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Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, 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

RECEIVED
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ERC

**MANILA ELECTRIC COMPANY
(MERALCO),**

Applicant.

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Enl 91,414-
P
NO. 0019243
DATE 10-19-2021
A

2021-085-RC

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 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 oldest 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/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 Binondo Substation and withdraw from service the equipment and machinery installed therein in line with the said program.

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. 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 (**PhP 4,151,448.77**).

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.

Pasig City, 27 September 2021.

MANILA ELECTRIC COMPANY

Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City

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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 ____ day of ____ 2021 at Pasig City, Philippines.

JOSE RONALD V. VALLES
Affiant

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. 301;
Page No. 62;
Book No. 4;
Series of 2021.

27 SEP 2021
27 SEP 2021
ATTY. MADEIRA C. DELOS SANTOS
NOTARY PUBLIC
Appointment No. 102 (2019-2020)
Pasig, San Juan and Pateros
Issued on 18 February 2019 at Pasig City
valid until 31 December 2021, as granted
by Bar Matter No. 3795
Roll No. 64977; IBP No. 145331; 1-08-21; RSM Chapter
PTR No. 7236621; 1-08-21. Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City

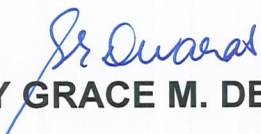
VERIFIED DECLARATION

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 Binondo Substation.

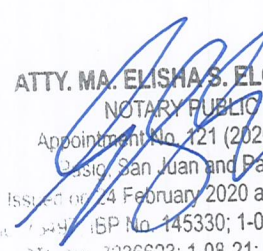
2. I hereby declare that, in compliance with ERC Resolution No. 9, Series of 2020, the documents submitted by MERALCO electronically as part of the virtual pre-filing process are complete and true copies of the original documents.

IN WITNESS WHEREOF, I hereby affix my signature this day of 26 OCT 2021 day of October 2021.


MARY GRACE M. DEVARAS

SUBSCRIBED AND SWORN to before me this 26 OCT 2021 day of 26 2021 at Pasig 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. 442
Page No. 90
Book No. II
Series of 2021.


ATTY. MA. ELISHA S. FLORIAGA
NOTARY PUBLIC

Appointment No. 721 (2020-2021)
Office: San Juan and Pateros
Issued on 24 February 2020 at Pasig City
P.T. No. 145330; 1-08-21; Quezon City
P.T. No. 7236623; 1-08-21; Pasig City
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City