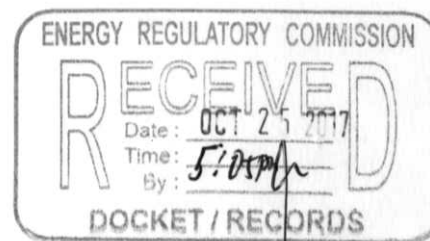


Republic of the Philippines
ENERGY REGULATORY COMMISSION
 San Miguel Avenue, Pasig City

IN THE MATTER OF THE
 APPLICATION FOR AUTHORITY
 TO: (A) IMPLEMENT THE NEW
 LOCAL FRANCHISE TAX (LFT)
 RATE IN THE CITY OF BINAN,
 PROVINCE OF LAGUNA; AND
 (B) RECOVER THE
 DIFFERENTIAL LFT FOR 2017
 FROM CUSTOMERS IN SAID
 CITY UNDER THE TAX
 RECOVERY ADJUSTMENT
 CHARGE (TRAC) FORMULA,
 WITH PRAYER FOR
 PROVISIONAL AUTHORITY,



2017-069

ERC Case No. 2017- _____ CF

**MANILA ELECTRIC COMPANY
 (MERALCO),**

Applicant,

X-----X

APPLICATION

Applicant **MANILA ELECTRIC COMPANY (MERALCO)**, by
 counsel, most respectfully states: THAT -

1. Applicant is a private corporation existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, MERALCO Center, Ortigas Avenue, Barangay Ugong, Pasig City. It may be served with notices and other processes of this Honorable Commission at its principal office address or through its counsel at the address indicated herein.

2. Pursuant to Republic Act No. 9209, Applicant has a legislative franchise to operate and maintain a distribution system in the cities/municipalities of Metro Manila, Bulacan, Cavite and Rizal and certain cities/municipalities/barangays in Batangas, Quezon, Pampanga and Laguna, and is authorized to charge all its customers for their electric consumption at the rates duly approved by the Honorable Commission.

3. Under Republic Act No. 7160, otherwise known as the Local Government Code (LGC), provinces and cities are authorized to

impose local franchise taxes (LFTs) and to adjust subsequently the rates thereof, thus:

"Article One – Provinces

Section 134. Scope of Taxing Powers. – Except as otherwise provided in this Code, the province may levy only the taxes, fees and charges as provided in this Article.

xxx

Section 137. Franchise Tax. – Notwithstanding any exemption granted by any law or other special law, the province may impose a tax on businesses enjoying a franchise, at a rate not exceeding fifty percent (50%) of one percent (1%) of the gross annual receipts for the preceding calendar year based on the incoming receipt, or realized, within its territorial jurisdiction.

In the case of a newly started business, the tax shall not exceed one-twentieth (1/20) of one percent (1%) of the capital investment. In the succeeding calendar year, regardless of when the business started to operate, the tax shall be based on the gross receipts for the preceding calendar year, or any fraction thereof, as provided herein.

xxx

Article Three – Cities

Section 151. Scope of Taxing Powers. – Except as otherwise provided in this Code, the city, may levy the taxes, fees, and charges which the province or municipality may impose:

xxx

The rates of taxes that the city may levy may exceed the maximum rates allowed for the province or municipality by not more than fifty percent (50%) except the rates of professional and amusement taxes.

xxx

Section 191. Authority of Local Government Units to Adjust Rates of Tax Ordinances- Local government units shall have the authority to adjust the tax rates as

prescribed herein not often than once every five (5) years, but in no case shall such adjustment exceed ten percent (10%) of the rates fixed under this Code.”

4. The Decision rendered by the Honorable Commission in ERC Case Nos. 2001-646¹ and 2001-900² provides that:

“MERALCO is not authorized to unilaterally change the franchise fee rate component on customer’s bills. If MERALCO needs to change the franchise fee rate component due to any changes in franchise fee obligations, it shall petition the ERC for such authority and include in its filing all documentation necessary to verify the changes.”³

5. Section 6.3 of Article II of the Honorable Commission’s Resolution 16, Series of 2009, entitled: *“A Resolution Adopting the Rules Governing the Automatic Cost Adjustment and True-Up Mechanisms and Corresponding Confirmation Process for Distribution Utilities,”* likewise states that:

“For Franchise and Business Taxes that a DU had already paid to the concerned LGU/s prior to the implementation of recovery of current Franchise and Business Taxes shall be allowed recovery based on the following formula:

xxx

Before including the TRAC in its customers’ bill, the DU shall submit to the ERC its calculation thereof using the TRAC formula provided above, together with the following information and supporting documents:

- (a) Proposed recovery period;
- (b) Certified true copy of prior years Tax Assessments issued by the concerned LGU/s;
- (c) Certified true copy of Local Tax Ordinance/s;
- (d) Certified true copies of Official Receipts;
- (e) Projected kilowatt-hours sales for the particular proposed recovery;
- (f) Other relevant documents as may be required by the ERC.

¹ In the Matter of the Application for Approval of Revision of Rate Schedules and Appraisal of Properties with Prayer for Provisional Authority.

² In the Matter of the Application for Approval of Revised Rate Schedules in Compliance with Section 36 of Republic Act No. 9136 and ERC Order dated October 30, 2001, and for Approval of Appraisal of Properties with Prayer for Provisional Authority.

³ Decision dated 20 March 2003, page 92.

Upon receipt of the complete documents, the ERC shall verify and determine from the submissions the appropriate TRAC that the DU shall be allowed to impose on its customers.

The DU shall await the ERC's clearance before the inclusion and imposition of such taxes in its customer's retail rates and shall impose the TRAC allowed until such time that its franchise and business tax payments, as maybe adjusted by the ERC during its prior verification, have been fully recovered."

6. Pursuant to the above-mentioned laws and rulings by the Honorable Commission, Applicant seeks authority to: (a) implement the new Local Franchise Tax (LFT) rate in the City of Biñan, Province of Laguna; and (b) recover the differential LFT from its customers in said city under the TRAC formula; and (c) to pay the City of Biñan, Province of Laguna using the new LFT rate for year 2018, and allow Applicant to recover the same from customers in the City of Biñan pending resolution of the instant application.

7. On 12 August 2010, the Sanggunian Panlungsod of City of Biñan, Province of Laguna enacted Ordinance No.05-A (2010), entitled: "An Ordinance Levying Taxes, Fees, Charges and Other Impositions in City of Biñan, Province of Laguna, which provides that:

"Article III- Franchise Tax

Section 2.09 Franchise Tax- There is hereby imposed a tax on business enjoying a franchise tax at a rate of fifty percent (50%) of one percent (1%) of the gross annual receipts which include both cash sales and sales on account realized during the preceding calendar year within this city."⁴

A copy of the Ordinance No.05-A (2010) is attached as **Annex "A"**.

8. On the basis of the said Ordinance an application was filed by MERALCO for authority to implement the said tax rate in Biñan, Province of Laguna, docketed as ERC Case No. 2011-067 CF.⁵ On 25 February 2013, a Decision was rendered by the Honorable Commission approving MERALCO's application for authority to

⁴ Ordinance No.05-A (2010), page 5.

⁵ In the Matter of the Application for Authority to Implement and Collect Local Franchise Tax (LFT) in the City of Biñan, Laguna with Prayer for Provisional Authority.

recover the LFT due from customers in the City of Biñan, Province of Laguna which states that:

“WHEREFORE, the foregoing premises considered the application filed by Manila Electric Company (MERALCO) for authority to implement and collect Local Franchise Tax (LFT) in the City of Biñan, Laguna, with prayer for provisional authority is hereby APPROVED.

Accordingly, MERALCO is authorized to recover the LFT at the rate of fifty percent (50%) of one percent (1%) in the City of Biñan pursuant to its Tax Ordinance No. 05-A (2010) and the proceeds thereof to be remitted to the said City.”⁶

9. Thereafter, on 22 November 2016, Sanggunian Panlungsod of City of Biñan, Province of Laguna enacted Ordinance No.13- (2016), entitled: “An Ordinance Enacting the Revised Revenue Code for the City of Biñan (2016)”, which provides that:

“Article F- Franchise Tax

Section 2F.01 Imposition of Tax

There is hereby imposed a tax on business enjoying a franchise tax, at a rate of seventy five percent (75%) of one percent (1%) of the gross annual receipts which shall include both cash sales on account realized during the preceding calendar year within the city.”⁷

Certified true copies of said Ordinance No.13- (2016) and City Resolution No. 200-(2016) approving said Ordinance are attached as **ANNEXES “B” and “C”** respectively.

10. The said Ordinance was published in the 12-18 December 2016 issue of The Southern Sparkle News, and the same became effective on 1 January 2017.⁸ A copy of the said newspaper and Affidavit of Publication of Ms. Milagros L. Bagaporo, Publisher of The Southern Sparkle News are attached hereto as **Annexes “D” and “E”**, respectively.

11. Subsequently, the Office of the City Treasurer of Biñan, Province of Laguna issued a Notice of Assessment to the Applicant in the amount of PhP32,560,202.99. As MERALCO was already able to

⁶ Decision dated 25 February 2013 in ERC Case No. 2011-067 CF, page 13.

⁷ CY 2016 Revised Revenue Code for the City of Biñan, page 21.

⁸ Letter of Office of the City Treasurer of City of Biñan to Mr. Gerardo Espiridon, SAVP & Head, Tax Management of MERALCO.

pay the amount of PhP16,280,101.49 for LFT for the 1st to 3rd Quarters of 2017 based on the old rate at the time of the assessment, MERALCO only needs to settle/pay the balance of **Sixteen Million Two Hundred Eighty Thousand One Hundred One & 50/100 Pesos (PhP16,280,101.50)**, which comprises of: (a) the amount of P5,426,700.50 for the LFT due for 4th quarter of 2017 using the old rate; and (b) the amount of P10,853,401.00 representing the differential LFT or the difference between the old and the new LFT rate, on or before 20 October 2017 to avoid imposition of surcharges and penalties.

A copy of the said Notice of Assessment is attached as **Annex “F”** hereof.

12. On 15 September 2017, Applicant paid the total amount of PhP16,280,101.50 as evidenced by the Official Receipt bearing OR No.0911476 issued by the Office of City Treasurer of Biñan, Province of Laguna attached as **Annex “G”** hereof.

13. The details of the amount due, paid and collected for each quarter of taxable period 2017 are as follows:

TAXABLE PERIOD (2017)	NEW LFT RATE (75% of 1 % of gross annual receipts of preceding calendar year)	AMOUNT COLLECTED FROM CUSTOMERS IN CITY OF BIÑAN (based on old LFT rate of 50% of 1% of gross annual receipts of preceding calendar year)	ACTUAL PAYMENT BY MERALCO TO CITY GOVERNMENT OF BIÑAN
1 ST Quarter	PhP8,140,050.75	PhP5,366,414.90	PhP5,366,414.90
2 nd Quarter	PhP8,140,050.75	PhP5,486,986.09	PhP5,486,986.09
3 rd Quarter	PhP8,140,050.75	PhP5,426,700.50	PhP5,426,700.50
4 th Quarter	PhP8,140,050.75	PhP5,426,700.50 ⁹	PhP5,426,700.50
LFT Differential			PhP10,853,401.00
Total	PhP32,560,202.99	PhP21,706,801.99	PhP32,560,202.99

14. To ensure the revenue-neutral position in the implementation of the new LFT rate, Applicant proposes the imposition of a carrying charges. The rationale for the imposition of carrying

⁹ MERALCO will collect the amount of PhP5,426,700.50 using the old LFT rate for 4th Quarter of CY2017 from customers in said city.

charges was elucidated in the ERC Decision dated 27 February 2012 in ERC Case No. 2011 -045 RC¹⁰, which states that:

"Carrying Charge

MERALCO started remitting its LFT payments as early as 1993. In this regard, the Commission deem it prudent to allow MERALCO to recover carrying charge for advancing the payments of its LFT.

xxx

The recovery of carrying charge shall only be up to the end of December 2009, the period when it should have filed the instant application."¹¹

15. The proposed treatment for said carrying charge is justified considering that Applicant paid in full the LFT; and therefore, the same had incurred an opportunity cost for the money that was used to advance and pay to the said city.

16. Based on the foregoing, Applicant seeks authority to recover the differential LFT in the amount of Php10,853,401 at a rate of Php0.0117/kWh and carrying cost in the amount of Php352,781 at a rate of Php0.0004/kWh, or a total amount of **Php11,206,182** at a rate of **Php0.0121/kWh** from the customers in the City of Biñan over a period of twelve (12) months.

A copy of the document entitled "Computation of Tax Recovery Adjustment Charge- City of Biñan, Province of Laguna" which shows the computed differential LFT rate for said city and carrying cost is hereto attached as **Annex "H"**.

PRAYER FOR THE ISSUANCE OF PROVISIONAL AUTHORITY

17. The issuance of a Provisional Authority (PA) in favor of the Applicant is warranted so that the appropriate increased LFT rate may be implemented in the customer bills for said city pursuant to the provision of the aforesaid Ordinance. Considering that the Applicant paid in full the increased LFT in said city, the issuance of PA is proper

¹⁰ In the Matter of the Application for Authority to Recover the Local Franchise Tax (LFT) paid to Bulacan Province, Batangas Province, Cavite Province, Laguna Province, Rizal Province, San Jose Del Monte City, Batangas City, San Pablo City, Tagaytay City, Lucena City, Mandaluyong City, Marikina City, Quezon City, Caloocan City, Pasay City, Las Piñas City, City of Manila, Pasig City and Calamba City, with Prayer for Provisional Authority.

¹¹ Decision in ERC Case No. 2011 -045 RC, page 18.

since the same is consistent with and will maintain the neutral position of Applicant.

18. It is important to consider that the amount of total differential LFT for said city that is covered by the Application is only until December 2017. However, Applicant is mandated by the pertinent laws to pay for the new LFT rate for the succeeding taxable periods to said city. Thus, the grant of PA in favor of Applicant will prevent the accumulation of additional differential LFT to said city while the case is pending before the Honorable Commission. Accordingly, the filing of another Application for the mere recovery of the accumulated LFT resulting therefrom may only unnecessarily add up to congestion of the Commission's dockets.

19. In support of this Application and the prayer for the issuance of a PA, hereto attached as **ANNEX "I"** and made an integral part hereof is the Judicial Affidavit of **MR. GENER R. MONTEMAYOR**, Manager, Tax Management and Reporting Office of the Applicant.

PRAYER

WHEREFORE, it is respectfully prayed to this Honorable Commission that the Application be approved and that Applicant be granted the authority to:

1. Implement the new local franchise tax rate of seventy-five percent (75%) of one percent (1%) of the gross annual receipts which shall include both cash sales on account realized during the preceding calendar year within the city pursuant to City Tax Ordinance No.13–(2016), beginning on the date of effectivity thereof, or on 1 January 2017;

2. Recover the differential LFT in the amount of PhP10,853,401 at a rate of PhP0.0117/kWh and carrying cost in the amount of PhP352,781 at a rate of PhP0.0004/kWh, or a total amount of PhP11,206,182 at a rate of PhP0.0121/kWh from the customers in the City of Biñan over a period of twelve (12) months; and

3. Pay the City of Biñan, Province of Laguna using the new LFT rate for year 2018, and allow Applicant to recover the same from customers in the City of Biñan pending resolution of the instant application.

It is further prayed that pending hearing, a **PROVISIONAL AUTHORITY** be issued by the Honorable Commission to implement the new LFT rate and recover the differential LFT for 2017 from the customers in said city.

Other relief as may be deemed just and equitable under the premises.

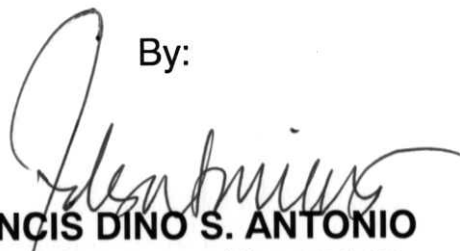
Pasig City, 19 October 2017.

MANILA ELECTRIC COMPANY (MERALCO)

Applicant

Lopez Building,
Ortigas Avenue,
Barangay Ugong, Pasig City

By:



FRANCIS DINO S. ANTONIO

Roll of Attorneys No. 48145
PTR No. 2684871; 01/27/17; Pasig City
IBP No. 1061089; 01/10/17; RSM
MCLE Compliance No. V-0004608; 6 November 2014



HAZEL ROSE B. SEE

Roll of Attorneys No. 48265
PTR No. 2684876; 01/27/17; Pasig City
IBP LRN No. 06460; 01/16/07; QC
MCLE Compliance No. VI-0000253; 11 July 2016



MONICA M. MARTIN

Roll of Attorneys No. 55693
PTR No. 2684873; 01/27/17; Pasig City
IBP No. 1061092; 01/10/17; RSM
MCLE Compliance No. VI-0000239; 11 July 2016



ADRIAN REX C. DIMALANTA

Roll of Attorneys No. 61149

PTR No. 2684874; 01/27/17; Pasig City

IBP No. 1061094; 01/10/17; PPLM

MCLE Compliance No. VI-0000233; 11 July 2016

7th Floor, Lopez Building, Ortigas Avenue

Brgy. Ugong, Pasig City

Telephone Number 1622-2260; Fax No. 1622-3550

REPUBLIC OF THE PHILIPPINES }
CITY OF PASIG } S.S.

VERIFICATION
AND CERTIFICATION OF NON-FORUM SHOPPING

I, JOSE RONALD V. VALLES, Filipino, of legal age, married, with office address at 7th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Barangay Ugong, Pasig City after being sworn in accordance with law, hereby depose and say that—

1. I am the Vice President and Head, Regulatory Affairs Office, of Applicant Manila Electric Company (MERALCO). In such capacity, I have caused the preparation and filing of the foregoing Application;

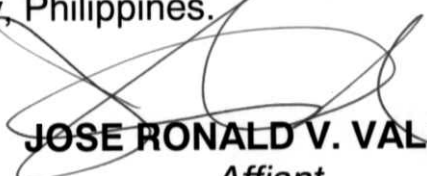
2. Moreover, I have been authorized by the Board of Directors of MERALCO to certify that Applicant has not heretofore filed any similar action, pleading or application involving the same issues before the Supreme Court, the Court of Appeals or any other lower courts or administrative bodies. A copy of the Secretary's Certificate authorizing me to cause the preparation of the instant Application and sign this Verification and Certification is attached hereto as **ANNEX "N"**;

3. I have read and understood the allegations contained therein and the same are true and correct based on my personal knowledge and authentic records made available to me in the ordinary course of business of MERALCO;

4. To the best of my knowledge, no similar action or proceeding is pending before the Supreme Court, the Court of Appeals, the lower courts or administrative bodies;

5. If I should hereafter learn that a similar action has been filed before the Supreme Court, the Court of Appeals, the lower courts or administrative bodies, I undertake to report such fact to this Honorable Commission within five (5) days from notice of such fact.

IN WITNESS WHEREOF, I have hereunto affixed my signature this
OCT 19 2017 day of October 2017 at Pasig City, Philippines.


JOSE RONALD V. VALLES
Affiant

SUBSCRIBED and SWORN to before me this 19 OCT 2017 day of October 2017, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 521
Page No. 106
Book No. 111
Series of 2017.


ATTY. GABRIEL ALFONSO C. ENRIQUEZ
Notary Public
Pasig, San Juan, Taguig and Pateros
Issued on May 23, 2016 at Pasig City
Appointment No. 160 (2016-2017)
Roll No. 64589/ IBP No. 1062730/ 01-09-17 Negros Oriental
PTR No. 2682560/ 01-25-17 Pasig City
MCLE V-0018890/ 04-19-16
8th Floor Lopez Bldg., Ortigas Avenue, Pasig City



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

ANNEX " N "

SECRETARY'S CERTIFICATE

I, WILLIAM S. PAMINTUAN, a duly elected, qualified and incumbent Assistant Corporate Secretary of the Manila Electric Company (MERALCO), a corporation duly organized and existing under and by virtue of the laws of the Philippines, do hereby certify that:

At the regular meeting of the Board of Directors of the Company duly convened and held on February 23, 2015, at which meeting a quorum was present, acted throughout and voted, the following resolution amending the resolution of the Board on January 27, 2014 on the same subject, was approved and that said amendatory resolution is in full force and effect on the date hereof:

"RESOLVED, that the Board of Directors of the Manila Electric Company (MERALCO) authorize, as it hereby authorizes, Messrs. MANUEL V. PANGILINAN, Chairman, OSCAR S. REYES, President & Chief Executive Officer, SIMEON KEN R. FERRER, Corporate Secretary, ALFREDO S. PANLILIO, Senior Vice President, Head, Customer Retail Services and Head, Corporate Communication, RAMON B. SEGISMUNDO, Senior Vice President & Head, Human Resources & Corporate Services, ROBERTO R. ALMAZORA, Senior Vice President, RONNIE L. APEROCHO, Senior Vice President & Head, Networks, RUBEN B. BENOSA, First Vice President & Head, Corporate Logistics, Ms. IVANNA G. DELA PEÑA, First Vice President & Head, Regulatory Management Office, WILLIAM S. PAMINTUAN, First Vice President, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Corporate Governance, JOSE RONALD V. VALLES, Vice President and Head, Regulatory Affairs, MARIA ZARAH R. VILLANUEVA-CASTRO, Senior Assistant Vice President & Head, Corporate Legal Services, HORATIO ENRICO M. BONA, Assistant Vice President & Head, Litigation Team 2, RAUL G. CORALDE, Assistant Vice President & Head, Litigation Team 1, MICHELLE O. DELOS SANTOS-BONA, Assistant Vice President & Head, Legal Operations Support, EUGENE JUDE DENIS GERARD E. ALABANZA, Senior Manager & Head, Litigation Team 3, CORNELIO MANUEL C. DICCION, Manager & Legal Counsel, and any lawyer or employee of MERALCO that any of them may designate, name or appoint:

- (1) to represent the Company, in the institution, prosecution, and defense of any claim, complaint, action, proceeding, petition, application, protest, suit, or case, for or against the Company, before any court, prosecutor's office, regulatory, quasi-judicial, or administrative body, agency, or office of the national or any local government;
- (2) to sign, execute, and deliver in connection therewith the necessary or appropriate complaint, petition, application, position paper, memorandum, all types of pleadings and motions, verifications, affidavit-complaint, counter-affidavit, affidavit of merit, affidavit of desistance, affidavit of witness, and all other affidavits of whatever nature, certificate of non-forum shopping, powers of attorney, certifications, and all other instruments as may be necessary or proper;
- (3) to represent the Company or to designate, name, and appoint a representative or an attorney-in-fact in behalf

of the company during the investigation, inquest, preliminary investigation, preliminary conference, pre-trial, mediation, conciliation, arbitration, trial, execution, and all other stages of or incidents related to the case, proceeding or action; to negotiate, enter into, and agree to an amicable settlement, compromise agreement, plea bargaining, admissions or stipulations of fact or documents, simplification of issues, limitation on the number of witnesses, alternative modes of dispute resolution, withdrawal, dismissal or waiver of claim or action; and to perform and execute any and all actions or deeds as may aid in the prompt disposition of such cases, proceedings, or actions filed in behalf of or against the Company;

"RESOLVED, FURTHER, that any previous resolution of the Board of Directors on the same subject matter that is inconsistent herewith shall be deemed terminated, superseded and revoked."

Pursuant to the above resolutions, it is hereby certified that MERALCO is authorized to file the Application with the Energy Regulatory Commission (ERC) entitled: **"IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO: (A) IMPLEMENT THE NEW LOCAL FRANCHISE TAX (LFT) RATE IN THE CITY OF BIÑAN, PROVINCE OF LAGUNA; AND (B) RECOVER THE DIFFERENTIAL LFT FOR 2017 FROM CUSTOMERS IN SAID CITY UNDER THE TAX RECOVERY ADJUSTMENT CHARGE (TRAC) FORMULA, WITH PRAYER FOR PROVISIONAL AUTHORITY"** and that Atty. JOSE RONALD V. VALLES, Vice President and Head, Regulatory Affairs, is an authorized representative and signatory of the company with respect to the aforesaid joint application.

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this ____ day of OCT 12 2017 2017.


WILLIAM S. PAMINTUAN
 Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this ____ day of OCT 12 2017 2017, affiant exhibited to me his Taxpayer Identification Number (TIN) 146-473-562, issued by the Bureau of Internal Revenue (BIR) as his competent evidence of identity.

Doc. No. 418;
 Page No. 107;
 Book No. 10;
 Series of 2017.


ATTY. ANGELICA DIANE P. MONTEZA
 NOTARY PUBLIC
 Pasig, Paleros, Taguig & San Juan
 Issued on May 22, 2017 at Pasig City
 until December 31, 2018
 Roll No. 55575
 IBP No. 1061091; 01/10/17; RSM Chapter
 PTR No. 2684878; 01/27/17; Pasig City
 7th Floor, Lopez Bldg., Ortigas Ave., Ang. Uyong, Pasig City



Republic of the Philippines
SANGGUNIANG PANLUNGSOD
City Government of Pasig

ACKNOWLEDGEMENT

This is to acknowledge the receipt of a copy of Manila Electric Company's (MERALCO) verified Application entitled **"IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO: (A) IMPLEMENT THE NEW LOCAL FRANCHISE TAX (LFT) RATE IN THE CITY OF BIÑAN, PROVINCE OF LAGUNA; AND (B) REVOCER THE DIFFERENTIAL LFT FOR 2017 FROM CUSTOMERS IN SAID CITY UNDER THE TAX RECOVERY ADJUSTMENT CHARGE (TRAC) FORMULA, WITH PRAYER FOR PROVISIONAL AUTHORITY,"** with *attached Annexes*, served by MERALCO, prior to its filing with the Energy Regulatory Commission (ERC).

This acknowledgement is being used upon the request of MERALCO for whatever legal intents and purpose it may serve.

Issued this **26th** day of **October 2017** at Pasig City.


REYNALDO R. SAN BUENAVENTURA III
Acting City Council Secretary