Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

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

MANILA ELECTRIC COMPANY (MERALCO),
Applicant.
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Promulgated:
August 27, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 19 July 2021, Manila Electric Company (MERALCO) filed an *Application* dated 16 June 2021 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.

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, 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**

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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."

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 conversions 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.
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> 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.
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> 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 09, Series of 2020,[2] 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
26 October 2021 (Tuesday) at nine o'clock in the morning (9:00 AM)	**Microsoft Teams Application**	Determination of compliance with the jurisdictional requirements and Expository Presentation
03 November 2021 (Wednesday) at nine o'clock in the morning (9:00 AM)		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 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.

Moreover, any person who has 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

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[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.

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 virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, 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 16th day of August 2021 in Pasig City.

AGNES VST DEVANADERA
Chairperson and CEO

LS: THH/ARG/MCCG