

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO RETIRE
THE BINONDO
SUBSTATION LOCATED AT
BARANGAY 282, SAN
NICOLAS, CITY OF
MANILA, METRO MANILA
AND TO WITHDRAW FROM
SERVICE CERTAIN
EQUIPMENT AND
MACHINERY INSTALLED
IN SAID SUBSTATION,
WITH PRAYER FOR
PROVISIONAL AUTHORITY**

ERC CASE NO. 2021-085 RC

**MANILA ELECTRIC
COMPANY (MERALCO),**
Applicant.

Promulgated:
November 09, 2021

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 22 October 2021, Manila Electric Company (MERALCO) filed an *Application* dated 27 September 2021, seeking the Commission's approval for the authority to retire the Binondo Substation located at Barangay 282, San Nicolas, City of Manila and to withdraw from service certain equipment and machinery installed in said substation, with prayer for provisional authority.

The pertinent allegations in the said *Application* are hereunder quoted as follows:

1. Applicant is a private corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Ortigas Avenue,

Pasig City. It may be served with notices and other processes of this Honorable Commission through its undersigned counsel at the address indicated herein.

2. Applicant has a legislative franchise to construct, operate and maintain an electric power distribution system for the conveyance of electric power to the end-users in the cities and municipalities of Metro Manila, Bulacan, Cavite and Rizal, and certain cities/municipalities/barangays in Batangas, Laguna, Quezon and Pampanga, pursuant to Republic Act No. 9209.
3. Applicant is filing the instant application to seek authority to retire the Binondo Substation and withdraw certain equipment and machineries in said substation.
4. The instant Application is filed pursuant to the Section 1.7.1 of the Distribution Services and Open Access Rules (DSOAR), as amended.¹

BACKGROUND

5. The Binondo Substation is located at Barangay 282, San Nicolas, City of Manila, Metro Manila. The substation has two (2) 12.5 MVA, 34.5 kV – 6.24 kV power transformer banks. The substation is installed on a leased lot.
6. The Binondo Substation is one of the older MERALCO odd voltage substations (with voltage other than 34.5 kV) and has been in service for more than fifty-nine (59) years.
7. Applicant has programmed the gradual conversion of odd-voltage systems (distribution system with voltages other than 34.5 kV) to the ultimate standardized 20 kV/35.5 kV (line-to-neutral/line to line) distribution voltage system within its franchise area. The voltage standardization will reduce technical system loss, improve flexibility and reliability of electric service by phasing out isolated odd voltage systems and minimize equipment inventory types. Applicant continuously implements the Odd-Voltage Conversion Program with the aim of having standard voltage systems for its entire franchise area.
8. Hence, Applicant seeks authority from the Honorable Commission to retire the Binondo Substation and withdraw

¹ The second paragraph of Section 1.7.1 of the amended DSOAR provides:

“1.7.1 AUTHORIZED EQUIPMENT

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The DU may increase, substitute or withdraw from service its authorized equipment and machinery in accordance with the Rules for Approval of Regulated Entities' Capital Expenditure Projects, RDWR and other ERC Rules. If such undertaking is not covered by the RDWR or other rules, authorization shall be secured from the ERC in accordance with pertinent provision of the Rules for Approval of Regulated Entities' Capital Expenditure Projects.”

from service the equipment and machinery installed therein in line with the said program.

9. It must be stressed that the retirement of the said substation will have no impact to customers currently being served by the Binondo Substation as the loads of its 6.24 kV circuit may readily be transferred to the 34.5 kV circuits of Tutuban 46VT and North Port 51H. Moreover, the transfer of said loads will eliminate the redundant 34.5 kV – 6.24 KV step-down.
10. In addition, an approximate of 255,883 KWHR annually will be reduced from the overall technical system loss upon the retirement of the Binondo substation's power transformer banks and complete conversion of 6.24 kV circuits to 34.5 kV.
11. Currently, the various equipment in Binondo Substation forms part of Applicant's Regulatory Asset Base (RAB). Upon its retirement, some of the equipment and machinery will be reused for distribution services, while others will be withdrawn from service. The total amount for equipment and machinery that will be withdrawn from service is Four Million, One Hundred Fifty-One Thousand, Four Hundred Forty-Eight Pesos and Seventy-Seven Centavos (PhP4,151,448.77).
12. In further support of the Application, attached hereto are the following documents:
 - a. Annex "A" – Schematic Diagram showing the exact location of Binondo Substation and pictures thereof;
 - b. Annex "B" – Detailed List of Equipment and Machinery to be re-used and/or retired in Binondo Substation, with corresponding specifications and values; and
 - c. Annex "C" – Load Flow Simulation/study conducted on the effect of withdrawal from service of said equipment and machinery.

**Allegations in Support of the Prayer for Provisional Authority
and/or Interim Relief**

13. The issuance of Provisional Authority and/or Interim Relief is warranted under the circumstances considering that there is no reason to continue energizing the Binondo Substation as the loads thereof may be transferred to adjacent source circuits. More importantly, the conversion of the loads of Binondo Substation to 34.5 kV will result in the reduction of technical system loss and improvement of the electric service by phasing out isolated odd-voltage system.
14. In further support of the Application and prayer for issuance of provisional authority, attached as Annex "D" is the Judicial

Affidavit of Engr. Roberto D. Isip, Jr., Assistant Vice President
and Manager of Applicant’s Network Asset Planning Office.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Commission that: (1) the Application for Retirement of the Binondo Substation and withdrawal from service of equipment and machinery installed in said substation be APPROVED; and (2) Applicant be ALLOWED to re-use equipment in said substation that will not be retired.

Pending the hearing on the merits of the case, a Provisional Authority be issued to Applicant.

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

The Commission has set 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 platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020² dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)³:

Date	Platform	Activity
14 January 2022 (Friday) at nine o’clock in the morning (9:00 AM)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
21 January 2022 (Friday) at nine o’clock in the morning (9:00 AM)	Microsoft Teams	Pre-trial Conference and presentation of evidence

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 respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Moreover, any persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

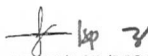
Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 2nd day of November 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO




LS: MVM/LSP/MCCG