

REPUBLIC OF THE PHILIPPINES  
**ENERGY REGULATORY COMMISSION**  
SAN MIGUEL AVENUE, PASIG CITY

IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF ELECTRIC AND  
NON-ELECTRIC CAPITAL  
PROJECTS FOR THE  
REGULATORY YEAR 2019

ERC CASE NO. 2019 - \_\_\_\_RC

ILIGAN LIGHT & POWER, INC.  
(ILPI),

Applicant.

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**APPLICATION**

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Applicant **ILIGAN LIGHT & POWER, INC.** (“ILPI”), through the undersigned counsel, and unto this Honorable Commission, most respectfully states: That –

1. Applicant ILPI is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Bro. Jeffrey Road, Pala-o, Iligan City where it may be served with summons and other legal processes.
2. Applicant ILPI is the exclusive franchise holder issued by the Congress of the Philippines to operate electric light and power service in the City of Iligan in the Province of Lanao del Norte.
3. ILPI is part of the Second Entry Group (otherwise known as “Group B”) that entered into the performance-based regulation (“PBR”) rate setting methodology on April 1, 2009. Other members of Group B are Mactan Electric Company, Inc. (MECO) and Cotabato Light and Power Company (CLPC).
4. As part of the PBR rate setting methodology, ILPI’s Second Regulatory Period was from April 1, 2009 to March 31, 2013.

5. Prior to the end of the Second Regulatory Period for the Second Entry Group, the Honorable Commission began the process of updating the Rules for Setting Distribution Wheeling Rates for Privately Owned Distribution Utilities (Second Entry Group) (the “RDWR”).

6. However, the revisions to the RDWR from the Third and Fourth Regulatory Periods and the resolution of certain issues identified under PBR by the Honorable Commission had not yet been completed by the time the Second Regulatory Period had ended on March 31, 2013.

7. Unfortunately, the revisions to the RDWR have not yet been finalized. Since the start of the regulatory reset process under PBR for Group B for the Third and Fourth Regulatory Periods has not yet begun and given the need by ILPI to undertake electric and non-electric capital projects in order to address the load growth, renewal, replacement, and refurbishment of existing distribution assets, ILPI is now filing this instant Application.

8. ILPI has several electric and non-electric capital projects planned for RY 2019 which are necessary to maintain the reliable and safe operation of its distribution network as well as to provide for the growing electricity demand in the ILPI franchise area.

9. Being guided by the latest Rules for Setting Distribution Wheeling Rates (RDWR), as amended, ILPI hereby submits for approval of this Honorable Commission the following electric and non-electric capital projects for RY 2019:

**CAPITAL PROJECTS  
(For the Regulatory Year 2019)**

No.	Proposed Project		Project Cost (PhP)		Reference
	Title	Type	Total		
1	Replacement of Three (3) Overton Feeders Protection Automatic Circuit Reclosers (ACRs) with 16 kAIC Ratings	Safety	4,285,714.28		Annex A
2	Sitio Pigtuliran Replacement of Poles Project	Safety	1,113,563.25		Annex B
3	Replacement of Substation Protection Devices for Safety Compliance Projects	Safety	4,538,312.00		Annex C
4	Replacement of Defective 69 kV Disconnect Switch	Safety	900,000.00		Annex D

5	Tambacan 13.8 kV Backbone Line Reconductoring	Capacity	1,819,945.82	Annex E
6	Customer Service Drops and Metering Equipment	Capacity	11,755,882.50	Annex F
7	Distribution Transformers	Capacity	8,148,264.00	Annex G
8	Low Voltage Distribution Lines	Capacity	2,307,250.00	Annex H
9	Installation of new meters	Capacity	12,527,666.07	Annex I
10	Poles	Capacity	8,759,246.00	Annex J
11	Line Construction Projects	Expansion	20,264,682.47	Annex K
12	13.8kV Backbone Loop Line of Kiwalan Feeder and Pala-o Feeder	Reliability Improvement	3,314,305.90	Annex L
13	Fault Indicator Installation for Fault Frequent Areas	Reliability Improvement	1,200,000.00	Annex M
14	Digkilaan Reconductoring Project	Reliability Improvement	2,142,068.26	Annex N
15	Streetlight Metering Project (Continuation of RY 2018 Project)	System Loss Reduction	2,733,625.00	Annex O
16	Meter Replacement Project	System Loss Reduction	12,654,870.04	Annex P
17	Land Improvements, Building Construction and Improvements and other Equipment	Service Efficiency	22,878,000.00	Annex Q
18	Vehicles	Service Efficiency	11,700,000.00	Annex R
19	Tools and Instruments for Maintenance and Operations	Service Efficiency	11,776,368.57	Annex S
20	SCADA Software Update	Service Efficiency	741,071.43	Annex T
21	Expansion of Wireless and Virtual Infrastructure	Service Efficiency	1,959,360.00	Annex U
22	Acquisition of IT Hardware Requirements	Service Efficiency	1,173,242.00	Annex V
23	Safety, Health and Wellness Projects	Service Efficiency	1,315,000.00	Annex W
<b>TOTAL PROJECT COST (PhP)</b>			<b>150,008,437.59</b>	

10. The proposed electric and non-electric capital projects will not have a direct impact on the current rates of ILPI until approved by the Honorable Commission as part of ILPI's Regulatory Asset Base in its next regulatory reset application under PBR.

11. A detailed description for each of the projects are attached hereto as part of the specific projects' annex and are made integral parts of this Application.

In support of this Application, the Applicant has attached the following supporting documents in connection with the projects:

<b>ANNEX</b>	<b>INFORMATION PROVIDED</b>
Annex 1	Executive Summary
Annex A	Replacement of Three (3) Overton Feeders Protection Automatic Circuit Reclosers (ACRs) with 16 kAIC Ratings
Annex B	Sitio Pigtuliran Replacement of Poles Project
Annex C	Replacement of Substation Protection Devices for Safety Compliance Projects
Annex D	Replacement of Defective 69 kV Disconnect Switch
Annex E	Tambacan 13.8kV Backbone Line Reconductoring
Annex F	Customer Service Drops and Metering Equipment
Annex G	Distribution Transformers
Annex H	Low Voltage Distribution Lines
Annex I	Installation of new meters
Annex J	Poles
Annex K	Line Construction Projects
Annex L	13.8kV Backbone Loop Line of Kiwalan Feeder and Pala-o Feeder
Annex M	Fault Indicator Installation for Fault Frequent Areas
Annex N	Digkilaan Reconductoring Project
Annex O	Streetlight Metering Project (Continuation of RY 2018 Project)
Annex P	Meter Replacement Project
Annex Q	Land Improvements, Building Construction and Improvements and Other Equipment
Annex R	Vehicles
Annex S	Tools and Instruments for Maintenance and Operations
Annex T	SCADA Software Update
Annex U	Expansion of Wireless and Virtual Infrastructure
Annex V	Acquisition of IT Hardware Requirements
Annex W	Safety, Health and Wellness Projects

12. The approval of the foregoing electric and non-electric capital projects will ensure that the customers of ILPI will be served continuously and reliably in accordance with the standards under the Philippine Distribution Code (PDC) and other regulatory obligations as well as the approved Performance Level Targets for ILPI's Performance Incentive Scheme (PIS) under PBR.

## **PRAYER**

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WHEREFORE, it is respectfully prayed that the Honorable Commission, after trial on the merits, issue a final approval of the following Capital Projects and that ILPI be granted the authority to implement, construct, own and operate the same:

1. Replacement of Three (3) Overton Feeders Protection Automatic Circuit Reclosers (ACRs) with 16 kAIC Ratings
2. Sitio Pigtuliran Replacement of Poles Project
3. Replacement of Substation Protection Devices for Safety Compliance Projects
4. Replacement of Defective 69 kV Disconnect Switch
5. Tambacan 13.8kV Backbone Line Reconductoring
6. Customer Service Drops and Metering Equipment
7. Distribution Transformers
8. Low Voltage Distribution Lines
9. Installation of new meters
10. Poles
11. Line Construction Projects
12. 13.8kV Backbone Loop Line of Kiwalan Feeder and Pala-o Feeder
13. Fault Indicator Installation for Fault Frequent Areas
14. Digkilaan Reconductoring Project
15. Streetlight Metering Project (Continuation of RY 2018 Project)
16. Meter Replacement Project

17. Land Improvements, Building Construction and Improvements and Other Equipment
18. Vehicles
19. Tools and Instruments for Maintenance and Operations
20. SCADA Software Update
21. Expansion of Wireless and Virtual Infrastructure
22. Acquisition of IT Hardware Requirements
23. Safety, Health and Wellness Projects

Applicant likewise prays for such other and further relief as may be deemed just and equitable in the premises.

Pasig City, January 31, 2019.

**QUIASON MAKALINTAL BAROT  
TORRES IBARRA SISON & DAMASO**

*Counsel for the Applicant*

21<sup>st</sup> Floor, Robinsons-Equitable Tower  
4 ADB Avenue corner Poveda Street  
1605 Ortigas Center, Pasig City  
Tel. No.: (632) 631-09-81 to 85

By:

**MANUEL L.M. TORRES**

ROLL OF ATTORNEYS NO. 25410  
MCLE COMPLIANCE NO. V-0013987; 4/14/2019  
PTR NO. 3897178; 1/10/2018  
PASIG CITY  
IBP NO. 020857; 1/04/2018  
QUEZON CITY

  
**MIGUEL K. MATHAY**

ROLL OF ATTORNEYS NO. 43982  
MCLE COMPLIANCE NO. VI-0010308; 4/14/2022  
PTR NO. 3897179; 1/10/2018  
PASIG CITY  
IBP NO. 020858; 1/04/2018  
RSM

  
**GIANNA MARIA C. COMSTI**

ROLL OF ATTORNEYS NO. 63071  
MCLE COMPLIANCE NO. VI-0011515; 4/14/2022  
PTR NO. 3897411; 1/19/2018  
PASIG CITY  
IBP NO. 020865; 1/04/2018  
RSM

**VERIFICATION / CERTIFICATION**

I, **RALPH B. CASIÑO**, of legal age, Filipino and with office address at Bro. Jeffrey Road, Pala-o, Iligan City, after having been duly sworn in accordance with law, hereby deposes and states: That -

1. I am the President of Iligan Light & Power, Inc. (ILPI), who had caused the preparation of the foregoing Application.
2. The allegations set forth therein are true and correct based on my own personal knowledge and/or on the authentic records of ILPI.
3. ILPI has not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other tribunal or agency; to the best of their knowledge, no such action or proceeding is pending in the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency, which involve issues that may somehow be related to those in this Application; and that, if they should learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other tribunal or agency, they undertake to promptly inform this Honorable Court within five (5) days therefrom.

  
**RALPH B. CASIÑO**  
Affiant

SUBSCRIBED AND SWORN to before me this 4<sup>th</sup> day of FEBRUARY 2019 at ILIGAN CITY. Affiant who is personally known to me, exhibited to me his Community Tax Certificate (CTC) with CTC No. 04977684 issued at Luinab, Iligan City on January 16, 2019, as competent evidence of identity.

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Book No. 1  
Series of 2019.

**CONCORDIO Y BAGUIO,**  
NOTARY PUBLIC  
NOTARIAL COMMISSION EXPIRES UNTIL DECEMBER 31, 2020  
PTR NO. 2004241