

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF THE  
IMPLEMENTATION OF  
CAPITAL EXPENDITURE  
PROGRAM FOR  
CALENDAR YEARS 2021-  
2025 (BATCH 4), WITH  
PRAYER FOR THE  
ISSUANCE OF  
PROVISIONAL  
AUTHORITY**

**ERC CASE NO. 2022-058 RC**

**NATIONAL GRID  
CORPORATION OF THE  
PHILIPPINES,**

*Applicant.*

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**Promulgated:**

September 06, 2022

**ORDER**

On 25 August 2022, the National Grid Corporation of the Philippines (NGCP) filed an *Application* dated 29 July 2022, seeking the approval of its capital expenditure program for calendar years 2021-2025 (Batch 4), with prayer for the issuance of provisional authority.

The pertinent allegations in the said *Application* are hereunder quoted, as follows:

**The Applicant**

1. NGCP is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner B.I.R. Road, Diliman, Quezon City. It is the concessionaire which was granted the rights and obligation to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair, refurbish, and replace the Transmission Assets pursuant to R.A. No. 9136,

otherwise known as the “*Electric Power Industry Reform Act of 2001*” (EPIRA).

- 2. Pursuant to R.A. No. 9511<sup>1</sup>, NGCP was granted the franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through a high-voltage backbone system of interconnected transmission lines, substations and related facilities, system operations, and other activities that are necessary to support the safe and reliable operation of the transmission system<sup>2</sup> and is authorized to charge its customers at the rates approved by the Honorable Commission.
- 3. This Application is filed pursuant to paragraph (d), Section 9 of the EPIRA, which directs the transmission operator to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in the pursuit of its mandate to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.

**The Projects**

- 4. Notwithstanding the absence of the Final Determination for the 4<sup>th</sup> and 5<sup>th</sup> Regulatory Period, NGCP is mandated to ensure and maintain the quality, reliability, adequacy, security, stability and integrity of the nationwide grid. In order to perform these tasks, NGCP seeks authority from this Honorable Commission for the immediate implementation of the following capital expenditure projects:

	PROJECT NAME	BRIEF JUSTICATION
1.	<b>Barotac Viejo – Unidos 230 kV Transmission Line Project</b>	The project aims to accommodate incoming power plants of Triconti Elements Corporation (TCEC)’s 75 MW Wind Power Plant and Strategic Power Development Corp. (SPDC)’s 300 MW Aklan Pump Storage Power Plant and to prevent the overloading of the 138 kV Transmission corridor in Northern Panay during normal and N-1 contingency.

<sup>1</sup> 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 Back-bone System or Interconnected Transmission Lines, Substations and Related Facilities, and For Other Purposes.

<sup>2</sup> *Id*, Section 1.

		<p>The total estimated project cost is PhP10,474.835Mn with an implementation period of 29 months.</p>
2.	<b>Banga 138kV Substation Project</b>	<p>The project aims to prevent overloading and to provide N-1 contingency to Nabas Substation and Panitan-Nabas 69kV Line. It will also address the undervoltage along the Panitan-Nabas 69kV Transmission Line and provide possible connection point to future power plants and load customers.</p> <p>The total estimated project cost is PhP1,117.291Mn and with an implementation period of 35 months.</p>
3	<b>Tabango – Biliran 69kV Transmission Line Project</b>	<p>The project aims to avoid power interruption in Northern Leyte and Biliran Island; improve the system reliability and avoid Low Voltage problems in Northern Leyte and Biliran Island.</p> <p>The total estimated project cost is PhP908.312Mn with an implementation period of 41 months.</p>
4	<b>Visayas Mobile Capacitor Bank Project</b>	<p>The project aims to address the undervoltage in various substations during Normal and N-1 contingency; improve the reactive power reserve and voltage support in the area as well as to prevent load curtailment in the area.</p> <p>The total estimated project cost is PhP403.249Mn with an implementation period of 12 months.</p>

The *Project Application Documents* of Batch 4 projects is hereto attached as **Annex “A”**.

**Justifications for the Issuance of  
Provisional Approval or Interim Relief**

5. Under Section 3, Rule 14 of the Rules of Practice and Procedure, the Honorable Commission may motu proprio issue an order for interim relief with or without conducting a hearing, viz:

“Section 3. Action on the Motion. - **Motions for provisional authority or interim relief may be acted upon with or without hearing.** The Commission shall act on the motion **on the basis of the allegations of the application or petition and supporting documents and other evidences that applicant or petitioner has submitted** and the comments or opposition filed by any interested person, if there be any. xxx xxx” (emphasis supplied)

6. From the above provision, a provisional authority or interim relief for the implementation of the proposed projects may be issued by the Honorable Commission motu proprio based on the allegations in the applications and its supporting documents prior to the conduct hearings.
7. To reiterate, NGCP is required under paragraph (d), Section 9 of the EPIRA to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in relation to its authority and responsibility to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.
8. Along with its responsibility for the planning, construction and centralized operation and maintenance of its high voltage transmission facilities, it is indispensable for NGCP to ensure a reliable and high-performance operation of the transmission system.
9. Thus, in order to avoid the disruption of operation and remain in compliance with its mandate under the EPIRA as the transmission operator, it is imperative that the provisional authority to implement the proposed CAPEX projects be immediately issued.
10. In support of this application, NGCP submits the Judicial Affidavit of *Engr. Michael R. Baylosis*, Officer-In-Charge Transmission Planning Manager of the Visayas System Planning Division of NGCP, attached as **Annex “B”**.



PRAYER

WHEREFORE, NGCP most respectfully prays this Honorable Commission to:

1. Immediately **ISSUE** an Order provisionally authorizing the implementation of the proposed CAPEX projects covered in this instant Application; and
2. **APPROVE**, after notice and hearing, the proposed CAPEX projects.

NGCP prays for other equitable relief.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the same is hereby set for the 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 2020,<sup>3</sup> dated 24 September 2020, and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>4</sup>

Date	Platform	Activity
<b>20 October 2022</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)	<b>Microsoft Teams Application</b>	Determination of compliance with jurisdictional requirements and Expository Presentation
<b>27 October 2022</b> (Thursday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and Presentation of Evidence

RELATIVE THERETO, NGCP 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

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<sup>3</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>4</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

publication to be made not later than ten (10) days before the date of the scheduled initial hearing;

- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governors, Mayors, and the Local Government Unit (LGU) legislative bodies within NGCP's regional offices for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within NGCP's regional offices, 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 reimbursement of reasonable photocopying costs.

**Within five (5) calendar days** prior to the date of the initial virtual hearing, Applicant must submit to the Commission via electronic mail (e-mail) at [doCKET@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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 affidavits 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 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 NGCP to inform the consumers affected 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, 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 proof of compliance with the requirements of the Commission.

Moreover, NGCP is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Offices of the Governors, Mayors and Local Legislative Bodies, and to submit proof of its posting thereof.

NGCP and all interested parties are also required to submit via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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, which should also be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

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

NGCP 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.

NGCP is hereby directed to file a copy of its Expository Presentation via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), **at least five (5) calendar days** prior to the scheduled virtual hearing. NGCP 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](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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.

NGCP 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 to Intervene or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available mode of service.



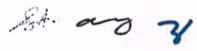
Finally, NGCP, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, through [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access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

**SO ORDERED.**

Pasig City, 06 September 2022.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**FLORESINDA G. BALDO-DIGAL**  
Commissioner 

  
LS: MND/ARG/MCCG

**COPY FURNISHED:**

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8. Office of the Sangguniang Panlungsod  
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10. Office of the Sangguniang Panlalawigan  
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11. Office of the City Mayor  
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13. Office of the Governor  
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14. Office of the Sangguniang Panlalawigan  
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15. Office of the City Mayor  
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16. Office of the Sangguniang Panlungsod  
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17. Office of the Governor  
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18. Office of the Sangguniang Panlalawigan  
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19. Office of the City Mayor  
Iligan City
20. Office of the Sangguniang Panlungsod  
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21. Office of the City Mayor  
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22. Office of the Sangguniang Panlungsod  
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26. Power Sector Assets and Liabilities Management Corporation (PSALM)  
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27. Regulatory Operations Service (ROS)  
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