

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
Exquadra Tower, Ortigas Center, Pasig City

IN THE MATTER OF THE
PETITION TO INITIATE RULE-
MAKING FOR THE
AMENDMENT OF THE
PROCUREMENT GUIDELINES
FOR THE REGULATED
TRANSMISSION AND
DISTRIBUTION ASSETS OF
REGULATED UTILITIES
ADOPTED UNDER ERC
RESOLUTION NO. 8, SERIES
OF 2023,

RECEIVED BY

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ERC Case No. 2024-005 RM

August 08, 2024

PRIVATE ELECTRIC POWER
OPERATORS ASSOCIATION
(PEPOA) AND MANILA
ELECTRIC COMPANY
(MERALCO),

Petitioners.

X-----X

JOINT PETITION FOR RULE-MAKING

Petitioners **Private Electric Power Operators Association ("PEPOA")** and **Manila Electric Company ("MERALCO")**, by counsel, respectfully state that:

1. This Petition is being filed to amend certain provisions in the Procurement Guidelines for the Regulated Transmission and Distribution Assets of Regulated Utilities" (the "Guidelines") adopted under ERC Resolution No. 8, Series of 2023, entitled: "A Resolution Adopting the Procurement Guidelines for the Regulated Transmission and Distribution Assets of Regulated Utilities" (the "Resolution").

2. Petitioner PEPOA is an association of privately-owned Distribution Utilities ("DUs") all over the Philippines, represented by its President, Atty. Ranulfo Ocampo, with office address at 8/F Strata 100, F. Ortigas Jr. Road, Ortigas Center, Pasig City. This Petition stems from the interest of its members who are DUs directly affected by the provisions in said Resolution.

3. Petitioner MERALCO is a 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. MERALCO 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, Laguna, Quezon and Pampanga, pursuant to Republic Act No. 9209. As a DU, it stands to be directly affected by the provisions in said Resolution.

4. The Parties may be served with notices and other processes of this Honorable Commission through their respective counsels indicated herein.

5. This Petition is being filed in accordance with said directives and Rule 21 of the Revised Rules of Practice and Procedure.¹

DISCUSSION ON PROPOSED AMENDMENTS

The Guidelines should not be applicable for distribution utilities which have filed already their Capital Expenditure (CAPEX) and/or regulatory reset applications with the Honorable Commission.

6. In promulgating the Guidelines, the Honorable Commission relied on Section 43(f)(v) of Republic Act No. 9136. However, a careful reading thereof provides that said section is only applicable when the rate setting methodology used is Return on Rate Base (RORB).

7. Under Performance-Based Regulation ("PBR"), DUs have been given a forecasted budget in the form of the Annual Revenue Requirement which they must manage prudently. Thus, applying the Guidelines to Regulated Entities under PBR would be tantamount to micromanagement and duplicates existing regulations. It is proposed that a private DU should be exempted from the Guidelines when they file an application for their CAPEX programs and/or the regulatory reset applications, because these are existing processes that mirror the purpose of the submission of the procurement plan and its implementation under the Guidelines. As such, Section 1.3.1 of the Guidelines should be amended as follows:

"1.3.1 These Guidelines shall only apply to privately owned regulated transmission and distribution utilities for procurement of assets and services forming part of the regulatory asset base or

¹ Energy Regulatory Commission Resolution No. 01, Series of 2021, Revised Rules of Practice and Procedure of the Energy Regulatory Commission, Rule 21.

OPEX of the DUs or the NGCP that have not filed their CAPEX applications and/or their regulatory reset applications with the Honorable Commission. ~~for procurement of assets and services forming part of the regulatory asset base or OPEX of the DUs or the NGCP, in accordance with RDWR or the RTWR, respectively, and other pertinent laws, rules and regulations of the Commission. These Guidelines shall not be applicable for the procurement of power supply by the DUs."~~

There is a need for transitory provisions to provide Regulated Entities sufficient time to fully implement the Guidelines.

8. The Guidelines became effective on 4 August 2023. Unfortunately, while the Resolution included a provision providing Regulated Entities twelve (12) months from effectivity thereof within which to put up its e-Procurement facilities² and Procurement Management Information System,³ there was no transition period provided in the Guidelines to allow transition of DUs' current processes to adopt to the requirements of the Procurement Guidelines. Hence, a new transitory provision is proposed as follows:

"1.4. Transitory Provisions

All ongoing procurements that commenced prior to the effectivity of the amended Guidelines may proceed in accordance with the Regulated Entities' existing procurement processes; Provided that such procurement process must be completed within one (1) year from the effectivity of the amended Guidelines. Otherwise, the procurement process should comply with the provisions of the amended Guidelines."

The submission of the Annual Asset Procurement Plan ("Plan") should be moved to every 30th of November to align with the Regulated Entities' budgeting process.

9. Section 2.2.2 of the Guidelines provides for the submission of the Plan to the Honorable Commission by 30th June of each year. However, the submission of the Plan should be aligned with the budget approval process of the Regulated Entities. It is proposed that Section 2.2.2 of the Guidelines be amended as follows:

"2.2.2. Accordingly, Regulated Entities shall prepare an Annual Asset Procurement Plan for the year and submit the same to ERC by the 30th ~~June~~ **November of each year. For instance, Regulated Entities shall submit their respective Annual Asset**

² Procurement Guidelines, Section 2.5.1.

³ *Ibid.*, Section 2.3.2.

Procurement Plan covering the period from 01 January 2024 to 31 December 2024, by 30th ~~June~~ November 2023."

Procurement by lot or item should be recognized as a legitimate and competitive bidding process.

10. The procurement of goods for DUs involve acquisition of technical and/or specialized equipment and a significant volume is needed.⁴ There is a need to expand the supplier base to ensure the steady and continuous supply thereof as, at other times, no single supplier can provide the needed quantity by a prescribed deadline.

11. As such, to be able to expressly recognize procurement by lot/item, the Guidelines are proposed to be revised as follows:

"3.1.7. The Bid Documents shall clearly specify the following:

x x x

b. Minimum quantity to be procured or the number of lots or items specific to the bidding, as well as the basis of evaluation of the project, lots, or items, where applicable;"

Regulated Entities should be allowed to adopt procurement strategies.

12. Regulated Entities should be allowed to implement procurement strategies that are aligned with the Guidelines, which include, among others, the mode it will avail for such procurements, and the workflow or processes involved in such procurement based on the asset or service to be procured. As such, the Guidelines should include a new definition of procurement strategies under the Guidelines' Glossary as follows:

"Procurement Strategies" refer to the Regulated Entity's strategy in procuring the assets or services, the mode it will avail for such procurements, and the workflow or processes involved in such procurement."

13. Section 2.1 of the Guidelines should be revised as follows:

"2.1. Procurement Manual

x x x

⁴ One notable example is the supply of electric watt-hour meters. For some electric meter models, it is recommended that awards are made to at least two (2) vendors to address possible supply chain challenges. Electric meters are considered a critical item which DUs should have readily available stock at any given time.

ii. Modes of Procurement

- a. Procurement modes along with conditions for their applicability/use **including the Procurement Strategies to be implemented by the Regulated Entity based on the asset or service to be procured;**"

Procurement below PhP1 million should be exempted from competitive bidding.

14. The significant time, money and resources involved for the conduct of a competitive bidding process under the Guidelines would not be economically viable for the procurement of smaller value items, and thus should be exempt from the same.⁵

15. Petitioners estimate that the initial reasonable threshold is when the value of the asset or service to be procured is One Million Pesos (PhP1,000,000.00). In line with this, Section 3.1.1. of the Guidelines be amended for these instances:

"3.1.1. Procurement of assets, at all times, shall be through Competitive Bidding, except when otherwise provided under Section 3.2 of these Guidelines, **or for procurements of assets and services below One Million Pesos (PhP 1,000,000.00). The threshold shall be revised annually based on the Consumer Price Index.**"

The issuance of the Bid Documents should only be made upon payment of the applicable fees therefor.

16. Section 3.1.6 of the Guidelines provides that fees for the purchase of the Bid Documents should be made payable at the time of Bid Submission. However, this would open up the bidding process to persons or entities who have no intention to seriously participate in the bidding. As such, the Bid Documents should only be provided to potential bidders who have paid for the cost thereof. Section 3.1.6 of the Guidelines should thus be amended as follows:

"3.1.6 The value of fees set by the Procuring Entity, for the purchase of Bid Documents by potential Bidder(s), shall not exceed 0.1% of the approved Budget for a given Procurement **and shall be payable at the time of Bid submission.** Bid Documents shall be made available to all prospective Bidders **who have paid the bid document fee and have submitted a letter of intent to join the bidding.**"

⁵ Examples of these small value procurements would include purchase of computers, line hardware, office (e.g., shredders, printers, photocopiers and projectors) and janitorial supplies, small construction material purchases, among others.

Regulated entities should not be made to disclose the project budget in the Bid Documents.

17. Section 3.1.7 (c) of the Guidelines provides that the Bid Document shall specify, among other things, the Regulated Entities' Budget or Estimated Cost for the asset or expenditure for procurement. However, by already indicating or disclosing the Regulated Entities' Budget or Estimated Cost in the Bidding Documents, the pricing and bidding behavior of potential Bidders may be affected and may lead to the competitive bidding process not yielding the most optimal results. Given this, Section 3.1.7 of the Guidelines is proposed to be revised by deleting item (c) as follows:

"3.1.7 The Bid Documents shall clearly specify the following:

- a. x x x ;
- b. x x x ;
- ~~c. Budget or Estimated Cost;~~
- ~~c.d.~~ Bid security requirement;"

Regulated Entities should be allowed to adjust their budget or estimated costs as necessitated by circumstances.

18. Regulated Entities are required to submit their Annual Asset Procurement Plan which shall cover, among other things, the budgetary cost of each proposed Procurement pursuant to Section 2.2.4 (c) of the Guidelines. Aligned therewith, the Monitoring Report provides that Regulated Entities should indicate the "Budgeted amount as per Annual Asset Procurement Plan (if any)".

19. In order to adjust to market factors, it is recommended that adjustments to the Budget or Estimated Cost should be allowed, subject to justifications that will be included in the Monitoring Report. Furthermore, it is proposed that the Budget or Estimated Cost in the Annual Asset Procurement Plan be submitted and treated as confidential information to ensure the most competitive prices. Thus, new Sections 2.2.4 (c) and 5.3.3 of the Guidelines are proposed as follows:

"2.2.4. The Annual Asset Procurement Plan shall cover:

x x x x

- c. Estimated budgetary cost of each proposed Procurement, which shall be subject to confidential treatment of information;

"5.3. Cost estimation and budget

x x x

5.3.3. The Regulated Entity may make reasonable and justified adjustments to the Budget provided that an explanation is included in the Monitoring Report.”

Regulated Entities should be allowed to undertake Repeat Orders within two (2) years from the end of the contract.

20. Repeat Orders are an accepted alternative mode of procurement which can protect the procuring entity from price fluctuations and help mitigate the risk of budget discrepancies due to unforeseen market changes while ensuring continuity of operations for distribution utilities.

21. The advantages of repeat orders become more flexible when the period is not limited to one (1) year from the termination of the contract. As such, it is proposed that repeat orders be allowed within two (2) years from the end of the original Contract, as follows:

“3.2. Alternative modes of procurement

x x x

Sl.	Mode of Procurement	Boundaries/conditions of Procurement
2.	Repeat order: Procurement of assets from a previously selected Bidder, awarded through Competitive Bidding.	<ul style="list-style-type: none">• x x x• x x x• Shall be availed only within one (1) two (2) years from the end of the original Contract.• x x x

The procurement for professional services and technology and network-driven projects should be allowed based on a quality and cost-based process.

22. By way of exception, Section 3.1.13 of the Guidelines acknowledges that procurements related to professional services (capitalized as an asset) may be sourced through a quality and cost-based selection process.

23. Similarly, given the nature of technology-driven projects (regardless of whether to be capitalized or not),⁶ they should likewise

⁶ Examples of these projects include complex platforms such as the Customer Information/Billing System, Customer Relationship Management (CRM), IT Service Management (ITSM), Advance Distribution Management System (ADMS) and other similar platforms which has thousands of features that present hard to quantify or some unquantifiable advantages in terms of the solution offerings.

be evaluated through a quality-based or quality cost-based evaluation process where the technical expertise apart from the commercial price are allocated a score to determine the best bid. Based on the foregoing, a new paragraph under Section 3.1.13 of the Guidelines is proposed to be included as follows:

“3.1.13. All Procurements shall be done based on the most competitive financial Bid submitted by technically qualified Bidders. However, Procurements related to professional services (capitalized as an asset), a Procuring Entity may exercise the option to adopt a quality, and cost-based selection process wherein the highest rated bidder is identified through a composite score of technical and financial bids.

For Procurements related to other professional services and technology and network driven projects, a quality, and cost-based selection process should be followed wherein the highest rated bidder is identified through a composite score of technical and financial bids.”

The renewal of contract for regular and recurring services should be recognized as an alternative mode of procurement.

24. GPPB Resolution No. 06-2022 dated 12 September 2022 approved the Guidelines on the Renewal of Regular and Recurring Services and recognized the renewal of regular and recurring services⁷ as a legitimate alternative mode of procurement. Thus, a similar recognition should be made for renewal of regular and recurring services under Section 3.2.1 of the Guidelines, as follows:

“3.2. Alternative modes of procurement

x x x

Sl.	Mode of Procurement	Boundaries/conditions of Procurement
4.	<u>Renewal of Regular and Recurring Services:</u> <u>Essential, indispensable, and necessary services to</u>	<ul style="list-style-type: none"> • <u>Contracts are deemed essential, indispensable, or necessary to the day-to-day operations of the Regulated Entity (RE);</u> • <u>Procured repeatedly by the RE in the last three (3) years;</u> • <u>The original contract covering the Regular and Recurring Services was awarded through a</u>

⁷ GPPB Resolution 06-2022 provides that Regular and Recurring Services refer to those: (a) defined under DBM NBC No. 570, s. 2017 and other issuances⁵ that may be issued for the purpose, such as (i) janitorial services; (ii) security services; (iii) telecommunication requirements; (iv) supply of drinking water; and (v) rental of office space, venue, and equipment; (b) which by their nature are deemed essential, indispensable, or necessary to the day-to-day operations of the Procuring Entity (PE); or (c) procured repeatedly by the PE in the last three (3) years.

support the operations of the Regulated Entity or for the enhancement of the welfare of its personnel.	<u>Competitive Bidding Process following the conditions outlined in Clause 3.1.1 to 3.1.14 of the Guidelines;</u> • <u>A Cost-Benefit-Analysis (CBA) was undertaken by to show the comparative advantage of renewal over the conduct of another procurement;</u> • <u>A performance evaluation conducted on the Service Provider showed a satisfactory performance by the Vendor;</u> • <u>The duration of the renewal shall not exceed two (2) years</u>
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The five (5%) percent threshold for alternative modes of procurement should be relaxed for proprietary or single source procurement.

25. Section 3.2 of the Guidelines provides a 5% limit on procurements that can be made under alternative modes. However, DUs frequently engage in single-source procurement or repeat orders because many of their existing assets are proprietary⁸ in nature or require single-source procurement⁹ due to the highly specialized types of equipment where only a few suppliers or specified brands are available.

26. Section 3.2.2. of the Guidelines is proposed to be amended as follows:

“3.2.2. Total value of Procurements made through alternative modes shall not exceed five (5%) percent of the total value (in Pesos) of all Procurements done in the previous year.
NOTWITHSTANDING THE FOREGOING, THE THRESHOLD DOES NOT APPLY FOR:

- a. **Proprietary, Exclusive and Negotiated/Single Source Requirements;**
- b. **Land and Right of Way Acquisitions and Office Rentals;**
- c. **Fees for Legal Services;**
- d. **Tax Advisors;**
- e. **Professional Fees for Lineman Trainers;**
- f. **Media and Advertising Services / Information and Education Campaigns;**
- g. **Audit and Appraisal Fees;**

⁸ Proprietary requirements are those which can only be obtained from a proprietary source, i.e., when patents, trade secrets and copyrights prohibit others from manufacturing the same item.

⁹ Single-source requirements are those items where only one vendor passed the technical evaluation or have approved samples (SF6 Gas, Fired Wedge Connectors with Cartridges, Intelligent Electronic Device (IED) Meters), or only one factory is accredited to supply the requirement since other vendors are either inactive or have pending issues on previously supplied items (115 kV GIS, Power Circuit Breakers, 34.5 kV Indoor Modular GIS). Equipment such as power transformers, switchgears, power circuit breakers, and other substation equipment, among others, which have asset lives ranging from twenty-five (25) to forty (40) years, include associated systems and platforms which are considered proprietary in nature.

- h. Appraisal Fees;
- i. Pilot Projects;
- j. Training;
- k. Purchase of Insurance;
- l. Airfare;
- m. Accommodations;
- n. Payment of Utilities;
- o. Membership and Association Dues;
- p. Advertisements and Placements; and
- q. All other similar expenses

27. In addition, Repeat Orders and Renewal of Regular and Recurring Services, as discussed above, should also be exempted from the 5% cap. A new Section 3.2.4 is therefore proposed:

"3.2.4. Repeat Order and Renewal of Regular and Recurring Services shall also be excluded from the value of procurements done using alternate modes for assessing compliance to Section 3.2.2 of these Guidelines.

Instead of shortlisting, the pre-qualification process should be done through an accreditation process.

28. Shortlisting suppliers is important in ensuring the quality and cost effectiveness of participants during the bidding process. However, the shortlisting of suppliers should be done through an accreditation process instead of during the Competitive Bidding process. In existing DU procurement, part of the technical prequalification is factory assessment which takes some time especially if done outside the country.¹⁰

Hence, shortlisting should be done wherein the DU can evaluate potential suppliers or contractors beyond what they can show on paper via accreditation. As such, the definition of Shortlisting should be amended as follows:

"Shortlisting of Suppliers/Vendors" refers to a process of pre-selecting—pre-qualifying Supplier(s)/Vendor(s), through a Competitive Bidding—an accreditation process, who meet eligibility and technical requirements set under the bidding documents/contract—where the DU invites prospective Vendors/Suppliers to submit an Application to Pre-Qualify with attached Eligibility and Technical requirements. The DU shall approve or disapprove the Vendor's application based on the submitted eligibility and technical requirements and a site visit to the Supplier's/Vendor's Facility. The DU shall invite prospective Suppliers/Vendors for shortlisting every year.

¹⁰ By way of example, the factory capability assessment power transformers is based on CIGRE530.

29. Considering the foregoing, it is respectfully prayed that the amendments as proposed in the instant Application be considered and approved. The proposed amendments, as well as a more detailed discussion on the same, are summarized in the attached Annex "A" and made an integral part hereof.

PRAYER

WHEREFORE, Petitioners PEPOA and MERALCO, respectfully pray that this Honorable Commission issue an Order amending the Guidelines, and for this purpose, adopting the proposed amendments detailed in the Application.

Other relief, just or equitable, are likewise prayed for.

Pasig City, 15 July 2024.


RANULFO M. OCAMPO
President, PEPOA

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Roll No. 33872 | IBP Lifetime No. 1025756 | 18 January 2016 | RSM
PTR No. 9759411 | 03 January 2024 | Marikina City | MCLE Compliance No. VII-0018049 valid until 14 April 2025
Smart: 0920-938-4470 / Globe: 0917-301-2455 | Email: ranulfoocampo@outlook.com

MANILA ELECTRIC COMPANY
Petitioner

Lopez Building, Ortigas Avenue
Barangay Ugong, Pasig City

By:


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IBP No. 372610; 12/22/2023; RSM
MCLE Compliance No. VII-0001788; 02 December 2019

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MCLE Compliance No. VII-000116; 17 October 2019

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IBP No. 371129; 12/21/2023; PPLM
MCLE Compliance No. VII-0001098; 17 October 2019

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Ortigas Avenue, Barangay Ugong, Pasig City
Tel no. 1622-2260; Fax No: 1622-3550
Email: regaffairs@meralco.com.ph

VERIFIED DECLARATION

I, **RANULFO M. OCAMPO**, of legal age, with office address at 8/F STRATA 100, F. Ortigas Jr. Road, Ortigas Center, Pasig City, depose and state under oath that:

1. I am the President of Private Electric Power Operators Association (PEPOA), and that I have been authorized by PEPOA to verify and certify under oath the foregoing Joint Petition for Rule-Making to Amend ERC Resolution No. 08, Series of 2023 entitled: *A Resolution Adopting the Procurement Guidelines for the Regulated Transmission and Distribution Assets of Regulated Utilities*.
2. On behalf of PEPOA, I caused the preparation of the foregoing petition.
3. I have read and understood the allegations contained therein and attest that all the facts stated therein are true and accurate based on my own knowledge.
4. The petition is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation and that the factual allegation therein have evidentiary support or, if specifically, so identified, will likewise have evidentiary support after a reasonable opportunity for discovery.
5. PEPOA has not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; and that to the best of my knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency. If I should learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or any other tribunal or agency, I undertake to promptly inform this Honorable Commission within five (5) days from receipt of such knowledge of such fact.


RANULFO M. OCAMPO
Affiant

JURAT

SUBSCRIBED JUL 15 2024 **AND** **SWORN** to before me this
affiant exhibited to me his Unified Multi-
Purpose ID No. CRN-0113-0148104-7.

Doc. No. 205:

Page No. 42:

Book No. 5:

Series of 2024.


ATTY. JONMAR M. HIZOLA
NOTARY PUBLIC
Cities of Pasig, San Juan and Pateros, Metro Manila
21k Strata 100 Bldg., Don F. Ortigas St., Pasig City
Appointment No. 150; Until Dec. 31, 2024
SC. Roll No. 81022/ 05-21-2022
IBP No. 423716 / 01/16/2024; IBP Manila 1
PTR No. 1716816 / 01/16/2024; Pasig City
MCLE No. VIII-0006903 02/20/2024-04/14/2028

REPUBLIC OF THE PHILIPPINES)
) S.S.



SECRETARY’S CERTIFICATE

I, **Carmelita O. Datin**, of legal age, Filipino, Assistant Corporate Secretary of Private Electric Power Operators Association (PEPOA), with office address at 8/F STRATA 100, F. Ortigas Jr. Road, Ortigas Center, Pasig City, certify under oath that during its Virtual Meeting of 08 July 2023 at 10:00 a.m., held via Zoom platform, the board of directors approved and adopted the following resolutions:

Board Resolution No. 2024-72

RESOLVED, that PEPOA be authorized to jointly file with MERALCO before the Energy Regulatory Commission (ERC) a petition to initiate rulemaking for the amendment of Procurement Guidelines for Regulated Transmission and Distribution Assets of Regulated Utilities Adopted under ERC Res. No. 08, Series of 2023.

RESOLVED FURTHER, that the President, Ranulfo M. Ocampo, be likewise authorized to sign, verify and certify the joint petition on behalf of PEPOA, as well as represent PEPOA in all proceedings before ERC.

I **CERTIFY** that there was a quorum throughout, and that the foregoing resolutions have not been revoked, or amended, and remains in full force and effect.

CARMELITA O. DATIN
Assistant Corporate Secretary

JURAT

SUBSCRIBED AND SWORN to before me this JUL 09 2024, affiant exhibited to me her Social Security System I.D. No. 03-68232728-0.

Doc. No. 121;
Page No. 26;
Book No. 213;
Series of 2024.

ATTY. CRISTETO REY R. GONZALODO
NOTARY PUBLIC
FOR AND IN THE CITY OF MUNTINLUPA, NCR, PHILIPPINES
UNTIL DECEMBER 31, 2025
PTR NO. - MCF 10474204/MUNTINLUPA/02JAN24
MCLE COMPLIANCE NO. - VII-0021037/13JUN2022-14APR2025
ROLL OF ATTORNEY NO. - 44299
IBP LIFETIME MEMBER NO. - 05114/OR. NO. 637852/01-27-2005
IBP CHAPTER - PPLM
NOTARIAL COMMISSION NO. - 24-024
Ground Floor, DLA Bldg., 405 National Road, Brgy. Putatan, Muntinlupa City
Email address: atty. gonzalodo@gmail.com / CP No. 0995-021-56-28

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

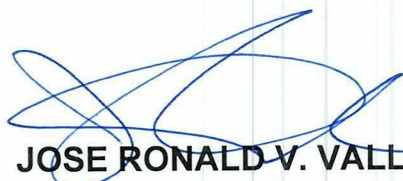
VERIFICATION and CERTIFICATION OF NON-FORUM SHOPPING

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 Senior Vice President and Head of Regulatory Affairs and DU Regulatory Management Office of MERALCO, and is authorized to represent it in this Joint Petition for Rule-Making as per the attached Secretary's Certificate;
2. I have caused the preparation of the instant Joint Petition for Rule-Making with Private Electric Power Operators Association (PEPOA) 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 Joint Petition for Rule-Making 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 ____ 2024 at Pasig City, Philippines.

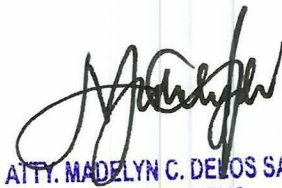
16 JUL 2024


JOSE RONALD V. VALLES
Affiant

16 JUL 2024

SUBSCRIBED and SWORN to before me this ____th day of ____ 2024,
at Pasig City, Philippines, affiant having exhibited to me his Social Security
System ID bearing the number 33-10900088.

Doc. No. 91 ;
Page No. 20 ;
Book No. X ;
Series of 2024.



ATTY. MADELYN C. DELOS SANTOS
NOTARY PUBLIC
Appointment No. 138 (2023-2024)
Pasig, San Juan and Pateros
Roll No. 64977 IBP No. 371237; 12/21/2023; RSM Chapter
PTR No. 1705888; 01/18/2024; Pasig City
MCLE Compliance No. VII-0001999; 05 December 2019
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City



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 28, 2024, at which meeting a quorum was present, acted throughout and voted, the following resolution amending the resolution of the Board on June 26, 2023, on the same subject, was approved and that said amendatory resolution is in full force and effect hereof:

“RESOLVED, that the Board of Directors of the Manila Electric Company (MERALCO) authorize, as it hereby authorizes, the following officers:

MANUEL V. PANGILINAN	Chairman and Chief Executive Officer
SIMEON KEN R. FERRER	Corporate Secretary
RONNIE L. APEROCHO	Executive Vice President and Chief Operating Officer
WILLIAM S. PAMINTUAN	Senior Vice President, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Corporate Governance
FERDINAND O. GELUZ	Senior Vice President and Chief Revenue Officer
EDGARDO V. CARASIG	Senior Vice President & Chief HR Officer and Head, Corporate Services
MARIA LUISA V. ALVENDIA	Senior Vice President and Chief Supply Chain Officer
JOSE RONALD V. VALLES	Senior Vice President and Head, Regulatory Affairs & DU Regulatory Management
JERRY B. LAO	Vice President & Head, Facilities and Safety Management
MARIA ZARAH R. VILLANUEVA-CASTRO	Vice President & Head, Corporate Legal Services,
FRANCIS DINO S. ANTONIO	Senior Assistant Vice President and Head, Regulatory Legal Case Management Office
CARMEN GRACE S. RAMOS	Senior Assistant Vice President and Head, Regulatory Legal Contract Management Office
CRISTOPHER B. ARPON	Assistant Vice President and Head, Litigation Services
OSCAR P. MORENO, JR.	Assistant Vice President and Head, Local Government and Special Projects
MICHELLE O. DELOS SANTOS-BONA	Assistant Vice President & Head, Legal Operations Support
HAZEL ROSE B. SEE	Assistant Vice President and Lead Legal Counsel, Regulatory Legal Case Management Office
RAYMOND B. YAP	Assistant Vice President and Lead Legal Counsel, Regulatory Legal Case Management Office
ROMMEL L. YAP	Assistant Vice President and Head, Regulatory Affairs, MPower
CORNELIO MANUEL III C. DICCION	Head, Litigation Team 2
SHEILA MARIE C. GRANADOS	Head, Litigation Team 1
CATHERINE Y. VIRAY	Lead, Tax Force

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, JOSE RONALD V. VALLES, Senior Vice President and Head of Regulatory Affairs & DU Regulatory Management, is an authorized representative and signatory of the Company with respect to MERALCO's filing of its Joint Petition for Rule-Making with Private Electric Power Operators Association (PEPOA) entitled "IN THE MATTER OF THE PETITION TO INITIATE RULE-MAKING FOR THE AMENDMENT OF THE PROCUREMENT GUIDELINES FOR THE REGULATED TRANSMISSION AND DISTRIBUTION ASSETS OF REGULATED UTILITIES ADOPTED UNDER ERC RESOLUTION NO. 8, SERIES OF 2023," before the Energy Regulatory Commission (ERC).

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this ____ day of June 2024.

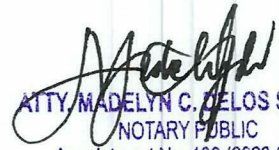
16 JUL 2024


WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

16 JUL 2024

SUBSCRIBED AND SWORN to before me this ____ day of June 2024, 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. 92 ;
Page No. 20 ;
Book No. X ;
Series of 2024.


ATTY. MADELYN C. DELOS SANTOS
NOTARY PUBLIC
Appointment No. 138 (2023-2024)
Pasig, San Juan and Pateros
Roll No. 64977 IBP No. 371237; 12/21/2023; RSM Chapter
PTR No. 1705888; 01/18/2024; Pasig City
MCLE Compliance No. VII-0001999; 05 December 2019
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City