

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
JADE DRIVE, PASIG CITY

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF ELECTRIC AND
NON-ELECTRIC CAPITAL
PROJECTS FOR THE
REGULATORY YEAR 2023 (RY
2023),

2024-004 RC
ERC CASE NO. 2023 - ____ RC
January 09, 2024

ANGELES ELECTRIC
CORPORATION (AEC),
Applicant.

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APPLICATION

Applicant **ANGELES ELECTRIC CORPORATION** (“AEC”), through the undersigned counsel, and unto this Honorable Commission, most respectfully states: That –

1. Applicant AEC is a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at Don Juan Nepomuceno corner Doña Teresa Street, Nepo Mart Complex, Angeles City, Pampanga, where it may be served with summons and other legal processes. AEC is represented here by its President, Maria Rita Josefina V. Chua.

2. Applicant AEC is the exclusive franchise holder issued by the Congress of the Philippines to distribute electricity in Angeles City, Pampanga.

3. AEC is part of the Fourth Entry Group (otherwise known as “Group D”) that entered into the performance-based regulation (“PBR”) rate setting methodology on July 6, 2011. Other members of Group D are Clark Electric Distribution Corporation (“CEDC”), Davao Light and Power Company (“DLPC”), Panay Electric Company (“PECO”), Subic Enerzone Corporation (“SEC”), and San Fernando Electric Light and Power Company (“SFELAPCO”).

4. As part of the PBR rate setting methodology, AEC's Fourth Regulatory Period was from October 1, 2019 to September 30, 2023.

5. Given the need by AEC to undertake network and non-network capital projects in order to address the load growth, as well as the replacement and refurbishment of existing distribution assets, AEC is now filing this instant Application.

6. AEC has several network and non-network capital projects planned for RY 2023 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 AEC franchise area.

7. Being guided by the latest Rules for Setting Distribution Wheeling Rates (RDWR), as amended, AEC hereby submits for approval of this Honorable Commission the following electric and non-electric capital projects for RY 2023:

**SUMMARY OF CAPITAL PROJECTS
FOR REGULATORY YEAR 2023**

			RY 2023
Network Capex			
	Description		Estimated Cost
A.1	Purchase of Various Substation Equipment		14,475,000.00
Sub-total			P 14,475,000.00
Other Network Capex			
	Description		Estimated Cost
B.1	Procurement of Pole-Mounted Distribution Transformers		50,154,491.07
B.2	Procurement of Overhead Conductors and Devices		32,478,335.31
B.3	Procurement of Poles, Towers and Fixtures		14,968,660.78
B.4	Procurement of Kilowatthour Meters and Current Transformers		23,129,357.14
Sub-total			P 120,730,844.30
Non-Network Capex			
	Description		Estimated Cost
C.1	Installation of 99.60 kWp Solar PV System		4,659,777.00

	on Roof of AEC Main Office Building		
C.2	Installation of 20.90 kWp Solar PV System on Roof of Petersville Substation		1,029,888.39
C.3	Purchase of Transportation Equipment		1,298,214.28
C.4	Procurement of Information Technology Equipment and Software		6,936,524.11
C.5	Purchase of Meter Test Equipment		2,528,569.64
C.6	Purchase of Power Quality Analyzers		562,791.68
C.7	Structures and Improvements		21,234,542.93
	i. Ground Floor AEC Office Extension	7,588,168.88	
	ii. Two-Storey AEC Office & Storage Building	11,008,168.88	
	iii. Construction of Various Works at Pampang Substation	1,415,457.95	
	iv. Main Office Right Side Fence Relocation	1,222,747.22	
C.8	Office Furniture and Equipment		1,108,688.40
Sub-total			P39,358,996.43
Grand Total			P174,564,840.73

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

9. 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:

ANNEX	INFORMATION PROVIDED
Annex 1A	Single-Line Diagram - 69 kV System
Annex 1B	Single-Line Diagram - Petersville Substation
Annex 1C	Single-Line Diagram - Calibu Substation
Annex 1D	Single-Line Diagram - Milenyo Substation
Annex 1E	Single-Line Diagram - Pampang Substation
Annex 1F	Single-Line Diagram - Nepo Center Substation
Annex 2	2023-32 DDP Forecasts
Annex 3	Substation Loads Forecast
Annex 4	Proposed Gantt Charts for 13.8 kV reconductoring Projects
Annex 5	Historical and Forecasted Conductor Sizes Used
Annex 6	Historical and Forecasted Reliability Indices
Annex 7	Historical and Forecasted Poles in Service
Annex 8	Rate Impact - Capex RY2023
Annex 9	Executive Summary
Annex 10	2023-32 AEC Distribution Development Plan
A.1.1	Quotation for Power Circuit Breakers
A.1.2	Purchase Documents, Power Circuit Breakers
A.1.3	Quotation for Switch Disconnects
A.1.4	Purchase Order, Switch Disconnects
A.1.5	Quotation for Surge Arresters and Voltage Transformers
A.1.6	Purchase Order, Surge Arresters, and Voltage Transformers
A.1.7	Incident Report - Substation Meters
A.1.8.	Quotation for Substation Meters
A.1.9	Purchase Documents, Substation Meters
A.1.10	Gantt Charts
A.1.11	Cost Analysis
B.1.1	DT Requirements Computation
B.1.2	Inventory of Overloaded Transformers
B.1.3	Worksheet on 15% Buffer Justification
B.1.4	Quotation, RY 2023 DT
B.1.5	Purchase Order, RY 2023 DT
B.1.6	Gantt Chart
B.1.7	Cost Analysis
B.2.1	Sample Purchase Documents

B.2.2	Gantt Chart
B.2.3	Cost Analysis
B.3.1	Sample Purchase Documents
B.3.2	Gantt Chart
B.3.3	Cost Analysis
B.4.1	Historical Data
B.4.2	Inventory of Defective Meters
B.4.3	Quotation (Lin Man Power Technology)
B.4.4	Quotation (Pazifik Power)
B.4.5	Projected Contestable and GEOP Customers
B.4.6	Specifications of the Proposed Current Transformers
B.4.7	Purchase Documents
B.4.8	Gantt Chart
B.4.9	Cost Analysis
C.1.1	Quotation for Main Bldg Solar PV
C.1.2	Specifications and Layout of Proposed Solar PV on AEC Main Office Building
C.1.3	Simulation – Cost Benefit Analysis
C.1.4	Main Building Monthly Energy and Peak Demand
C.1.5	Return on Investment - Simulation
C.1.6	Gantt Chart
C.1.7	Cost Analysis
C.2.1	Quotations for Petersville Solar PV
C.2.2	Specifications and Layout of Proposed Solar PV in Petersville
C.2.3	Simulation – Cost Benefit Analysis
C.2.4	Petersville Monthly Energy and Peak Demand
C.2.5	Return on Investment - Simulation
C.2.6	Gantt Chart
C.2.7	Cost Analysis
C.3.1	Quotation for Proposed Toyota Lite Ace 1.5L FX MT
C.3.2	Purchase Documents
C.3.3	Gantt Chart
C.3.4	Cost Analysis
C.4.1	Quotation for Additional Network Switches
C.4.2	Purchase Documents, Network Switches
C.4.3	Actual Purchases – Computer Sets, etc.
C.4.4	Purchase Documents, Computer Sets, etc.
C.4.5	Commercial Proposal for Mail Inserting Machine
C.4.6	Purchase Documents, Mail Inserting Machine

C.4.7	Proposal for Network Box
C.4.8	Purchase Order, Network Box
C.4.9	Gantt Chart
C.4.10	Cost Analysis
C.5.1	Detailed Description of the Proposed Meter Test Equipment
C.5.2	Purchase Order
C.5.3	Gantt Chart
C.5.4	Cost Analysis
C.6.1	Quotation for Proposed Power Quality Analyzers
C.6.2	Quotation from Another Supplier
C.6.3	Description of Proposed Yokogawa PQ Analyzer
C.6.4	Sales Invoice
C.6.5	Gantt Chart
C.6.6	Cost Analysis
C.7.1	Cost Estimate, Ground Floor AEC Office Extension - Proposed
C.7.2	Cost Estimate, Ground Floor AEC Office Extension - Other Bidder
C.7.3	Layout, Ground Floor AEC Office Extension
C.7.4	Cost Estimate, Two-Storey AEC Office & Storage Building_Proposed
C.7.5	Cost Estimate, Two-Storey AEC Office & Storage Building_Other Bidder
C.7.6	Perspective, Two-Storey AEC Office & Storage Building
C.7.7	Floor Plan, Two-Storey AEC Office & Storage Building
C.7.8	Letter-Communication of Rockwell Nepo Devt Corp
C.7.9	Cost Estimate, Construction of Various Works at Pampang Substation - Proposed
C.7.10	Cost Estimate, Construction of Various Works at Pampang Substation - Other Bidder
C.7.11	Pampang Substation - Roofing Design
C.7.12	Cost Estimate, Main Office Right Side Fence Relocation - Proposed
C.7.13	Cost Estimate, Main Office Right Side Fence Relocation - Other Bidder
C.7.14	Actual Cost P.O.s and O.R.s, Main Office Right Side Fence Relocation
C.7.15	Cost Analysis

C.7.16	Proposed Gantt Chart – Ground Floor AEC Office Extension
C.7.17	Proposed Gantt Chart – Two-Storey AEC Office and Storage Building
C.7.18	Gantt Chart – Construction of Various Works at Pampang Station
C.7.19	Cost Analysis
C.8.1	Bill of Quantities
C.8.2	Quotation - ABServe
C.8.3	Sample Old ACU Maintenance Assessment and Recommendation
C.8.4	Gantt Chart
C.8.5	Cost Analysis

10. The approval of the foregoing network and non-network capital projects will ensure that the customers of AEC 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 AEC's Performance Incentive Scheme (PIS) under PBR.

PRAYER

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 AEC be granted the authority to implement, construct, own and/or operate the same:

1. Purchase of Various Substation Equipment
2. Procurement of Pole-Mounted Distribution Transformers
3. Procurement of Overhead Conductors and Devices
4. Procurement of Poles, Towers and Fixtures
5. Procurement of Kilowatthour Meters and Current Transformers
6. Installation of 99.60 kWp Solar PV Systems at AEC Main Office
7. Installation of 20.90 kWp Solar PV Systems at Petersville Substation
8. Purchase of Transportation Equipment

9. Procurement of Information Technology Equipment and Software
10. Purchase of Meter Test Equipment
11. Purchase of Power Quality Analyzers
12. Structures and Improvements
 - a. Ground Floor AEC Office Extension
 - b. Two-Storey AEC Office & Storage Building
 - c. Construction of Various Works at Pampang Substation
 - d. Main Office Right Side Fence Relocation
13. Office Furniture and Equipment

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

Pasig City, December 4, 2023.

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

Counsel for Applicant

21st Floor, Robinsons-Equitable Tower
4 ADB Avenue corner Poveda Street
1605 Ortigas Center, Pasig City
Tel. No.: (632) 8631-09-81 to 85
qmbti@qmbti.com

By:

MANUEL L.M. TORRES
ROLL OF ATTORNEYS NO. 25410
MCLE COMPLIANCE NO. VI-0013645; 4/14/2022
PTR NO. 0173069; 01/05/2023
PASIG CITY
IBP NO. 260954; 01/05/2023
QUEZON CITY

Miguel K. Mathay

MIGUEL K. MATHAY

ROLL OF ATTORNEYS NO. 43982

MCLE COMPLIANCE NO. VI-0010308; 4/14/2022

PTR NO. 0173065; 01/05/2023

PASIG CITY

IBP NO. 260955; 01/05/2023

RIZAL (RSM)

Rem Joshua T. Serrano

REM JOSHUA T. SERRANO

ROLL OF ATTORNEYS NO. 77963

ADMITTED TO THE BAR ON MAY 11, 2022

PTR NO. 0173111; 01/06/2023

PASIG CITY

IBP NO. 260964; 01/05/2023

RIZAL (RSM)

Beatriz Raine L. Bayudan

BEATRIZ RAINE L. BAYUDAN

ROLL OF ATTORNEYS NO. 77792

ADMITTED TO THE BAR MAY 10, 2022

PTR NO. 0173112; 01/06/2023

PASIG CITY

IBP NO. 260965; 01/05/2023

RIZAL (RSM)

**VERIFICATION & CERTIFICATION
AGAINST FORUM SHOPPING**

I, **MA. RITA JOSEFINA V. CHUA**, of legal age, Filipino, with office address at Don Juan Nepomuceno corner Doña Teresa Street, Nepo Mart Complex, Angeles City, Pampanga after having been duly sworn to in accordance with law, hereby depose and state:

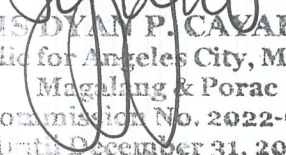
1. I am the President of **ANGELES ELECTRIC CORPORATION** (“AEC”), the Applicant in the above-captioned case;
2. I have caused the preparation of the foregoing Application;
3. I have read the same and all allegations contained herein are true and correct of my personal knowledge and based on authentic records and/or documents;
4. The foregoing Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
5. The factual allegations in the foregoing Application have evidentiary support, or if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;
6. I certify that Applicant has not commenced any other action, claim for relief or proceeding involving the same issues in the Supreme Court, the Court of Appeals, or any other court, tribunal or quasi-judicial agency; and to the best of my knowledge, no such other action, claim or proceeding is pending; and that, if I should learn that a same or similar action, claim or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different Divisions thereof, or any other court, tribunal or quasi-judicial agency, I undertake to promptly inform this Honorable Commission within five (5) calendar days therefrom.


MA. RITA JOSEFINA V. CHUA
Affiant
DEC 01 2023

SUBSCRIBED AND SWORN to before me this ___ day of ___ 2023 at **CITY OF ANGELES** affiant is known to me and exhibited to me her Competent Evidence of Identity as follows:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date/Place Issued</u>
Ma. Rita Josefina V. Chua	Driver’s License No. C10-85-004751 <i>VALID UNTIL 12/19/2031</i>	December 14, 2021 Angeles City

Doc. No. 2074;
Page No. 98;
Book No. 32;
Series of 2023.


KRIS DYAN P. CAYABYAB
Notary Public for Angeles City, Mabalacat City,
Magalang & Porac
Commission No. 2022-999
Until December 31, 2024
Attorney’s Roll No. 61559
PTR No. AC-1883692/01.03.23
IBP No. 241170/12.01.22/Pasig
Cayabyab Law Office, Rm. 201 UNO Bldg.,
Miranda St., Sto. Rosario, A.C.

SECRETARY'S CERTIFICATE

I, **BENEDICT R. TUGONON**, of legal age, Filipino, with office address at 21st Floor Robinsons Equitable Tower, ADB Ave., corner Poveda Street, Ortigas Center, Pasig City, after being duly sworn in accordance with law, depose and state: That –

1. I am the duly elected and qualified Corporate Secretary of Angeles Electric Corporation (the “Corporation”), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Don Juan D. Nepomuceno Avenue corner Teresa Avenue, Nepo Center, Angeles City;

2. At the Special Meeting of the Board of Directors of the Corporation duly held and convened on October 4, 2023, which meeting a quorum was present and acted throughout, the following resolutions were approved, and the same are in full force and effect on the date hereof:

RESOLVED, that Angeles Electric Corporation (AEC) (the “Corporation”) does hereby authorize the filing and presenting of an Application before the Energy Regulatory Commission for the approval of AEC’s Capital Expenditure (CAPEX) Program for Regulatory Year 2023 at the estimated project cost of Php 174,564,840.73 and that the funds therefore be appropriated from its retained earnings;

RESOLVED FURTHER, that the Corporation names, constitutes and appoints as it hereby does, the **Law Firm of Quiason Makalintal Barot Torres Ibarra Sison & Damaso** or any of its lawyers to represent the Corporation in the said case or any other cases, actions or proceedings, and to file for and on behalf of the Corporation such cases and/or petitions for the Corporation, as may be necessary before the Energy Regulatory Commission, the Court of Appeals, the Supreme Court and/or such appropriate action or actions before the proper courts of justice or administrative bodies in the Philippines, and to represent the Corporation in all proceeding and stage of the aforesaid cases or actions with powers to enter into an agreement to submit any of the said cases or actions to any of the alternatives modes of dispute resolution, including the execution of an agreement to mediate, and to offer, negotiate, accept, decide, and enter into a compromise agreement or settlement, without need of further authorization by the Corporation;

RESOLVED FURTHER, that in connection therewith, Maria Rita Josefina V. Chua, President, is hereby authorized to sign, execute and deliver on behalf of the Corporation the Special Power of Attorney in favor of the **Law Firm of Quiason Makalintal Barot Torres Ibarra Sison & Damaso** or any of its lawyers, and to sign, execute and deliver all documents, instruments, deeds, and forms, including, but not limited to, the necessary pleading, petitions, motions, verifications, affidavits of merit, certificates of non-forum shopping, as well as to do any and all acts, as may be proper and necessary to give force and effect to the foregoing Resolution.

3. The foregoing resolutions are not contrary to the By-laws of the Corporation and are in full force and effect to this day.

NOV 30 2023

IN WITNESS WHEREOF, I have hereunto set my hand this _____ at
Angeles City



BENEDICT R. TUGONON
Corporate Secretary

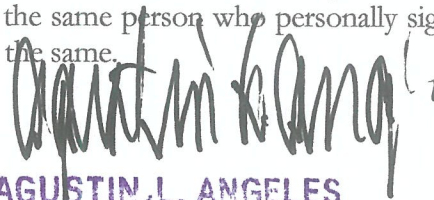
ATTESTED:



MARIA RITA JOSEFINA V. CHUA
President

NOV 30 2023

SUBSCRIBED AND SWORN to before me this _____ at Angeles City, affiant
having exhibited to me his Driver's License No. N02-92-183265 valid until February 18, 2024, who has
satisfactorily proven to me his above identity that he is the same person who personally signed before
me the foregoing Secretary's Certificate that he executed the same.



AGUSTIN L. ANGELES
NOTARY PUBLIC - ANGELES CITY
Roll No. 41072, Vol No. XVII, Page 215
PTR No. AC-1886437 / 1-05-2023
IBP LRN No. 00772 / 12-28-96 Pampanga
Until December 31, 2025
Comm. No. 2023-1038
MCLE Compliance No. VII-0008938 02-11-22
256 Sto. Rosario St., San Jose, Angeles City

Doc. No. 2090;
Page No. 12;
Book No. XXXXV
Series of 2023.