

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

IN THE MATTER OF THE
 APPLICATION FOR THE
 APPROVAL OF THE MERALCO
 PROJECTS IN CONNECTION
 WITH THE IMPLEMENTATION OF
 VARIOUS BBB PROJECTS OF
 THE DEPARTMENT OF
 TRANSPORTATION (DOTr),

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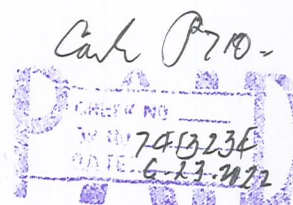
ERC
 ENERGY REGULATORY COMMISSION
 DOCKET / RECORDS

ERC CASE NO. 2022- 049-RC

**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, 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. 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 pursuant to Republic Act No. 9209, and is authorized to charge all its customers for their electric consumption at the rates duly approved by the Honorable Commission.

3. On 12 December 2019, MERALCO filed an application for the approval of its various Contingency Capital Projects, docketed as ERC Case No. 2019-090 RC, to relocate its existing electrical sub-transmission and distribution facilities, which include wires, transformers, poles, and other appurtenances in Metro Manila and the provinces of Bulacan and parts of Batangas, Laguna, Quezon and Pampanga that will be affected by the following projects of the

Department of Transportation ("DOTr Projects", for brevity) under the Build Build Build Program ("BBB Program") of the Duterte Administration:

- a. Common Station Project ("CS")
- b. Metro Manila Subway Project – Phase 1 ("MMSP")
- c. North-South Commuter Railway System, composed of:
 - i. Philippine National Railways ("PNR") North 1 (Tutuban-Malolos) ("PNR N1")
 - ii. PNR North 2 (Malolos-Clark) ("PNR N2")
 - iii. PNR South Commuter (Solis-Calamba) ("PNR SC")
- d. PNR South Long Haul (Manila-Sorsogon, Batangas) ("PNR SLH")

4. On 29 April 2022, MERALCO electronically received a copy of the Decision dated 10 November 2021 (promulgated 29 April 2022), which partially approved MERALCO's Application in ERC Case No. 2019-090RC, to wit:

"WHEREFORE, the foregoing premises considered, the application filed by the Manila Electric Company (MERALCO) for approval of its Contingency CAPEX project is hereby **RESOLVED** as follows:

1. MERALCO's Relocation Project of its electrical facilities in connection with the implementation of various Build, Build, Build (BBB) Projects of the DOTr is hereby **APPROVED**, provided that the cost for the relocation in the amount of Nine Billion Nine Hundred Seventy One Million Three Hundred Forty-Seven Thousand Seven Hundred Eighty-Seven Pesos and Twenty-Five Centavos (PhP9,971,347,787.25) shall be treated and recorded as Contribution in Aid of Construction (CIAC), hence, this shall not be recovered/capitalized under the account of MERALCO; and

2. The Expansion Project of MERALCO of its distribution system in line with this *Application* in the amount of Four Billion Two Hundred Thirty-Nine Million Three Hundred Forty-One Thousand Five Hundred Seventy-Nine Pesos and Thirteen Centavos (PhP4,239,341,579.13) is hereby **DISAPPROVED** without prejudice to re-filing. The *Applicant* is directed to re-file the subject project within 30 days from receipt hereof.

FINALLY, this *Decision* is without prejudice to any administrative action that the Commission may undertake for MERALCO's violation of Section 3.6 of ERC Resolution No. 26, Series of 2009.

SO ORDERED."

5. While the MERALCO Projects were initially disapproved in the Decision, the Honorable Commission saw the importance of the projects in addressing the identified issues, based on the assessment of the necessity of the projects in the distribution system. Hence, the implementation of the MERALCO Projects needs to be pursued.

6. As such, as directed in the said Decision, Applicant hereby refiles the MERALCO Projects which must be implemented together with the relocation of the affected facilities to be able to take full advantage of the excavation activities that already include the civil works needed for reliability and future load growth requirements of MERALCO. The estimated total cost of the MERALCO Projects to be shouldered by Applicant which shall form part of its Capital Expenditure ("CAPEX") Program is shown in the following table:

Project Name	Estimated Cost
PNR North 1	502,132,477
PNR North 2	127,464,398
PNR South Commuter	421,018,769
PNR South Long Haul	1,293,956,768
TOTAL, in PhP	2,344,572,412

7. More particularly, the implementation of the foregoing MERALCO Projects, i.e., the construction of underground distribution facilities to address the reliability and load-growth requirements simultaneous with the implementation of the DOTr relocation projects, are necessary to avert the following unnecessary but potential consequences:

7.1 MERALCO may no longer be able to secure rights-of-way (ROW) and work permits from PNR if it defers implementation of its reliability and load growth requirements after the railway system is already operational. This will cause disruption in the operations of the railway project, and more importantly excavations near the project will not be permitted;

7.2 Additional costs due to the separate mobilization/demobilization activities, separate staging (manholes, pedestals), longer HDD length to clear from existing underground (UG) facilities, etc., when the railway system is already operational;

7.3 There will be multiple planned power interruptions due to construction of additional UG civil works that will affect existing overhead facilities thus affecting MERALCO customers in the affected areas;

7.4 Inconveniences to the general public due to road closure, traffic congestion and minimize impact to other public utilities (water lines, telecoms, cable services); and

7.5 Non-implementation of these civil works projects could cause delay in the implementation of system requirement projects intended to improve the reliability of the distribution system for the benefit of the customers as well as the connection of new customer applications in the affected areas. It is well to note that the system requirement projects are intended to meet the forecasted peak demand, serve the power of both existing and future customers adequately, relieve critical loading of feeders, and address contingency problems, all for the purpose of maintaining a high level of safety, power quality, efficiency, and system reliability of MERALCO's distribution network system.

PROJECT SUMMARY

8. The instant Application covers MERALCO Projects that will be implemented together with the relocation of the electric facilities that will be affected by the DOTr Projects.

9. It is necessary that the construction and implementation of the MERALCO Projects follow the schedule of the relocation of the affected facilities, and that both be completed within their respective target dates to avoid unnecessary costs and resources and ensure that the implementation of both the relocation of the Affected Facilities and the MERALCO Projects is economically viable and optimal.

10. The MERALCO Projects will involve the following latest scope pursuant to the various coordination meetings conducted by

MERALCO and DOTr; particularly, the changes in the alignment and crossings as well as the number of facilities that will be affected:

PNR North 1

Count of crossing locations	Count of Horizontal Direction Drilling (HDD) Assembly	Total Cost, in PhP
45	130	502,132,477

A total of forty-five (45) locations of railway crossings covering the stretch of PNR North 1 were identified by MERALCO, wherein one hundred thirty (130) HDD assemblies are planned to be installed as provision for MERALCO's load growth.

PNR North 2

Count of crossing locations	Count of HDD Assembly	Total Cost, in PhP
16	33	127,464,398

A total of sixteen (16) locations of railway crossings covering the stretch of PNR North 2 were identified by MERALCO, wherein thirty-three (33) HDD assemblies are planned to be installed as provision for MERALCO's load growth.

PNR South Commuter

Count of crossing locations	Count of HDD Assembly	Total Cost, in PhP
74	109	421,018,769

A total of seventy-four (74) locations of railway crossings covering the stretch of PNR South Commuter were identified by MERALCO, wherein one hundred nine (109) HDD assemblies are planned to be installed as provision for MERALCO's load growth.

PNR South Long Haul

Count of crossing locations	Count of HDD Assembly	Total Cost, in PhP
284	335	1,293,956,768

A total of two hundred eighty-four (284) locations of railway crossings covering the stretch of PNR South Long Haul were identified by MERALCO, wherein three hundred thirty-five (335) HDD assemblies are planned to be installed as provision for MERALCO's load growth.

11. It is submitted that the total number of Applicant’s facilities that will be affected by the implementation of the DOTr Projects could still vary pending their completion.

12. Similar to the DOTr Projects, these MERALCO Projects shall be implemented in phases simultaneous with the implementation of underground civil works in preparation for the relocation of MERALCO’s existing facilities. Thereafter, Applicant shall permanently install electrical facilities to either spaces with corresponding rights-of-way (“ROW”) to be provided by the Philippine National Railways (“PNR”).

13. The implementation of these MERALCO Projects involve the concurrent construction of underground conduits, using HDD and power cables as prescribed by DOTr, together with the implementation of the relocation of the sub-transmission and distribution facilities of MERALCO that will be affected by the construction of various DOTr infrastructure projects.

14. Notably, the agreements between MERALCO and the DOTr were contained in the Memorandum of Agreement (“MOA”) executed on 07 May 2019, which sets out their respective rights and obligations, including the payment arrangement for the cost of relocation. A copy of the MOA is attached hereto as **Annex “A”**.

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

Annex	Description
“B”	Project Description of the MERALCO Projects, including the justification for the Projects in more detail, the various options considered by Applicant, project diagrams, Project timelines, and the cost estimate for the Projects.
“C”	Judicial Affidavit of Engr. Remigio R. Angeles, Jr., Manager of Applicant’s Distribution Services Asset Management (DSAM) Office

PRAYER

WHEREFORE, it is most respectfully prayed to this Honorable Commission that the instant application for Authority to implement the

MERALCO Projects, in relation to the relocation of its electrical facilities that will be affected by the implementation of various DOTr Projects, be **APPROVED** and that CAPEX to be put in service be recovered in the distribution rates of the next regulatory period.

Pending hearing, MERALCO shall continue to recognize and implement the various projects as contingency projects to align with the implementation schedule of the DOTR projects.

Applicant MERALCO prays for such other relief as are deemed just and equitable under the premises.

Pasig City, 09 June 2022.

MANILA ELECTRIC COMPANY

Applicant

By:



FRANCIS DINO S. ANTONIO

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PTR No. 8131470; 01/06/2022; Pasig City

IBP No. 179335; 01/21/2022; RSM

MCLE Compliance No. VII-0001788; 02 December 2019



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IBP No. 06460(LIFETIME); 01/16/07; QC

MCLE Compliance No. VII-0001116; 17 October 2019



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MCLE Compliance No. VII-0001098; 17 October 2019

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IBP No. 179340; 01/21/2022; RSM

MCLE Compliance No. VII-0003269; Valid until 14 April 2025

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Ortigas Avenue, Barangay Ugong, Pasig City

Tel no. 1622-2260; Fax No: 1622-3550

Email: regaffairs@meralco.com.ph

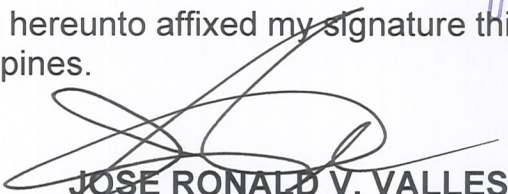
Republic of the Philippines)
Pasig City) S.S.

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 MERALCO, and is authorized to represent it in this Application as per the attached Secretary's Certificate (**Annex "D"**);
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 09 JUN 2022 day of _____ 2022 at Pasig City, Philippines.


JOSE RONALD V. VALLES
Affiant

09 JUN 2022

SUBSCRIBED and SWORN to before me this ____th day of _____ 2022, at Pasig City, Philippines, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 104;
Page No. 38;
Book No. IV;
Series of 2022.

MA. ELISHA S. ELORIAGA
NOTARY PUBLIC
Appointment No. 121 (2020-2024)
(valid until 30 June 2022, as granted
by Bar Matter No. 3795)
Pasig, San Juan and Pateros
Issued on 24 February 2020 at Pasig City
Roll of Attorneys No. 73497
IBP No. 179342; 01/21/2022; Quezon City
PTR No. 8131477; 01/06/2022; Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

ANNEX “ 0 ”

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 Organizational meeting of the Board of Directors of the Company duly convened and held on May 25, 2021, at which meeting a quorum was present, acted throughout and voted, the following resolution amending the resolution of the Board on September 28, 2020 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 and Supply Chain Management Advisor, JOSE RONALD V. VALLES, First Vice President and Head, Regulatory Management Office, MARIA ZARAH R. VILLANUEVA-CASTRO, Vice President & Head, Corporate Legal Services, MICHELLE O. DELOS SANTOS-BONA, Assistant Vice President & Head, Legal Operations Support, CRISTOPHER B. ARPON Head, Litigation Services, CORNELIO MANUEL III C. DICCION, Head, Litigation Team 2, SHEILA MARIE C. GRANADOS, Head, Litigation Team 1, and any lawyer or employee of MERALCO and/or other external counsels and law firms 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 THE APPROVAL OF THE MERALCO PROJECTS IN CONNECTION WITH THE IMPLEMENTATION OF VARIOUS BBB PROJECTS OF THE DEPARTMENT OF TRANSPORTATION (DOTr)," 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 _____ day of May 2022.

26 MAY 2022

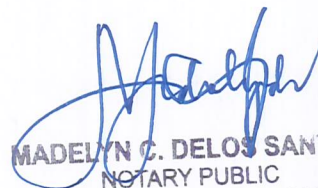


WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

26 MAY 2022

SUBSCRIBED AND SWORN to before me this _____ day of May 2022, 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. 100;
Page No. 21;
Book No. VI;
Series of 2022.



MADELYN C. DELOS SANTO
NOTARY PUBLIC

Appointment No. 102 (2019-2020)
(valid until 30 June 2022, as granted
by Bar Matter No. 3795)
Pasig, San Juan and Pateros
Issued on 18 February 2019 at Pasig City
Roll of Attorneys No. 64977
IBP No. 179341; 01/21/2022; RSM
PTR No. 8131479; 01/06/2022; Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City

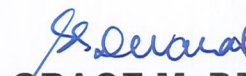
VERIFIED DECLARATION

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 approval of the MERALCO's projects in connection with the implementation of various BBB Projects of the Department of Transportation (DOTr).

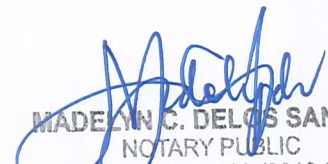
2. I hereby declare that, in compliance with ERC Resolution No. 9, Series of 2020, the documents submitted by MERALCO electronically as part of the virtual pre-filing process are complete and true copies of the original documents.

IN WITNESS WHEREOF, I hereby affix my signature ^{JUN 27 2022} this day of ____ day of June 2022.


MARY GRACE M. DEVARAS

SUBSCRIBED AND SWORN to before me this ^{JUN 27 2022} ____ day of ____ 2022 at **PASIG CITY** City, Philippines, affiant exhibiting to me the following competent evidence of her identity: TIN ID with no. 240-883-707-000, bearing her signature and photograph.

Doc. No. 227;
Page No. 47;
Book No. VI;
Series of 2022.


MADELYN C. DELOS SANTOS
NOTARY PUBLIC
Appointment No. 102 (2019-2020)
(valid until 30 June 2022, as granted
by Bar Matter No. 3795)
Pasig, San Juan and Pateros
Issued on 18 February 2019 at Pasig City
Roll of Attorneys No. 64977
IBP No. 179341; 01/21/2022; RSM
PTR No. 8131479; 01/06/2022; Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City