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

21 JUL 22 P2:57

RECEIVED BY:

IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO RETIRE THE TANZA SUBSTATION LOCATED AT BARANGAY AMAYA VI, ANTERO SORIANO HIGHWAY, TANZA, CAVITE AND TO WITHDRAW FROM SERVICE CERTAIN EQUIPMENT AND MACHINERY INSTALLED IN SAID SUBSTATION, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. 2021-052 RC
July 19, 2021

MANILA ELECTRIC COMPANY (MERALCO),
Applicant.
x----------x

APPLICATION

Applicant **MANILA ELECTRIC COMPANY** (**MERALCO**), by undersigned counsel, and to this Honorable Commission, most respectfully avers that:

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, Barangay Ugong, 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 Tanza 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 Tanza Substation is located at Barangay Amaya VI, Antero Soriano Highway, Tanza, Cavite. The substation has one (1) 5 MVA and one (1) 12.5 MVA, 34.5 kV -13.8 kV power transformer banks. The substation is installed on a lot owned by MERALCO.

6. Tanza Substation is one of the oldest MERALCO odd voltage substations (with voltage other than 34.5 kV) and has been in service for more than twenty-nine (29) 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/34.5 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 Tanza Substation and withdraw from service the equipment and machinery installed therein in line with the said program.

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

"1.7.1 **AUTHORIZED EQUIPMENT**

x x x

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."

9. With the retirement of the Tanza Substation, the 13.8 kV loads will be transferred to the 34.5 kV circuit TMC II 426WA. The transfer of said loads will eliminate the redundant 34.5 kV-13.8 kV step-down stage. Accordingly, there will be no impact to the customers currently being served by the Tanza Substation.

10. The retirement of the said power transformer banks and the complete conversion to 34.5 kV of the circuit in the Tanza Substation, will result in technical system loss reduction of approximately 54,940 KWHR annually.

11. Currently, the equipment at Tanza 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 and others will be withdrawn from service. The total amount of equipment and machinery that will be withdrawn from service is **Three Million Two Hundred Sixty-Six Thousand Thirty-One Pesos and Fourteen Centavos (PhP 3,266,031.14).**

12. In further support of the Application, attached hereto are the following documents:

a. **Annex "A"** – Schematic Diagram showing the exact location of Tanza Substation and pictures thereof;
b. **Annex "B"** – Detailed List of Equipment and Machinery to be re-used and/or retired in Tanza 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

13. The issuance of Provisional Authority is warranted under the circumstances considering that there is no reason to continue energizing the Tanza Substation as the loads thereof may be transferred to adjacent source circuits. More importantly, the conversion of the loads of Tanza 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 Tanza 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, it is likewise prayed that a Provisional Authority and/or Interim Relief be issued in favor of the Applicant.

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

Pasig City, 16 June 2021.

MANILA ELECTRIC COMPANY
Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City

By:

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IBP No. 145337; 01/08/2021; RSM
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IBP No. 145332; 01/08/2021; RSM
MCLE Compliance No. VI-0007787; 6 April 2018

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IBP Lifetime No. 011798
MCLE Compliance No. VII-0001112; 17 October 2019

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Email: regaffairs@meralco.com.ph

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

VERIFICATION and CERTIFICATION OF NON-FORUM SHOPPING

I, **JOSE RONALD V. VALLES**, of legal age, married, and with office address at Manila Electric Company (MERALCO), 12th Floor, Lopez Building, MERALCO Center, Ortigas Avenue, Barangay Ugong, Pasig City, hereby state under oath that:

1. I am the First Vice-President and Head of the Regulatory Management Office of Manila Electric Company, and is authorized to represent it in this Application as per the attached Secretary's Certificate (**Annex "E"**);

2. I have caused the preparation of the instant Application and read the contents thereof, and I attest that the allegations herein contained are true and correct based on my personal knowledge and on authentic records made available to me;

3. The Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

4. The factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

5. I have not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein; and

6. Should I hereinafter learn that the same or a similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, I shall report said fact within five (5) days from discovery thereof to this Honorable Commission.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 16th day of June 2021 at Pasig City, Philippines.

JOSE RONALD V. VALLES
Affiant

JUN 18 2021

SUBSCRIBED and SWORN to before me this __th day of ____ 2021, at Pasig City, Philippines, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 252;
Page No. 52;
Book No. V;
Series of 2021.

ATTY. EVELYN C. DE LOS SANTOS
NOTARY PUBLIC
Appointment No. 102 (2019-2020)
Pasig, San Juan and Pateros
Issued on 18 February 2019 at Pasig City
valid until 30 June 2021, as granted
by Bar Matter No. 3795
Roll No. 54977; IBP No. 145331; 1-08-21; RSM Chapter
PTR No. 7236621; 1-08-21; Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City

ANNEX "E"

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

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 September 28, 2020, at which meeting a quorum was present, acted throughout and voted, the following resolution amending the resolution of the Board on June 24, 2019 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, RAY C. ESPINOSA, President and Chief Executive Officer, SIMEON KEN R. FERRER, Corporate Secretary, ROBERTO R. ALMAZORA, Senior Vice President, RONNIE L. APEROCHO, Senior Vice President & Head, Networks, WILLIAM S. PAMINTUAN, Senior Vice President, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Corporate Governance, FERDINAND O. GELUZ, First Vice President and Chief Commercial Officer, EDGARDO V. CARASIG, First Vice President & Head, Human Resources & Corporate Services, MARIA LUISA V. ALVENDIA, First Vice President & Officer-In-Charge, Supply Chain Management, JOSE RONALD V. VALLES, First Vice President and Head, Regulatory Management Office, BENJAMIN U. CUSI, Vice President & Head, Facilities, Security and General Services, MARIA ZARAH R. VILLANUEVA-CASTRO, Vice President & Head, Corporate Legal Services, RAUL G. CORALDE, Assistant Vice President & Head, Litigation Services, MICHELLE O. DELOS SANTOS-BONA, Assistant Vice President & Head, Legal Operations Support, CRISTOPHER B. ARPON, Legal Counsel & Head, Litigation Team 1, CORNELIO MANUEL III C. DICCION, Manager & Head, Litigation Team 2, EUGENE JUDE DENIS GERARD E. ALABANZA, Senior Manager & Head, Tax & Labor Litigation, 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, entitled "IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO RETIRE THE TANZA SUBSTATION LOCATED AT BARANGAY AMAYA VI, ANTERO SORIANO HIGHWAY, TANZA, CAVITE AND TO WITHDRAW FROM SERVICE CERTAIN EQUIPMENT AND MACHINERY INSTALLED IN SAID SUBSTATION, WITH PRAYER FOR PROVISIONAL AUTHORITY, and that Jose Ronald V. Valles, First Vice President and Head of Regulatory Management Office, is an authorized representative and signatory of the Company with respect to the aforesaid Application.

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this MAY 31 2021 day of May 2021.

WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 31 2021 day of May 2021, 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. 284;
Page No. 58;
Book No. IV;
Series of 2021.

ATTY. RAYMOND B. YAP
NOTARY PUBLIC
Appointment No. 104 (2019-2020)
Pasig, San Juan and Pateros
Issued on 11 February 2019 at Pasig City
valid until 30 June 2021, as granted
By Bar Matter No. 3795
Roll No. 55889; IBP No. 145333; 1-08-21; Caplz
PTR No. 7236625; 1-08-21; Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City

VERIFIED DECLARATION

I, **MARY GRACE M. DEVARAS**, of legal age, Filipino, with office address at the 7th floor, Lopez Building, Ortigas Avenue, Pasig City, after having duly sworn in accordance with law, hereby depose and state:

1. I am one of the Dedicated Liaison Officers of Manila Electric Company (MERALCO) as stated under the Certificate of Registration ER No. 2021-0294-1 issued by the Energy Regulatory Commission (ERC). As such, I am one of the duly authorized representatives to undertake the pre-filing process with respect to the application to be pre-filed by MERALCO for the retirement of the Tanza substation.

2. I hereby declare that, in compliance with ERC Resolution No. 9, Series of 2020, the documents submitted by MERALCO electronically as part of the virtual pre-filing process are complete and true copies of the original documents.

IN WITNESS WHEREOF, I hereby affix my signature this day of JUN 22 2021 day of June 2021.

MARY GRACE M. DEVARAS

JUN 22 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2021 at PASIG CITY City, Philippines, affiant exhibiting to me the following competent evidence of her identity: SSS ID with no. 3371309592, bearing her signature and photograph.

Doc. No. 430;
Page No. 87;
Book No. I;
Series of 2021.

ATTY. MA. CRISTINA S. ELORIAGA
NOTARY PUBLIC
Appointment No. 121 (2020-2021)
Pasig, San Juan and Pateros
Issued on 24 February 2020 at Pasig City
Roll No. 73497; IBP No. 145330; 1-08-21, Quezon City
PTR No. 7236623; 1-08-21, Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City