAMAR
Catbalogan City

INVITATION TO BID FOR CONSTRUCTION OF FOUR (4) STOREY ACADEMIC BUILDING (15 CLASSROOM W/ AUDITORIUM) EVRSHS
Arteche Boulevard, Catbalogan City, Samar

- The PROVINCIAL GOVERNMENT OF SAMAR through the 20% DEVELOPMENT FUND 2022 intends to apply the sum of FIFTY MILLION PESOS ONLY (P50,000,000.00) being the Approved Budget for the Contract (ABC) to payments under the contract for CONSTRUCTION OF FOUR (4) STOREY ACADEMIC BUILDING (15 CLASSROOM W/ AUDITORIUM) EVRSHS (Arteche Boulevard, Catbalogan City, Samar) - ID No. Nov22-2022-068. Bids received in excess of the ABC shall be automatically rejected at bid opening.
- The Provincial Government of Samar now invites bids for the above Procurement Project. Completion of the Works is required Six Hundred (600) calendar days. Bidders should have completed a contract similar to the Project. The description of an eligible bidder is contained in the Bidding Documents, particularly, in Section II (Instructions to Bidders).
- Bidding will be conducted through open competitive bidding procedures using non-discretionary "pass/fail" criterion as specified in the 2016 revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184.
- Interested bidders may obtain further information from Office of the BAC Secretariat, Provincial Capitol, Catbalogan City and inspect the Bidding Documents thereat during office hours.
- A complete set of Bidding Documents may be acquired by interested bidders on November 24, 2022 to December 19, 2022 from 8:00 AM to 5:00 PM at the given address and upon payment of the non-refundable fee for the Bidding Documents, pursuant to the latest Guidelines issued by the GPPB, in the amount of Twenty-Five Thousand Pesos only (P 25,000.00). The Procuring Entity shall allow the bidder to present its proof of payment for the fees personally or through its duly authorized representative.
- The Provincial Government of Samar will hold a Pre-Bid Conference on December 05, 2022 at 10:00 O'clock in the morning at BAC Office, Capitol Compound, Catbalogan City, which shall be open to prospective bidders.
- Bids must be duly received by the BAC Secretariat through manual (personal) submission at the BAC Office, Capitol Compound, Catbalogan City, on or before 10:00 o'clock in the morning, December 19, 2022. Late bids shall not be accepted.
- All bids must be accompanied by a bid security in any of the acceptable forms and in the amount stated in ITB Clause 16.
- Bid opening shall be on December 19, 2022 at 10:00 O'clock in the morning at the BAC Office, Capitol Compound, Catbalogan City. Bids will be opened in the presence of the bidders' representatives who choose to attend the activity.
- The Provincial Government of Samar reserves the right to reject any and all bids, declare a failure of bidding, or not award the contract at any time prior to contract award in accordance with Sections 35.6 and 41 of the 2016 Updated Implementing Rules and Regulations (IRR) of RA No. 9184, without thereby incurring any liability to the affected bidder or bidders.
- For further information, please refer to

Atty. ALLAN P. RAMBANO
BAC Chairman
Provincial Capitol Building
Catbalogan City
055-544-4060

November 22, 2022

(SGD.) ALLAN P. RAMBANO
BAC Chairman

MT - Nov 24, 2022

REPUBLIC OF THE PHILIPPINES
REGIONAL TRIAL COURT
NATIONAL CAPITAL JUDICIAL REGION
BRANCH 224, QUEZON CITY
rc220224@judicial925.gov.ph
09153627542 / 02865-86669

IN THE MATTER OF THE CORRECTION OF ENTRIES IN THE CERTIFICATE OF LIVE BIRTH OF ALLEN-APRIL NUREZ-HOO WITH REGISTRY NO. 84-39186, AND THE CANCELLATION OF LIVE BIRTH OF ALLEN-APRIL NUREZ-HOO WITH

PEI manufacturing extends growth run

»Story on B1



The Manila Times

★★
 Php25.00
 • 3 SECTIONS
 • 20 PAGES
 • VOL. 124 NO. 53

FRIDAY, DECEMBER 2, 2022

www.manilatimes.net

Trusted since 1898

Ban on imported fish enforced on Dec 4

AN official of the Bureau of Fisheries and Aquatic Resources (BFAR) on Thursday said the ban on the imported pompano, salmon and other unauthorized imported fish will be implemented as scheduled on Sunday, December 4.

In an interview with *The Manila Times*, BFAR Information and Fisheries Coordination Unit chief Nazario Briguera said the talks with stakeholders are ongoing and their feedback,

> FishA2

BBM should take advantage of his high trust ratings

ONASH
 Your teeth until they fall out, you Yellows, Pinks and Reds.



RIGOBERTO D. TIGLAO

President Ferdinand Marcos Jr. posted an impressive 86 percent trust and 78 performance rating, according to a survey undertaken by OCJA Research in the last week of October.

> TiglaoA5

Structural deficits and disasters

I GAVE a



THE EMPIRICIST

Marcos pushes joint exploration of WPS

BY CATHERINE S. VALENTE AND KRISTINA MARALIT

PRESIDENT Ferdinand "Bongbong" Marcos Jr. on Thursday said the Philippine government will find "other ways" to proceed with the joint exploration with China of the West Philippine Sea (South China Sea) if government-to-government talks do not work out.

Speaking to reporters on the sidelines of the Kadiwa ng Pasko Caravan in Quezon City, Marcos said oil exploration is a "small thing" for China but something significant for the Philippines.

"We'll have to find a way *kasi kailangan na natin eh* (we really need it now). We already need, *kung mahanap dyan kailangan na talaga* (we really need it now) resources."



HEALTHY RELATIONS US Ambassador to the Philippines MaryKay Carlson (middle, left) hands over point-of-care COVID-19 test kit to Dr. Louieita Chua, Manila Councilor for Health, on Thursday, Dec. 1, 2022. Also present during the ceremony were

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR
(1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD, AND
(2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC. (MECO),

Promulgated:
November 14, 2022

Applicant.

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES

Notice is hereby given that on 24 October 2022, Mactan Electric Company, Inc. (MECO) filed an Application dated 19 July 2022, seeking the Commission a (1) confirmation of its true-up calculations of the Actual Weighted Average Tariff (AWAT) in relation to the approved average rate in the previous regulatory reset utilized and implemented during the lapsed regulatory period, and (2) approval of the recovery scheme for the lapsed regulatory years, with motion for provisional authority.

The pertinent allegations of the Application are hereunder quoted:

- MECO is a private distribution utility with legislative franchise and certificate of public convenience 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 Municipality of Cordova. For this application, MECO is represented by its General Manager and Senior Vice President, Engr. Gilbert A. Pagobo as shown in the attached Secretary's Certificate.
- Applicant may be served notices and other official documents at its principal office located at MECO Building, Sangi Road, Pajo, Lapu-Lapu and through its counsel, Rubio Aguilado & Attorneys Law Firm, with office address at 802 Prime Land Tower, Manat Street, Ayala Alabang, 1780 Muntinlupa City. Official documents may also be transmitted electronically at applicant's registered e-mail addresses: erl@meccor.com, erl@meccor.com, erl@meccor.com.
- Under Resolution No. 24, Series of 2007, entitled, "Resolution Adopting a New Grouping for Privately Owned Distribution Utilities Entering Performance Based Regulation (PBR)" dated October 24, 2007, MECO was grouped under the Second Entry Group (Group B). PBR is the rate-setting methodology adopted by the Commission to fix the distribution wheeling rates of privately-owned DUs.
- As part of Second Entry Group, MECO has already completed its Second Regulatory Reset Process for the Second Regulatory Period (SRP) which covers the period from April 1, 2009 to March 31, 2013.
- A regulatory reset process, under Annex A of Resolution No. 10, Series of 2021, entitled, "Resolution Modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for Privately-Owned Distribution Utilities Entering Performance-Based Regulation (PBR)" dated December 2, 2021 or the Revised RDWR, refers to the actions prior to the start of any Regulatory Period, through which the price control arrangements are established that will apply to a Regulated Entity with regard to the provision of Regulated Distribution Services for the next Regulatory Period. The Revised RDWR also provides for MECO's SRP which covers the period April 1, 2013 to March 31, 2023, the lapsed period.
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15. Therefore, the proposed DSM charges per customer class are as follows:

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Schedule 1	0.8855	0.0204	0.9059

MOTION FOR PROVISIONAL AUTHORITY

16. Finally a provisional authority to implement the proposed recovery scheme pending final approval of the Commission will give meaning to the purpose and objective of the true-up mechanism and allow full recovery of investment on regulated assets at an appropriate rate of return which is allowed by R.A. 9136 or the Electric Power Industry Reform Act of 2001 (EPIRA). The current economic crisis caused a tremendous shift in global prices - fluctuating fuel prices and surge in the cost of goods, commodities, and raw materials. The immediate recovery will augment MECO's financial constraints. Otherwise, the failure to recover the same at this point in time, or a much-prolonged recovery, may translate into losses that may in turn affect the operational efficiency of the DU.

17. In support of this Application, MECO submits the electronic file of the following supporting documents:

Annex	Description
A	Breakdown of the Distribution, Supply and Metering Revenues and Actual Energy Sales (kWh) for the covered period (in excel format).
B	Detailed Computation of the Under Recoveries or the AWAT computation (in excel format).
C	Detailed Computation of the Proposed Refund Rate per Customer Class (in excel format).
D	Detailed Computation of the Proposed Refund Period (forecast energy sales) (in excel format).
E	Summary of the approved Average rate by Rate Schedule or Customer Class with Rate Impact Simulation (in excel format).
F	Document to Support Related Business Revenue
G	Judicial Affidavit of Engr. Justito D. Tolentino, Jr., Head of MECO's Engineering Department (in docx, pdf, and paper copy) in support of the Motion for Provisional Authority

These documents may be accessed through this link: <https://drive.google.com/drive/folders/113KPa0LH8mGVOXKPA8QhZG25ahb67vao-shahng>

RELIEF

In view of the foregoing, applicant MACTAN ELECTRIC COMPANY, INC. (MECO) prays that the Honorable Commission:

- CONFIRM MECO's proposed mechanism for the 3rd Regulatory Period of the PBR or the lapsed period consistent with the Revised RDWR;
- CONFIRM MECO's computation of resulting under recovery of Two Hundred Ten Million Eight Hundred Sixty-Seven Thousand Nine Hundred Twenty-Six and 91/100 (P210,867,826.91);
- APPROVE MECO's proposed additional rate per customer class under a 5-year period recovery scheme, viz:

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Schedule 2	0.9962	0.0307	1.0269
Schedule 1	0.8855	0.0204	0.9059

- GRANT MECO's MOTION AND ISSUE provisional authority to implement the recovery scheme pending final resolution of the instant application, and
- DECLARE all issues in connection with the lapsed period, resolved and terminated.

Marcos urged to resolve power rate hikes

BY EIREENE JAIRÉE GOMEZ

A CONSUMER group on Thursday urged President Ferdinand Marcos Jr. to exercise his powers to avoid electricity price increases completely after the Court of Appeals issued a temporary restraining order (TRO) suspending the Energy Regulatory Commission's (ERC) denial of its rate hike petition.

In a press conference, the Power for People Coalition (P4P) said the TRO issuance was an act of economic sabotage, saying it will only burden hard-pressed consumers amid the rising inflation.

In a letter submitted to the President, P4P convenor Gerry Arances said: "We write to you, Mr. President, to give you the opportunity to give us a merry, well-lit Christmas, because there is a way to avoid price increases completely. In fact, we can even roll back prices, and it is within your power to do so."

He further stated: "Much has been said about how the President shouldn't meddle in this issue when the more pressing question is why are we letting the judiciary disrupt the mechanisms put in place to protect consumers? The power supply agreements with straight pricing and the ERC decision shielded ordinary electric consumers from bearing the brunt of the energy crisis. The President himself said that this decision will have an 'extremely deleterious effect' on power prices. We say no thanks to this gift that San Miguel has bequeathed to ordinary Filipinos in the form of higher electricity bills."

and also suspends the power supply agreement (PSA) with Meralco powered by the Ilijan natural gas power plant in Batangas.

The ERC ruled that the fixed-price supply deal between the two firms provided no room for adjustments. San Miguel had requested the rate hike for electricity it sells to Meralco under their PSA due to higher fuel costs caused by the war in Ukraine and other factors that had not been anticipated when the PSA was originally approved by ERC and implemented.

Leody de Guzman, chairman of Bukluran ng Manggagawang Pilipino said: "Dapat ay aginaldang ang natatanggap natin kapag Pasko pero dahil sa ginagawa ng San Miguel ay perwisyo ang matatanggap natin sa loob ng sobrang bill ng ating kuryente (What we should be receiving are Christmas gifts but because of San Miguel, we're getting troubles in our electricity bills)."

"If there is anything that should be looked upon with great scrutiny by any court, it is the fact that San Miguel has 33 active PSAs which have been voided back in 2019 by the Supreme Court but were reactivated for some reason. FROM COME

The TRO in effect for 60 days



Republic of the Philippines
Province of Cebu

ANNEX "C"

OFFICE OF THE PROVINCIAL ADMINISTRATOR

Cebu Capitol, Cebu City

Tel. Nos. (032) 8882333 • (032) 8882328 local 1031-1033

CERTIFICATION

To whom it may concern:

This is to certify that on 23 November 2022, the ORDER AND NOTICE OF VIRTUAL HEARING dated 14 November 2022 in ERC Case No. 2022-077 RC "IN THE MATTER OF THE APPLICATION FOR: (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF (AWAT) IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD; AND (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY" was formally received by this office for posting on Cebu Provincial Capitol's bulletin board.

Issued on 25 November 2022 at the Cebu Provincial Capitol, Cebu City, Cebu, Philippines.

DANIELA A. OLVISANO
Supv. Administrative Officer





*Republic of the Philippines
Province of Cebu*

**OFFICE OF THE SECRETARY
TO THE SANGGUNIANG PANLALAWIGAN**

4th Flr., Legislative Bldg., Cebu Capitol Compound, Cebu City
Tel. No. 888-2351 & 888-2328 local 2031 & 2033

C E R T I F I C A T I O N

This is to certify that a copy of the Order together with the Notice of Virtual Hearing both dated November 14, 2022, relative to ERC Case No. 2022-077 RC, entitled, "*In the Matter of the Application for: (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff in Relation to the Approved Average Rate in the Previous Regulatory Reset Utilized and Implemented During the Lapsed Regulatory Period; and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, with Motion for Provisional Authority*", Mactan Electric Company, Inc. (MECO), Applicant, were received by this Office on November 23, 2022, and are being posted in the Bulletin Board within the Legislative Building to comply with the 15-day period posting requirement.

This certification is issued upon the request of Mactan Electric Company, Inc. (MECO), for whatever legal purpose it may serve.

Issued this 2nd day of December 2022, Cebu Capitol, Cebu City.

FOR:

PULCHRA MARIE E. ACEVEDO
Secretary to the Sangguniang Panlalawigan

BY:


VANESSA N. ABINES
Board Secretary III

O.R. No. : 1022055
Issued on : December 02, 2022
Issued at : Cebu Capitol



Republic of the Philippines
City of Lapu-Lapu
Sangguniang Panlungsod
Tel. No. 340-0017 • Zip Code: 6015

ANNEX "C-2"

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that November 23, 2022, the ORDER AND NOTICE OF VIRTUAL HEARING dated November 14, 2022 in ERC Case No. 2022-077 RC "IN THE MATTER OF THE APPLICATION FOR (1) CONFIRMATION OF THE TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF (AWAT) IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD AND (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY" was formally submitted for posting with the Office of the Sangguniang Panlungsod.

Issued this 24th day November 2022 at Lapu-Lapu City, Cebu, Philippines.

FRANCISCO Y. LIMPANGUG
City/SP Secretary



Republic of the Philippines
City of Lapu-Lapu
Office of the Mayor

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that on **November 23, 2022**, the Order and Notice of Virtual Hearing dated November 14, 2022 in ERC Case No. 2022-077 RC *"In the Matter of the Application for (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff (AWAT) in Relation to the Approved Average Rate in the Previous Regulatory Reset Utilized and Implemented During the Lapsed Regulatory Period and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, with Motion for Provisional Authority"* was formally submitted for posting at the Lapu-Lapu City Bulletin Board, Lapu-Lapu City Hall.

Issued this 5th day of December 2022 at the City of
Lapu-Lapu.


JUNARD "AHONG" Q. CHAN
City Mayor



Republic of the Philippines
Province of Cebu
MUNICIPALITY OF CORDOVA

ANNEX "C-4"

OFFICE OF THE SANGGUNIANG BAYAN

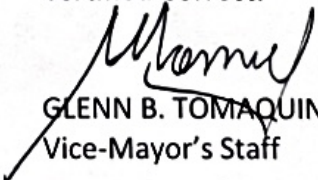
C E R T I F I C A T I O N

TO WHOM IT MAY CONCERN:

This is to certify that on November 23, 2022 the ORDER AND NOTICE OF VIRTUAL HEARING dated November 14, 2022 in ERC Case No. 2022-077 RC "IN THE MATTER OF THE APPLICATION FOR (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF (AAWAT) IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD AND (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTIONB FOR PROVISIONAL AUTHORITY" was formally submitted for posting with the OFFICE OF THE SANGGUNIANG BAYAN, CORDOVA, CEBU.

Issued this 23rd day of November, 2022 at Cordova, Cebu,
Philippines.

Certified Correct:


GLENN B. TOMAQUIN
Vice-Mayor's Staff



Republic of the Philippines
Province of Cebu
Municipality of Cordova

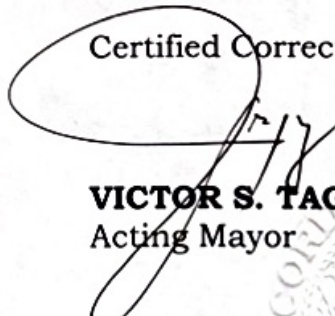
OFFICE OF THE MAYOR**C E R T I F I C A T I O N**

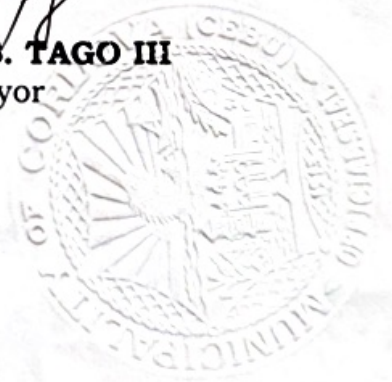
TO WHOM IT MAY CONCERN:

This is to certify that on November 23, 2022 the ORDER AND NOTICE OF VIRTUAL HEARING dated November 14, 2022 in ERC Case No. 2022-077 RC "IN THE MATTER OF THE APPLICATION FOR (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF (AAWAT) IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD AND (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY" was formally submitted for posting with the OFFICE OF THE MAYOR, Cordova, Cebu.

Issued this 23rd day of November, 2022 at Cordova, Cebu, Philippines.

Certified Correct:


VICTOR S. TAGO III
Acting Mayor



Republic of the Philippines)
Lapulapu City) S.S.

"In the Matter of the Application for (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff (AWAT) in relation to the approved Average Rate in the previous Regulatory Reset Utilized and Implemented during the Lapsed Regulatory Period and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, Mactan Electric Company, Inc. (MECO), Applicant," ERC Case No. 2022-077 RC

AFFIDAVIT OF SERVICE

(Re: Compliance with Jurisdictional Requirements)

I, **BERNARDO L. TORRECAMPO**, of legal age, Filipino, with office address at MECO Building, Sangi Road, Pajo, Lapulapu City, hereby state under oath that I am an employee of **MACTAN ELECTRIC COMPANY, INC. (MECO)**, and in connection with MECO's Application in ERC Case No. 2022-077 RC with the Energy Regulatory Commission, I personally delivered and served true copies of the **Order and Notice of Virtual Hearing dated November 14, 2022** to the following government offices on the following dates:


Local Government Offices	Date
Office of the Sangguniang Panlalawigan of the Province of Cebu 4/F Legislative Bldg., Capitol Compound Escario St., Cebu City pio@cebu.gov.ph	November 23, 2022
Hon. Gwendolyn Garcia Office of the Provincial Governor of Cebu Cebu Provincial Capitol, Cebu City	November 23, 2022
Office of the Sangguniang Panlungsod of Lapu-Lapu City ML Quezon Highway, City Hall Compound Lapu-Lapu City, Cebu	November 23, 2022
Hon. Junard Chan Office of the Mayor of Lapu-Lapu ML Quezon Highway, City Hall Compound Lapu-Lapu City, Cebu	November 23, 2022
Office of the Sangguniang Bayan of the Municipality of Cordova ABC Building, Poblacion Road, Cordova, Cebu	November 23, 2022
Hon. Mary Therese Sitoy-Cho Office of the Mayor of Cordova ABC Building, Poblacion Road, Cordova, Cebu	November 23, 2022

I further attest that electronic copies of the Order and Notice of Virtual Hearing were transmitted to the email addresses indicated above. I affirm that MECO's receiving copy bears the signed acknowledgment of the personnel who received the Order and Notice of Virtual Hearing. I attest to the truthfulness of my statements above and to the voluntary execution of this affidavit.


BERNARDO L. TORRECAMPO
Affiant

SUBSCRIBED AND SWORN TO before me this December 2, 2022, at Lapulapu City, by the affiant who is personally known to me and identified by competent evidence of identity: _____, bearing his photograph and signature.

Doc. No. 179;
Page No. 36;
Book No. 13;
Series of 2022.


ATTY. JANICE P. MONTEROLA
Notary Public for Lapulapu City
Notarial Commission No. 559-L
Valid until December 31, 2022
114 Osmeña Sr. St., Gun-ob, Lapulapu City
Roll of Attorneys No. 58922 | 04.15.11
IBP Lifetime Member No. 012565
PTR No. 9528972 | 01.05.2022

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR:

- (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD; AND**
- (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY**

ROQUE G. MACAN JR.
MAYOR'S STAFF

11-23-22 11:13 AM

RECEIVED
SANGGUNIANG PANLUNGSOD
Lapu-Lapu City 10:25am
By: *Jane A.* Date/Time: 11/23/22

City of Lapu-Lapu
OFFICE OF THE MAYOR

RECEIVED
BY: JANE A. PINOTE
Date: NOV 23 2022
Time: 10:28

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC. (MECO),
Applicant.

x-----x

Promulgated:
November 14, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

OFFICE OF THE VICE MAYOR
RECEIVED
DATE: *Nov 23 2022*
BY: *G. J. MARIN III*

Notice is hereby given that on 24 October 2022, Mactan Electric Company, Inc. (MECO) filed an *Application* dated 19 July 2022, seeking the Commission's (1) confirmation of its true-up calculations of the Actual Weighted Average Tariff (AWAT) in relation to the approved average rate in the previous regulatory reset utilized and implemented during the lapsed regulatory period, and (2) approval of the recovery scheme for the lapsed regulatory years, with motion for provisional authority.

The pertinent allegations of the *Application* are hereunder quoted:

OFFICE OF THE PROVINCIAL SECRETARY
RECEIVED
DATE: 11-23-22
TIME: 8:00 PM
BY: *TAN, L*
CEBU CAPITAL

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR:

- (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD; AND
- (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS, WITH MOTION FOR PROVISIONAL AUTHORITY

Roque
ROQUE G. MACAN JR.
MAYOR'S STAFF

11-23-22 11:13 AM

RECEIVED
SANGGUNIANG PANLUNGSOD
Lapu-Lapu City 10:20 AM
By: *Regina A.* Date/Time: 11/23/22

City of Lapu-Lapu
OFFICE OF THE MAYOR

RECEIVED
BY: JANE A. PINOTE
Date: NOV 23 2022
Time: 10:28
Tel #:

ERC CASE NO. 2022-077 RC

MACTAN ELECTRIC COMPANY, INC. (MECO),
Applicant.
X-----X

Promulgated:
November 14, 2022

ORDER

OFFICE OF THE VICE MAYOR
RECEIVED
DATE: *NOV-23, 2022*
BY: *G. TOMARIN 11:19*

On 24 October 2022, Mactan Electric Company, Inc. (MECO) filed an *Application* dated 19 July 2022, seeking the Commission's (1) confirmation of its true-up calculations of the Actual Weighted Average Tariff (AWAT) in relation to the approved average rate in the previous regulatory reset utilized and implemented during the lapsed regulatory period, and (2) approval of the recovery scheme for the lapsed regulatory years, with motion for provisional authority.

The pertinent allegations of the *Application* are hereunder quoted:

OFFICE OF THE PROVINCIAL SECRETARY
RECEIVED
DATE: 11-23-22
TIME: 3:00 PM
BY: TAN, R
CEBU CAPT. M.

OFFICE OF THE PROV. ADMINISTRATOR
RECEIVED
DATE: 11/23/22
TIME: 2:37 AM PM
BY: *dor*
PROVINCE OF CEBU

ANNEX "D-3"



November 22, 2022

ERC Case No. 2022-077, MACTAN ELECTRIC COMPANY, INC.

**OFFICE OF THE SANGGUNIANG PANLALAWIGAN
PROVINCE OF CEBU**
4th Floor Legislative Building, Capitol Compound
Escario Street, Cebu City

**HON. GWENDOLYN GARCIA
OFFICE OF THE PROVINCIAL GOVERNOR OF CEBU**
Cebu Provincial Capitol, Cebu City

**OFFICE OF THE SANGGUNIANG PANLUNGSOD
LAPU-LAPU CITY**
ML Quezon Highway, City Hall Compound
Lapu-Lapu City, Cebu

**HON. JUNARD CHAN
OFFICE OF THE MAYOR OF LAPU-LAPU**
ML Quezon Highway, City Hall Compound
Lapu-Lapu City, Cebu

**OFFICE OF THE SANGGUNIANG BAYAN
MUNICIPALITY OF CORDOVA**
ABC Building, Poblacion Road
Cordova, Cebu

**HON. CESAR E. SUAN
OFFICE OF THE MAYOR OF CORDOVA**
ABC Building, Poblacion Road, Cordova, Cebu

*Received by: 11/23/22
Regenn A. Antola 10:25am*

City of Lapu-Lapu
OFFICE OF THE MAYOR

RECEIVED
BY: JANE A. PINOTE
Date: NOV 23 2022
Time: 10:24
Tel #:

OFFICE OF THE
VICE MAYOR
RECEIVED
DATE: Nov-23 2022
Time: 11:19 AM

RECEIVED
DATE: 11-23-22
TIME: 11:13 AM
BY: ROGELIO MACAN JR.
VICE MAYOR
OFFICE OF THE
MAYOR'S STAFF

Ladies & Gentlemen:

Pursuant to the Order dated November 14, 2022 promulgated by the Energy Regulatory Commission (ERC), we hereby serve and furnish your esteemed office copies of the Order and Notice of Virtual Hearing dated November 14, 2022 in ERC Case No. 2022-077 RC to be posted in your respective bulletin boards. Moreover, in light of the ERC's directive to submit evidence of actual posting as jurisdictional requirement not later than five (5) days before the first scheduled hearing, we respectfully request your esteemed office to issue the requisite certification on or before **December 5, 2022**.

Your prompt and meritorious action will be much appreciated. Thank you.

Respectfully, on behalf of Mactan Electric Company Inc.,

RUBIO-AGUINALDO & ATTORNEYS LAW FIRM

By: MISHELLE ANNE R. RUBIO-AGUINALDO

RECEIVED
DATE: 11-23-22
TIME: 3:00 PM
BY: TAN. B
OFFICE OF THE
CEBU CAPITOL

OFFICE OF THE PROV'L ADMINISTRATOR
RECEIVED
DATE: 11/22/22
TIME: 2:47 AM PM
BY: don't know
PROVINCE OF CEBU

802 Prime Land Tower, Market Street
Madrigal Business Park, Ayala Alabang
Muntinlupa City 1780
raattorneys.law@gmail.com
raassociates.law@gmail.com

+63 920 477 5177
+63 917 675 0229
<https://raattorneyslaw.com>

Republic of the Philippines)
 Lapulapu City) S.S.

"In the Matter of the Application for (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff (AWAT) in relation to the approved Average Rate in the previous Regulatory Reset Utilized and Implemented during the Lapsed Regulatory Period and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, Mactan Electric Company, Inc. (MECO), Applicant," ERC Case No. 2022-077 RC

AFFIDAVIT OF POSTING

(Re: Compliance with Jurisdictional Requirements)

I, **JACINTA T. RUSIANA**, of legal age, Filipino, with office address at MECO Building, Sangi Road, Pajo, Lapulapu City, hereby state under oath that I am an employee of **MACTAN ELECTRIC COMPANY, INC. (MECO)**, and in connection with MECO's Application in ERC Case No. 2022-077 RC with the Energy Regulatory Commission, I personally caused the posting of the *Order and Notice of Virtual Hearing dated November 14, 2022*, at -

MECO's website - <https://mecomactan.com/erc-postings/>
 Facebook account - <https://www.facebook.com/mecomactan>


and on MECO's bulletin board on November 22, 2022, to inform the consumers about the scheduled hearing and the pending application. I further attest to the truthfulness of my statements above and to the voluntary execution of this affidavit.

IN WITNESS WHEREOF, I have hereunto affixed my signature this November 22, 2022, in Lapulapu City.


JACINTA T. RUSIANA
 Affiant

SUBSCRIBED AND SWORN TO before me this December 2, 2022, at Lapulapu City, by the affiant who is personally known to me and identified by competent evidence of identity: _____, bearing her photograph and signature.

Doc. No. 180;
 Page No. 36;
 Book No. 13;
 Series of 2022.


ATTY. JANICE P. MONTEROLA
 Notary Public for Lapulapu City
 Notarial Commission No. 559-L
 Valid until December 31, 2022
 114 Osmeña Sr. St., Gun-ob, Lapulapu City
 Roll of Attorneys No. 58922 | 04.15.11
 IBP Lifetime Member No. 012565
 PTR No. 9528972 | 01.05.2022

Republic of the Philippines)
Muntinlupa City) S.S.

"In the Matter of the Application for (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff (AWAT) in relation to the approved Average Rate in the previous Regulatory Reset Utilized and Implemented during the Lapsed Regulatory Period and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, Mactan Electric Company, Inc. (MECO), Applicant," ERC Case No. 2022-077 RC

AFFIDAVIT OF SERVICE

(Re: Compliance with Jurisdictional Requirements)

I, **ANDREA MIKAELA B. LEGASPI**, of legal age, Filipino, with office address at 802 Prime Land Tower, Market Street, Madrigal Business Park, Ayala Alabang, Muntinlupa City hereby state under oath that I am an employee of **RUBIO-AGUINALDO & ATTORNEYS LAW FIRM**, and that, on **November 24, 2022**, in connection with the Application of Mactan Electric Company Inc. in ERC Case No. 2022-077 RC with the Energy Regulatory Commission, I personally delivered and served true copies of the **Order and Notice of Virtual Hearing dated November 14, 2022** to the following government offices:

COMMITTEE ON ENERGY - SENATE OF THE PHILIPPINES

GSIS Building, Roxas Boulevard, Pasay City
senateenergycommittee@gmail.com

THE COMMITTEE ON ENERGY - HOUSE OF REPRESENTATIVES

Batasan Hills, Quezon City
committee.energy@house.gov.ph

OFFICE OF THE SOLICITOR GENERAL

234 Amorsolo Street, Legazpi Village, Makati City
docket@osg.gov.ph

COMMISSION ON AUDIT

Commonwealth Avenue, Quezon City
citizensdesk@coa.gov.ph

I further attest that electronic copies of the Order and Notice of Virtual Hearing were transmitted to the email addresses indicated above on **December 1, 2022**. I affirm that MECO's receiving copy bears the signed acknowledgment of the personnel who received the Order and Notice of Virtual Hearing. I attest to the truthfulness of my statements above and to the voluntary execution of this affidavit.

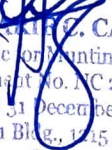

ANDREA MIKAELA B. LEGASPI

Affiant

SUBSCRIBED AND SWORN TO before me this December 9, 2022, at Muntinlupa City, by the affiant who is personally known to me and identified by competent evidence of identity: DEC 09 2022 bearing his photograph and signature.

Doc. No. 463 :
Page No. 91 :
Book No. 11 :
Series of 2022.




ALYSSA MARIE C. CABURAL
Notary Public for Muntinlupa City
Appointment No. MC 21-017
Valid Until 31 December 2022
8th Floor Page 1 Bldg., 1245 Acacia Ave.
Madrigal Business Park, Ayala Alabang
Muntinlupa City 1780
Roll of Attorneys No. 74230
PTR No. MCF 4120689; 01.03.22; Muntinlupa
IBP Roll No. 175395; 01.13.22; PPLM

November 22, 2022

ERC Case No. 2022-077, MACTAN ELECTRIC COMPANY, INC.

COMMITTEE ON ENERGY - SENATE OF THE PHILIPPINES
GSIS Building, Roxas Boulevard, Pasay City
senateenergycommittee@gmail.com

LEONARDO M. BALONIA
11/24/2022

THE COMMITTEE ON ENERGY - HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
committee.energy@house.gov.ph

OFFICE OF THE SOLICITOR GENERAL
234 Amorsolo Street, Legazpi Village, Makati City
docket@osg.gov.ph

2022 NOV 24 AM 10:46
OFFICE OF THE
SOLICITOR GENERAL
DOCKETING UNIT

COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City
citizensdesk@coa.gov.ph

Commission on Audit
OFFICE OF THE CHAIRPERSON
Received by: MAPO
Date/Time: 11/24/22
3:25 PM

Ladies & Gentlemen:

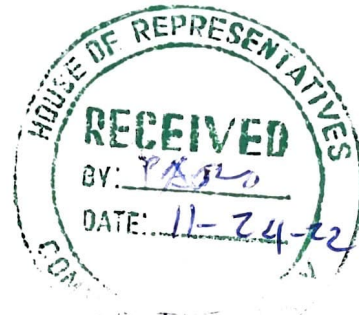
Pursuant to the Order dated November 14, 2022 promulgated by the Energy Regulatory Commission (ERC), we hereby serve and furnish your esteemed office copies of the Order and Notice of Virtual Hearing dated November 14, 2022 in ERC Case No. 2022-077 RC which is scheduled for hearing on **December 16 and 20, 2022 at 9:00 A.M.** You may send your duly authorized representative to attend the hearing.

A copy of the application may be accessed at <https://mecomactan.com>.

Respectfully, on behalf of Mactan Electric Company Inc.,

RUBIO-AGUINALDO & ATTORNEYS LAW FIRM

By:  **MISHELLE ANNE R. RUBIO-AGUINALDO**



802 Prime Land Tower, Market Street
Madrigal Business Park, Ayala Alabang
Muntinlupa City 1780
raattorneys.law@gmail.com
raassociates.law@gmail.com

+63 920 477 5177
+63 917 675 0229
<https://raattorneyslaw.com>

[ERC Case No. 2022-077 RC, Mactan Electric Company, Inc.] Compliance to Order dated
November 14, 2022 Inbox x



RA Associates <raassociates.law@gmail.com>

Thu, Dec 1, 1:48 PM (8 days ago)



to senateenergycommittee@gmail.com, committee.energy@house.gov.ph, docket, citizensdesk@coa.gov.ph, Mish ▾

Ladies & Gentlemen:

We are respectfully submitting via electronic mail the **attached File** in compliance to Order dated November 14, 2022 promulgated by the Energy Regulatory Commission (I

Thank you!

Best Regards.

RUBIO-AGUINALDO & ATTORNEYS
802 Prime Land Tower, Market Street
Madrigal Business Park, Ayala Alabang
Muntinlupa City 1780



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

RECEIVED
22 OCT 27 A/C 23
DOCUMENT NUMBER 3

IN THE MATTER OF THE
APPLICATION FOR:

- (1) CONFIRMATION OF TRUE-UP CALCULATION OF THE ACTUAL WEIGHTED AVERAGE TARIFF (AWAT) IN RELATION TO THE APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED REGULATORY PERIOD AND
- (2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED REGULATORY YEARS,

WITH MOTION FOR PROVISIONAL AUTHORITY,

ERC CASE NO. _____ RC

MACTAN ELECTRIC COMPANY, INC.
(MECO),
Applicant.

x-----x

Republic of the Philippines)
City of Lapu-Lapu.....) S.S.

JUDICIAL AFFIDAVIT
OF JUANITO O. TOLENTINO, JR.

Offer of Testimony

The testimony of Engr. Juanito O. Tolentino, Jr. will be offered in support of MECO's Application and its Motion for Provisional Authority.

approved by the Board of Directors on 12/15/2011

Testimony

I, **JUANITO O. TOLENTINO, JR.**, of legal age, with address at MECO principal office located at MECO Building, Sangi Road, Lapu-Lapu City, Cebu, do hereby depose and state that I am voluntarily appearing before Atty. Janice P. Monterola at MECO's principal office, to be examined in connection with MECO's *Application*, entitled, "*In the Matter of the Application for: (1) Confirmation of True-Up Calculation of the Actual Weighted Average Tariff (AWAT) in Relation to the Approved Average Rate in the Previous Regulatory Reset Utilized and Implemented During the Lapsed Regulatory Period and (2) Approval of Recovery Scheme for the Lapsed Regulatory Years, with Motion for Provisional Authority, Mactan Electric Company, Inc., Applicant.*" I swear to answer all the questions truthfully and fully conscious that I do so under oath.

Question : Please state your name, personal circumstances, and ("Q") profession.

Answer : My name is Juanito O. Tolentino, Jr. I am 40 years old with ("A") currently address at MECO Building, Sangi Road, Lapu-Lapu City, Cebu. I am a registered electrical engineer, and the Head of the Utility Economics Department of MECO.

Q2 : Good morning, Mr. Tolentino. This examination is being conducted under oath and you may face criminal liability for false testimony or perjury in case of falsehood, do you understand?

A2 : Yes, Attorney.

Q3 : In what language do you want this examination to be conducted?

A3 : English would be fine, Attorney.

Q4 : Earlier, you mentioned that you asked to be examined in connection with MECO's *Application*. What *Application* are you referring to?

A4 : The Energy Regulatory Commission or the ERC, pursuant to Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001, adopted a confirmation and true-up process to determine the rates of private distribution utilities governed by the Performance Based Regulation to address the lapsed period for each Entry Group. MECO has completed its 2nd Regulatory Period, and due to the absence of guidelines for the reset process, it continued to implement, *to date*, its last approved Distribution, Supply, and Metering (DSM) rates which cannot exceed the maximum average price or **MAP₂₀₁₃ of PhP1.1851/kWh**

approved by the Commission in ERC Case No. 2011-180 RC.

Q5 : What was the last approved DSM rates?

A5 : The approved DSM charges per customer class implemented by MECO pursuant to the *Decision dated April 2, 2012 in ERC Case No. 2011-180 RC* are as follows: 1.4408 for Schedule 4 (230V Residential); 1.1914 for Schedule 3 (230V Non-residential); 0.9962 for Schedule 2 (13.8kV with <1MW demand); and 0.8855 for Schedule 1 (13.8kV with >1MW demand).

Q6 : Those are the same rates implemented now?

A6 : Yes. For the past ten (10) years, MECO has been charging the same DSM rates.

Q7 : How does it affect MECO?

A7 : For the past ten (10) years that MECO has been charging these rates, it is unable to properly recover its DSM revenues. Based on the calculation of the AWAT of PhP1.1390/kWh, as against the ERC-approved MAP of PhP1.1851/kWh, there is a variance of **PhP0.0461 per kWh** lower than the MAP, which is the approved price cap. In other words, there is under recovery amounting to **PhP210,867,926.91** based on the computation.

Q8 : How do you intend to recover this amount?

A8 : We are asking for provisional authority from the Commission to implement the recovery rates as follows: 0.0503 for Schedule 4; 0.0375 for Schedule 3; 0.0307 for Schedule 2; and 0.0204 for Schedule 1, spread over a period of five (5) years.

Q9 : Why are you asking for provisional authority? What will it solve, if any?

A9 : We need the PA to allow MECO to immediately implement its proposed recovery scheme in the meantime that the application is still being evaluated and resolved. With the rising inflation, increasing fuel prices, surge in the cost of raw materials, not to mention the expenses for the maintenance of the distribution system and other operational expenses, the immediate recovery of the amount will be very helpful in terms of augmenting MECO's financial and budgetary constraints especially during this time of economic crisis.

Q10 : Do you affirm the truthfulness of your statements?
A10 : Yes, Attorney.


IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of August 2022 at Lapu-Lapu City.


JUANITO O. TOLENTINO, JR.
Affiant

SUBSCRIBED AND SWORN BEFORE ME this 12th day of August 2022 at Lapu-Lapu City with valid PRC ID no. 0033260.

Doc. No. 315
Page No. 64
Book No. V
Series 2022.




VLADIMIR A. CUIZON
Notary Public for Lapu-Lapu City
Until December 31, 2022
2nd Floor D & E Bldg.
S. Osmeña St., Gun-ob, Lapu-Lapu City
PTR NO. 8914678, Lapu-Lapu City / 01-06-21
IBP Lifetime Membership Roll No. 018926
Roll No. 45716 / Not. Com. No. 576-L
TIN 251-318-179 / MCLE VI-0008230 / March 22, 2018

Republic of the Philippines)
City of Lapu-Lapu) S.S.

LAWYER'S ATTESTATION


I, **JANICE P. MONTEROLA**, of legal age with office address at 114 Osmeña Sr. St., Gun-ob, Lapu-lapu City, hereby attest that (1) I examined the affiant, **Mr. Juanito O. Tolentino, Jr.**; (2) he voluntarily answered my questions based on his personal knowledge and authentic records; (3) neither I, nor any other person coached the witness regarding his answers; and (4) the questions and the witness's answers were faithfully recorded.


JANICE P. MONTEROLA
Affiant

SUBSCRIBED AND SWORN BEFORE ME this 12th day of August 2022 at Lapu-Lapu City with valid government ID no. IBP ID # 58922

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Page No. 65
Book No. V
Series 2022.




VLADIMIR A. CUIZON
Notary Public for Lapu-Lapu City
Until December 31, 2022
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Copy Furnished:

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Province of Cebu**
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Province of Cebu**
3. **Office of the Mayor
City of Lapu-Lapu, Cebu**
4. **Office of the Sangguniang Panlungsod
City of Lapu-Lapu, Cebu**
5. **Office of the Mayor
Municipality of Cordova, Cebu**
6. **Office of the Sangguniang Bayan
Municipality of Cordova, Cebu**

MAJESTY
45.10
ROTARY
PUBLIC
LAPU

**IN THE MATTER OF THE APPLICATION FOR:
(1) CONFIRMATION OF TRUE-UP CALCULATION OF THE
ACTUAL WEIGHTED AVERAGE TARIFF IN RELATION TO THE
APPROVED AVERAGE RATE IN THE PREVIOUS REGULATORY
RESET UTILIZED AND IMPLEMENTED DURING THE LAPSED
REGULATORY PERIOD; AND
(2) APPROVAL OF RECOVERY SCHEME FOR THE LAPSED
REGULATORY YEARS, WITH MOTION FOR PROVISIONAL
AUTHORITY**

ERC Case No. 2022-077 RC




MS Teams | December 16, 2022 (Friday)

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Outline

1. Milestone
2. Legal Basis
3. AWAT Calculation
4. AWAT vs ERC-approved MAP
5. Rate Impact



MS Teams | December 16, 2022 (Friday)

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Milestones

April 2, 2012
 ERC approved the Rate Translation for the 4th Regulatory Year

- Approved Rates:

	ERC-approved Average DSM Rates
Schedule 4: 230V-connected customers (Residential)	1.4408
Schedule 3: 230V-connected customers (Non Residential)	1.1914
Schedule 2: 13.8KV-connected customer with less than 1MW Demand	0.9962
Schedule 1: 13.8KV-connected customer with Demand of 1MW or more	0.8855

April 25, 2022
 ERC directed MECO to file its Actual Weighted Average Tariff in order to determine any resulting over/under recovery of the rates being charged during the lapsed period covering April 1, 2013 to March 31, 2023




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Milestones

October 24, 2022
 MECO filed its AWAT Application

December 16, 2022
 Jurisdictional Hearing and Expository Presentation

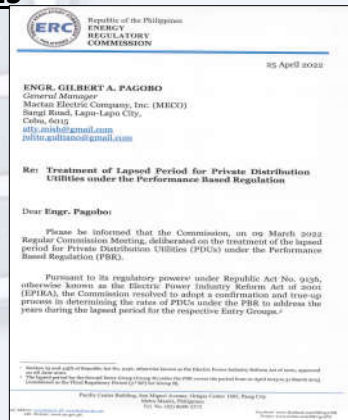


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Legal Basis

ERC's directive through its letter to MECO dated April 25, 2022 to file its Actual Weighted Average Tariff (AWAT) in order to determine any resulting over/under recovery of the rates being charged during the lapsed period covering **April 1, 2013 to March 31, 2023**



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Legal Basis

1. The commission resolved to adopt a confirmation and true-up process in determining the rates of PDU under the PBR to address the years during the lapsed period for the respective Entry Groups
2. The commission will undertake to confirm the last approved rate of the concerned PDU during the previous regulatory reset, to be utilized during the lapsed regulatory period.
3. The confirmed rates will be subjected to a true-up mechanism as against the PDUs Actual Weighted Average Tariff (AWAT), in order to determine any resulting over/under recovery of the rates charged during the lapsed period.



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Legal Basis

4. MECO is continuing the implementation of its last approved Distribution, Supply and Metering (DSM) rates for the 4th Regulatory Year (RY 2013) of the 2nd Regulatory Period under ERC Case No. 2011-180 RC.

	ERC-approved Average DSM Rates
Schedule 4: 230V-connected customers (Residential)	1.4408
Schedule 3: 230V-connected customers (Non Residential)	1.1914
Schedule 2: 13.8KV-connected customer with < 1MW Demand	0.9962
Schedule 1: 13.8KV-connected customer with Demand >=1MW	0.8855



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AWAT Calculation

Formula:

$$AWAT = \frac{(CR + 50\% \text{ of } RBR)}{CQ}$$

Where:

- CR = historical distribution revenue during the lapsed period
 RBR = other regulated business revenue during the lapsed period
 CQ = historical KWH sales during the lapsed period



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AWAT vs ERC-approved MAP

Regulatory Years	Historical DSM Revenue (Lapsed Period: Apr 2012 to June 2022), in Pesos	Historical KWH Sales (Lapsed Period: Apr 2012 to June 2022), in KWH	Regulated Business Revenue (RBR), in Php	50% of RBR
	CR	CQ	RBR	
2013	364,167,841.45	341,667,049.11	20,434,389.24	10,217,194.62
2014	378,037,187.17	357,229,312.47	5,051,239.15	2,525,619.58
2015	418,705,944.49	385,789,869.00	24,705,459.97	12,352,729.99
2016	490,485,006.19	430,366,511.00	6,016,591.95	3,008,295.98
2017	529,803,386.32	458,961,902.00	11,709,558.12	5,854,779.06
2018	532,082,981.67	463,234,533.00	8,449,342.91	4,224,671.46
2019	573,353,663.82	506,254,746.00	8,309,525.34	4,154,762.67
2020	650,552,301.19	571,397,788.50	22,330,807.78	11,165,403.89
2021	567,220,217.28	469,351,464.67	20,441,370.19	10,220,685.10
2022	550,512,581.19	457,553,054.79	3,290,203.65	1,645,101.83
2023	155,181,560.14	132,335,351.00	5,398,899.04	2,699,449.52
TOTAL	5,210,102,670.91	4,574,141,581.54	136,137,387.34	68,068,693.67



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AWAT vs ERC-approved MAP

Historical DSM Revenue (Lapsed Period: Apr 2012 to June 2022), in Pesos	a	5,210,102,670.91
Historical KWH Sales (Lapsed Period: Apr 2012 to June 2022), in KWH	b	4,574,141,581.54
AWAT for the Lapsed Period	$c = a/b$	1.1390
Approved MAP (ERC Case 2011-180 RC)	d	1.1851
Difference in Rate	$e = d - c$	0.0461
(Over)/Under Recovery Amount	$f = e * b$	210,867,926.91




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Rate Impact

Net Under Recovery of Php 210.868 Million

**5-year Recovery Period and Proposed Rates
for each Customer Class**



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Rate Impact

Calculation of Proposed Rate

1. DETERMINE HISTORICAL AVERAGE RATE USING THE HISTORICAL DSM REVENUES AND KWH SALES

	Historical DSM Revenue (Lapsed Period: Apr 2012 to July 2022), in Pesos	Historical Sales (Lapsed Period: Apr 2012 to July 2022), in kWh	His. Ave. Rate
Schedule 4	₱ 2,615,257,247.83	1,841,803,922.79	1.4199
Schedule 3	₱ 423,579,400.06	366,813,273.04	1.1548
Schedule 2	₱ 1,327,514,445.66	1,309,102,431.61	1.0141
Schedule 1	₱ 843,751,577.36	1,056,421,954.10	0.7987
	₱ 5,210,102,670.91	4,574,141,581.54	1.1390



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Rate Impact

2. FORECASTING OF KWH SALES

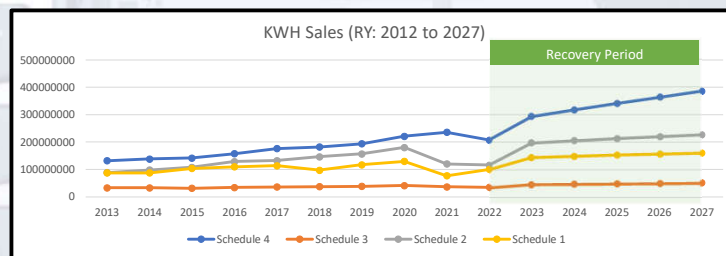
CUSTOMER CLASS	Formulae	R2 (closer to 1.0)	R2adj (closer to 1.0)	Variable	T-Stat (>2, <-2)	P-Value (<0.1)	MAPE (<= 3%)	Annual Average Growth Rate	
SCHEDULE 4	a(ln t) ³ + b	0.987243785	0.984692541	a	17.21	1.21428E-05	2.05%	Historical	9.53%
				b	47.47	7.8373E-08		1-5 Year	7.33%
				c				6-10 Years	5.06%
				d				11-20 Years	3.32%
SCHEDULE 3	a(log t) ² + b	0.981658118	0.977989742	a	14.38	2.93046E-05	1.07%	Historical	4.57%
				b	77.79	6.6525E-09		1-5 Year	2.75%
				c				6-10 Years	1.92%
				d				11-20 Years	1.31%
SCHEDULE 2	a(ln t) ² + b	0.957833602	0.949400322	a	9.73	0.000194538	2.09%	Historical	6.10%
				b	33.95	4.17138E-07		1-5 Year	4.44%
				c				6-10 Years	2.49%
				d				11-20 Years	1.64%
SCHEDULE 1	a(log t) ³ + b(log t) ² + c	0.965660638	0.948490957	a	(0.87)	0.431026776	3.00%	Historical	9.64%
				b	2.42	0.072560835		1-5 Year	2.85%
				c	16.94	7.12135E-05		6-10 Years	1.47%
				d				11-20 Years	0.63%



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Rate Impact



FORECAST KWH SALES

RY	Schedule 4	Schedule 3	Schedule 2	Schedule 1	TOTAL
2023	292,996,043.56	46,199,931.99	197,247,784.36	143,868,127.90	680,311,887.81
2024	316,539,484.91	47,592,265.27	205,316,811.68	148,875,759.55	718,324,321.42
2025	339,853,241.27	48,902,735.46	212,911,415.60	153,247,086.04	754,914,478.37
2026	362,865,010.42	50,141,066.18	220,087,947.64	157,087,174.84	790,181,199.08
2027	385,533,727.48	51,315,423.50	226,893,732.95	160,478,443.39	824,221,327.33
TOTAL	1,697,787,507.65	244,151,422.40	1,062,457,692.23	763,556,591.72	3,767,953,214.01



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Rate Impact

3. ALLOCATION OF EACH CUSTOMER CLASS

	Forecast KWH, FCQ	Historical Average Rate, Php/KWH	Forecast Revenue, FCR		Allocation Factor, in %
			= FCQ * Historical Average Rate		
Schedule 4	1,697,787,507.65	1.4199	₱	2,410,762,095.64	55.04%
Schedule 3	244,151,422.40	1.1548	₱	281,935,035.14	6.44%
Schedule 2	1,062,457,692.23	1.0141	₱	1,077,400,744.42	24.60%
Schedule 1	763,556,591.72	0.7987	₱	609,843,515.81	13.92%
	3,767,953,214.01	1.1390	₱	4,379,941,391.01	100.00%



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Rate Impact

Calculation of the Rate for the 5-years Recovery

	Net Under Recovery	Allocation Factor	Allocation	5-year Forecast KWH	Recovery Rate for DSM	50% of RBR	Rate on RBR	Recovery Rate
Schedule 4	210,867,926.91	55.04%	116,063,746.06	1,697,787,507.65	0.0684	68,068,693.67	0.0181	0.0503
Schedule 3		6.44%	13,573,482.17	244,151,422.40	0.0556			0.0375
Schedule 2		24.60%	51,870,388.47	1,062,457,692.23	0.0488			0.0307
Schedule 1		13.92%	29,360,310.20	763,556,591.72	0.0385			0.0204
		100.00%	210,867,926.91	3,767,953,214.01				



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Rate Impact

Implemented Rates per Schedule

All-In Rates	May 2022	Jun 2022	Jul 2022
Schedule 4	11.4181	11.3246	13.3319
Schedule 3	11.2024	11.1353	13.1532
Schedule 2	10.7121	10.6761	12.6629
Schedule 1	10.4729	10.4729	12.3836

Customer Class	Recovery Rate on DSM less Rate on 50% of RBR
Schedule 4	0.0503
Schedule 3	0.0375
Schedule 2	0.0307
Schedule 1	0.0204

% Increase	May 2022	Jun 2022	Jul 2022	Average
Schedule 4	0.44%	0.44%	0.38%	0.42%
Schedule 3	0.33%	0.34%	0.29%	0.32%
Schedule 2	0.29%	0.29%	0.24%	0.27%
Schedule 1	0.19%	0.19%	0.16%	0.18%



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Summary

Net Under Recovery of Php 210.868 Million

5 years Recovery Period

Customer Class	Recovery Rate on DSM	Rate on RBR	Total Recovery Rate = Recovery Rate on DSM - Rate on RBR
	A = Under Recovery Amount * Allocation Factor / FCQ	B = 50% of RBR / FCQ	A + B
Schedule 4	0.0684	0.0181	0.0503
Schedule 3	0.0556		0.0375
Schedule 2	0.0488		0.0307
Schedule 1	0.0385		0.0204



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Summary

New DSM Rates For RY 2024 to 2028

	ERC-approved Average Rate	Recovery Rate	Proposed New DSM Rate
Schedule 4	1.4408	0.0503	1.4911
Schedule 3	1.1914	0.0375	1.2289
Schedule 2	0.9962	0.0307	1.0269
Schedule 1	0.8855	0.0204	0.9059



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Thank you!!!



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