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

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE SALE OF VARIOUS SUB-TRANSMISSION LINES/ASSETS OF THE NATIONAL TRANSMISSION CORPORATION (TRANSCO) TO PENINSULA ELECTRIC COOPERATIVE, INC. (PENELCO), AS COVERED BY A CONTRACT TO SELL DATED 13 OCTOBER 2020

ERC CASE No. 2020-____ RC

NATIONAL TRANSMISSION CORPORATION (TRANSCO) AND PENINSULA ELECTRIC COOPERATIVE, INC. (PENELCO),

Applicants.

X-----------------------------------x

JOINT APPLICATION

Applicants, NATIONAL TRANSMISSION CORPORATION (TransCo) and PENINSULA ELECTRIC COOPERATIVE, INC. (PENELCO), through their respective counsel, and to this Honorable Commission most respectfully aver that:

1. TransCo is a government-owned and controlled corporation (GOCC) created and existing by virtue of R.A. No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), with principal office address at the TransCo Main Building, Quezon Avenue corner BIR Road, Diliman, Quezon City.

2. PENELCO is an electric cooperative (EC) duly organized and existing under the laws of the Republic of the Philippines, with principal office address in Balanga City, Bataan, Philippines.

3. By virtue of Section 8 of the EPIRA, TransCo assumed the electrical transmission functions of the National Power Corporation, and the responsibility of the latter for the planning, construction and
centralized operation and maintenance of high voltage transmission facilities, including grid interconnections and ancillary services.

4. Section 8 of the EPIRA and Rule 6, Section 8(e) of the EPIRA’s Implementing Rules and Regulations (IRR) also mandate the segregation of the transmission and sub-transmission functions and assets for transparency and disposal, and authorize TransCo to negotiate for, and to transfer such sub-transmission assets (STAs) and facilities to qualified distribution utilities (DUs).

5. Pursuant thereto, this Honorable Commission promulgated the “Guidelines on the Sale and Transfer of the TransCo’s Sub-transmission Assets and the Franchising of Qualified Consortiums” (ERC Guidelines) dated 17 October 2003, as amended by Resolution No. 3, Series of 2005 dated 17 March 2005 which set forth, among others, the standards to distinguish TransCo’s transmission assets from its sub-transmission assets and establish the approval process prior to the final sale and transfer of sub-transmission assets to qualified DUs.


7. On 16 July 2011, this Honorable Commission issued Resolution No. 15, Series of 2011 entitled “A Resolution Adopting the Amended Rules for the Approval of the Sale and Transfer of TransCo’s Sub-transmission Assets and the Acquisition by Qualified Consortiums.”

8. In accordance with the aforesaid ERC Guidelines, and based on a thorough evaluation conducted by TransCo, it was determined that the Limay (BTPP) - Planters 69 kV Line is a sub-transmission asset. Likewise, PENELCO is the only qualified DU that is connected thereto.

Copies of the Report regarding the nature of the asset, List of STA/s for Sale to PENELCO and the Single Line Diagram are attached as Annexes “D”, “E” and “F,” respectively.

9. On 22 May 2020, the PENELCO Board of Directors issued Board Resolution No. 1228, Series of 2020 (Annex “G”), for the acquisition of the aforesaid line by PENELCO, and the authorization of Board President Fernando P. Manalili and/or the PENELCO General Manager, Engr. Loreto
A. Marcelino to sign all documents related to the acquisition for an on behalf of PENELCO.

10. On 13 October 2020, TransCo and PENELCO concluded a Contract to Sell (Annex “H”) covering the Limay (BTPP) - Planters 69 kV Line for the amount of Four Million Three Hundred Twenty Thousand Six Hundred Ten Pesos and Fifty-Six Centavos, Philippine currency (PhP4,320,610.56), based on the rolled-forward values of the SKM Valuation (Annex “I”) for the second regulatory period, and inclusive of the twelve percent value-added tax (12% VAT).

11. TransCo has clearly established PENELCO satisfies the financial and technical capability criteria under Article IV of the ERC Guidelines in acquiring, operating, maintaining, upgrading and expanding the subject sub-transmission asset.

12. In support of the above allegations, applicants also hereby jointly submit the following relevant documents:


   b. Technical Qualification Evaluation of PENELCO (Annex “K”);


   d. Draft Deed of Absolute Sale (Annex “M”);

   e. Franchise Description (Annex “N”); and

   f. List of Connected DUs and Directly Connected Entities (Annex “O”).

13. The proposed sale has satisfied all of the requirements and criteria set by the EPIRA and its IRR, as well as the ERC and TransCo’s Guidelines on the Sale of Sub-transmission Assets.

14. The approval by this Honorable Commission of the instant Joint Application shall pave the way for the attainment of a reformed electricity industry under the EPIRA, which would ultimately best serve the interests of the consuming public.
PRAYER

WHEREFORE, it is most respectfully prayed of this Honorable Commission that after due notice and hearing, a Decision be rendered APPROVING the sale of Limay (BTPP) - Planters 69 kV Line for the amount of Four Million Three Hundred Twenty Thousand Six Hundred Ten Pesos and Fifty-Six Centavos, Philippine currency (PhP4,320,610.56), in favor of Peninsula Electric Cooperative, Inc. under the terms provided in the Contract to Sell dated 13 October 2020.

Applicants also pray for other just and equitable relief.

Quezon City and Balanga City, Bataan, for Pasig City, 10 December 2020.
NATIONAL TRANSMISSION CORPORATION
Transco Main Bldg., Quezon Avenue cor. BIR Road
Diliman, 1101 Quezon City
Tel No. 902-1500
OVP-Legal@transco.ph

By:

NOEL Z. DE LEON
General Counsel
Roll of Attorneys 36660, April 1990
IBP No. 104281, 08 January 2020, Quezon City
MCLE Compliance VI-0026339, 08 May 2019

LEON T. TAPEL, JR.
Deputy Legal Counsel
Roll of Attorneys 34555, May 30, 1987
IBP No. 104282, 08 January 2020, PPLM
MCLE Compliance VI-0024894, 17 April 2019

DONNA L. CALOZA-ALERIA
Manager, Corporate Legal Services Department
Roll of Attorneys 44968
IBP 07254 (Lifetime), La Union
MCLE Compliance No. VI-008473, 14 April 2018

ANA FRANCESCACA A. REYES
Corporate Attorney, Corporate Legal Services Department
Roll of Attorneys 63235, May 2014
IBP No. 108534, 08 January 2020, Quezon City
MCLE Compliance No. VI-0020151, 06 March 2019
PENINSULA ELECTRIC COOPERATIVE, INC. (PENELCO)
(Co-Applicant)

By:

SANCIO & MORENO ATTORNEYS-AT-LAW
Unit 203 STG Building, 190 P. Tuazon Blvd.
Araneta City (formerly Araneta Center),
Quezon City 1605
Tel. No. (632) 8709-3097
Email: info@smlawfirm.org

JOSE JESUS P. MORENO
IBP No. 010496 (Lifetime)/01-20-12
PTR No. 3733401/01-02-20/Muntinlupa City
Roll No. 42980
MCLE Compliance No. VI-0017756/13-02-19
jmoreno@smlawfirm.org
VERIFICATION and CERTIFICATION
of NON-FORUM SHOPPING

I, ATTY. MELVIN A. MATIBAG, of legal age, Filipino, and with
principal office address at the National Transmission Corporation
(TransCo), TransCo Main Building, Quezon Avenue corner BIR Road,
Diliman, Quezon City, after having been duly sworn in accordance with
law, do hereby depose and state:

1. I am TransCo’s President and Chief Executive Officer, who is
authorized to represent it in this Joint Application as per the attached
relevant section of TransCo’s Manual of Approvals (Annex “P”).

2. I have caused the preparation of the instant Joint Application
and read the contents thereof, and I attest that the allegations herein
contained are true and correct based on my personal knowledge and on
authentic records.

3. TransCo has not commenced any other action or proceeding
involving the same issues in the Supreme Court, the Court of Appeals or
any court, tribunal, or quasi-judicial agency and, to the best of my
knowledge, no such other action or claim is pending therein.

4. Should I hereinafter learn that the same or a similar action or
claim has been filed or is pending in the Supreme Court, the Court of
Appeals or any court, tribunal, or quasi-judicial agency, I shall report said
fact within five (5) days from discovery thereof to this Honorable
Commission.

[Signature]
ATTY. MELVIN A. MATIBAG
Affiant

SUBSCRIBED AND SWORN to before me this ___ day of October
2020 at TransCo, Quezon City. Affiant exhibited to me his I.D No.
DFA MANILA issued in on __________ which bears his picture and signature.

Doc. No. 392; Page No. 72; Book No. 1; Series of 2020.
VERIFICATION and CERTIFICATION
of NON-FORUM SHOPPING

I, LORETO A. MARCELINO, Filipino, of legal age, and with office
address at Peninsula Electric Cooperative (PENELCO), Balanga City,
Bataan, Philippines, after having been duly sworn in accordance with law,
do hereby depose and state that:

1. I am the General Manager and authorized representative of
PENELCO, a co-applicant in this Joint Application, as evidenced by the
attached PENELCO Board Resolution.

2. I have caused the preparation of the instant Joint Application and
read the contents thereof, and I attest that the allegations herein contained
are true and correct based on my personal knowledge and on authentic
records of PENELCO.

3. PENELCO has not commenced any other action or proceeding
involving the same issues in the Supreme Court, the Court of Appeals or any
court, tribunal, or quasi-judicial agency and, to the best of my knowledge,
nosuchotheractionorclaimispendingtherein.

4. Should I hereinafter learn that the same or a similar action or claim
has been filed or is pending in the Supreme Court, the Court of Appeals or
any court, tribunal, or quasi-judicial agency, I shall report said fact within
five (5) days from discovery thereof to this Honorable Commission.

LORETO A. MARCELINO
Affiant

SUBSCRIBED AND SWORN to before me this 20th day of December
2020 at BALANGA CITY, BATAAN, Affiant exhibited to me his valid I.D. No.
issued at BALANGA CITY, BATAAN, which bears his picture and signature.

NOTARY PUBLIC

Doc. No. 52 ;
Page No. 5 ;
Book No. XWN ;
Series of 2020.