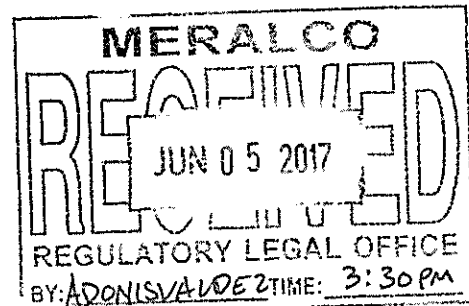


Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE POWER
SUPPLY AGREEMENT
(PSA) BETWEEN MANILA
ELECTRIC COMPANY
(MERALCO) AND
POWERSOURCE FIRST
BULACAN SOLAR, INC.
(PFBS) WITH MOTION FOR
CONFIDENTIAL
TREATMENT OF
INFORMATION,**



ERC CASE NO. 2017-012 RC

**MANILA ELECTRIC
COMPANY (MERALCO)
AND POWERSOURCE
FIRST BULACAN SOLAR,
INC. (PFBS),**

Applicants.

X-----X

DOCKETED
Date: JUN 05 2017
By: *W*

ORDER

On 23 February 2017, Manila Electric Company (MERALCO) and Powersource First Bulacan Solar, Inc. (PFBS) filed a *Joint Application with Motion for Confidential Treatment of Information (Joint Application)* seeking the Commission's approval of the *Power Supply Agreement* executed by both parties, including therein a *Motion for confidential treatment of information*.

Applicants alleged the following in their *Joint Application*:

1. Applicant MERALCO is a private corporation existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Meralco Center, Ortigas Avenue, Pasig City. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated herein.
2. 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, and is authorized to charge all its customers for their electric consumption at the rates approved by the Honorable Commission.

3. Applicant PFBS is a corporation duly organized and existing under the laws of the Republic of the Philippines, with its principal office address at 10th Floor, The Athenaeum Building, 160 L.P. Leviste Street, Salcedo Village, Makati City. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated herein.
4. PFBS shall construct, own, operate, manage and maintain a solar power plant located in the Municipality of San Miguel, Bulacan, or an alternative site embedded within MERALCO's franchise area capable of supplying 50 MW (AC, net).
5. Based on the power situation outlook for 2017 and succeeding years, MERALCO foresees a peaking capacity deficit in its portfolio, especially for the summer months, due to the expected high demand as well as possible occurrences of scheduled maintenance shutdowns and forced outage of power plants. Moreover, based on MERALCO's Distribution Development Plan, from 2015 to 2024, MERALCO's aggregate capacity requirement is forecasted to grow by a compounded average growth rate of 3.7%.
6. In order to ensure continuous & reliable electricity for MERALCO's customers, there is a need for MERALCO to source additional peaking capacity through bilateral power supply contracts.
7. Under Section 45(b) of Republic Act No. 9136 (EPIRA), it is provided that "*Distribution utilities may enter into bilateral power supply contracts subject to review by the ERC xxx*".
8. Accordingly, following extensive negotiations and the conduct of a competitive selection process, on 22 December 2016, MERALCO executed a Power Supply Agreement ("PSA") with PFBS, for the purchase of up to 50 MW (AC, net) from a proposed solar plant site located in the Municipality of San Miguel, Bulacan, or an alternative site embedded within MERALCO's franchise area. The conduct of the competitive selection process proceeded as follows:
 - 8.1. On 23 September 2016, MERALCO caused the publication of an Invitation for Price Challenge, which contained the basic terms of reference and conditions of the proposal of PFBS, as well as a summary of the process and timelines of the Price Challenge process, while inviting power generation companies to submit better tariff proposals on or before the timelines set out in the said invitation. At the

same time, MERALCO caused the posting thereof on its website.

- 8.2. On 14 November 2016, MERALCO's Power Supply Agreements Bids and Awards Committee ("**PSA BAC**") sent a letter-notice to PFBS and a qualified price challenger, 7 Balboa Energy Holdings, Inc. ("**7 Balboa**"), informing them that the proposed energy price of PhP 4.69/kWh submitted by qualified price challenger 7 Balboa was found to be the best bid. The said letter-notice also explained that PFBS, as the original power supplier proponent, has the right to match the proposed energy price of 7 Balboa within five (5) days from receipt of the letter-notice.
- 8.3. On 18 November 2016, PFBS sent a letter-notice to MERALCO that it is exercising its right to match the proposed energy price of PhP 4.69/kWh. Thus, MERALCO awarded the PSA to PFBS.
9. The PSA between MERALCO and PFBS, a copy of which is attached as ANNEX "A" and made an integral part hereof, contains the following salient features:

"2.1. *Term of Agreement.* The Agreement shall commence on Effective Date and shall remain in full force and effect until the last day of the twentieth (20th) Contract Year, unless otherwise extended in accordance with Section 2.2 below or earlier terminated in accordance with this Agreement (the "Term"); provided, that Section 5.1 (Regulatory Approvals), Section 11.4 (Liquidated Damages), Article 12 (Miscellaneous), Article 13 (Dispute Resolution), and Article 14 (Termination) shall be effective upon Meralco's issuance of a notice of award to Power Supplier as the winning power supplier after the conduct of a competitive selection process; provided further, that the obligations of Power Supplier and Meralco under this Agreement with respect to sale and purchase of the Product shall be for a duration of twenty (20) years from Commercial Operations Date; xxx.

xxx xxx xxx

3.2. *Commencement Date.* The "**Commencement Date**" shall occur upon the satisfaction of the conditions below:

- (a) The conditions set out in Section 3.1. have been fulfilled;
- (b) Each Party has delivered to the other Party a certification dated no earlier than two (2) Days prior to the proposed Commencement Date to the effect that its representations and warranties contained herein shall be true and correct in all material respects on and as of the Commencement Date; and

(c) On or before the Longstop Date, (i) the ERC shall have issued an ERC Final Approval, including the pricing structure as set out herein (or as otherwise acceptable to Power Supplier), and (ii) the Acceptance Date has occurred.

Within seven (7) Days after the satisfaction of the conditions referred to in this Section 3.2, Meralco and Power Supplier shall issue a joint certification confirming that the Commencement Date has occurred.

3.3 *Scheduled Commercial Operations Date.* Power Supplier covenants that the Plant shall achieve Commercial Operations Date in August 2018 (the "Scheduled Commercial Operations Date"), provided, that, if Power Supplier foresees that it will be able to achieve Commercial Operations Date at an earlier date, it may give six (6) months prior notice thereof to Meralco and Meralco may consent to the adjustment of the Scheduled Commercial Operations Date, which consent shall not be unreasonably withheld.

xxx xxx xxx

3.4 *Excused Delay.* In the event that Power Supplier (or any contractor of Power Supplier) has, after the Commencement Date, experienced a delay in designing, constructing, testing or commissioning the Plant or any part thereof (the "Excused Delay Event–Power Supplier"); or Meralco cannot receive the Product (the "Excused Delay Event–Meralco"), in either case as a result or to the extent of any of the following (collectively, "Excused Delay Event"):

(a) any action or inaction or delay in action of any Governmental Authority; or

(b) the occurrence of an event of Force Majeure,

then the Scheduled Commercial Operations Date shall be extended, Day for Day, by the same period that any Excused Delay Event subsists; provided that the affected Party has exerted due diligence in achieving Commercial Operations Date according to the original Scheduled Commercial Operations Date and has no contributory negligence with respect to any Excused Delay Event; and provided further, that any such extension or relief (whether occurring before or after the Commercial Operations Date) shall not exceed one hundred eighty (180) Days (the "Excused Delay Limit"). For the avoidance of doubt, for an Excused Delay Event–Power Supplier and/or an Excused Delay Event–Meralco, it shall give rise to separate and distinct Excused Delay Limits.

3.4.1 In the case of an Excused Delay Event–Power Supplier, Power Supplier may, at its sole and exclusive option, extend the Excused Delay Limit for an additional period of ninety (90) Days on the condition that it provides Replacement Energy to Meralco at the WESM price or Contract Price, whichever is lower, during the period beyond the Excused Delay Limit.

From and after the lapse of the (i) Scheduled Commercial Operations Date, or (ii) Excused Delay Limit, or any extension thereof at the option of Power Supplier for an Excused Delay Event–Power Supplier, as applicable, either Party shall have the right to terminate this Agreement, in which case the Performance Security shall be forfeited in favor of Meralco. For the avoidance of doubt, Meralco shall have no liability whatsoever to Power Supplier in case Power Supplier exercises its termination right under this Section.

3.4.2 If Power Supplier fails to provide Replacement Energy as contemplated in Section 3.4.1, Meralco will be deemed to have sourced the Replacement Energy, subject to reimbursement by Power Supplier of the difference between (i) the price of Replacement Energy and (ii) the Contract Price.

xxx

xxx xxx xxx

5.2. Upon receipt of the ERC Final Approval, Meralco shall provide a copy of such ERC Final Approval to Power Supplier. Power Supplier shall have ten (10) Business Days from the date of receipt from MERALCO of such ERC Final Approval to notify Meralco in writing that (i) it accepts such ERC Final Approval or (ii) it does not accept the ERC Final Approval, stating the grounds for non-acceptance.

5.3. In case of Power Supplier's non-acceptance, Power Supplier shall be free to: (i) file with the ERC a motion for reconsideration or (ii) terminate this Agreement upon sixty (60) days prior written notice to Meralco; provided that, any order on a motion for reconsideration shall be treated as an ERC Final Approval for purposes of the processes under this Article 5; provided further that, if the motion for reconsideration is denied by the ERC, or granted by the ERC but still with any material term or condition that is not acceptable to Power Supplier, Power Supplier may terminate this Agreement upon sixty (60) days prior written notice to Meralco.

xxx xxx xxx

6. **OBLIGATIONS, DELIVERIES & CONTRACT PRICE**

- 6.1. *Obligations of the Parties.* Subject to the terms and conditions of this Agreement, Power Supplier shall sell and deliver, and Meralco shall pay for, the Product up to the Maximum Hourly Generation, at the Contract Price.

Power Supplier shall, at all times from Commissioning, ensure compliance with terms and conditions under its interconnection, metering and other agreements necessary for the performance of its obligations hereunder.

Unless otherwise expressly stipulated herein, Power Supplier shall not sell and deliver power from the Plant to any third party during the term of this Agreement.

- 6.2. *Take and Pay Contract.* Subject to circumstances of Force Majeure under this Agreement and Section 6.9 (Excess Energy), Meralco shall accept all electric energy deliveries from Power Supplier up to the Maximum Hourly Generation and Meralco shall pay the corresponding Contract Price for all electric energy (in kWh or MWh) declared by Power Supplier at the WESM for Meralco, which quantity shall be based on the readings of Meralco's Billing Meter.

- 6.3. *Contract Price.* The Contract Price is PhP 4.69 per kWh, subject to two percent (2%) annual escalation, provided, that the Franchise and Benefits to Host Communities Charge, if any, shall not form part of and is excluded from the computation of the Contract Price. For avoidance of doubt, all taxes pertaining to Power Supplier, including but not limited to the FBHC charge, shall be shouldered by, and be for the sole account of, Power Supplier. Any violation of this Section shall be a ground for termination of this Agreement upon prior notice.

XXX

- 6.6. *Extension of Term due to Failure to Receive Energy Deliveries.* Except as provided in Section 6.7 (Force Majeure), the failure by Meralco to receive energy deliveries for a continuous period of twenty-four (24) hours as a result of unscheduled maintenance, or an extension of a scheduled maintenance, of Meralco's distribution facilities shall result in the adjustment or extension of the Term of this Agreement equivalent to the aggregate period for which Meralco failed to receive such energy deliveries; provided, that in no event shall such extension of the Term of this Agreement be less

than a Day or the aggregate period of such extension exceed One Hundred Eighty (180) Days; xxx

xxx

- 6.9. *Excess Energy.* In the event Power Supplier is able to generate electric energy in excess of MHG, Meralco shall accept the same to the extent of ten percent (10%) above the MHG at fifty percent (50%) of the Contract Price ("Excess Energy Charge"). Electric energy in excess of the initial ten percent (10%) above the MHG shall be taken by Meralco at the Excess Energy Charge or WESM price, whichever is lower.

xxx xxx xxx

8. ASSIGNMENT OR TRANSFER OF PRODUCT

- 8.1. Subject to existing laws and rules and regulations, Meralco shall be entitled to assign, transfer, designate, delegate or allocate (collectively in this context, "Transfer") its rights and obligations to purchase a portion of the Product that is no longer required by Meralco to any of its business segments or wholly-owned Affiliates without the prior consent of Power Supplier.

Meralco shall also be entitled to Transfer its rights and obligations to purchase a portion of the Product that is no longer required by Meralco to any other Person, subject to the consent of Power Supplier, which consent shall not be unreasonably withheld, delayed or conditioned, it being understood that withholding consent would not be considered unreasonable if the proposed Transfer would be contrary to existing laws and rules and regulations and/or the reasonable requirements of Finance Parties under the Finance Documents, as evidenced by a written confirmation by the relevant Finance Parties. xxx

Meralco shall endeavor to cooperate with Power Supplier by providing documents and information in relation to the Transfer as may be reasonably required by the Finance Parties.

xxx

- 8.3. *Reduction in the Product.* Meralco shall, from time to time, be entitled to a reduction in Product (the "Reduction in Product") equivalent to the reduction in the demand of its captive customers by reason of the enforcement of Retail Competition and Open Access, Renewable Energy Law and other Applicable Laws. For this purpose, Meralco shall give a written notice to Power Supplier of such reduction at least five (5) Days prior to the first day of the next Billing Period or by

such date as would be sufficient for timely notice to WESM of such change. Upon receipt by Power Supplier of such written notice, Meralco shall cease to have any rights and obligations under this Agreement in respect of such Reduction in Product.

xxx xxx xxx

- 9.3. *WESM and Line Rental Charges.* All WESM charges attributable to Power Supplier (e.g., WESM Market Fees) are not to be passed on to Meralco. Line rental charges in excess of PhP 0.20 per kWh, reckoned on a monthly basis, shall be for the account of Power Supplier.

xxx xxx xxx

- 12.7. *Change in Circumstances.* The Parties shall faithfully perform all their obligations in accordance with the provisions of this Agreement as well as the Applicable Laws and ERC rules and regulations. In case of any amendment, modification or change in Applicable Laws or the ERC rules and regulations after the date of this Agreement, or any decision or order by any court or government agency which provides for a new or change in the interpretation of Applicable Laws and ERC rules and regulations that would prevent either or both Parties from performing or continuing to perform their obligations under this Agreement, or would cause irreparable damage or would adversely affect the financial viability of either Party, the Parties shall meet and negotiate in good faith within ten (10) days from the effectivity of said amendment, modification, or change or issuance of decision or order, to mutually address and agree on appropriate solutions to the problem. Failure to arrive at a solution within sixty (60) days from commencement of negotiations in accordance with this Section shall be a ground for termination of this Agreement upon prior notice.

For the avoidance of doubt, neither Party shall utilize battery storage in a manner that may affect the rights and obligations of the Parties under this Agreement without prior notice and agreement of the other Party. For this purpose, the use of battery storage shall be deemed a Change in Circumstance.

xxx xxx xxx

14. **TERMINATION**

The Party not in Material Breach may terminate the Agreement, upon sixty (60) days prior written notice to the other Party, for any Material Breach that remains unremedied after ninety (90) days (the "**Curing Period**"), subject to Section 11.4 (Liquidated

Damages). During such Curing Period, in the event of Material Breach on the part of Power Supplier, Power Supplier shall deliver Replacement Energy to Meralco at the WESM price or Contract Price, whichever is lower, if Power Supplier is unable to supply the Product from the Plant; while in the event of Material Breach on the part of Meralco, Power Supplier may opt to sell the Product to WESM or third parties, subject to existing ERC rules and regulations.

10. Based on the foregoing, given a certain set of assumptions, the annual effective rate under the PSA is PhP4.69 per kWh (at plant gate), as shown in the rate impact analysis below:

PowerSource First Bulacan Solar (PFBS) PSA - Rate Impact
(YEAR 2019)

BILLING COMPONENT	UNIT	BASE RATE ^(a)	BILLING DETERMINANT ^(b)		AMOUNT (PHP)
Energy Payment					
Contract Price	(Php/kWh)	4.6900	98,550,000	(kWh)	462,199,500.00
TOTAL PAYMENT	(Php)				462,199,500.00
Effective Rate at Plant Gate	(Php/kWh)				4.6900
WESM Line Rental Rate ^(c)	(Php/kWh)				0.2000
Delivered Rate	(Php/kWh)				4.8900
Effective Cost at WESM Price ^(d)	(Php/kWh)				10.5607
Increase / (Decrease) over WESM Price	(Php/kWh)				(5.6707)
Meralco Captive Energy Demand ^(e)	(kWh)				32,542,800,085
Increase / (Decrease) in Generation Cost	(Php)				(558,847,443.54)
Increase / (Decrease) in Generation Cost	(Php/kWh)				(0.0172)

Assumptions:

- ^(a) Base Rates as set forth in Schedule 1 of the PSA
^(b) Energy billing determinant based on 50,000 kW contract capacity and 22.50% capacity factor
^(c) Line Rental rate for PFBS is based on maximum allowable value as stated in the PSA
^(d) Cost if equivalent volume of PFBS was sourced from the WESM based on forecast weighted average of Jan - Dec 2019 hourly prices from 7am to 5pm
^(e) Meralco Captive Energy Demand based on forecast for 2019

11. Also, as seen in the rate impact above, given a similar set of assumptions, the simulated delivered price under the PSA would be PhP4.89 per kWh, resulting in a reduction of MERALCO's generation charge by about PhP0.0172 per kWh.
12. It bears emphasis that, as previously mentioned, based on MERALCO's foreseen high demand during the summer months of 2017 and succeeding years, there is an urgent need for the final approval of the PSA considering a significant peaking capacity deficit, as well as possible occurrences of scheduled maintenance shutdowns and forced outage of power plants.
13. Verily, this Honorable Commission's approval of the PSA will send strong signals to renewable or solar energy generation projects in the Philippines, and thus, set the pace for infusion of similar investments by the private sector.

14. In support of this Joint Application, the Judicial Affidavit of **MR. CIPRINILO C. MENESES**, Head of MERALCO's Energy Sourcing Office, is attached hereto as **ANNEX "B."**
15. Likewise, in support of the instant Joint Application, the Applicants provide this Honorable Commission with the following documents, which underwent the pre-filing conference and pre-filing marking of annexes with this Honorable Commission:

Description of Document	Annex
MERALCO's Articles of Incorporation	C
MERALCO's By-Laws	D
MERALCO's latest General Information Sheet	E
Demand Side Management program of MERALCO	F
Distribution Development Plan of MERALCO; with MERALCO's Average Daily Load Curve scenarios; and MERALCO's Supply and Demand Scenario*	G G-1 G-2*
Documentation on the Details of the Procurement Process / Competitive Selection Process (CSP)	H and series
PFBS Articles of Incorporation	I-1
PFBS By-Laws	I-2
PFBS Securities and Exchange Commission Certificate of Registration	J
PFBS latest General Information Sheet	K
Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources (DENR)	L
Renewable Energy Service Contract	M
Details of the PSA*	N*
All relevant technical and economic characteristics of the generation capacity*	O*
All cost analysis related to the generation in support of the proposed pricing provisions of the Contract*	P*
Written Explanation regarding:	
Shareholders' Agreement	Q
Document showing information related to the Ultimate Parent Company, its subsidiaries and all its affiliates	Q-1
Board of Investment (BOI) Certificate of Registration with attached Terms and Conditions	Q-2
Certificate of Compliance (COC) issued by the Energy Regulatory Commission pursuant to the Guidelines for the issuance of COC for Generation Companies/Facilities	Q-3
Certification from the Department of Energy (DOE) regarding Philippine Development Plan (PDP) or Certificate of Endorsement (CoE)	Q-4
Certificate of Registration or Certificate of Confirmation of Commerciality by an RE Developer and after due confirmation by the DOE	Q-5
Details regarding transmission projects or grid connection projects necessary to complement the proposed generation capacity; Identification of the parties that will develop and/or own facilities; any cost related to such project; and specification of the parties responsible for recovery of any costs related to such projects	Q-6
Copy of Related Agreements	Q-7

All details on the procurement process of fuel including requests, proposals received, tender offers	Q-8
PFBS Latest and Complete Set of Audited Financial Statements	Q-9
PFBS Unaudited Financial Statements as of October 31, 2016	Q-9A
Certification of the Net Heat Rate in liters per kWh	Q-10
Simulation of the No. of Operating Units Necessary to Meet the Minimum Energy Offtake (MEOT) and/or Additional Energy/Demand Requirements of the DU	Q-11
Potential Cost (absolute amounts and PhP/kWh) of Ancillary Services as and when the IPP or the DU is connected to the main grid	Q-12
Certification by NPC whether Transition Supply Contract (TSC) capacity and energy is expected to be available during the contractual period	Q-13

*** Subject of the Motion for Confidential Treatment of Information.**

**ALLEGATIONS IN SUPPORT OF
MOTION FOR CONFIDENTIAL TREATMENT OF
INFORMATION**

16. With respect to the document marked and attached as **ANNEX "G-2"** (Supply and Demand Scenario of MERALCO), MERALCO respectfully moves that it be treated as confidential and not be disclosed to any party for the reason that it contains information which are of commercially sensitive nature and may affect price offers that MERALCO may receive under a power supply agreement. In addition, such information falls within the bounds of valuable proprietary interest under "trade secrets" which are entitled to protection under the Constitution, statutes and rules and regulations.
17. **Annexes "N", "O" and "P"** contain numbers, methodology, and calculations which provide valuable information and insight on how PFBS arrives at its power generation rate and would accordingly reflect PFBS's bidding strategy for distribution utilities undertaking competitive process for the selection of their power suppliers, and PFBS' trading in the WESM. It also contains information regarding the debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost, among other information.
18. Under Rule 4 of the ERC Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and determination of the existence of conditions, which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such provision, the Applicants respectfully pray for the issuance of a protective order declaring **Annexes "G-2", "N", "O" and "P"** as confidential information, since the Applicants intend to present them as evidence in the instant Application.
19. Information, which falls within the definition of a trade secret, as defined by jurisprudence is clearly information which merits the confidential treatment provided for under Rule 4 of the ERC Rules of Practice and Procedure. **Annexes "G-2",**

“N”, “O” and “P” should therefore be entitled to the protection of confidential information provided under Rule 4 of the ERC Rules of Practice and Procedure.

20. The Applicants hereby submit one (1) copy of each of the foregoing confidential documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential."

PRAYER

WHEREFORE, premises considered, it is respectfully prayed that the Honorable Commission,

- (i) **ISSUE** an Order treating Annexes “G-2”, “N”, “O” and “P” as confidential information pursuant to Rule 4, Section 1 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof; and
- (ii) after hearing on the merits, render a Decision **APPROVING** the PSA between Applicants MERALCO and PFBS.

Finding the said *Joint Application* sufficient in substance with the required fees having been paid, the same is hereby set for determination of compliance with jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **23 June 2017 at two o'clock in the afternoon (2:00 P.M.), at the ERC Hearing Room, 15th Floor, Pacific Center, San Miguel Avenue, Pasig City.**

Accordingly, Applicants are hereby directed to:

- 1) Cause the publication of the attached Notice of Public Hearing in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish the Offices of the Provincial Governors, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within the affected franchise area with copies of this Order and the attached Notice of Public Hearing for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected franchise area of the filing of the *Joint Application*, the reasons therefor, and

of the scheduled hearing thereon, by any other means available and appropriate;

- 4) Furnish the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress with copies of this Order and the attached Notice of Public Hearing. They are hereby requested, if they so desire to send their duly authorized representatives at the scheduled hearing; and
- 5) Furnish all those making requests with copies of the *Joint Application* and the attachments therefor, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, Applicants must submit to the Commission its written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached Notice of Public Hearing consisting of affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this Order and the attached Notice of Public Hearing consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by Applicants to inform of the filing of the *Joint Application*, the reasons therefore, and of the scheduled hearing thereon, the consumers within the affected franchise area;
- 4) The evidence of receipt of copies of this Order and the attached Notice of Public Hearing by the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Joint Application*, and the attachments by all those making requests therefor, if any; and

- 6) Such other proofs of compliance with the requirements of the Commission.

Applicants and all interested parties are also required to submit, at least five (5) days before the date of initial hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

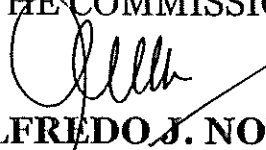
Failure of Applicants to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

Applicants must also be prepared to make an expository presentation of the instant *Joint Application* aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the *Joint Application* is all about and the reasons and justifications being cited in support thereof.

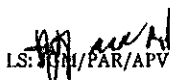
SO ORDERED.

Pasig City, 01 June 2017.

FOR AND BY AUTHORITY
OF THE COMMISSION:



ALFREDO J. NON
Officer-in-Charge of ERC


LS: [unclear] PAR/APV

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Copy furnished:

1. Atty. Francis Dino S. Antonio
Counsel for Applicant MERALCO
7th Floor, Lopez Building, Ortigas Avenue, Barangay Dugong, Pasig City
2. Atty. Maria Rizza M. Calimag, Atty. Fabio T. Lapada, Jr.
Puno and Puno
Counsel for Applicant PFBS
12th Floor, East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City
3. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
3. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
4. Senate Committee on Energy
GSIS Bldg. Roxas Blvd., Pasay City
5. House Committee on Energy
Batasan Hills, Quezon City
6. Philippine Chamber of Commerce and Industry (PCCI)
Campus Avenue corner Park Avenue,
McKinley Town Center, Fort Bonifacio, Taguig City
7. The City Mayor
City of Manila
8. LGU Legislative Body
City of Manila
9. The City Mayor
Quezon City
10. LGU Legislative Body
Quezon City
11. The City Mayor
City of Caloocan
12. LGU Legislative Body
City of Caloocan
13. The City Mayor
City of Makati
14. LGU Legislative Body
City of Makati
15. The City Mayor
City of Malabon
16. LGU Legislative Body
City of Malabon
17. The City Mayor
City of Mandaluyong
18. LGU Legislative Body
City of Mandaluyong
19. The City Mayor
City of Muntinlupa
20. LGU Legislative Body
City of Muntinlupa
21. The City Mayor
City of San Jose del Monte, Bulacan
22. LGU Legislative Body
City of San Jose del Monte, Bulacan
23. The City Mayor
City of Valenzuela
24. LGU Legislative Body
City of Valenzuela

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25. The City Mayor
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