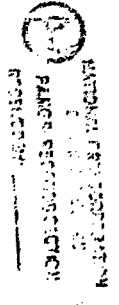


2012-06-454

2012 JUN 23 PM 2:40



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

IN THE MATTER OF THE APPLICATION OF THE NATIONAL GRID CORPORATION OF THE PHILIPPINES FOR THE APPROVAL OF FORCE MAJEURE (FM) EVENT REGULATED FM PASS THROUGH FOR FLOODING IN MINDANAO, TYPHOON BEBENG, LANDSLIDE IN MINDANAO AND TYPHOON JUANING IN ACCORDANCE WITH THE RULES FOR SETTING TRANSMISSION WHEELING RATES, WITH PRAYER FOR PROVISIONAL AUTHORITY

2012 JUN 23 PM 9:03

Minda

ERC CASE NO. 2012-070 RC

NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP),

Applicant.

X-----X

D O C K E T E D
Date: JUN 28 2012
By: [Signature]

ORDER

On May 7, 2012, the National Grid Corporation of the Philippines (NGCP) filed an application for the approval of Force Majeure (FM) event regulated FM pass through for flooding in Mindanao, Typhoon Bebeng, landslide in Mindanao and Typhoon Juaning in accordance with the Rules for Setting Transmission Wheeling Rates, with prayer for provisional authority.

In the said application, NGCP alleged, among others, the following:

1. It is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City. It is the corporate vehicle of the consortium which was awarded the concession to assume the power transmission functions of the National Transmission

Corporation (TRANSCO) pursuant to Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or the EPIRA.

2. Under Republic Act No. 9511¹, it was granted a franchise to construct, install, finance, manage, improve, expand, operate, maintain rehabilitate, repair and refurbish the present nationwide transmission system of the Republic of the Philippines;
3. On January 15, 2009, it assumed transmission functions of TRANSCO including the operation, management and maintenance of the nationwide electrical grid.
4. Pursuant to Section 10.1.1 of the Rules for Setting Transmission Wheeling Rates (RTWR), it is allowed to recover the cost incurred for the restoration, rehabilitation, repair of damage sustained by NGCP transmission assets and other related facilities as a result of a Force Majeure Event (FME), as defined in Article I of RTWR.

Allegations on the Flooding in Mindanao as FME

5. During the first week of January 2011, the Mindanao area suffered continuous heavy rains causing floods which damaged NGCP transmission assets and other related facilities.
6. In compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice dated March 28, 2011.
7. A copy of the Force Majeure Event Notice dated March 28, 2011, Certification dated June 15, 2011 issued by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), and Certification dated April 3, 2012 issued by the Office of the Punong Barangay of Brgy. Tabon, Bislig City, Surigao del Sur are hereto attached as Annexes "A", "A-1" and "A-2", respectively.

Allegations for the Typhoon Bebang as FME

8. On May 7 to 9, 2011, Typhoon Bebang packing maximum sustained winds of 85 kph and gustiness of up to 100 kph caused severe damage to life and property due to strong winds and heavy downpour over Visayas.
9. Due to its intensity, it caused damage to NGCP transmission facilities in the Visayas area.
10. On July 7, 2011, in compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice for Typhoon Bebang dated July 1, 2011.

¹ Republic Act No. 9511 entitled, "An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Backbone System or Interconnected Transmission Lines, Substations and Related Facilities, and for Other Purposes."

11. A copy of the Force Majeure Event Notice for Bebeng dated July 1, 2011 and Certification dated June 15, 2011 issued by the PAGASA are hereto attached as Annexes "B" and "B-1", respectively.

Allegations for the Landslide in Mindanao Area as FME

12. On or about the first week of July 2011, the Mindanao area suffered continuous rainfall causing landslide which damaged NGCP transmission assets and other related facilities particularly in the Bukidnon areas.
13. On September 23, 2011, in compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice for Landslide in Mindanao dated September 19, 2011.
14. A copy of the Force Majeure Event Notice dated September 19, 2011, Certification dated October 14, 2011 issued by the PAGASA, Certification dated March 28, 2012 issued by the Office of the Punong Barangay of Brgy. Tabon, Municipality of Quezon, Bukidnon and Final Report issued by the Regional Disaster Risk Reduction and Management Council (RDRRMC) dated July 8, 2011 are hereto attached as Annexes "C", "C-1", "C-2" and "C-3".

Allegations for the Typhoon Juaning as FME

15. On July 25-28, 2011, Typhoon Juaning packing maximum winds of 95 kph and gustiness of up to 120 kph caused severe damage to life and property due to strong winds and heavy downpour over North Luzon, South Luzon and Visayas area.
16. Due to its intensity, it caused damage to NGCP transmission assets and other related facilities in South Luzon area.
17. On September 23, 2011, in compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice for Juaning dated September 19, 2011.
18. A copy of the Force Majeure Event Notice for Juaning dated September 19, 2011 and Certification dated October 14, 2011 issued by the PAGASA are hereto attached as Annexes "D" and "D-1", respectively.

Allegations Common to All Causes of Action

19. Immediately after the wrath of the floods and landslides in Mindanao area and typhoons Bebeng and Juaning, NGCP started the repair and rehabilitation of its damaged transmission assets and other related facilities in order to continue serving its customers. Some activities are still in progress up to present in some areas.
20. The cost of Capital Expenditure (CAPEX) that NGCP incurred/will incur in the rehabilitation, repair and restoration of its transmission assets and other related facilities and that need to complete such are as follows:

FME	Total (PhP) ²
Flooding in Mindanao Area	730,185.63
Bebeng	9,383.77
Landslide in Mindanao Area	4,887,181.00
Juaning	3,844,235.19
Total	9,470,985.58

Copies of the Details of Activities of FMEs Flooding in Mindanao Area, Typhoon Bebeng, Landslide in Mindanao Area, and Typhoon Juaning are hereto attached as Annexes "E", "F", "G", and "H", respectively.³

21. Notwithstanding that the damaged transmission assets and other related facilities are owned by TRANSCO, a co-assured of the Power Sector Assets and Liabilities Management Corporation's Industrial All Risk Insurance Policy ("IAR") with the Government Service Insurance System, the cost of the rehabilitation, repair and restoration of the damaged transmission assets and other related facilities is not covered by the IAR and therefore not compensable. Copies of the Certification in support of such allegation are hereto attached as Annexes "I", "J", "K" and "L".
22. In view of the foregoing, there is a need to realign NGCP's CAPEX projects to recover the cost incurred/to be incurred for the restoration, rehabilitation and repair of the damaged NGCP transmission assets and other related facilities.

COMPUTATION OF FORCE MAJEURE EVENT PASS-THROUGH COST

23. It computed the pass-through FME amount as shown in the table below:

FME-Peso/kW	2012	2013	2014	2015	Total
Luzon	0.0051	0.0069	0.0068	0.0068	0.0256
Visayas	0.0002	0.0001	0.0001	0.0001	0.0005
Mindanao	0.0962	0.0642	0.0639	0.0635	0.2878

24. It proposes the pass-through cost as additional network charges in the following areas starting the billing period of May 2012 up to December

² Inclusive of permit fees;

³ Copies of pictures for FME Flooding in Mindanao Area are attached herewith as Annexes "E-1" to "E-4". Copies of pictures for FME Typhoon Bebeng are attached herewith as Annexes "F-1" and "F-2". Copies of pictures for FME Landslide in Mindanao Area are attached herewith as Annexes "G-1" and "G-2". Copies of pictures for FME Typhoon Juaning are attached herewith as Annexes "H-1" and "H-2".

2015 or until such time that the amount incurred is fully recovered, as follows:

FME-Peso/kW	2012	2013	2014	2015	Total
Luzon	0.0051	0.0069	0.0068	0.0068	0.0256
Mindanao	0.0962	0.0642	0.0639	0.0635	0.2878

25. Although this FME claim is not included in NGCP's 3rd Regulatory Reset Application, the same can be recovered during the 3rd Regulatory Period pursuant to Section 10.1.1 of the RTWR where NGCP is allowed to recover the cost incurred for the restoration, repair and rehabilitation of damage sustained by its transmission assets and other related facilities as a result of the FME.⁴

26. Further, the FME Claim under this Application does not breach the FMTA.⁵

27. It moves for the issuance of a provisional authority for the immediate recovery of the FME claim.⁶ It needs to immediately recover the actual expenses incurred for the rehabilitation of the damaged transmission assets and other related facilities. The occurrence of the aforementioned FME requires capital infusion, the recovery of which should be allowed to avoid putting financial strain in the transmission provider, and to allow it to continuously provide the necessary transmission service to the grid customers.

28. In addition, the timely implementation of the pass-through amount will allow the equal or even spread of the increases or decreases in tariffs from the initial implementation of the recovery of the cost.

29. It most prays of the Commission that:

- a. Declare the flooding and landslide events in Mindanao area and Typhoons Bebung and Juaning as Force Majeure Events;
- b. Approve the CAPEX incurred/to be incurred for the restoration/rehabilitation/repair of the damaged transmission assets and other related facilities for the following FMEs: flooding and landslide events in Mindanao area and Typhoons Bebung and Juaning;
- c. Approve the proposed pass-through amount representing return on and of capital expenditure associated with the emergency

⁴ A copy of Force Majeure Event Claim Computation is hereto attached as Annex "M";

⁵ A copy of the Force Majeure Threshold Amount (FMTA) Computation is hereto attached as Annex "N"; and

⁶ A copy of the Judicial Affidavit of Ma. Bernadette R. Gan, Head, Tariff Administration Section Tariff Design and Billing Management Division, Regulatory Revenue Affairs, in support thereof is hereto attached as Annex "O".

responses and the repair and rehabilitation of facilities damaged due to the said events, as shown in the table below:

FME-Peso/kW	2012	2013	2014	2015	Total
Luzon	0.0051	0.0069	0.0068	0.0068	0.0256
Mindanao	0.0962	0.0642	0.0639	0.0635	0.2878

- d. Grant provisional authority to implement and bill the FME Pass-Through Amount to Luzon and Mindanao customers from April 26, 2012 to December 25, 2015 or until such time that the amount incurred is fully recovered; and
- e. Exclude the proposed Pass-Through Amount from the side constraint calculation.

Finding the said application sufficient in form and substance with the required fees having been paid, the same is hereby set for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **August 7, 2012 (Tuesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

NGCP is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, twice (2x) for two (2) successive weeks in two (2) newspapers of general circulation in the Philippines, with the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing. It is also directed to inform the consumers, by any other means available and appropriate, of the filing of the instant application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the application, this Order and the attached Notice of Public Hearing be furnished 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 at the scheduled hearing.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Office of the Mayor of Quezon City for the appropriate posting thereof on its bulletin board.

NGCP is hereby directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, NGCP must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of a certification issued to that effect, signed by the afore-mentioned Mayor or his duly authorized representative, bearing the seal of his office, and the affidavits of the Editors or Business Managers of the newspapers where the said Notice of Public Hearing was published together with the complete issues of the said newspapers, and such other proofs of compliance with the requirements of the Commission.

NGCP and all interested parties are directed 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:

- a) A summary of admitted facts and proposed stipulation of facts;
- b) The issues to be tried or resolved;

- c) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.


Failure of NGCP to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses 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 said date of cancellation.

As part of the pre-trial conference, NGCP must also be prepared to make an expository presentation of its 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, what the application is all about and the reasons and justifications being cited in support thereof.

SO ORDERED.

Pasig City, June 25, 2012.

FOR AND BY AUTHORITY
OF THE COMMISSION:


ZENAIDA G. CRUZ-DUCUT
Chairperson *gmd*

Copy Furnished:

1. **Attys. Luis Manuel U. Bugayong, Ronald Dylan P. Concepcion, Mark Anthony S. Actub, Raycell D. Baldovino and Ari Vergil P. Fabros**
Counsels for Applicant
National Grid Corporation of the Philippines (NGCP)
NGCP Building, Quezon Avenue cor. BIR Road
Diliman, Quezon City, Metro Manila
2. **THE OFFICE OF THE SOLICITOR GENERAL**
234 Amorsolo Street, Legaspi Village, Makati City
Metro Manila
3. **THE COMMISSION ON AUDIT**
Don Mariano Marcos Avenue
Diliman, Quezon City, Metro Manila
4. **THE COMMITTEE ON ENERGY**
House of the Senate
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
5. **THE COMMITTEE ON ENERGY**
House of Representatives
Batasan Hills, Quezon City, Metro Manila
6. **OFFICE OF THE CITY MAYOR**
Quezon City

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

**IN THE MATTER OF THE
APPLICATION OF THE NATIONAL
GRID CORPORATION OF THE
PHILIPPINES FOR THE APPROVAL
OF FORCE MAJEURE (FM) EVENT
REGULATED FM PASS THROUGH
FOR FLOODING IN MINDANAO,
TYPHOON BEBENG, LANDSLIDE IN
MINDANAO AND TYPHOON
JUANING IN ACCORDANCE WITH
THE RULES FOR SETTING
TRANSMISSION WHEELING RATES,
WITH PRAYER FOR PROVISIONAL
AUTHORITY**

ERC CASE NO. 2012-070 RC

**NATIONAL GRID CORPORATION OF
THE PHILIPPINES (NGCP),**

Applicant.

X-----X

D O C K E T E D
Date: JUN 28 2012
By: [Signature]

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on May 7, 2012, the National Grid Corporation of the Philippines (NGCP) filed with the Commission an application for the approval of Force Majeure (FM) event regulated FM pass through for flooding in Mindanao, Typhoon Bebung, landslide in Mindanao and Typhoon Juaning in accordance with the Rules for Setting Transmission Wheeling Rates, with prayer for provisional authority.

In the said application, NGCP alleged, among others, the following:

1. It is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City. It is the corporate vehicle of the consortium which was awarded the concession to assume the power transmission functions of the National Transmission Corporation (TRANSCO) pursuant to Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or the EPIRA.
2. Under Republic Act No. 9511¹, it was granted a franchise to construct, install, finance, manage, improve, expand, operate, maintain rehabilitate, repair and refurbish the present nationwide transmission system of the Republic of the Philippines;
3. On January 15, 2009, it assumed transmission functions of TRANSCO including the operation, management and maintenance of the nationwide electrical grid.
4. Pursuant to Section 10.1.1 of the Rules for Setting Transmission Wheeling Rates (RTWR), it is allowed to recover the cost incurred for the restoration, rehabilitation, repair of damage sustained by NGCP transmission assets and other related facilities as a result of a Force Majeure Event (FME), as defined in Article I of RTWR.

Allegations on the Flooding in Mindanao as FME

5. During the first week of January 2011, the Mindanao area suffered continuous heavy rains causing floods which damaged NGCP transmission assets and other related facilities.
6. In compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice dated March 28, 2011.
7. A copy of the Force Majeure Event Notice dated March 28, 2011, Certification dated June 15, 2011 issued by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), and Certification dated April 3, 2012 issued by the Office of the Punong Barangay of Brgy. Tabon, Bislig City, Surigao del Sur are hereto attached as Annexes "A", "A-1" and "A-2", respectively.

Allegations for the Typhoon Bebang as FME

8. On May 7 to 9, 2011, Typhoon Bebang packing maximum sustained winds of 85 kph and gustiness of up to 100 kph caused severe damage to life and property due to strong winds and heavy downpour over Visayas.

¹ Republic Act No. 9511 entitled, "An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Backbone System or Interconnected Transmission Lines, Substations and Related Facilities, and for Other Purposes."

9. Due to its intensity, it caused damage to NGCP transmission facilities in the Visayas area.
10. On July 7, 2011, in compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice for Typhoon Bebang dated July 1, 2011.
11. A copy of the Force Majeure Event Notice for Bebang dated July 1, 2011 and Certification dated June 15, 2011 issued by the PAGASA are hereto attached as Annexes "B" and "B-1", respectively.

Allegations for the Landslide in Mindanao Area as FME

12. On or about the first week of July 2011, the Mindanao area suffered continuous rainfall causing landslide which damaged NGCP transmission assets and other related facilities particularly in the Bukidnon areas.
13. On September 23, 2011, in compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice for Landslide in Mindanao dated September 19, 2011.
14. A copy of the Force Majeure Event Notice dated September 19, 2011, Certification dated October 14, 2011 issued by the PAGASA, Certification dated March 28, 2012 issued by the Office of the Punong Barangay of Brgy. Tabon, Municipality of Quezon, Bukidnon and Final Report issued by the Regional Disaster Risk Reduction and Management Council (RDRRMC) dated July 8, 2011 are hereto attached as Annexes "C", "C-1", "C-2" and "C-3".

Allegations for the Typhoon Juaning as FME

15. On July 25-28, 2011, Typhoon Juaning packing maximum winds of 95 kph and gustiness of up to 120 kph caused severe damage to life and property due to strong winds and heavy downpour over North Luzon, South Luzon and Visayas area.
16. Due to its intensity, it caused damage to NGCP transmission assets and other related facilities in South Luzon area.
17. On September 23, 2011, in compliance with Article X of the RTWR, it filed with the Commission a Force Majeure Event Notice for Juaning dated September 19, 2011.
18. A copy of the Force Majeure Event Notice for Juaning dated September 19, 2011 and Certification dated October 14, 2011 issued by the PAGASA are hereto attached as Annexes "D" and "D-1", respectively.

Allegations Common to All Causes of Action

19. Immediately after the wrath of the floods and landslides in Mindanao area and typhoons Bebeng and Juaning, NGCP started the repair and rehabilitation of its damaged transmission assets and other related facilities in order to continue serving its customers. Some activities are still in progress up to present in some areas.
20. The cost of Capital Expenditure (CAPEX) that NGCP incurred/will incur in the rehabilitation, repair and restoration of its transmission assets and other related facilities and that need to complete such are as follows:

FME	Total (PhP)²
Flooding in Mindanao Area	730,185.63
Bebeng	9,383.77
Landslide in Mindanao Area	4,887,181.00
Juaning	3,844,235.19
Total	9,470,985.58

Copies of the Details of Activities of FMEs Flooding in Mindanao Area, Typhoon Bebeng, Landslide in Mindanao Area, and Typhoon Juaning are hereto attached as Annexes "E", "F", "G", and "H", respectively.³

21. Notwithstanding that the damaged transmission assets and other related facilities are owned by TRANSCO, a co-assured of the Power Sector Assets and Liabilities Management Corporation's Industrial All Risk Insurance Policy ("IAR") with the Government Service Insurance System, the cost of the rehabilitation, repair and restoration of the damaged transmission assets and other related facilities is not covered by the IAR and therefore not compensable. Copies of the Certification in support of such allegation are hereto attached as Annexes "I", "J", "K" and "L".
22. In view of the foregoing, there is a need to realign NGCP's CAPEX projects to recover the cost incurred/to be incurred for the restoration, rehabilitation and repair of the damaged NGCP transmission assets and other related facilities.

² Inclusive of permit fees;

³ Copies of pictures for FME Flooding in Mindanao Area are attached herewith as Annexes "E-1" to "E-4". Copies of pictures for FME Typhoon Bebeng are attached herewith as Annexes "F-1" and "F-2". Copies of pictures for FME Landslide in Mindanao Area are attached herewith as Annexes "G-1" and "G-2". Copies of pictures for FME Typhoon Juaning are attached herewith as Annexes "H-1" and "H-2".

COMPUTATION OF FORCE MAJEURE EVENT PASS-THROUGH COST

23. It computed the pass-through FME amount as shown in the table below:

FME-Peso/kW	2012	2013	2014	2015	Total
Luzon	0.0051	0.0069	0.0068	0.0068	0.0256
Visayas	0.0002	0.0001	0.0001	0.0001	0.0005
Mindanao	0.0962	0.0642	0.0639	0.0635	0.2878

24. It proposes the pass-through cost as additional network charges in the following areas starting the billing period of May 2012 up to December 2015 or until such time that the amount incurred is fully recovered, as follows:

FME-Peso/kW	2012	2013	2014	2015	Total
Luzon	0.0051	0.0069	0.0068	0.0068	0.0256
Mindanao	0.0962	0.0642	0.0639	0.0635	0.2878

25. Although this FME claim is not included in NGCP's 3rd Regulatory Reset Application, the same can be recovered during the 3rd Regulatory Period pursuant to Section 10.1.1 of the RTWR where NGCP is allowed to recover the cost incurred for the restoration, repair and rehabilitation of damage sustained by its transmission assets and other related facilities as a result of the FME.⁴

26. Further, the FME Claim under this Application does not breach the FMTA.⁵

27. It moves for the issuance of a provisional authority for the immediate recovery of the FME claim.⁶ It needs to immediately recover the actual expenses incurred for the rehabilitation of the damaged transmission assets and other related facilities. The occurrence of the aforementioned FME requires capital infusion, the recovery of which should be allowed to avoid putting financial strain in the transmission provider, and to allow it to continuously provide the necessary transmission service to the grid customers.

⁴ A copy of Force Majeure Event Claim Computation is hereto attached as Annex "M";

⁵ A copy of the Force Majeure Threshold Amount (FMTA) Computation is hereto attached as Annex "N"; and

⁶ A copy of the Judicial Affidavit of Ma. Bernadette R. Gan, Head, Tariff Administration Section Tariff Design and Billing Management Division, Regulatory Revenue Affairs, in support thereof is hereto attached as Annex "O".

28. In addition, the timely implementation of the pass-through amount will allow the equal or even spread of the increases or decreases in tariffs from the initial implementation of the recovery of the cost.

29. It most prays of the Commission that:

- a. Declare the flooding and landslide events in Mindanao area and Typhoons Bebeng and Juaning as Force Majeure Events;
- b. Approve the CAPEX incurred/to be incurred for the restoration/rehabilitation/repair of the damaged transmission assets and other related facilities for the following FMEs: flooding and landslide events in Mindanao area and Typhoons Bebeng and Juaning;
- c. Approve the proposed pass-through amount representing return on and of capital expenditure associated with the emergency responses and the repair and rehabilitation of facilities damaged due to the said events, as shown in the table below:

FME-Peso/kW	2012	2013	2014	2015	Total
Luzon	0.0051	0.0069	0.0068	0.0068	0.0256
Mindanao	0.0962	0.0642	0.0639	0.0635	0.2878

- d. Grant provisional authority to implement and bill the FME Pass-Through Amount to Luzon and Mindanao customers from April 26, 2012 to December 25, 2015 or until such time that the amount incurred is fully recovered; and
- e. Exclude the proposed Pass-Through Amount from the side constraint calculation.

The Commission has set the application for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **August 7, 2012 (Tuesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and address; (2) the nature of petitioner's interest in the subject matter of the proceeding, and the way and manner in which such interest is affected by the issues involved in the proceeding; and (3) a statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who may wish to have a copy of the application may request the applicant, prior to the date of the initial hearing, that they be furnished with a copy of the application. The applicant is hereby directed to furnish all those making such request with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

WITNESS, the Honorable Chairperson, **ZENAIDA G. CRUZ-DUCUT**, and the Honorable Commissioners, **MARIA TERESA A.R. CASTAÑEDA**, **ALFREDO J. NON** and **GLORIA VICTORIA C. YAP-TARUC**, Energy Regulatory Commission, this 25th day of June, 2012 at Pasig City.


ATTY. FRANCIS SATURNINO C. JUAN
Executive Director III