

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR
APPROVAL OF THE
CONTRACT FOR THE
SUPPLY OF ELECTRIC
ENERGY (CSEE) IN THE
LUZON GRID WITH
CAMARINES SUR IV
ELECTRIC COOPERATIVE,
INC. (CASURECO IV), WITH
PRAYER FOR ISSUANCE OF
PROVISIONAL AUTHORITY
(PA)**

ERC CASE NO. 2021-075 RC

**POWER SECTOR ASSETS
AND LIABILITIES
MANAGEMENT
CORPORATION (PSALM),
*Applicant.***

Promulgated:
October 12, 2021

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ORDER

On 23 September 2021, Power Sector Assets and Liabilities Management Corporation (PSALM) filed an *Application*, seeking for the Commission's approval of its Contract for the Supply of Electric Energy (CSEE) in the Luzon Grid with Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV), with prayer for issuance of provisional authority.

The pertinent portions of the said *Application* are hereunder quoted as follows:

1. This is an Application for the Approval of the terms and conditions of the Contract for the Supply of Electric Energy ("CSEE") in the Luzon Grid entered into by and between Applicant PSALM with CAMARINES SUR IV ELECTRIC COOPERATIVE, INC. ("CASURECO IV"), pursuant to Section

67 of Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” (“EPIRA”).

2. Applicant PSALM is a government-owned and controlled corporation created by virtue of the EPIRA, with principal office address at 24th Floor Vertis North Corporate Center 1, Astra corner Lux Drives, North Avenue, Quezon City.
3. Pursuant to Section 49 of the EPIRA and the consequent assignment on 11 May 2009 (the Letter of Agreement is hereto attached as Annex “A”) of all National Power Corporation (“NPC”) power supply contracts to PSALM, NPC assigned and transferred to PSALM all its rights and obligations in, to, and under its CSEEs and other similarly or substantially equivalent power supply contracts with NPC power customers (collectively referred to as “Power Supply Contracts”).
4. On and from 11 May 2009, the Power Supply Contracts were deemed amended as follows: (i) all references to NPC therein shall be treated as references to PSALM; (ii) PSALM shall be deemed the SUPPLIER under said Power Supply Contracts; and (iii) the rights and obligations of the Parties shall be governed by and construed in accordance with said Power Supply Contracts, as amended by the 11 May 2009 Letter Agreement.
5. The subject CSEE was executed based on the ERC- approved template under ERC Resolution No. 08, Series of 2005 issued on 07 July 2005. On 09 August 2005, said template was later on amended by this Honorable Commission in its Resolution No. 15, Series of 2005.
6. In ERC Resolution No. 33, Series of 2006, “Resolution Clarifying the Purpose of the Adoption of the TSC Template,” the ERC clarified that the TSC Template should merely serve as a guide for the Distribution Utilities (“DUs”) and NPC and should not be construed as the contract contemplated under Section 67 of the EPIRA.
7. PSALM filed similar Applications in 2011, 2012, and 2013 for the Approval of the terms and conditions of CSEEs effective 26 December 2011 to 25 December 2012, 26 December 2012 to 25 December 2013, and 26 December 2013 to 25 December 2014, respectively.
8. By reason of public bidding to privatize rights to the contracted energy under the Unified Leyte Geothermal Power Plant (“ULGPP”) and the asset sale of the Naga Power Plant Complex, PSALM no longer renewed the CSEEs that expired on 25 December 2014.

PSALM'S PENDING CSEE APPLICATIONS WITH THE
ENERGY REGULATORY COMMISSION

9. On 06 July 2020, PSALM filed an application docketed as ERC Case No. 2020-015 RC for the approval of the negotiated CSEE with CASURECO IV in the Luzon Grid.
10. Said CSEE, which has a duration from 26 November 2019 to 25 June 2021, was executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005. The same is now for resolution of this Honorable Commission.

CSEE SUBJECT OF THE PRESENT APPLICATION

11. On 27 January 2021, the PSALM Board through Board Resolution No. 2021-0127-03 approved the execution of the CSEE with CASURECO IV for the period of one (1) year and one (1) month effective 26 June 2021 until 25 July 2022.
12. Thus, on 08 March 2021, PSALM executed a CSEE with CASURECO IV, in the Luzon Grid for a period of one (1) year and one (1) month effective 26 June 2021 until 25 July 2022. A copy of the said CSEE is attached hereto as Annex "B".
13. Pursuant to Section 5, Article III of the ERC's Guidelines for the Recovery of Costs for the Generation Component of the Distribution Utilities' Rate, PSALM is filing the instant Application for the approval of the CSEE duly negotiated with CASURECO IV,
14. Said CSEE was executed based on the ERC-approved template under ERC Resolution No. 08, Series of 2005. Likewise, the CSEE incorporated the minor changes previously proposed by PSALM and approved by the DUs, which changes were contained in the CSEEs approved by this Honorable Commission in PSALM's Application in ERC Case Nos. 2012-008 RC, 2013-044 RC, 2012-169 RC and 2014-173 RC.
15. The CSEE subject of this Application has the following salient provisions, apart from the revisions mentioned in the preceding paragraph:
 - (i) CONTRACT ENERGY
 - 4.1 Contract Energy and Equivalent Demand as indicated in Annex I may be changed by PSALM due to a change in the projected available capacity of PSALM's power plants and at any time during the duration of the Contract due to the privatization of any of the assets of PSALM pursuant to the EPIRA.
 - 4.1.1 CUSTOMER shall nominate month-ahead its hourly and daily energy quantity requirements three (3) days before the start of the next billing period based on its Daily Load Profile as reflected in Annex 1a. On a day to day transaction, the CUSTOMER shall confirm the schedule of hourly energy requirements to PSALM on the day ahead.

PSALM shall declare to WESM the schedule of hourly energy requirements delivered to customers immediately on the day after.

(ii) ASSIGNABILITY

- 4.8 PSALM may assign or transfer part or all of its rights and obligations in the supply of Contract Energy herein stated, to any such entity, provided that prior written notice is given to CUSTOMER Ninety (90) days before the actual transfer. This Contract shall remain binding to Parties, their successors and assignees. PSALM warrants that any sale, assignments, transfer, or subcontracting of the Contract shall not affect or impair CUSTOMER's rights and obligations with respect to quantity and price of electricity, Contract effectivity, incentives, discounts and other terms and conditions of this Contract. The assignee shall, by written instrument, assume the rights and obligations of PSALM to CUSTOMER. When a CUSTOMER has been assigned by the PSALM to a Successor Generating Company (SGC) by virtue of the privatization of the PSALM Generating Plant pursuant to the EPIRA, the SGC has the option to renegotiate this Contract with the CUSTOMER within six (6) months from the actual transfer of the CUSTOMER to the SGC. If the CUSTOMER and the SGC fail to reach an agreement, either Party shall have the right to terminate this Contract.
- 4.9 CUSTOMER may assign, sell or transfer a part or all of its Contract Energy and/or Equivalent Demand either permanently or for a certain number of billing periods, subject to the written consent of PSALM under the following conditions, and which consent shall not be unreasonably withheld:
- a. CUSTOMER has obtained certification from NGCP, that the transmission, sub-transmission, substation and other facilities can accommodate the increase in the power requirements of the assignee/transferee.
 - b. CUSTOMER has submitted necessary proof that the buyer, assignee or transferee has no outstanding obligation to PSALM, and undertakes to assume the obligations of CUSTOMER and to pay for the additional expenses necessary or incidental to the transfer.
 - c. Assignment of CUSTOMER to assignee shall comply with the forms provided in Annex IVa and Annex IVb of this Contract.
 - d. THE ASSIGNEE SHALL ASSUME ALL OBLIGATIONS OF THE CUSTOMER related to Contract Energy that might arise in a pending suit with the ERC or in Arbitration proceedings.

(iii) SECURITY DEPOSIT

- 5.1 The Security Deposit shall be equivalent to 100% of the average contracted energy indicated in Annex I of the CSEE and shall become valid and effective for the duration of this Contract.

(iv) FORM AND TIME OF POSTING

- 5.2 The Security Deposit may be required to be posted upon privatization of the generating asset/s to which this Contract is allocated or assigned as provided for in Section 4.8 hereof if the prospective buyer, assignee, transferee or successor-in-interest so requires. It shall be in the form of cash, cash bond, manager's or cashier's check, bank certified check, irrevocable stand-by letter of credit. In the event the Security Deposit of the CUSTOMER becomes nil, the PSALM reserves the right to refuse or discontinue supply of electric energy. In cases of partial depletion of the Security Deposit, the CUSTOMER shall replace the Security Deposit not later than thirty (30) days thereafter. PSALM reserves the right to continue supply of electric energy to the extent of Security Deposit of the CUSTOMER".

(v) RELEASE OF SECURITY DEPOSIT

- 5.3 The Security Deposit (for the portion that should be settled within the WESM) shall be returned to the CUSTOMER within thirty (30) days upon presentation of proof of compliance with the prudential requirements of the WESM. PSALM shall return or release the Security Deposits to CUSTOMER including interest earned, subject to deductions for any amounts owed by CUSTOMER to PSALM. Security Deposits, except those in the form of letter of credit or performance bond, shall earn interest based on prevailing savings deposit rate of the Land Bank of the Philippines (LBP).

(vi) BASIC ENERGY CHARGE

- 6.1 The Basic Energy Charge (BEC) applied to the CUSTOMER's hourly energy consumption which shall be the ERC-approved NPC/PSALM's Time of Use (TOU) generation rates, which is attached as Annex III, plus adjustments in the tariff such as, but not limited to Deferred Accounting Adjustments (DAAs) and the Incremental Currency Exchange Rate Adjustments (ICERA), the RA 9136 Mandatory Rate Reduction Adjustments. The basic energy charge to be applied to the contracted energy shall be in accordance with Section 7.1 of this Contract.

Energy consumption higher than the contracted level shall be sourced by the Customer from the Wholesale Electricity Spot Market at the Wholesale Electricity Spot Market rate and paid directly to the Independent Electricity Market Operator of the Philippines (IEMOP).

- 6.1.1 The BEC shall be applied to the CUSTOMER's hourly energy consumption based on the hourly nominated energy quantity mentioned in Section 4.1.1.

(vii) MINIMUM CHARGES

- 6.2 CUSTOMER shall pay the minimum charge based on the Contract Energy per billing period as indicated in Section 4.1 of this Contract using the basic energy charge if CUSTOMER has not fully taken or failed to consume the Contract Energy, subject to deductions and adjustments as expressly provided for in this Contract.

(viii) SERVICE INTERRUPTION ADJUSTMENT

- 6.3 Should the supply of electricity be interrupted or curtailed to a level below the Contract Energy due to the fault or lack of generation capacity of the PSALM, even if CUSTOMER was at that time unable to take or consume electricity, the Contract Energy shall be adjusted taking into account the ratio of the number of hours that electric service was interrupted to the total number of hours in the billing period. The adjusted Contract Energy shall be used in the calculation of Minimum Charge.
- 6.4 Should the supply of electricity be interrupted or curtailed to a level below the Contract Energy due to the fault or lack of generation capacity of the PSALM, even if CUSTOMER was at that time unable to take or consume electricity, the Contract Energy shall be adjusted to actual off-take below contract level for all hours when service was curtailed or interrupted based on declaration of power curtailment issued by the NGCP.
- 6.5 Should the supply of electricity be interrupted or curtailed to a level below the Contract Energy due to the fault or lack of generation capacity of the PSALM, the Contract Energy not taken due to CUSTOMER's fault or negligence or other causes affecting CUSTOMER's ability to take or consume electricity shall not entitle CUSTOMER to interruption adjustment.

(ix) MAINTENANCE SERVICE ADJUSTMENT

- 6.6 CUSTOMER may avail of the service adjustment during the scheduled maintenance of its facilities, not to exceed two (2) billing periods in one year. The minimum charge on the energy consumption shall be fifty percent (50%) of the Contract Energy. To be able to avail of this adjustment, CUSTOMER must inform PSALM in writing thirty (30) days prior to the commencement of the scheduled maintenance.

(x) PROMPT PAYMENT DISCOUNT

- 6.10 Subject to ERC's approval, the Prompt Payment Discount (PPD) shall be in accordance with the PSALM's credit and collection policies duly approved by the PSALM Board.

(xi) DISPUTED BILLS

- 6.11 Should there be any dispute on bills, any such dispute would be considered as waived unless CUSTOMER questions the same in writing within sixty (60) days from CUSTOMER's receipt thereof. On a "best-efforts basis", PSALM commits to resolve such disputed bills within a period of sixty (60) days upon PSALM's receipt of said disputed bills' complete supporting documents, from the date of filing of the claim.
- 6.12 Disputed bills shall be paid by CUSTOMER without deductions or offsets and PSALM shall evaluate the claim and adjust the billings in accordance with its findings. Disputed billing shall not be an excuse or ground for CUSTOMER to delay payment of succeeding billings or to unilaterally deduct any amount there from.
- 6.13 CUSTOMER and PSALM shall seek to resolve disputed billings. If the dispute cannot be resolved by the Parties,

the matter shall be resolved as provided in Sections 9.9 and 9.10 provisions of this Contract.

- 6.14 The CUSTOMER shall be entitled to a refund of any overpayment plus interest equivalent to the actual interest earned from the date that the payment was made, if such demand is later found to be meritorious.

(xii) OVERDUE ACCOUNT

- 6.15 In the event that a power bill remains unpaid within five (5) days after its due date, PSALM has the option to call on or draw against the Security Deposit as provided for under Section 5 (Security Deposit) of this Contract.

- 6.16 Any power bill or account of CUSTOMER not paid on due date shall bear a floating rate of interest computed from the first day after it becomes due and payable, based on the highest non-prime lending rate of PSALM's depository banks for every quarter ending March, June, September and December of each year. Interest on overdue accounts shall be computed based on a 360-day year.

- 6.17 A restructuring agreement of the overdue account shall be executed by the CUSTOMER, with the following salient terms and conditions:

6.17.1 The restructured account shall be subject to interest as prescribed under the current credit and collection policies of the PSALM.

6.17.2 CUSTOMER cannot avail of the Prompt Payment Discount during the restructuring period.

6.17.3 Failure or delay by CUSTOMER on its payment for the restructured amount and monthly power bills, the total unpaid restructured amount becomes due and demandable and shall result in the disconnection from the grid, subject to the Disconnection Policy pursuant to Department of Energy (DOE) Circular No. 2010-05-006 and DOE Circular No.2010-08-0010.

6.17.4 Non-renewal of contract for failure to pay the monthly amortization, current bill and other charges.

6.17.5 CUSTOMER shall grant PSALM the power and authority, at such reasonable time and date as PSALM shall request, to audit CUSTOMER's books of account, records and such other relevant information as PSALM may determine.

6.17.6 Restructured account shall rank *pari-passu* with other creditors.

6.17.7 Execution of real estate/chattel mortgage by CUSTOMER over eligible properties or assets as security on the restructured account.

6.17.8 CUSTOMER's reduction of systems loss by at least 20% if such loss is above the industry standard.

6.17.9 CUSTOMER's reduction of Average Days Outstanding (ADO) in receivables to sixty (60) days within one year.

6.17.10 No cash dividends shall be issued without prior approval of PSALM during the restructuring period.

6.17.11 CUSTOMER shall not give bonuses to the Board of Directors and its officers without prior approval from PSALM.

6.17.12 CUSTOMER shall not grant foreign travels to the Board of Directors and its officers without prior approval from PSALM.

6.18 To evaluate the CUSTOMER's restructuring proposal, CUSTOMER shall be required to submit its Audited Financial Reports for the past three (3) years, Applicable Restructuring Scheme, Statement of Accounts (SOA), Projected Financial Statements, Summary of Annual Collections Report from Distribution Utilities (DUs) for the past three (3) years, Rehabilitation Plan for the next five (5) years or for the term of the restructuring period, whichever is longer, that will focus on adopting measures that will result to increase in collection efficiency and reduction of systems loss, as well as, measure to optimize operating costs and professionalize management and staff, etc., and other documents that will show the paying capacity of the customer and the implementation of the restructuring scheme.

(xiii) PRICE SETTLEMENT MECHANISM DURING THE WESM OPERATION

8.1 During the commercial operation of the WESM, the Basic Energy Charge (BEC) as provided under Section 6.1 of this Contract shall remain the basis for settlement of Contract Energy. Settlement of the transactions shall be made through the Market Operator. In the event that WESM rules provide for a pricing mechanism that renders the BEC as defined herein inappropriate or inapplicable, the Parties shall meet and discuss the matters in good faith and exert their best efforts in arriving at a mutually agreeable solution.

Under the present Market Management System of the Wholesale Electricity Spot Market, the PSALM's power plant trading node (generator resource) will be the delivery point while the receiving point is the CUSTOMER's trading node (load resource) as provided in Annex II. Under this arrangement, the CUSTOMER shall pay the Line rental for the energy supplied by PSALM.

With regard to the operation of the New Market Management System (NMMS) of the Wholesale Electricity Spot Market, the delivery point will be at PSALM's power plant trading node (generator resource) while the CUSTOMER's receiving point is the load resource as provided in Annex II. The CUSTOMER shall pay and settle to the market the difference in the Final Energy Dispatch Price between generator resource and load resource in each particular settlement trading interval that is covered by bilateral contract quantity.

(xiv) MISCELLANEOUS PROVISIONS LIABILITIES

9.1 Except as expressly provided, PSALM shall not be liable for any damage suffered by CUSTOMER due to the failure of PSALM to supply electric energy to CUSTOMER in

accordance with prescribed standards, except when such failure is caused by PSALM 's bad faith, gross negligence or malicious intent. This provision, however, shall not affect the rights of CUSTOMER to applicable deduction in its electricity charges provided in this Contract.

FORCE MAJEURE

- 9.2 Force majeure is an extraordinary event which cannot be foreseen or which though foreseen, cannot be avoided. The event must render it impossible for a party to fulfill its obligation in a normal manner despite the exercise of due care. Force majeure shall not excuse either party from exercising due care to prevent it or minimize its effects. Force majeure includes a storm, typhoon, lightning, flood, earthquake, tsunami, fire, war, rebellion, insurrection, riot, naval or other blockade, labor disturbance, civil unrest, and other events, which are entirely beyond the control of either or both parties. A party shall not be excused from its failure to perform its obligations under this Contract even if the same is caused by force majeure except as provided in this Section and Sections 9.6 to 9.8.
- 9.3 Insolvency or business losses shall not be considered as an event of force majeure.
- 9.4 The affected party shall notify the other in writing of a force majeure situation. The other party shall have sixty (60) days to verify or deny in writing that such situation exists.
- 9.5 A verified event of force majeure, which prevents a party from supplying or taking electricity for at least six (6) months or agreed upon by both parties to prevent the supply or taking of electricity for a continuous period of at least six (6) months shall entitle either party to terminate this Contract. Buy-out shall not apply to such termination.

DEDUCTION DUE TO FORCE MAJEURE

- 9.6 PSALM shall have a maximum of seventy-two (72) hours from the time a force majeure event prevented it from supplying electricity and perform its other obligations under the Contract to resume supply. CUSTOMER shall not be entitled to interruption adjustment for such period, unless interruptions exceed seventy-two (72) hours and the CUSTOMER failed to fully take or consume its Contract Energy.
- 9.7 Likewise, CUSTOMER shall have a maximum of seventy-two (72) hours from the time a force majeure event prevented it from fully taking its Contract Energy to resume taking electricity. CUSTOMER shall be entitled to interruption adjustment based on the actual number of hours that it was unable to receive electricity, should its consumption be curtailed below the levels of Contract Energy. The number of hours that CUSTOMER can claim for interruption adjustments is limited to a maximum of 72 hours per force majeure event. However, if both PSALM and CUSTOMER were simultaneously unable to supply and consume electricity by reason of Force Majeure, CUSTOMER shall be entitled to interruption adjustment.

- 9.8 The number of hours of interruptions or of failure to receive electricity caused by one force majeure event shall be cumulated.

SETTLEMENT OF DISPUTES

- 9.9 The Parties shall exert reasonable efforts to amicably settle all disputes arising in connection with this Contract, as a condition precedent to dispute resolution, which will be filed by either party with the ERC.
- 9.10 Any dispute arising in connection with this Contract, which exclusive jurisdiction has not been vested in the ERC or any appropriate government agency, shall be submitted to arbitration in the Philippines in accordance with Republic Act 876 and Republic Act 9285. No court action shall be initiated except as provided under the Philippine Arbitration Law. The proper court having jurisdiction over the place where PSALM's principal office is located shall have exclusive jurisdiction over such court action.

CONTRACT TERMINATION

- 9.11 Either party will have the right to terminate this Contract upon failure of the other to perform its obligation under this Contract, provided that the party at fault will have to pay all its outstanding account and reimburse the costs incurred by the other party as a result of the termination.

VALIDITY AND BINDING EFFECT

- 9.15 This Contract shall bind the Parties, their respective assigns, buyers, transferees, or successors-in-interest. If for any reason, competent courts must declare any provision of this Contract invalid during its effectivity, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.

EFFECTIVITY

- 9.20 This Agreement shall be executed in counterparts and shall be effective when at least one counterpart shall have been executed by one of the parties herein, and each set of counterparts shall constitute one single and binding agreement.
16. Further, in compliance with Section 2, Rule 6 (Pre-Filing Requirements) of this Honorable Commission's Resolution No. 01, Series of 2021,¹ and in support of the instant Application for the CSEE's approval, a copy of the instant Application (including Annexes) was furnished to the offices of the City Mayor and the Sangguniang Panlungsod of Quezon City (Annexes "C" and series). The Application (excluding Annexes) was also published in a newspaper of general circulation (Annex "D").

¹ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

PSALM is exempted from joining the mandatory Competitive Selection Process in the procurement of power supply.

17. This Honorable Commission recognized that PSALM is exempted from joining the mandatory Competitive Selection Process (“CSP”) in the procurement of power supply. In a letter dated 20 September 2016 (Annex “E”), this Honorable Commission said that PSALM need not participate in the CSP due to the nature of its operations.
18. Also, this Honorable Commission recognized PSALM’s exemption from joining the mandatory CSP in its decision approving the application for the approval of the LOAs and CSEEs with the DUs under ERC Case No. 2016-186 RC.

**ALLEGATIONS IN SUPPORT FOR THE
ISSUANCE OF PROVISIONAL AUTHORITY**

19. PSALM acknowledges that the continued operation of the Distribution Utilities is indispensable to the economic efficiency of the franchise area they service, not to mention the ripple effect of that efficiency to the economic growth of the entire country. In order for these Distribution Utilities to continue lawfully drawing electricity from the grid, it is imperative that they enter into agreement/s with PSALM as Supplier for the supply of electricity, through a contract of sale for electricity, hence the respective CSEE.
20. A grant of provisional authority to execute the CSEEs effective 26 June 2021 to 25 July 2022 will benefit CASURECO IV and will ultimately redound to the benefit of end consumers.
21. Attached as Annex “F” is the Judicial Affidavit of Engr. James Marvin A. Mamaradlo, the Corporate Staff Officer B of the Electricity Trading Department under PSALM’s Privatization and Asset Management Group, attesting to the truth of the above matters.
22. Pursuant to ERC rules of practice and procedure, this Honorable Commission may exercise its discretion by granting provisional authority or interim relief prior to a final decision.
23. It is understood that the interim relief sought by Applicant PSALM that may be granted by this Honorable Commission, shall be subject to adjustments and other conditions that this Honorable Commission may impose after its hearing and final determination.

PRAYER

WHEREFORE, Applicant PSALM most respectfully prays that this Honorable Commission approve the duly negotiated CASURECO IV CSEE covering the period of 26 June 2021 until 25 July 2022.

It is likewise prayed that a Provisional Authority (PA) be issued authorizing PSALM to implement the subject CSEE with CASURECO IV in the Luzon Grid.

Other reliefs just and equitable under the premises are likewise prayed for.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference and presentation of evidence on the following dates and online platform for the conduct thereof pursuant to Resolution No. 09, Series of 2020² dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)³:

Date	Platform	Activity
10 November 2021 (Wednesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements, and Expository Presentation
17 November 2021 (Wednesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Pre-Trial Conference and Presentation of Evidence

RELATIVE THERETO, PSALM is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at its 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 virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* CASURECO IV, Offices of the Provincial Governor of Camarines Sur, Mayors of Quezon City and Tigaon, Camarines Sur and their respective Local

² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Government Unit (LGU) legislative bodies within the affected areas for the appropriate posting thereof on their respective bulletin boards;

- 3) Inform the consumers within the affected area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled virtual hearings thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives and attend the scheduled hearings; and
- 5) Furnish with copies of the *Application* and its attachments, all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if any, and reimbursement of reasonable photocopying costs.⁴

Within five (5) calendar days prior to the date of the virtual hearings, PSALM must submit to the Commission via electronic mail (e-mail) at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of 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 Virtual Hearing* consisting of affidavit of the Editors or Business Managers of the newspapers where the said *Notice of Virtual 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 Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Provincial Governor, City and Municipal Mayors, and their LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;

⁴ For the e-mail address of the applicant, please see page 17.

- 3) The evidence of other means employed by PSALM to inform the consumers within the affected area of the filing of the *Application*, its reasons therefor, and of the scheduled hearings thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Moreover, PSALM is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publication and certifications issued by the concerned Office of the Provincial Governor, City and Municipal Mayors and their Local Legislative Bodies, and to submit proof of its posting thereof.

PSALM and all interested parties are also required to submit via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days before the date of the scheduled virtual 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 therefor; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

PSALM must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of PSALM 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.

PSALM must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it 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, the nature of the *Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

PSALM is hereby directed to file a copy of its Expository Presentation via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, at least five (5) calendar days prior to the scheduled virtual hearing. PSALM shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

PSALM is hereby directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

Finally, PSALM, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 04 October 2021.

FOR AND BY AUTHORITY
OF THE COMMISSION:



AGNES YST DEVANADERA
Chairperson and CEO

ERC

Office of the Chairperson



AVSTD-2021-10-510-0019


LS: MVM/ LSP/MCCG

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9. Office of the Provincial Governor
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10. Office of the LGU Legislative Body
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